



## REGULAR MEETING

of the California Horse Racing Board will be held on, Tuesday, August 19, 2008, commencing at 10:00 a.m., at the Del Mar Surfside Race Place, (Downstairs General Admission Area) 2260 Jimmy Durante Blvd., Del Mar, California.

The audio portion only of the California Horse Racing Board regular meeting will be available online through a link at the CHRB website ([www.chrb.ca.gov](http://www.chrb.ca.gov)) under "Webcasts."

### AGENDA

#### Action Items:

1. Approval of the **minutes of the regular meeting of June 27, 2008.**
2. Approval of the **minutes of the regular meeting of July 17, 2008.**
3. Discussion and action by the Board regarding a) **reallocation of September 17, 2008 through December 21, 2008 race dates from Golden Gate Fields to the Los Angeles Turf Club** and b) **the Application to Conduct a Horse Racing Meeting of the Los Angeles Turf Club (T) at Golden Gate Fields**, commencing September 17, 2008 through December 21, 2008, inclusive.
4. 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 24, 2008 through October 26, 2008, inclusive.
5. Discussion and action by the Board on the **Application for License to Conduct a Horse Racing Meeting of the Big Fresno Fair (F) at Fresno**, commencing October 1, 2008 through October 13, 2008, inclusive.
6. Public hearing and action by the Board on the **proposed amendment of CHRB Rule 1481, Occupational Licenses and Fees, Rule 1486, Term of License, and the addition of CHRB Rule 1504.5, Provisional Exercise Rider**, to initiate a Provisional Exercise Rider program, to provide a training program to allow aspiring exercise riders to gain experience before becoming licensed exercise riders.

7. Public hearing and action by the Board on the **proposed amendment of CHRB Rule 1505, Qualifications for License as Horse Owner**, to permit a horse owner whose license has expired to qualify for renewal of the license even if they are not an owner of a properly registered racehorse which is in the care of a licensed trainer at the time of renewal.
8. Public hearing and action by the Board on the **proposed amendment of CHRB Rule 1606, Coupling of Horses**, to allow the uncoupling of thoroughbred horses if the horses are owned by different partnerships with at least one owner in common, but whose ownership is not a "mirror" image, and the horses are trained by different trainers.
9. Discussion and action by the Board on the following **proposed waivers of CHRB Rules for the 2008 Breeders' Cup**.
  - A. **Rule 1481, Occupational Licenses and Fees**, to issue a special 120-day license to expire 12/31/08 for the sole purpose of participating in the 2008 Breeders' Cup, for 1/3<sup>rd</sup> of the fee for that licenses classification.
  - B. **Rule 1554, Duties of Horse Identifier**, to allow foreign horses to race without an identification tattoo.
  - C. **Rule 1693, Control of Horses and Jockeys on entering the Track**, to allow human attendants to escort horses onto the track until the finish of the post parade and, if requested, that those attendants be allowed to be present at the starting gate.
  - D. **Rule 1685, Equipment Required**, to allow any European jockey to carry the approved European Flat Whip as specified by the BHA – Whip Specifications Rule 149 (ii).
10. Discussion and action by the Board on the proposal to **add Rule 2066, Minisatellite Wagering**, to allow for approval of an additional 15 minisatellite wagering facilities per racing zone as authorized by Business and Professions Code section 19605.25.
11. Discussion and action by the Board regarding the update **on the legislative bills concerning California's horseracing industry**.
12. Discussion by the Board regarding **Sacramento Harness Association's uncashed tickets and the amount of money generated to the California Harness Horsemen Association (CHHA), from these uncashed tickets for the subsidized funding of CHHA's backstretch and welfare insurance program**.
13. Discussion and action by the Board on the **distribution of race day charity proceeds of the Bay Meadows Racing Association in the amount of \$33,360 to four beneficiaries**.
14. Staff report on the **concluded race meeting of the Los Angeles Turf Club at Santa Anita from December 26, 2007 through April 20, 2008**.
15. Report to and discussion by the Board on **policy and regulations related to the redistribution of purses as a result of post-race positive medication violations**.

16. **Public Comment:** Communications, reports, requests for future actions of the Board.  
**Note:** Persons addressing the Board under this item will be restricted to **three (3) minutes** for their presentation.
  
17. **Closed Session:** For the purpose of receiving advice from counsel, considering pending litigation, reaching decisions on administrative licensing and disciplinary hearings, and personnel matters, as authorized by Section 11126 of the Government Code.
  - A. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending litigation described in the attachment to this agenda captioned "Pending Litigation," as authorized by Government Code section 11126(e).
  - B. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending administrative licensing or disciplinary matters described in the attachment to this agenda captioned "Pending Administrative Adjudications," as authorized by Government Code section 11126(e).

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

**CALIFORNIA HORSE RACING BOARD**

Richard B. Shapiro, Chairman  
John C. Harris, Vice Chairman  
John Andreini, Member  
Jesse H. Choper, Member  
Bo Derek, Member  
David Israel, Member  
Jerry Moss, Member  
Kirk E. Breed, Executive Director

PROCEEDINGS of the Regular Meeting of the California Horse Racing Board held at the Alameda County Fair, 4501 Pleasanton Avenue, Pleasanton, California, on June 27, 2008.

Present: Richard B. Shapiro, Chairman  
John C. Harris, Vice-Chairman  
John Andreini, Member  
Jesse H. Choper, Member  
Jerry Moss, Member  
Kirk E. Breed, Executive Director  
Robert Miller, Staff Counsel

## MINUTES

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Chairman Shapiro asked for approval of the minutes of the Regular Meeting of May 20, 2008.

Vice-Chairman Harris stated on page 2 of the minutes it was incorrectly reported that \$126 million would be raised by a requested increase in the racing fair takeout. The correct amount would be \$1.26 million. Commissioner Andreini motioned to approve the minutes as amended. Commissioner Moss seconded the motion, which was unanimously carried.

**DISCUSSION AND ACTION BY THE BOARD ON THE REQUEST FROM THE CALIFORNIA AUTHORITY OF RACING FAIRS AND ITS PARTICIPATING FAIRS, WHOSE SUBSEQUENT APPLICATIONS TO CONDUCT A HORSE RACING MEETING WILL REFLECT SUCH REQUEST, TO INCREASE THE TAKEOUT AN ADDITIONAL ONE PERCENT PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTION 19601.4.**

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Chairman Shapiro said the item was deferred.

DISCUSSION AND ACTION BY THE BOARD ON THE REQUEST FROM THE LOS ANGELES COUNTY FAIR AT FAIRPLEX TO INCREASE THE TAKEOUT AN ADDITIONAL ONE PERCENT PURSUANT TO BUSINESS AND PROFESSION CODE SECTION 19601.4 FOR THE 2008 FAIRPLEX PARK RACE MEETING AT THE LOS ANGELES COUNTY FAIR.

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Chairman Shapiro said the item was deferred. He commented the deferral of items two and three on the agenda did not signify they were unimportant. There were concerns as to whether the additional one percent takeout, as allowed under the law, would actually be used to improve the Alameda County Fair (ACF) and Los Angeles County Fair (Fairplex) facilities. The California Authority of Racing Fairs (CARF), the racing fairs and Fairplex agreed to defer the items. Chairman Shapiro stated the industry needed to be aware that the closure of Bay Meadows and the possible closure of Hollywood Park necessitated the improvement of other training and racing facilities as alternative venues. He said he hoped the Board and the industry could arrive at a funding solution that would allow for the improvement of ACF and Fairplex, so the industry could continue racing at first class facilities. Vice-Chairman Harris stated it was important to make improvements to ACF and Fairplex, but an increase in the takeout should not be the only funding for renovations. The racing fairs, horsemen and the State should also provide financial support. Increasing the takeout by one percent could cause a drop in wagering revenues; and would make it difficult to sell California's signal to other states. Commissioner Choper stated the Board needed assurances that any monies generated from an increase in the takeout would be focused on the need to replace Bay Meadows in Northern California, and the possibility of Hollywood Park closing in Southern California. Additionally, the industry ought to be sure the necessary funding was available before any projects were initiated. Finally, the Board and the industry ought to have strong assurances

that its goals were shared by the advisory group put in place by the Secretary of Agriculture, as required by the statute. The statutory scheme had the potential for funding projects that were legitimate, but did nothing to help the industry replace Bay Meadows and Hollywood Park. Chairman Shapiro said under the statute the monies generated by a one percent increase in the takeout would be placed in the General Fund, and would then be allocated into a fund controlled by the Secretary of Agriculture. He stated the industry needed to find a source of funding that was dedicated to the improvement of Fairplex and ACF. Chris Korby of CARF said his organization agreed with the Board regarding the importance of focusing improvements on Fairplex and ACF. CARF would try to find funding to allow it to make the required improvements so the two racing venues could fill the void left by the closure of Bay Meadows and the possible closure of Hollywood Park. CARF and industry representatives were working on comprehensive legislation that would assist in that effort.

**DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION TO CONDUCT A HORSE RACING MEETING OF THE HUMBOLDT COUNTY FAIR (F) AT FERNDALE COMMENCING AUGUST 7 THROUGH AUGUST 17, 2008, INCLUSIVE.**

Jacqueline Wagner, CHRB staff, said the Humboldt County Fair (HCF) proposed to run ten days, the same number of days it ran in 2007. The first post time would be 1:55 p.m., and 2:25 p.m. on Saturday and Sunday. Ms Wagner stated the advance deposit wagering providers were TVG, ExpressBet, Twin Spires and YouBet. She said the application was complete. Chairman Shapiro stated the CHRB incurred certain costs in its oversight of race meetings. He asked if the Board was covering its costs at each meeting. Executive Director Kirk Breed said staff was investigating what it cost to regulate the harness meeting at Cal-Expo and the quarter

horse meeting at Los Alamitos. Chairman Shapiro stated as a condition of licensing, racing associations needed to agree to cover costs incurred by the Board in regulating their meetings. Every extra day of a meeting meant additional staffing costs that the Board needed to ensure were covered. Chairman Shapiro suggested racing associations could be assessed for any shortfalls, or the application for license to conduct a horse racing meeting could be modified to provide that racing associations would agree to cover any shortfall. Chairman Shapiro asked if HCF could explain its promotional plans. Stuart Titus, General Manager of HCF, said over the past few years HCF attracted more on-track attendance for the ten days of racing at Ferndale than Bay Meadows. He stated that was a measurable goal HCF was excited to try and meet. Vice-Chairman Harris motioned to approve the application for license to conduct a horse racing meeting of HCF. Commissioner Moss seconded the motion, which was unanimously carried.

**DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION TO CONDUCT A HORSE RACING MEETING OF THE CALIFORNIA EXPOSITION AND STATE FAIR (F) AT SACRAMENTO COMMENCING AUGUST 20 THROUGH SEPTEMBER 1, 2008, INCLUSIVE.**

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Jacqueline Wagner, CHRB staff, said the California Exposition and State Fair (Cal-Expo) proposed to run 11 days, the same number of days it ran in 2004, which was the last time Cal-Expo conducted mixed-breed racing. Cal-Expo was allocated 12 days, but it was requesting to eliminate Monday, August 25, to have a double header (16 races) on Friday, August 22. Cal-Expo requested a similar double header for its 2004 race meeting. The first post time would be 1:15 p.m., daily. The advance deposit wagering providers were YouBet, TVG, XpressBet and Twin Spires. Dave Elliott of Cal-Expo said his organization had not run a mixed breed

race meeting since 2004. The local response to the proposed meeting at Cal-Expo was enthusiastic, which indicated there was a pent-up demand. Mr. Elliott stated Cal-Expo planned to put out the very best product, and it was working to have the safest racetrack possible. Cal-Expo planned to spend over a million dollars on marketing and advertising. Additionally, a hundred thousand dollars would be spent upgrading the Turf Club for the fair meeting. Vice-Chairman Harris asked if there would be a little overlap to accommodate stabling horses. Mr. Elliott said in 2004 Cal-Expo stayed open until Fresno for stabling. However, the schedule had changed, and following the 2008 Cal-Expo meeting, Golden Gate Fields, Pleasanton and Stockton would be available. Vice-Chairman Harris stated the schedule needed to work to take care of the horsemen. Commissioner Choper asked if there was a rule that stopped Cal-Expo from running on the Monday of August 25, the day that would be dropped in favor of a subsequent double header. Mr. Elliott said the horse population was one reason for the request. It was often possible for some of the cheaper horses that raced on Wednesday, Thursday and Friday to return on Labor Day, which helped fill the race cards. Cal-Expo also found that if it raced on a Monday, attendance would be down and the fields short. Mr. Elliott added the satellite facility would be open on August 25 for Del Mar and out-of-state imports. Charlie Dougherty of California Thoroughbred Trainers (CTT) stated his organization was concerned with the requested double header. A double header was run in 2004 and some trainers reported they did not get back to Bay Meadows until 2:30 a.m. The CTT supported the double header, but it had asked Cal-Expo to allow trainers to designate if they were entering for the day or the night card. Mr. Dougherty said Cal-Expo did not agree to the request. Mr. Elliott stated he appreciated the CTT position, but if Cal-Expo promulgated

which races would be used for the day or the night card, many trainers probably would not enter the night races. Cal-Expo was paying a \$75 starter bonus and a \$100 California Authority of Racing Fairs starter bonus. In addition, grooms would be given a \$10 food chit, and the pari-mutuel clerks would be fed. Chairman Shapiro said the parties needed to work towards a solution, as the Board would not intervene in an issue that belonged in the horsemen's agreement. The double header was only one night, and the industry ought to work to make it a success. Commissioner Moss **motioned** to approve the application for license to conduct a horse racing meeting of Cal-Expo. Vice-Chairman Harris **seconded** the motion, which was **unanimously carried**.

**DISCUSSION AND ACTION BY THE BOARD REGARDING MANDATING THE USE OF SAFETY REINS AT CALIFORNIA RACETRACKS AND THE PROPOSED AMENDMENT TO CHRB RULE 1689.2, SAFETY REINS REQUIRED, TO REQUIRE THE USE OF SAFETY REINS AT CALIFORNIA RACETRACKS.**

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Chairman Shapiro stated the issue had been heard several times, but there were still concerns regarding single-use vendors and the existence of safety standards that might identify one rein as safer than another. Barry Broad, representing the Jockey's Guild (Guild) said the statute required the Board to hold a public hearing to determine if the use of safety reins would provide jockeys and exercise riders greater protection from accidents than conventional reins. If the Board determined safety reins would provide greater protection, it was mandated to require their use. Mr. Broad stated the Guild concurred with the delay in making a determination to accommodate the various concerns of the industry. Chairman Shapiro said the Guild's proposed regulatory language stated no horse should be ridden without safety reins. However, the statute used the term "racehorse." Mr. Broad stated Chairman Shapiro was

correct. He added the language of the proposed regulation did not mandate any particular safety rein, as the Guild did not wish to create a monopoly for one company. There were two basic designs, and numerous manufacturers. One rein had a continuous reinforcement through the loop of the rein that attached to the bit. Another rein had a separate, second, safety clip. The various manufacturers had their reins tested for their breaking strength, as all the reins would break at a certain level. If the reins came off the horse and were stepped on, the reins should break. A new conventional rein would break at about 400 pounds per square inch of pressure. The safety rein with the separate clip was tested, and it was determined it would break at 400 to 450 pounds per square inch of pressure. Chairman Shapiro said on both types of safety reins there was a nylon cord sewn into the leather rein, so if the leather rein broke, the nylon cord would provide control. Mr. Broad said "yes" and the clip type safety rein would break almost instantaneously if the horse stepped on it, as the clip was not under tension and did not have the combined strength of the two reins; the conventional leather and the safety rein. The other type of safety rein did not have a clip, but was simply reinforced all the way. The rein was tested and would break at 1,100 pounds. Mr. Broad stated the Guild's preference would be the rein with a second attachment, but it had a patent, and if the Board mandated the rein there would be one manufacturer. To respond to the industry's concerns, the Guild would recommend that any safety rein was ok as long as it met the standards of the statute and was tested for breaking strength. Commissioner Moss asked if the jockeys had a particular rein they preferred. Mr. Broad said the Guild did not want to require that a trainer had to ask the preference of each jockey. The Board had to mandate a safety rein; the Guild did not care which safety rein. Conventional reins rotted and were used until they fell apart.

Safety reins provided control when the leather broke. Commissioner Moss said he was only suggesting each jockey pick the rein he was comfortable using. Mr. Broad stated the trainers usually supplied the reins and the Guild did not wish to introduce a new practice wherein jockeys and exercise riders had to buy reins. There was also an enforcement issue, and if there were many different types of reins in use there would be extraordinary liability. Safety reins were an employer issue, and the type of reins to use was a decision the employer should make. If a jockey objected and wished to provide his own safety reins it would be ok, provided it was a safety rein. Vice-Chairman Harris said the proposed regulation's 18-month grandfather clause was excessive. Mr. Broad stated that was the time allotted in the legislation, and it was negotiated with the trainers and the tracks, so the Guild did not object. The 18 months would allow trainers to use up their conventional reins. Ed Halpern of the California Thoroughbred Trainers (CTT) said the industry agreed it was best to have the safest equipment. The CTT created the California Horsemen's Safety Alliance (CHSA), which ran safety programs. The CHSA created the first safety video and safety training classes, which were ongoing across the country. The CHSA also designed improved safety helmets and safety vests, and it paid for and obtained certification of the safety ratings. Mr. Halpern stated the CTT commitment to safety could not be questioned; however, it did not think the proposed regulation should be put out for public comment until the industry was certain it could support the rule. Vice-Chairman Harris said the object of public comment was to determine if a regulation had industry support. Mr. Halpern said putting the proposed regulation out for public comment was premature and only gave 45 days pause to the process. The industry needed to have time to develop standards for safety reins. There were many ways the reins

could become entangled with horse and rider, and the industry needed to know at what weight the reins should break. The Board needed to ensure all alternatives in the design and safety of the reins were covered, and to assess possible problems. Mr. Halpern enumerated other reasons the proposed regulation should not be put out for public comment. He stated the industry needed to pause and let the CHSA continue its research. Commissioner Choper asked what type of additional testing the CHSA wished to accomplish. Mr. Halpern stated there were national bodies that developed safety standards. The industry could request reins that would break if a certain amount of pressure were exerted. Chairman Shapiro stated the issue had been before the industry for a year. Mr. Halpern said the industry could be creating a rein that did not break. Chairman Shapiro stated there were tests that demonstrated the reins would break. Mr. Halpern said the reins would break, but it was not known if the point at which the reins would break was correct. Chairman Shapiro stated the data indicated the rein would break at approximately the same pressure as the conventional rein. Commissioner Choper asked how long the CTT believed it needed to test the safety reins. Mr. Halpern stated the tests would take approximately three to six months. William Anton of CTT stated in his 38 years as a trainer he never had a conventional rein break, because he maintained his reins. If conventional reins were not properly maintained they would break. Jockeys knew the trainers and should refuse to ride for trainers who did not maintain equipment. Chairman Shapiro said he would agree with Mr. Anton in a perfect world; however, the economics of horseracing were that sometimes jockeys rode horses with equipment they might otherwise refuse. The Board was looking at something that would help protect against the failure of conventional reins. Mr. Anton stated the industry often did things haphazardly, and jumped to conclusions.

The issue of safety reins needed to be properly vetted. Vice-Chairman Harris said the Board should move forward with the proposed regulation, but there should be a six-month grandfather clause. If the Board subsequently found the safety reins were ill advised it could waive the regulation. Chairman Shapiro asked if the CTT saw the safety rein inspection reports that were in the Board package. Mr. Halpern said the CTT had seen the reports, but they did not answer the question: at what weight did the industry want the reins to break? Commissioner Choper stated if it was true the safety reins would not break and would threaten serious injury, and if it was also true there was limited experience with injuries occurring with conventional reins, he might hesitate to vote for the proposed regulation without reassurances. Mr. Broad stated conventional reins broke all the time. They rotted from the inside, so when they broke it was often a surprise. If conventional reins broke during a race jockeys often cooperated to control the horse in the race, rather than worry about winning the race. The main delay in adopting the proposed regulation was the issue of when a safety rein broke. The manufacturers created a rein that would break at essentially the same pressure of a conventional leather rein. Commissioner Moss asked if the jockeys used the reins and if they had decided on a set that would provide protection. Darrell Haire of the Guild said up to six years had gone into perfecting safety reins. A lot of time and effort had gone into the reins, and jockeys did have preferences, but the bottom line was that jockeys wanted safety reins. Commissioner Moss stated he was just trying to get a sense of which safety rein jockeys preferred. He said he would ask the same question of trainers. Mr. Halpern stated trainers had differing opinions regarding which type of safety reins they preferred. One type had a clip rein, and one had a loop rein, but there were no others available under the statute, which was a

problem. Chairman Shapiro said there were other reins that could be defined as safety reins. As long as there was a redundant safety component added to a rein that would break at a weight comparable to a conventional rein, it was a safety rein. If it was determined the proper breaking point was at a different level than a conventional rein, the Board could amend the regulation. Vice-Chairman Harris motioned to direct staff to initiate a 45-day public comment period regarding the proposed addition of Rule 1689.2, with a 12-month grandfather clause. Commissioner Moss seconded the motion. Commissioner Choper said the Board heard conflicting testimony about conventional reins breaking. The Board also heard that safety reins would not break like a conventional rein, and it was told that was not true. Those statements went to the heart of the issue. Commissioner Choper stated he could not make a finding until he understood how the conflicting statements were resolved. Vice-Chairman Harris said Commissioner Choper was not on the Board when a DVD was shown regarding safety reins, and when they broke. He suggested the DVD be given to Commissioner Choper for his review. Commissioner Choper asked if the CTT's position was that injuries did not occur, despite conventional reins breaking. Mr. Halpern said CTT's position was that in 200,000 starts there were no injuries, and reins broke because they grew old and they rotted, so equipment needed to be checked. Everyone involved in preparing a horse for a race needed to take responsibility and to check equipment. Commissioner Choper said another question was at what weight would a safety rein break? If the horse went down, the jockey also would fall, so one could not separate the safety of horse and rider. Chairman Shapiro said the parties could provide the Board with additional information during the 45-day public comment period. The motion was **unanimously carried**.

DISCUSSION BY THE BOARD AND REPORTS FROM INDUSTRY REPRESENTATIVES, STAKEHOLDERS, PARTICIPANTS, CONCERNING THE OPEN ADVANCE DEPOSIT WAGERING "EXPERIMENT" INITIATED NOVEMBER 7, 2007, CONTINUING THROUGH JULY 13, 2008.

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Chairman Shapiro said the Board held discussions regarding provisions of the Business and Professions Code that would allow it to use advance deposit wagering (ADW) to expose more people to horse racing. Before the Board could move forward with a regulatory proposal that involved the licensing of ADW providers, the industry negotiated an eight-month ADW experiment that opened wagering to all California licensed ADW providers. The experiment would end on July 13, 2008, at the conclusion of Hollywood Park's meeting. During the ADW experiment there was fair content exchange; however, moving forward for the remainder of 2008, TVG held exclusive agreements with Fairplex, Del Mar and Oak Tree. The Board had no standing to change the agreements, and unless the industry could negotiate a fair exchange of content, there was nothing that could be done. John Hindman of TVG gave a Power Point presentation about TVG's analysis of the ADW experiment. Mr. Hindman defined the experiment as a reciprocal exchange of ADW rights, with each party retaining the television rights they previously held. He stated the challenges of the experiment for TVG were track surface issues at Santa Anita, which impacted all participants, and a misunderstanding regarding the availability of the Hollywood Park and Bay Meadows signal to ADW providers outside California. TVG understood the signals would be made available, but they were not. In addition, TVG was not able to televise races from Santa Anita and Golden Gate Fields, which impacted its ability to generate maximum revenue. Mr. Hindman discussed other issues relating to TVG's participation in the ADW experiment. He stated one of the presumptions going into the experiment was that fans were confused, and the experiment

would cause ADW wagering to grow precipitously. ADW did grow, but it had grown in every single period since 2002. The result was that ADW grew by 8 percent during the experiment, which was in line with every period prior to the experiment. Chairman Shapiro stated the numbers TVG reported were absolute, and did not reflect other conditions, such as the economy and the dark days that occurred at Santa Anita. If there was growth, that was interesting, but it did not reflect the conditions in other periods of growth. Mr. Hindman said that was true, but growth was a central thesis of the ADW experiment. Commissioner Choper asked how TVG accounted for the continued reduction in the percentage of growth. Mr. Hindman said TVG did not have an answer. He stated ADW wagering was available to more markets outside California, which meant a larger base. Chairman Shapiro stated the base was growing significantly, but it could be unreasonable to think the percentage increase would continue to grow because it might not be able to. Commissioner Choper said it was difficult to explain statistical variations. There were unknown factors, and others that could not be controlled, so statistical demonstrations often only scratched the surface. Mr. Hindman spoke about the impact of Santa Anita on TVG. He stated the experiment had not concluded, so the numbers were changing daily, but the bottom line was 8 percent in state and 9.6 percent out-of-state. TVG benefited during the early part of the experiment, as it gained access to the Santa Anita signal, but he predicted the numbers would change during the Hollywood Park and Golden Gate Fields meetings. Chairman Shapiro said, bottom line, there was approximately \$45 million more wagered through ADW on California races during the experiment. Mr. Hindman stated TVG did \$29 million more in California and \$11 million more outside California on California tracks. Chairman Shapiro said the synopsis of TVG's presentation

was that while it did \$40 million more during the ADW experiment, its net suffered because it might otherwise have generated more profit. Mr. Hindman said that was one factor, but if one looked at the overall picture, taking ADW wagers on all signals was not significant. He stated, however, TVG believed the ADW experiment did increase customer satisfaction. Chairman Shapiro said that was paramount, as the idea was to serve California horse racing fans. Mr. Hindman stated TVG supported the continuation of the ADW experiment based on the fair exchange of ADW rights. He added TVG proposed the exchange of all racing content for ADW wagering purposes at fair prices for an indefinite period. TVG was willing to engage in negotiations to achieve an agreement. Chairman Shapiro stated the Board appreciated the role TVG played in the ADW experiment. He added the numbers indicated the experiment generated significant income and it served California fans. Jack Liebau of YouBet said before the ADW experiment his organization had access to signals from all the tracks, so it did not make a difference one way or the other. The added competition did result in YouBet's average daily handle going down at certain tracks. The experiment began at Hollywood Park, but Hollywood Park did not benefit greatly because the contribution made by XpressBet and Twin Spires was not as much as anticipated. Based on the numbers, Santa Anita benefited the most because TVG was able to receive its signal, which it previously did not have. Bay Meadows did not previously have its signal available to all ADW providers. During the ADW experiment Bay Meadows had more television exposure due to TVG, so its ADW handle was up. Mr. Liebau commented he would agree with TVG in that he hoped the ADW numbers would increase due to the experiment. He added perhaps it was unrealistic to expect ADW to continue growing on an upward trend. Mr. Liebau stated it would be helpful to have industry

representatives look at the raw numbers, draw conclusions and make recommendations to the Board. He added the bottom line was that Hollywood Park would make the same decision to participate in the ADW experiment. Scott Daruty of TrackNet Media said his organization had interests with Santa Anita and Golden Gate Fields in California, as well as XpressBet and Twin Spires. Mr. Daruty stated TVG's presentation indicated the ADW experiment was not the best for its bottom line. However, that might not be the concern of the industry in California. The industry certainly wanted TVG and all ADW companies to be successful, but was it the industry's job to ensure the ADW providers were as profitable as they had been in the past? Mr. Daruty stated the industry's job was to create an environment where the racetracks and horsemen in California could thrive. So, it was a bit misleading to look at overall handle growth. The industry needed to look at handle growth on California product. The industry made less when California residents wagered on out-of-state product. During the experiment Golden Gate Fields had an increase in its overall ADW handle of 14 percent. More important, however, was the 83 percent increase in ADW wagering on Golden Gate Fields content, both in state and out-of-state. That meant a lot more money for California tracks and horsemen, and that was what made the experiment a success. Mr. Daruty stated the growth was due to the strong platforms of TVG and YouBet, which were the number one and two ADW providers in California. Chairman Shapiro asked if synthetic surfaces and larger fields were a factor in the growth. Mr. Daruty stated larger fields were a factor. He added the growth in the Santa Anita product was also huge if one looked at only that product. Mr. Daruty said if each ADW provider had access to all of the product and a fair playing field, they could compete for customers equally, and customers would have the opportunity to choose the ADW

platform they preferred. TrackNet Media believed the ADW experiment should continue through the end of 2008, and it was prepared to let YouBet and TVG continue wagering on Golden Gate Fields under the same terms as in the past. Chairman Shapiro asked if TrackNet Media would give up an exclusive arrangement if it did not have to, and if it would not receive something of equal value. Mr. Daruty said TrackNet would, and it did when it gave up its exclusive access to Santa Anita. Chairman Shapiro stated TVG and YouBet had expressed a desire to see the experiment continue, and the other ADW providers would probably share the sentiment; so, that was not the problem. The problem was content exchange, and what represented a fair trade. Why should TVG give up the last year of its exclusive access to Del Mar, Oak Tree and Pomona? Mr. Daruty said that was the essence of the problem, but fees paid to TVG when another ADW provider took wagers on the tracks would make up for any impact. Additionally, TVG claimed it would not make as much on the Golden Gate Signal, but TVG would not pay as much in impact fees, so in the end it would come out even. Craig Fravel of Del Mar Thoroughbred Club said his organization believed ADW providers had a right to have the ADW experiment thoroughly evaluated to determine if it was successful. However, the full story was not being told when only raw numbers were examined to explain the results of the experiment. The real issue was how much did one ADW provider make in hub and television fees, and how much did purses and racetrack commissions benefit. How much did TVG and XpressBet make from each other, and were the television fees they paid fair? Mr. Fravel commented that nationally there was a lot of controversy in the industry regarding ADW. However, in California, the ADW experiment had not produced any losers, and the state had managed to stay out of the national debate. TVG might not have made as

much money as it wished, but it did not state it had a bad year or lost money. The horsemen would tell the Board that purses looked good, and the tracks also did well. In the end the customer was the winner, and it was amazing that the industry could not find a way to work through its ADW issues. Mr. Fravel commented he agreed with Mr. Liebau. The Board ought to have the industry look at the numbers and negotiate a solution. Chairman Shapiro said he agreed; however, the Board did not get involved in private business decisions. He asked if Del Mar believed the ADW experiment should continue through its meeting. Mr. Fravel stated Del Mar's agreement with TVG provided that if a deal superior to its own was offered to another party Del Mar had an opportunity to accept or reject the deal. TVG might have a different view, but Del Mar believed it was legitimate to question if the provision applied. Del Mar was interested in finding a way to make ADW work for all parties, and it believed there was a deal that could be negotiated. Mr. Fravel stated he was aware of a Thoroughbred Owners of California (TOC) letter that offered to consider a modification of agreements to continue the ADW experiment through 2009, assuming a deal could be reached. Del Mar was willing to make concessions to facilitate that. He added the TOC letter reportedly stated absent continuation of the experiment, it intended to exercise its consent right to prohibit out-of-state ADW wagers on California product. That would have a significant, negative impact on purses and commissioner. Mr. Fravel stated it was incumbent on the industry to try to find a way to make ADW work for California. Greg Scoggins of XpressBet said his organization believed the ADW experiment was successful. XpressBet did see a decline in its handle from Golden Gate Fields and Santa Anita, but there was also significant growth in handle through the YouBet and TVG platforms. XpressBet saw an increase in

handle of approximately 30 percent on wagers placed by California residents. The increase in handle by non-California residents on California content was up by approximately 18 percent. Mr. Scoggins added XpressBet's customers liked the access to additional California signals that were previously not available. XpressBet would like to see the ADW experiment continue. Brad Blackwell of Twin Spires said his organization supported the continuation of the ADW experiment. The feedback from Twin Spires customers indicated they wanted access to all California content. The numbers were positive, the customers were pleased and the experiment was in the best interest of California horse racing. Sherwood Chillingworth of Oak Tree Racing Association said TVG did a great job as an ADW provider. However, the question was if the current ADW atmosphere was good for TVG or for the industry. The horsemen and racetracks needed additional income, so ADW had to be looked at with an industry-wide perspective. Oak Tree wanted TVG to prosper, but not at the expense of the industry. Mr. Chillingworth added Santa Anita's numbers could be skewed because it did not operate at a normal capacity in the beginning of 2008. He stated to get a clear picture the entire year ought to be examined. Peter Tunney of Golden Gate Fields said his organization was up 83 percent from pre-experiment. He stated that was due to its signal reaching a wider audience. Ron Charles of Magna Entertainment said his organization supported the experiment and would encourage its continuation. Santa Anita saw a 40 percent increase in ADW handle going to purses and commissions. He stated he thought the owners, trainers and fans would also support the experiment, and they were showing it with their wagering dollars. Drew Couto of TOC said his organization looked at the ADW handle on California races during the experiment and found the industry saw an overall increase in ADW handle, which meant an

increase in ADW provider revenues, track commissions and purses. The TOC conclusions were based on an average daily comparative metric because there was not a corresponding period in a prior year. The TOC also observed that fans were happy with the experiment. If the ADW experiment were to continue, TOC expected to provide fans with greater access to the signal, and improve and continue to improve the economic condition for stakeholders. That would be accomplished through increased purses, commissions and ADW revenues. Mr. Couto discussed at length TOC's analysis and projections of what would happen if the ADW experiment were continued. He concluded by stating that TOC considered the experiment an unqualified success. It proved that a broad distribution of California signals benefited the industry. TOC would ask that the ADW experiment continue, as it was in the best interest of California horse racing. Vice-Chairman Harris asked for a clarification of TOC's position on withholding the out-of-state signal. Mr. Couto stated TOC did not issue a letter that indicated it would not allow interstate simulcasting to occur. The TOC letter did state that absent continuation of the ADW experiment, to have the interstate simulcast out-of-state proceed, it was asking the ADW providers negotiate with the Thoroughbred Horsemen's Group (THG). Mr. Couto said THG was TOC's broker agent, but the authority to enter into an agreement rested with TOC. The ADW providers were being asked to negotiate with THG regarding the terms and conditions under which interstate simulcasts would occur. Vice-Chairman Harris asked if the Interstate Horse Racing Act (IHA) covered ADW. Mr. Couto said the issue was interstate wagering. It did not matter who facilitated the wager. Under the IHA the horsemen's organization had consent rights, and could set the terms and conditions. That is what TOC had done since its inception in 1995. The TOC was also entitled to appoint a

broker or agent to negotiate on its behalf, reserving to TOC the right to accept or reject terms. In its letter TOC indicated that if the ADW experiment was not going forward, the ADW providers had to negotiate with THG. Not negotiating with THG represented a decision by the ADW providers that they would not engage in a discussion about how ADW interstate wagering would occur. William Anton of California Thoroughbred Trainers said his organization was in favor of continuing the ADW experiment through the end of 2008. Michael Power of CTBA Board Watch spoke about his concerns regarding ADW.

**DISCUSSION BY THE BOARD CONCERNING PROGRESS AND PLANNING FOR THOROUGHbred RACING ALTERNATIVES IN NORTHERN AND SOUTHERN CALIFORNIA, INCLUDING OPTIONS; COMBINED RACE MEETINGS, FINANCING ARRANGEMENTS FOR TRACK IMPROVEMENTS AND TIME SCHEDULE FOR PROPOSED IMPROVEMENTS, DEVELOPMENT OF PLANS FOR RACE DATES, STABLING AND RELATED ISSUES.**

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Jacqueline Wagner, CHRB staff, said at the May 20, 2008, Regular Board Meeting the Chairman - in light of the closure of Bay Meadows and the possible closure of Hollywood Park - asked the industry to provide its plans in progress for alternative racing in Northern and Southern California. Staff contacted the stakeholders and asked them to submit their reports regarding alternative suggestions for the 2009 racing season and beyond. Chairman Shapiro asked if there was anything that would prevent the closure of the Bay Meadows facility after the close of the San Mateo County Fair. Jack Liebau of Bay Meadows said Bay Meadows would close as scheduled. Letters terminating most employees were mailed, and as soon as it was determined how long Bay Meadows would stay open to accommodate the horsemen, another letter terminating the remaining employees would be mailed. Chairman Shapiro said he understood Hollywood Park was committed to race through the spring 2009 meeting, and

would provide a running six-month notice thereafter. Mr. Liebau said Hollywood Park would continue to run subject to receipt of its historic dates. Chairman Shapiro said the most pressing issue in Southern California was stabling, and finding the funds to improve the Los Angeles County Fair (Fairplex). Craig Fravel of Del Mar Thoroughbred Club said interested parties were working on a preliminary plan for the expansion of Fairplex. The plan envisioned expanding the stable area, the racetrack, creation of a turf course, and building dormitories. The industry coalesced around Fairplex as the long-term option for stabling and training purposes. The industry was also crafting legislation to create a financing mechanism for improvements at Fairplex, and in Northern California. Within a short time there would be a bill that the industry could review with the Board. Mr. Fravel commented he hoped the entire industry could support the legislation, as absent a funding mechanism, extensive improvements could not be made. He stated the industry supported allocation of historic race dates to Hollywood Park in 2009, provided Hollywood Park gave at least six months notice if it would not run its fall 2009 meeting. Mr. Fravel said there was additional legislation that would allow the Board to reallocate dates to different venues, particularly the Fairplex dates, if that facility was unavailable due to construction activities. Chairman Shapiro asked if the industry was proposing the Board should allocate historical race dates for 2009, with an alternative plan should Hollywood Park not run its fall meeting. Mr. Fravel stated the industry would support the allocation of traditional 2009 race dates. Within a month or two, the industry would present a plan for alternative 2009 race dates if construction at Fairplex kept it from running its fair meeting, and if Hollywood Park did not run its fall meeting. There were ongoing meetings regarding race dates, as well as stabling issues. Mr. Fravel said when the Board

began the 2009 race dates allocation process the parties would have alternative proposals should Hollywood Park not run its fall meeting. Commissioner Andreini asked if the satellite facility would remain open at Bay Meadows. Chairman Shapiro stated simulcasting would be held at the San Mateo Exposition and Event Center, which was being extensively renovated. Peter Tunney, representing Golden Gate Fields, said the Northern California industry was looking at Alameda County Fair (ACF) as a transition facility. He stated ACF was used in the same manner when Golden Gate Fields closed to install its synthetic racing surface. Chris Korby of California Authority of Racing Fairs (CARF) stated the Northern California industry worked cooperatively to develop a 2009 racing calendar. The parties were working on a three-year plan, and they were looking at blocks of race dates that could be run by different venues, if necessary, as major improvements would be necessary at the ACF facility. Chairman Shapiro asked if one goal of the Northern California race dates calendar was to eliminate any overlap. Tom Bachman of TOC stated one objective in developing the 2009 calendar was to reduce the number of race dates in Northern California. That was accomplished because the fairs would race five-day meets over the Del Mar meeting. However, for two weeks in August, Humboldt County Fair (HCF) would continue to overlap with Golden Gate Fields. Emerging breeds and lower claiming horses would be sent to HCF to strengthen its program. Turf racing would continue during the summer at Sonoma and Golden Gate Fields. Vice-Chairman Harris asked why the Santa Rosa/Vallejo split meeting experiment was not continued. Mr. Bachman said the agreement between the fairs ended and Vallejo wanted to race at its own facility in 2009. He added the parties did not look at the 2010 or 2011 racing calendar because they could not predict the health of the industry through 2009. Chairman

Shapiro stated when the Board allocated fair race dates in 2006 Vallejo indicated that if it could not improve its race meeting it would cease racing. The Santa Rosa/Vallejo experiment was to have been a last try to improve Vallejo's performance, but that meeting did not go well. However, Vallejo was now coming back to request its historical race dates. That would mean Vallejo would continue racing, there would be more overlap and HCF would be impacted. Vice-Chairman Harris commented host fees were an issue. A track could do a miserable job in running its meeting and still make money if they were the exclusive host in Northern California. Historically, HCF and Fresno were damaged because they were never the host. Vice-Chairman Harris said there were only so many days to be allocated and if racing dates were cut, giving HCF and Fresno a chance to be an exclusive host was only logical. Mr. Tunney stated Chairman Shapiro's recollection was correct. In addition, the overlap with Fresno was eliminated, so the only issue was HCF, which had been discussed at length. Chairman Shapiro said as more dates became available, and as the racing calendar was reconfigured, the issues should be considered and should have an effect on how the Board treated HCF. Vice-Chairman Harris commented no association owned its dates, and historical allocations might no longer apply. Mr. Korby stated CARF was looking at expanding the combined race meeting concept to include all the fairs. If the fair dates were run as a combined fair meeting CARF would have more flexibility to decide which fair venues were the best for running more dates. Mr. Bachman said if HCF ran without overlap for a week in August, racing would suffer in Northern California. No horsemen would ship to HCF to race for five days. Vice-Chairman Harris said he disagreed. There were often gaps in racing, and running HCF without an overlap could be a big boost for CARF. Although not every horse

would run at HCF, the horsemen would not ship horses out-of-state because there was a five-day gap. However, allowing HCF to be an exclusive host for five days would allow the fair to do a lot of things it otherwise could not, and it would change racing at that venue. Mr. Bachman said the schedule might be financially beneficial for HCF, but for owners it would impact racing in Northern California. Chairman Shapiro said the issue with HCF was one idea the industry could look at when planning changes in the Northern California racing schedule. The industry needed to look at what it could do to improve the health of horse racing, whether it was combined race meetings, eliminating certain meets or having HCF run a few days without overlap. Linda Schinkel of Friends of Bay Meadows spoke about her concerns with the closure of the Bay Meadows facility.

**DISCUSSION AND ACTION BY THE BOARD ON THE DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE OAK TREE CHARITABLE FOUNDATION IN THE AMOUNT OF \$78,213 TO 21 BENEFICIARIES.**

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Chairman Shapiro motioned to approve the request of the Oak Tree Charitable Foundation to distribute \$78,213 in race day charity proceeds to 21 beneficiaries. Vice- Chairman Harris seconded the motion, which was unanimously carried.

**PUBLIC COMMENT**

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Linda Slocum Lara, a horseracing fan, spoke about the closure of Bay Meadows and the future of horseracing in California. Jack Liebau of Bay Meadows and Hollywood Park spoke about the location fees owed to his organizations by Sacramento Harness. Chairman Shapiro said the disposition of Sacramento Harness was a complicated issue, and the Board clearly understood

Mr. Liebau's position. Chris Korby of California Authority of Racing Fairs, and Richard Castro of the Pari-Mutuel Employee's Guild, spoke in support of Mr. Liebau's comments. Kathleen McCarty, a horseracing fan, spoke about the pending closure of Bay Meadows.

MEETING ADJOURNED AT 1:10 P.M.

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

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Chairman

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Executive Director

PROCEEDINGS of the Regular Meeting of the California Horse Racing Board held at the Del Mar Surfside Race Place (Downstairs General Admission Area), 2260 Jimmy Durante Boulevard, Del Mar, California, on July 17, 2008.

Present: Richard B. Shapiro, Chairman  
John C. Harris, Vice-Chairman  
John Andreini, Member  
Jesse H. Choper, Member  
Bo Derek, Member  
David Israel, Member  
Jerry Moss, Member  
Kirk E. Breed, Executive Director  
Robert Miller, Staff Counsel

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION TO CONDUCT A HORSE RACING MEETING OF THE SAN MATEO COUNTY FAIR (F) AT BAY MEADOWS COMMENCING AUGUST 8 THROUGH AUGUST 17, 2008, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the San Mateo County Fair (SMCF) proposed to run ten days, one day less than in 2007, for a total of 86 races, 17 fewer races than in 2007. The first post time would be 1:45 p.m., daily. The advance deposit wagering (ADW) providers were TVG, Twin Spires, YouBet and ExpressBet. Ms. Wagner stated the application was complete, and staff recommended the Board approve it as presented. Chris Carpenter of SMCF said the fair would run at the Bay Meadows facility as it had done since the mid 1930s. The advertising budget was \$200,000, and would use television, radio, direct mail and other advertising media. Coupons for live racing would be handed out at the fair meeting. Chairman Shapiro asked if SMCF was working with Bay Meadows to capitalize on Bay Meadows' closure. Mr. Carpenter said SMCF hosted an annual event for its board of directors, which it planned to boost by increasing the invitation list. He added Bay Meadows was planning some special events of its own around the closing.

Chairman Shapiro asked if there would be any problems with ADW being available through all licensed providers during the SMCF meeting. Chris Korby of California Authority of Racing Fairs (CARF) said agreements with all ADW providers were in place. They would allow access to the fair's races in state and out-of-state. Drew Couto of Thoroughbred Owners of California (TOC) stated there were currently no issues that would affect ADW for the SMCF fair meeting. He stated, however, that was a day-to-day situation, and "things" could happen. While TOC did not anticipate problems there were other parties that could raise issues. Chairman Shapiro stated he would like advance notice if there were a problem. He asked if ambulances for horses and people would be in attendance during training hours. Mr. Carpenter said he understood there would be ambulances in attendance. Mr. Korby stated CARF confirmed the ambulances in writing. Robert Hartman of Golden Gate Fields said there were ambulances year-round at his facility. Jack Liebau of Bay Meadows said his organization had ambulances. Dr. Rick Arthur, CHRB Equine Medical Director, stated not every facility had a Kimzey horse ambulance. Many auxiliary facilities used horse trailers. Some of the trailers were modified for use as an ambulance, but others were not. Chairman Shapiro asked Dr. Arthur to provide a breakdown of the ambulance facilities available at each racing or training venue, so the Board would at least know a veterinarian was standing by if a horse broke down. Commissioner Moss **motioned** to approve the application for license to conduct a horse racing meeting of SMCF. Commissioner Choper **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION TO OPERATE  
A SATELLITE WAGERING FACILITY SUBMITTED BY THE SAN MATEO  
COUNTY EVENT CENTER.

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Jacqueline Wagner, CHRB staff, said the San Mateo County Event Center (SMCEC) submitted an application to operate a simulcast wagering facility (facility). The facility would operate August 17, 2008, through December 31, 2008. The days of operation would be Wednesday through Sunday, as determined by the host track. The facility would be open from 11:00 a.m. through the final race in the evening. There were three levels of admission ranging from free admission to a \$7.00 admission that would include the premium clubhouse. The facility would consist of two halls: Oak Hall and Cypress Hall, with a total seating capacity of 1,190. Ms. Wagner said the horsemen's agreement and the Local 280 agreement were missing from the application. In addition, the fire clearance was scheduled, but not completed, and the facility supervisor was still in the process of being licensed. Chairman Shapiro said the Board was concerned that the facility might not be open to accommodate Bay Meadows fans. Chris Carpenter of SMCEC said SMCEC was investing \$5.1 million in Oak Hall and some outside areas. Cypress Hall was a 16,000 square foot facility, which would be outfitted with projectors, televisions and self-service machines. The two facilities would open on August 20, 2008. Chairman Shapiro asked how many patrons the Bay Meadows simulcast facility handled on weekends and during the week. Mr. Carpenter said Bay Meadows handled 800 fans during the week, and 1,200 on weekends. The SMCEC facility could handle the same number of persons. Vice-Chairman Harris asked if there would be adequate self-service and teller terminals, as compared to Bay Meadows. Mr. Carpenter stated 40 terminals would be available, and SMCEC could expand that number if needed. Vice-Chairman Harris said he

understood 40 terminals was substantially fewer than Bay Meadows' terminals, and might not be enough for a weekend. Mr. Carpenter stated he would consult with others to determine if the number of machines needed to be increased. Vice-Chairman Harris said he wanted the Bay Meadows satellite patrons to feel they were adequately served, so they would wager at the new SMCEC facility. Mr. Korby stated the TOC consent letter was mailed, which meant the horsemen's agreement was approved. Mr Couto stated the document was not a formal horsemen's agreement; instead, it was a letter in support of the application to conduct simulcast wagering at the facility. Mr. Carpenter said SMCEC had meetings scheduled with union representatives to work on the Service Employees International Union (SEIU) and the Teamster's Union agreements. He stated he was confident union agreements would be in place for the August 20 opening. Jim Duval of the SEIU said his organization believed the parties would soon reach an agreement. Vice-Chairman Harris motioned to approve the application to operate a facility at SMCEC. Commissioner Israel seconded the motion, which was unanimously carried.

**DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION TO CONDUCT A HORSE RACING MEETING OF THE SAN JOAQUIN COUNTY FAIR (F) AT STOCKTON, COMMENCING SEPTEMBER 3 THROUGH SEPTEMBER 14, 2008, INCLUSIVE.**

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Jacqueline Wagner, CHRB staff, said the San Joaquin County Fair (SJCF) proposed to run nine days, the same number of days as in 2007, for a total of 90 races, four less than in 2007. The first post time would be 12:45 p.m., daily. The advance deposit wagering (ADW) providers would be XpressBet, Twin Spires and YouBet. Ms. Wagner stated the application was complete. Chairman Shapiro said he noted in 2007 the average daily handle at SJCF was

up 85 percent and the on track handle was up over 51 percent. Forrest White of SJCF stated 2007 was unique because there was no overlap. In 2008 SJCF was predicting a 5 percent or 6 percent decrease because its dates were different and SJCF was rebranding. The race meeting would not run concurrent with the San Joaquin County Fair, which concluded in June. Mr. White said the SJCF race meeting would have some agricultural related events, and an event on Mexican Independence Day. It would also have some commercial events that typically ran during the non-fair period. In all cases, there would be cross-promotion of horse racing and the particular event. Vice-Chairman Harris said he thought SJCF had better dates in 2008 because the weather would be nicer. However, SJCF needed to promote its racing so fans would be aware of the meeting. Mr. White said that during the fair anyone who inquired about horse racing was given free admission to the race meeting, and they were taken to the satellite facility. Only two persons asked about horse racing, which indicated the separation of the two events was well publicized in the local media. The separate race meeting would be much easier to market to individuals and organizations, and it would not cost as much in admissions. The savings to race fans was approximately \$14 over meetings ran during the fair. Commissioner Choper **motioned** to approve the application for license to conduct a horse racing meeting of SJCF. Commissioner Moss **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 LOS ANGELES COUNTY FAIR (F) AT FAIRPLEX, COMMENCING SEPTEMBER 5 THROUGH SEPTEMBER 22, 2008, INCLUSIVE.

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Jacqueline Wagner, CHRB staff, said the Los Angeles County Fair at Fairplex (Fairplex) proposed to run 16 days, the same number of days it ran in 2007. Chairman Shapiro stated Fairplex was going through a transition period, and in the future would see increased training and stabling, as well as racing. He asked what improvements had been made to the facility. Paul Ryneveld of Fairplex said a sports bar was built in the northeast end of the grandstand. The facility was attracting traffic from the fairgrounds to watch racing. The Day at the Races program on the veranda in front of the clubhouse was being expanded by the addition of another platform. The platform would easily fit up to 460 persons right at the clubhouse turn. Fairplex was also in the process of developing skyboxes at the top of its grandstand. The skyboxes would include beverage service and televisions, and would be sold to groups. Fairplex hoped to eventually transition into a true skybox, such as those at Angel's Stadium in Anaheim. Mr. Ryneveld said Fairplex was also revamping the area around the long line and the paddock, as it was well attended and popular with owners and trainers. The area was close to an entrance onto the fairgrounds, had wagering capabilities and had a bar nearby. Chairman Shapiro asked if the horsemen's agreement was concluded. Mike Seder of Fairplex said the horsemen's agreement was in place. Chairman Shapiro stated Fairplex had an exclusive broadcast agreement with TVG, but would there be in state and out-of-state advance deposit wagering (ADW) for the meeting, or were there any other issues with ADW? Mr. Seder said he was not aware of any issues with ADW. Drew Couto of Thoroughbred Owners of California (TOC) stated he did not know if there would be problems with ADW, as there were

meetings scheduled over the next 30 days to discuss the issue, and he did not know what would be the outcome. Chairman Shapiro said all the ADW providers were trying to reach an agreement. It was important for horse racing fans to have a platform to wager on the California product. He asked what could the Board do? Mr. Couto stated TOC was requiring the ADW providers to sign a letter of intent with Thoroughbred Horsemen's Group as a condition of receiving TOC's consent to conduct ADW. The letter of intent required ADW providers to enter into non-binding, good faith discussion about ADW over the next 30 days to try to resolve the issues. Mr. Couto stated the TOC would not discuss in public what it was looking for in the negotiations, but the ADW providers had signed the letters of intent, and hopefully the issues would soon be resolved. Commissioner Choper asked if the Board would be represented in the meetings. Mr. Couto said that had not been anticipated. Chairman Shapiro said the Board was involved in a meeting at Santa Anita. Nothing was resolved at that meeting, but the parties did hold further meetings, and a resolution was reached in time for Del Mar. YouBet and TVG would accept wagers in state and out-of-state, and there had been additional dialogue that could enable other ADW providers to accept wagers in states not served by TVG and YouBet. Mr. Couto said XpressBet and Twin Spires were authorized to conduct ADW in non-TVG states, but there were additional issues, as one party objected. Chairman Shapiro asked the parties to keep the Board informed of any developments. He stated the ADW licenses expired at the end of 2008. The Board should consider requiring ADW providers to agree to take wagers on a nonexclusive basis as a condition of being licensed in California. Broadcasting rights were a separate issue. Commissioner Moss commented he noted Fairplex had a relationship with the San Manuel Indian Bingo and Casino.

Michelle DeMott of Fairplex said the San Manuel Indians were a sponsor of the race meeting. San Manuel co-branded with Fairplex, and was involved in cross promotion and several giveaway weekends. Vice-Chairman Harris stated he did not know how Fairplex gauged how many persons who attended the fair also went to the races. He said it looked like the number was only 1 out of 20. The admission price was up to \$17 on weekends, which might keep people from going to the races. Ms. DeMott said there was no reason anyone would have to pay full price for the fair. Fairplex offered a race fan club card, and a season pass, which resulted in a \$3 admission price if one attended the fair daily. Fairplex also had a number of group activity programs and promotions every weekday of the fair. Commissioner Moss motioned to approve the application for license to conduct a race meeting of Fairplex. Commissioner Israel seconded the motion, which was **unanimously carried**.

**REPORT TO AND DISCUSSION BY THE BOARD REGARDING THE RECOVERY OF DAILY COSTS ATTRIBUTED TO THE CHRB FOR STEWARDS, VETERINARIANS, AND STAFF NECESSARY TO FACILITATE THE RUNNING OF A RACE MEETING.**

Chairman Shapiro said the Board incurred certain costs to regulate each race meeting. The issue was: did the Board recover its costs in all situations? He stated under current law there were only two situations where the Board was not able to recover its costs. They were the Humboldt County Fair at Ferndale (HCF) and harness racing at Cal-Expo. Vice-Chairman Harris said HCF was overlapped by another fair, which impacted its license fees. If the two venues were combined, there would probably be a positive cash flow. Chairman Shapiro commented the staff analysis stated the CHRB did not have an indirect cost rate structure. It appeared the law was specific regarding what costs the Board could recover. Executive

Director Kirk Breed said the law specified the stewards and veterinarians; it did not specify other costs such as investigators, occupational licensing and other overhead costs. Overhead costs to a State agency would normally fall under an indirect cost level or rate. The CHRБ had not adopted one, nor did the law provide for it, so the numbers were considered a cost of doing business. Chairman Shapiro said there were other meetings where the Board was not covering its costs if it attributed all of its direct costs associated with that race meeting. The CHRБ should assess the charges in the event there was a loss. In addition, the categories that were not presently in the law as recoverable should be quantified so the law could perhaps be changed, so the Board would not lose money staffing race meetings. Assistant Executive Director Richard "Bon" Smith said staff was separating the costs that would be attributed to each race meeting. Those numbers would be available in the near future. Commissioner Choper asked if the \$31.7 million difference listed in the staff analysis was the amount in excess of the cost. Chairman Shapiro said it was the excess amount, and it was going to the State Treasury. The issue was: could the Board recover more costs before the monies went to the Treasury? Commissioner Choper asked what was the difference if the CHRБ took its costs before or after the monies went to the State Treasurer? Assistant Executive Director Smith said there was no effect on the Board or its operations, as its appropriation was made first. The issue for the impact on funding was with the Fairs and Expositions Fund and the flow through money that went to agricultural associations. Commissioner Choper stated then the issue was to determine the real cost of operating a meeting. Chairman Shapiro said the CHRБ was facilitating private enterprise, as well as public enterprise fairs, but it should not be paying to supplement the race meetings. The race meetings should cover any additional costs to the

CHRB. The real costs included personnel beyond those required under the law. The Board's purpose was to quantify the real costs and to move forward to rectify any discrepancy. Commissioner Israel asked if the CHRB budget was subject to the Governor's mandated ten percent across-the-board reduction. Assistant Executive Director Smith said the CHRB was funded through the general budget process, and because the CHRB was a special fund agency, it was not subject to the General Fund drills. He added the CHRB did not use routine, regular, for-profit business costs versus revenue analysis when considering if it lost money. The CHRB did not control the license fee on any level, as that was done through legislation; the CHRB only collected license fees. Trying to compare costs against license fee revenue was a bit of a slippery slope. Chairman Shapiro stated the license fees had been adjusted in the past, and if the CHRB was losing money to issue licenses, it could consider raising the license fees. Assistant Executive Director Smith said that went to the definition of what constituted license fees. For the purpose of the issue before the Board it was the percent of takeout that was attributable to run the association's operating a race meeting, as opposed to an occupational license fee. The occupational license fee went to the General Fund, and was not returned to the Board. There was no connection between occupational license fees and the numbers before the Board. Chairman Shapiro stated the Board would look for a recommendation by staff regarding what could be done to make sure the CHRB overhead was covered.

PUBLIC HEARING AND ACTION BY THE BOARD ON THE PROPOSED AMENDMENT OF CHRB RULE 1843.2, CLASSIFICATION OF DRUG SUBSTANCES, TO RECLASSIFY THE ANABOLIC STEROIDS BOLDENONE, NANDROLONE, STANZOLOL AND TESTOSTERONE FROM CLASS FOUR TO CLASS THREE AND CHANGE THE PENALTY CLASS FROM CATEGORY D TO CATEGORY B.

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CHRB Equine Medical Director, Dr. Rick Arthur, said several anabolic steroids were classified as penalty category D drugs. The penalty for category D drugs was a written warning. The Board was currently issuing unofficial warnings to allow the horsemen time to adjust to the anabolic steroid program. The result was an 80 percent drop in anabolic steroid use, as compared to the start of the program. Dr. Arthur stated 92.2 percent of horses passed the Board's anabolic steroid regulations. Conversely, 7.8 percent of horses did not pass. Twenty-seven out of 347 horses sampled showed stanozolol in the official test sample, and all of the horses were treated within 30 days from the race, which was contrary to the Board's withdrawal recommendation. The owners and trainer were sent notices of the violations. Dr. Arthur said the proposed amendment to Rule 1843.2, Classification of Drug Substances, would reclassify the anabolic steroids boldenone, nandrolone, stanozolol and testosterone from class four to class three drug substances, and change the penalty class from category D to category B. The Board desired to have the amendment implemented well before the Oak Tree meeting at Santa Anita Race Park, and to have an anabolic steroid free Breeders' Cup event. Chairman Shapiro said California was leading the way in a national movement to eliminate anabolic steroids from horse racing. The consensus was that anabolic steroids had no place in the sport. He added the horsemen had been informed about the anabolic steroid program well in advance, so there should be no surprises with the implementation of the proposed amendment of Rule 1843.2. Commissioner Israel asked what the impact of the regulation would be on the

Breeders' Cup. Dr. Arthur said it would result in the first anabolic steroid free Breeders' Cup. Anabolic Steroids were prohibited internationally and were an issue with foreign Breeders' Cup participants. In November 2007 the Board set in place a timeline to address the issue, and the proposed amendment to Rule 1843.2 was the last part of the program. Christopher Passch, an owner, breeder and trainer spoke in favor of the proposed amendment to Rule 1843.2. Vice-Chairman Harris motioned to approve the amendment to Rule 1843.2. Commissioner Derek seconded the motion, which was unanimously carried.

PUBLIC HEARING AND ACTION BY THE BOARD ON THE PROPOSED AMENDMENT OF CHRB RULE 1850, POSTERIOR DIGITAL NEURECTOMY, TO PROHIBIT ANY HORSE THAT HAS HAD A POSTERIOR DIGITAL NEURECTOMY AFTER OCTOBER 1, 2008, FROM RACING IN CALIFORNIA.

Chairman Shapiro said the proposed amendment to Rule 1850, Posterior Digital Neurectomy, would prohibit any horse that had a posterior digital neurectomy (otherwise known as "heel nerving") after October 1, 2008, from racing in California. Chairman Shapiro stated he favored the proposed amendment, and though others felt the procedure had a legitimate therapeutic value, he did not believe the Board should take any chances with horses that could not feel a portion of a foot while racing. Marsha Naify of Thoroughbred Owners of California (TOC) stated her organization's board voted to support the proposed amendment only if it were a national ban. After hearing from Dr. Rick Arthur, CHRB Equine Medical Director, the TOC board understood the posterior digital neurectomy was a therapeutic tool that did not affect the performance of the horse. Paula Capestro, an owner, trainer and breeder spoke in favor of the proposed amendment to Rule 1850. Commissioner Moss stated he agreed with the proposed amendment. He stated in general there was not an issue with heel nerved horses, but

there was the possibility of someone taking advantage of the practice, and of a serious accident. Vice-Chairman Harris said he did not think there was a big problem, nor did he think horses were going down based on heel nerving. He stated he respected the opinions of those who spoke against prohibiting the practice. However, he said he would vote for the ban because the issue was controversial and the Board needed to move on. Commissioner Andreini motioned to approve the amendment to Rule 1850. Commissioner Choper seconded the motion, which was unanimously carried.

**PUBLIC HEARING AND ACTION BY THE BOARD ON THE PROPOSED AMENDMENT OF CHRB RULE 1853, EXAMINATION REQUIRED, TO PROVIDE THAT A HORSE THAT IS NOT SHOD IS ELIGIBLE TO START IN A RACE PROVIDED THE HORSE'S "UNSHOD" PARTICIPATION IN SUCH RACE IS DECLARED AT TIME OF ENTRY AND NOTED IN THE OFFICIAL PROGRAM.**

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Chairman Shapiro said the proposed amendment to Rule 1853, Examination Required, would allow horses to run unshod provided the condition of the horse was declared at the time of entry in a race, and was noted in the official program. Commissioner Israel asked if there was any statistical studies on how running unshod affected the health or well being of a horse. Chairman Shapiro said there were a number of studies, but no consensus of opinion, as there were varying racing surfaces. Some racing jurisdictions currently allowed horses to run unshod. Commissioner Israel commented that meant there were no studies that demonstrated breakdowns increased or decreased. Dr. Rick Arthur, CHRB Equine Medical Director, stated the correlation with racing fatalities was with toe grabs over four millimeters. There was no data on horses racing without shoes, as they had not raced unshod in California. Dr. Arthur said there was substantial data on the health of the horse's foot and the strength of the horny

portion of the hoof, with horses that were unshod. The issue was not the synthetic track; it was getting the horse from the barn to the track, as there was asphalt and other hard surfaces. Commissioner Israel asked if horses would be required to train unshod for a period of time before racing unshod, so a correlation between training and on track performance might be examined. Dr. Arthur said the Board did not do that for any other type of shoeing. Most horses were shod in flat steel until entered in a race. Richard Mandela, a trainer, spoke in favor of the proposed amendment. He stated he believed there should be accountability, and recommended the rule be approved for six months, and then revisited to see how it worked. Mr. Mandela said the Board might also prohibit a trainer from running a horse shod, then unshod. Chairman Shapiro stated the proposed regulation should be implemented only for thoroughbred horses, as they ran on the synthetic tracks, and perhaps the Board could suspend Rule 1853 for six months, and then revisit the issue. Jacqueline Wagner, CHRB staff, said the proposed changes to the text of the regulation would require an additional public comment period. In the mean time, the Board could enact Rule 1406, Suspension of Rule, and suspend Rule 1853 so thoroughbred horses could run unshod for a specified period of time. Chairman Shapiro said the motion would be to suspend Rule 1853 to allow thoroughbred horses to run unshod if properly identified in the racing program, and to review the issue within six months of the suspension of the rule. Commissioner Choper **motioned** to suspend Rule 1853. Commissioner Moss **seconded** the motion, which was **unanimously carried**.

PUBLIC HEARING AND ACTION BY THE BOARD ON THE PROPOSED AMENDMENT OF CHRB RULE 1865, ALTERING OF SEX OF HORSE, THE BOARD MAY ADOPT ONE OF TWO VERSIONS OF THE PROPOSED AMENDMENT TO RULE 1865. VERSION ONE PROVIDES FOR A MINIMUM FINE OF \$1,000 IF THE TRUE SEX OF THE HORSE IS NOT PROPERLY IDENTIFIED IN THE OFFICIAL PROGRAM. VERSION TWO PROVIDES THAT A HORSE SHALL BE SCRATCHED IF THE TRUE SEX OF THE HORSE IS NOT CORRECTLY NOTED IN THE OFFICIAL PROGRAM.

Chairman Shapiro said there were two versions of the proposed amendment to Board Rule 1865, Altering of Sex of Horse. One version would provide for a minimum fine of \$1,000 if the true sex of the horse were not properly identified in the official program. The second version of the proposed amendment would require the horse to be scratched if the true sex were not reported in the official program. Chairman Shapiro said the issue was discussed at several Board meetings, but the problem still continued. Vice-Chairman Harris said the main problem was protecting the wagering fan. There were many complaints about the true sex of the horse not being identified, and there was previously no way for a trainer to crosscheck the information. However, the sex of the horse was being listed in the overnights, and the trainer could see if there was a mistake. Vice-Chairman Harris said he did not want to see the trainer fined because that did not make the wagering fan whole. If the horse was scratched, the problem would self-correct, as those responsible would pay more attention. Chairman Shapiro said he agreed. Scratching the horse would not be popular with everyone, but the bottom line was protecting the fan - especially when horse racing was struggling to create a fan base. Commissioner Moss said he disagreed. Scratching the horse affected the wagering fan, the horse owner, the track and the trainer. The trainer should receive a fine, and if the trainer were fined twice in a year, perhaps the horse could be scratched. Fans who wagered on horses did not like to be surprised with inaccurate information. Fining the trainer would be the most

effective way to solve the problem. Commissioner Israel asked how often a horse's sex was misidentified relative to the number of entries. CHRB Equine Medical Director, Dr. Rick Arthur, said in the 2006-2007 fiscal year there were 44 incidents. The problem did not always originate on the track. It usually occurred when a horse was gelded off track, or when the horse was sent to a different trainer who was unaware of the change. The proposed amendment was an attempt to get the trainer to look to see if the horse was a colt or a gelding. Vice-Chairman Harris said a trainer should know the status of his horses, but he also needed to look at the overnight to see if there was a mistake. The trainer would then have time to fix the problem. Dr. Arthur commented the Board increased fines and raised awareness of the problem, but it looked as if the issue needed to be taken to another level. Commissioner Israel asked if there was a compromise less draconian than scratching. Perhaps making multiple offenses a cause for scratching could enhance a fine. Chairman Shapiro said the Board had discussed the issue for almost two years. One problem was that trainers were not always at fault, but a lot of fans felt they were being deceived because gelding may have an impact on the horse's performance. Commissioner Israel asked if the fine was waived if a trainer could prove he was not at fault. Vice-Chairman Harris said trainers should look at the overnight. If the information was not correct on the overnight, the trainer would have time to correct any mistake and it would not be a problem. Commissioner Israel asked if multiple offenses would result in a larger fine. Chairman Shapiro said the minimum fine would be a thousand dollars. If the stewards saw multiple offenses they certainly could increase the fine. Vice-Chairman Harris said the problem was fan reaction to misinformation – especially when exotic wagers were involved. If a horse in a leg of a pick-six carryover was an unreported first-time gelding

there would be a fan that felt defrauded because he did not have the information when he placed his wager. Commissioner Choper said the issue went both ways. A fan that lost a wager would look for an excuse; other fans did not think gelding was important. He stated the committee recommended the minimum thousand-dollar fine, so subsequent offenses could result in greater fines. Mike Harlow of Santa Anita said he was confused. If the horse was reported as a gelding, but was actually a first-time gelding, would that result in a scratch or a fine? Vice-Chairman Harris said he did not think that would be the case because the trainer only needed to know the sex of the horse. Mr. Harlow stated there were instances where a horse was a gelding in the program, but it was later determined to be a first time gelding, which was the issue that prompted the proposed amendment. He asked if a thousand dollar fine really protected the wagering public. Vice-Chairman Harris said that was why he preferred the scratch. It was as if the horse did not get its lasix four hours out. The entry would be lost and the horse scratched. Rick Hammerle of Santa Anita spoke against scratching the horse. He stated the proposed amendment would make the first time gelding the most important handicapping issue out of a host of variables that wagering fans considered. Scratching the horse would hurt multiple interests, including the fan that spent three hours handicapping the race. Vice-Chairman Harris said if horses were scratched people would start paying attention, and the problem would not be as severe. Marsha Naify of Thoroughbred Owners of California (TOC) said the TOC believed it was the responsibility of the trainer to ensure the true sex of the horse was reported at the time of entry, and if it were not reported correctly, the trainer should be fined. The TOC did not believe the owner should be penalized for a trainer's error. Scratching the horse placed an undue burden on the owner who bore the

cost of getting the horse ready to race. If the horse were scratched there might not be another racing opportunity for another four weeks. Ed Halpern of California Thoroughbred Trainers said he was a trainer and an owner, so he understood the reluctance to adopt a regulation that would affect owners. However, the Board needed to take a broader perspective. The proposed fine was an outrageous amount of money to charge for a first offense. It would be a burden to most trainers, as few made a living that would support a thousand dollar fine. Mr. Halpern stated both solutions were probably an overreaction to the problem. If a mistake were made by anyone but the trainer, would the responsible individual or individuals receive such a fine? Fines did not protect the wagering public. The only way to ensure a first time gelding was not missed was to scratch the horse. If the horse was scratched, it would not occur more than once, as no trainer wanted to tell the owner that his horse was scratched due to the trainer's mistake. Mr. Halpern added the issue was not important for many years, and it was only recently that trainers were notified of possible fines for not correctly reporting first-time geldings. He stated statistics would probably demonstrate that misidentification of the horse's sex dropped significantly in the past few months. Commissioner Israel asked if fines were previously given for incorrectly reporting the true sex of a horse. Chairman Shapiro said fines were given, and they typically were between \$300 and \$500. The fines did not appear to have a great impact, so the issue was brought to the Pari-Mutuel/ADW and Simulcast Committee, which then made recommendations to the Board. Commissioner Moss **motioned** to adopt the amendment to Rule 1865 that would impose a \$1,000 minimum fine for incorrectly reporting the true sex of the horse, and to revisit the issue after six months to determine if the fine was working. Vice-Chairman Harris suggested that the minimum fine be given absent mitigating

circumstances, which would include errors in the racing office or other entity. Commissioner Moss said the motion was amended to include Vice-Chairman Harris's suggestion. Commissioner Choper seconded the motion, which was carried with Vice-Chairman Harris voting "no." Chairman Shapiro stated the item would be renoticed for an additional public comment period due to the addition of mitigating circumstances.

**DISCUSSION AND ACTION BY THE BOARD REGARDING THE FEASIBILITY OF ESTABLISHING MINIMUM NET WORTH STANDARDS FOR RACING ASSOCIATIONS SUBMITTING APPLICATIONS FOR LICENSE TO CONDUCT A HORSE RACING MEETING AT BOTH PUBLIC AND PRIVATE RACE TRACKS.**

Chairman Shapiro stated past applicants for license to conduct a horse racing meeting were public and private, and have been corporations, Limited Liability Companies or shell corporations, and sometimes these entities did not have sufficient assets. The failure of Sacramento Harness Association caused the Board to consider steps to ensure applicants were financially sound. Jacqueline Wagner, CHRB staff, said staff contacted several racing jurisdictions to determine what steps they might take to ensure the financial soundness of racing associations. Of the racing jurisdictions contacted, Ohio was the only jurisdiction that required a minimum net worth, which was \$500,000. Ohio also had the ability to impose a \$1 million surety if there was reasonable doubt about the applicant racing association's financial statements. Arizona did not require a minimum net worth, but it did require a bond of \$300,000. Illinois also did not require a minimum net worth, but it did require a bond of \$200,000. Ms. Wagner said staff contacted a number of California State agencies to determine the steps they might take to mitigate financial risk. The California State Lottery required a credit report when processing applicants. In addition, the Chairman of the Racing Committee

of the Cal-Expo Board of Directors recently recommended that any future requests for proposals would require a \$4 million surety bond or letter of credit. Executive Director Kirk Breed said the Chairman of the Cal-Expo Racing Committee made the recommendation in connection with any bids for future racing at Cal-Expo. The Committee agreed the minimum amount it would accept for a surety bond would be \$4 million. That was the amount to cover all the creditors waiting to be paid from the previous Sacramento Harness Association meeting. Chairman Shapiro said in the past, the Board required applicants to provide a letter of credit or a financial instrument in favor of the Board. When Bay Meadows acquired Hollywood Park it was required to post a financial instrument in the amount of \$4 million to protect against financial problems. Jack Liebau of Hollywood Park said his organization was required to provide a financial instrument because it was a shell company. He added Capital Racing was required to post a \$1 million letter of credit, and Sacramento Harness Association had to provide a \$450,000 letter of credit. Mr. Liebau stated that when the Board considers what the net worth of an association should be, it should remember that few of the entities that operate a race meeting owned the property that underlined the racetrack. Additionally, the Board needed to determine who were the creditors. Chairman Shapiro said the question was how did the Board protect the employees, their pensions, and the stakeholders. He asked what criteria should the Board use in determining what instrument should be provided, and what should be the amount of the instrument? Mr. Liebau said the Board should determine who were the possible creditors. If that included everyone who placed a wager, and every statutory distribution, it would require a lot of net worth. If the creditors were just the stakeholders, there would be less net worth. Commissioner Shapiro asked if the Board's employees, or

union employees, were stakeholders. Mr. Liebau said they would be general creditors, and would have priorities under the Bankruptcy Code under their labor claims. Chairman Shapiro said the issue was complex and the Board needed input from all stakeholders and participants. Craig Fravel of Del Mar Thoroughbred Club stated the Federation of California Racing Associations had a Controller's Committee that met regularly to deal with issues related to pensions, union collective bargaining agreements and a variety of other issues. The committee could convene to discuss the issue and come forward with recommendations. Mr. Fravel added no racing association could qualify for a bond sufficient to meet total exposure. Any recommendations should also cover the advance deposit wagering providers, so the industry would know funds were going into a creditor proof arrangement. Mr. Fravel stated the Board's counsel and staff could participate in the committee's meeting. Chairman Shapiro said the Board would accept Mr. Fravel's offer.

**REPORT FROM AND DISCUSSION BY THE BOARD REGARDING THE CALIFORNIA MARKETING COMMITTEE, AND ITS PROMOTION AND EXPENDITURE PLANS PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTION 19605.73.**

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Chairman Shapiro said the item was an opportunity for the California Marketing Committee (CMC) to update the Board on its activities. Vice-Chairman Harris said the CMC was spending \$5 million a year to market horse racing in California, but he was not sure if the program was effective, as the California product sales were not increasing. The Board did not have much oversight or control of the CMC fund, but it needed to step back to see if the \$5 million was well spent. Craig Fravel, representing the CMC, said his staff prepared a comprehensive report about the organization. Chairman Shapiro said the report was not in the

Board packet material. Mr. Fravel said the CMC would forward the report to the Board. He reviewed the structure and some of the activities of the CMC, and stated he would provide any additional information requested by the Board. Chairman Shapiro said the reports should be sent to the individual Commissioners for their review, and if they had questions, the Board could bring back the item.

**DISCUSSION AND ACTION BY THE BOARD ON THE DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE LOS ANGELES TURF CLUB, INCORPORATED IN THE AMOUNT OF \$217,843 TO 40 BENEFICIARIES.**

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Commissioner Israel motioned to approve the distribution of race day charity proceeds of the Los Angeles Turf Club. Commissioner Choper seconded the motion, which was unanimously carried.

**STAFF REPORT ON THE CONCLUDED RACE MEETING OF THE LOS ANGELES TURF CLUB AT SANTA ANITA FROM DECEMBER 26, 2007 THROUGH APRIL 20, 2008.**

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Chairman Shapiro said the item was deferred.

**REPORT TO AND DISCUSSION BY THE BOARD ON POLICY AND REGULATIONS RELATED TO THE REDISTRIBUTION OF PURSES AS A RESULT OF POST-RACE POSITIVE MEDICATION VIOLATIONS.**

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Chairman Shapiro stated that when a horse won a race the paymaster distributed the purse within 72 hours of the conclusion of the race. If a post race sample were to come back as a positive the purse could be subject to redistribution. There were occasions when a purse needed to be redistributed, but difficulties arose because it was already paid out to the owner,

the trainer and the jockey. The item before the Board was to discuss ways in which the issue of purse distribution could be dealt with. Was it possible to hold purse distribution until the initial tests were clear? Dr. Rick Arthur, CHRB Equine Medical Director, said 90 percent of all tests were cleared within 72 hours of receipt at the official laboratory, and 98 percent after 120 hours, which equaled five working days. Dr. Arthur stated the time required to get the samples to the official laboratory needed to be added, and approximately 2 percent of the tests had some problem. Chairman Shapiro asked how many class one, two and three violations occurred. Dr. Arthur said .1 percent were such violations. Vice-Chairman Harris said that meant 99.9 percent of the time there was no problem, and the Board was proposing to withhold purses to the people who qualified to receive them. Chairman Shapiro said withholding purses until the tests cleared was only a point of discussion. He added the item would be deferred until there was more time for a thorough examination of the issues. Commissioner Israel suggested the boxing industry be investigated to see if there was some precedent in withholding purses pending drug tests.

#### PUBLIC COMMENT

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Chris Korby of California Authority of Racing Fairs requested that the Board direct the payment of monies owed by Sacramento Harness Association to fair satellite facilities. Mr. Korby said Southern California Off Track Wagering, Inc., and Northern California Off Track Wagering, Inc, was holding the monies. Chairman Shapiro said the matter would be discussed in Executive Session, and the Board would follow the advice of its counsel.

**MEETING ADJOURNED AT 1:32 P.M.**

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

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Chairman

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Executive Director

STAFF ANALYSIS  
August 19, 2008

Issue: DISCUSSION AND ACTION BY THE BOARD REGARDING A) REALLOCATION OF SEPTEMBER 17, 2008 THROUGH DECEMBER 21, 2008 RACE DATES FROM GOLDEN GATE FIELDS TO THE LOS ANGELES TURF CLUB, AND B) THE APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE LOS ANGELES TURF CLUB AT GOLDEN GATE FIELDS, COMMENCING SEPTEMBER 17, 2008 THROUGH DECEMBER 21, 2008, INCLUSIVE.

- The Los Angeles Turf Club (LATC) is proposing to conduct the race meeting at Golden Gate Fields (GGF) which will necessitate the reallocation of Pacific Racing Associations (PRA) previously allocated dates to LATC. PRA was allocated 67 race days for their September – December 2008 race meet. They were granted a total of 26 race weeks for the 2008 race meet calendar providing them with four weeks over the 22 week limitation. Business and Professions Code section 19532(a) states any association licensed to conduct thoroughbred racing in the northern zone may receive no more than 22 weeks of racing. The proposed Los Angeles Turf Club application is seeking permission to run a northern race meet using the 2008 calendar days allocated (14 weeks) to Pacific Racing Association. LATC has not conducted thoroughbred racing in the northern zone at any time during the calendar year 2008.

Los Angeles Turf Club filed its application to conduct a thoroughbred horse racing meeting at Golden Gate Fields:

- September 17 through December 21, 2008, or 67 days. The association proposes to race a total of 579 races, or 8.6 races per day. The Los Angeles Turf Club did not conduct a Northern California race meet during the prior year timeframe. In 2007 Pacific Racing Association (PRA) raced November 7 through December 17, 2007 racing 8.5 races per day with an average of 8.47 runners per race. The PRA (actual) average daily purse for the 2007 meet was \$174,674. The LATC (estimated) average daily purse for this meet is \$164,033.

| September - 2008 |     |     |     |     |     |     |
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| Sun              | Mon | Tue | Wed | Thu | Fri | Sat |
|                  | 1 H | 2   | 3   | 4   | 5   | 6   |
| 7                | 8   | 9   | 10  | 11  | 12  | 13  |
| 14               | 15  | 16  | 17  | 18  | 19  | 20  |
| 21               | 22  | 23  | 24  | 25  | 26  | 27  |
| 28               | 29  | 30  |     |     |     |     |

| October - 2008 |      |     |     |     |     |     |
|----------------|------|-----|-----|-----|-----|-----|
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| 26             | 27   | 28  | 29  | 30  | 31  |     |

| November - 2008 |     |     |     |     |     |     |
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| 30              |     |     |     |     |     |     |

| December - 2008 |     |     |     |     |     |     |
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| Sun             | Mon | Tue | Wed | Thu | Fri | Sat |
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| 7               | 8   | 9   | 10  | 11  | 12  | 13  |
| 14              | 15  | 16  | 17  | 18  | 19  | 20  |
| 21              | 22  | 23  | 24  | 25  | 26  | 27  |
| 28              | 29  | 30  | 31  |     |     |     |

- ⦿ Racing 5 days per week, Wednesday through Sunday, with 8 races weekdays and 9 or 10 weekends, holidays.
  - ⦿ 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 Hollywood Park association with the exception of December 15<sup>th</sup> and 28<sup>th</sup>.
- ⦿ First post 12:45 p.m. daily.
  - ⦿ 12:15 p.m. Sunday, October 5, Cal Cup.
  - ⦿ 11:40 a.m. Friday, October 24, Breeders Cup (tentative)
  - ⦿ 10:25 a.m. Saturday, October 25, Breeders Cup.(tentative)
  - ⦿ 12:15 p.m. Sunday, October 26, Closing Day – Oak Tree
  - ⦿ 11:15 a.m. Thursday, November 27, Thanksgiving Day
  - ⦿ Request the option to change post times to coordinate north/south signals.
- ⦿ 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.
  - ⦿ Early wagering will not be offered.
- ⦿ The Advance Deposit Wagering (ADW) providers are YouBet, TVG, Xpressbet and Twin Spires.
- ⦿ Simulcasting conducted with out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- ⦿ A copy of the 2007 Los Angeles Turf Club and Pacific Racing Association end of meet reports have been included for your review. In addition, the LATC end of meet report is also an item on the August 2008 Board agenda. The PRA report was previously presented to the Board at the March 27, 2008 CHRB Board meeting.
- ⦿ Inspection of backstretch worker housing completed.

RECOMMENDATION:

Staff recommends the Board approve the application.



Frank De Marco, Jr., Esq.  
General Counsel &  
Assistant Secretary

*Via Fax (916-263-6022)*

August 1, 2008

Mr. Kirk Breed  
Executive Director  
California Horse Racing Board  
1010 Hurley Way, Suite 300  
Sacramento, California 95825

Re: Application of Los Angeles Turf Club, Incorporated

Dear Sir:

Los Angeles Turf Club, Incorporated ("LATC"), has placed before you it's application for a license to conduct a Thoroughbred horse racing meet at the Golden Gate Fields racing concourse at Albany, California for the period from September 17, 2008 to December 21, 2008. You have requested some background information on the reasons for this request and LATC offers the following for your consideration:

Business and Professions Code ("BP") Section 19531(a) limits Thoroughbred racing in the Northern Zone to no more than 44 weeks per year.

BP Section 19532 (a) limits a licensed racing association from conducting more than 22 weeks of racing in the Northern Zone.

Pacific Racing Association, doing business as "Golden Gate Fields" has conducted racing for 12 weeks thus far in calendar year 2008 in the Northern Zone.

Bay Meadows Race Track has raced 14 weeks at its San Mateo location in the Northern Zone during calendar year 2008.

At the August 2007 meeting of the Race Dates Committee of the California Horse Racing Board, Golden Gate Fields was award an additional 67 days (14 weeks) of

Mr. Kirk Breed  
August 1, 2008  
Page 2.

racing to be conducted in the Northern Zone from September 17, 2008 to December 21, 2008. Thus, it appears that Golden Gate Fields has been assigned a total of 26 racing weeks in the Northern Zone for the calendar year 2008, which is 4 weeks over the statutory limitation of 22 weeks for one association in the Northern Zone.

LATC has not conducted Thoroughbred racing in the Northern Zone at any time during the calendar year 2008. Bay Meadows Race Track has publically announced that it is unable to and will not conduct any Thoroughbred racing meets in the Northern Zone for the balance of the year 2008. Absent the granting of the application of LATC to conduct a Thoroughbred racing meet in the Northern Zone for the 14 weeks requested by this application, the Northern Zone racing fans will be deprived of Thoroughbred horse racing for an unreasonable length of time, the remainder of 2008.

The LATC management personnel, specified in the Application, has had substantial experience in conducting successful Thoroughbred racing meets in California.

This Board has authority under BP Section 19530 to specify such racing days, dates and hours for horseracing meetings "as will be in the public interest and will subserve the purposes of this chapter." It is submitted that absent the granting of the LATC application Northern California will be deprived of racing during the late fall of 2008, which is not in the public interest.

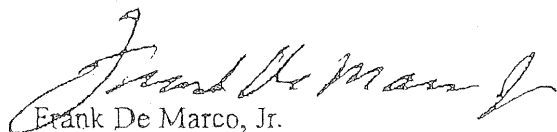
Additional support for this position can be found in Section 1430 of the California Horse Racing Board, Rules and Regulations which provides that racing dates and weeks previously allocated may be subject to reconsideration or amendment upon a showing that conditions unforeseen at the time of the allocations now exist. In view of the fact that at the time of the allocation of the dates in question, the future of racing at Bay Meadows Race Track was uncertain, this Board may at this time reconsider the original allocation and grant a license to LATC to conduct the September 17, 2008 to December 21, 2008 dates at the Golden Gate Fields premises.

There is pending in the State Legislature, SB 561 which has passed out of the Senate and will be heard in the Assembly during the first week of August. The Bill carries an Urgency Clause and could be signed by the Governor prior to the hearing date on this LATC Application. If that happens, the 22 week limitation on racing weeks in the Northern Zone would be extended to 35 weeks, thus removing the prohibition which now prevents Golden Gate Fields from running the September 17 to December 21, 2008 dates heretofore allocated by the Board.

Mr. Kirk Breed  
August 1, 2008  
Page 3.

In the event SB becomes law prior to a hearing on the LATC Application, LATC will request that its Application be withdrawn and that an Amended Application be permitted to be filed Nunc Pro Tunc by Pacific Racing Association, d/b/a "Golden Gate Fields", in the same form and substance as the LATC Application, but listing the corporate Officers and Directors of Pacific Racing Association in the place and stead of those of LATC, together with the other Certificates and Agreements required to be filed by any Applicant.

Very truly yours,



Frank De Marco, Jr.

FDM:sm

## END-OF-MEET OUTLINE SUMMARY

Los Angeles Turf Club  
December 26, 2007 - April 20, 2008  
Race Days: 77

## AVERAGE DAILY STATISTICS

|                                  | Percent<br>Change | Total<br>Value |
|----------------------------------|-------------------|----------------|
| Avg. Daily Handle                | 2.77              | 325,052        |
| Avg. Daily On-Track Handle       | -9.97             | (213,390)      |
| Avg. Daily ITW Network Handle    | -3.58             | (102,787)      |
| Avg. Daily ADW In Network Handle | 33.24             | 290,939        |
| Avg. Daily Out-Of-State Handle   | 5.99              | 350,289        |
| Avg. Daily Attendance            | -5.46             | (989)          |
| Avg. Daily On-Track Attendance   | -5.56             | (514)          |
| Avg. Daily ITW Attendance        | -5.36             | (476)          |

# CALIFORNIA HORSE RACING BOARD

## END OF MEET REPORT

Los Angeles Turf Club at Santa Anita

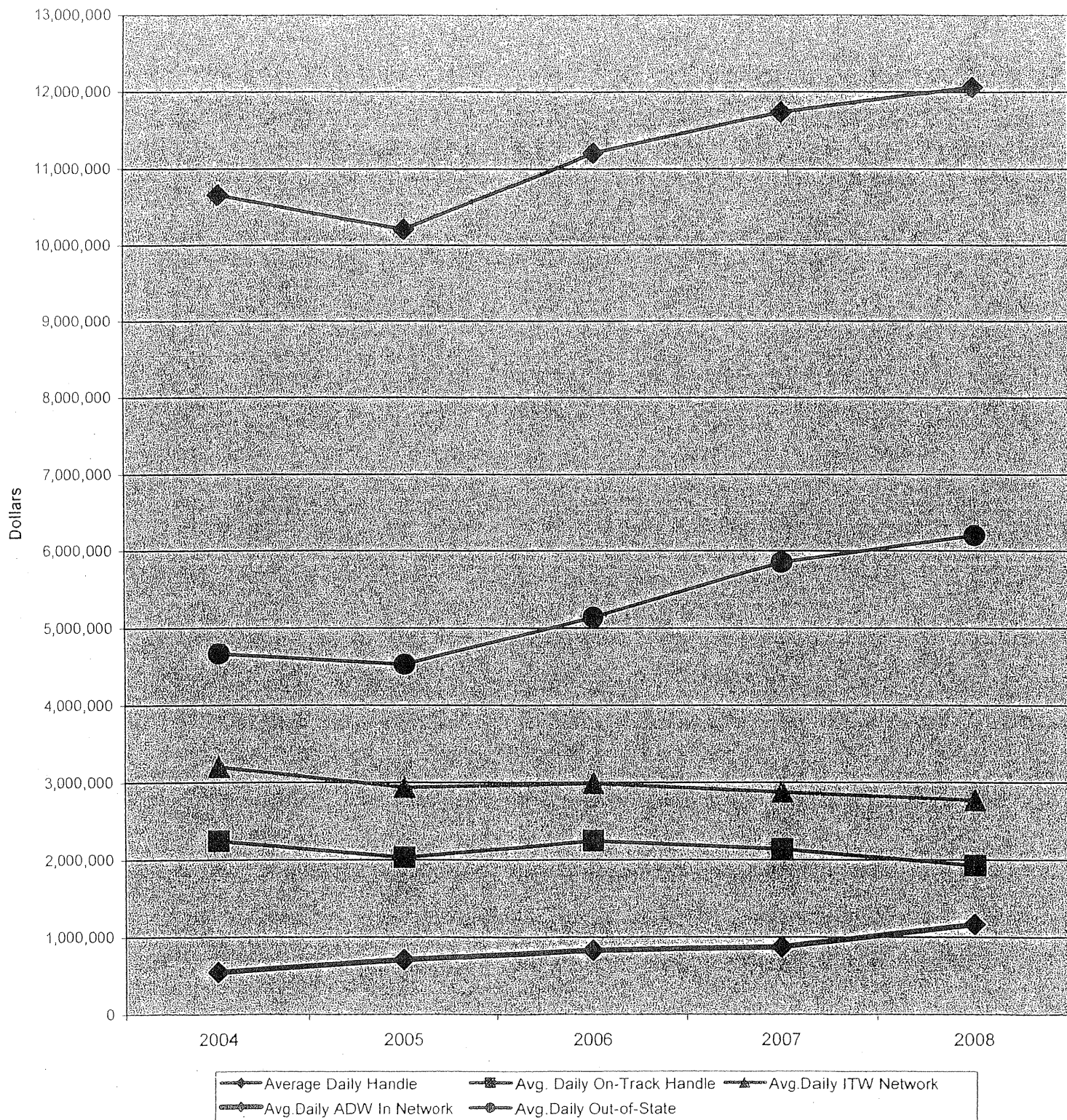
2008 Number's Do not include AB480 Purses and Track Commissions  
 Previous Year \$ and % Change

|                               | 2004        | 2005        | 2006        | 2007        | 2008        | 2008 \$ CHANGE | 2008 % CHANGE |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|----------------|---------------|
| TOTAL RACE DAYS               | 84          | 85          | 86          | 85          | 77          | (8)            | -9.41%        |
| TOTAL HANDLE                  | 895,295,884 | 867,614,465 | 963,949,422 | 997,699,283 | 928,827,174 | (68,872,108)   | -6.90%        |
| <b>BY ORIGIN OF WAGER</b>     |             |             |             |             |             |                |               |
| ON-TRACK                      | 188,596,686 | 172,706,230 | 193,149,553 | 181,931,924 | 148,377,922 | (33,554,002)   | -18.44%       |
| ITW NETWORK                   | 268,557,636 | 249,449,558 | 256,916,467 | 244,157,759 | 213,263,622 | (30,894,137)   | -12.65%       |
| ADW IN NETWORK                | 46,235,471  | 60,627,905  | 71,579,464  | 74,404,308  | 89,803,885  | 15,399,577     | 20.70%        |
| OUT-OF-STATE                  | 391,906,091 | 384,830,773 | 442,303,938 | 497,205,292 | 477,381,746 | (19,823,546)   | -3.99%        |
| <b>BY ORIGIN OF RACE</b>      |             |             |             |             |             |                |               |
| LIVE                          | 679,633,218 | 644,105,147 | 732,703,490 | 778,773,589 | 725,307,400 | (53,466,188)   | -6.87%        |
| OUT-OF-ZONE                   | 85,771,698  | 83,258,382  | 81,258,761  | 72,877,390  | 69,555,515  | (3,321,875)    | -4.56%        |
| INTERSTATE-IMPORT             | 128,986,161 | 137,594,006 | 144,087,908 | 134,785,738 | 124,205,288 | (10,580,450)   | -7.85%        |
| INTERNATIONAL-IMPORT          | 904,807     | 2,656,931   | 5,899,263   | 11,262,565  | 9,758,971   | (1,503,595)    | -13.35%       |
| AVG DAILY HANDLE              | 10,658,284  | 10,207,229  | 11,208,714  | 11,737,639  | 12,062,691  | 325,052        | 2.77%         |
| <b>AVG BY ORIGIN OF WAGER</b> |             |             |             |             |             |                |               |
| AVG ON-TRACK                  | 2,245,199   | 2,031,838   | 2,245,925   | 2,140,376   | 1,926,986   | (213,390)      | -9.97%        |
| AVG ITW NETWORK               | 3,197,115   | 2,934,701   | 2,987,401   | 2,872,444   | 2,769,657   | (102,787)      | -3.58%        |
| AVG ADW IN NETWORK            | 550,422     | 713,269     | 832,319     | 875,345     | 1,166,284   | 290,939        | 33.24%        |
| AVG OUT OF STATE              | 4,665,549   | 4,527,421   | 5,143,069   | 5,849,474   | 6,199,763   | 350,289        | 5.99%         |
| <b>AVG BY ORIGIN OF RACE</b>  |             |             |             |             |             |                |               |
| AVG LIVE                      | 8,090,872   | 7,577,708   | 8,519,808   | 9,162,042   | 9,419,577   | 257,534        | 2.81%         |
| AVG OUT-OF-ZONE               | 1,021,092   | 979,510     | 944,869     | 857,381     | 903,318     | 45,937         | 5.36%         |
| AVG INTERSTATE IMPORT         | 1,535,550   | 1,618,753   | 1,675,441   | 1,585,715   | 1,613,056   | 27,341         | 1.72%         |
| AVG INTERNATIONAL IMPORT      | 10,772      | 31,258      | 68,596      | 132,501     | 126,740     | (5,761)        | -4.35%        |
| TOTAL TAKEOUT                 | 173,099,426 | 170,261,309 | 188,187,256 | 196,470,877 | 182,709,167 | (13,761,709)   | -7.00%        |
| EFFECTIVE TAKEOUT %           | 19.33%      | 19.62%      | 19.52%      | 19.69%      | 19.67%      | -0.02%         | -0.11%        |
| STATE LICENSE FEES            | 10,371,730  | 9,658,842   | 10,397,619  | 10,115,922  | 8,843,803   | (1,272,119)    | -12.58%       |
| STATE %                       | 1.16%       | 1.11%       | 1.08%       | 1.01%       | 0.95%       | -0.06%         | -6.09%        |
| TRACK COMMISSION              | 36,084,884  | 34,717,466  | 38,173,797  | 38,256,612  | 35,179,678  | (3,076,934)    | -8.04%        |
| TRACK %                       | 4.03%       | 4.00%       | 3.96%       | 3.83%       | 3.79%       | -0.05%         | -1.22%        |
| PURSE COMMISSION              | 35,448,027  | 34,080,435  | 37,293,459  | 37,521,113  | 34,514,707  | (3,006,405)    | -8.01%        |
| PURSE %                       | 3.96%       | 3.93%       | 3.87%       | 3.76%       | 3.72%       | -0.04%         | -1.19%        |
| CALIFORNIA NETWORK ATT        | 1,641,055   | 1,484,947   | 1,579,223   | 1,539,010   | 1,317,996   | (221,014)      | -14.36%       |
| ON-TRACK                      | 747,640     | 677,193     | 789,196     | 785,167     | 671,725     | (113,442)      | -14.45%       |
| ITW NETWORK                   | 893,415     | 807,754     | 790,027     | 753,843     | 646,271     | (107,572)      | -14.27%       |
| AVG DAILY ATTENDANCE          | 19,536      | 17,470      | 18,363      | 18,106      | 17,117      | (989)          | -5.46%        |
| AVG DAILY ON-TRACK            | 8,900       | 7,967       | 9,177       | 9,237       | 8,724       | (514)          | -5.56%        |
| AVG DAILY ITW NETWORK         | 10,636      | 9,503       | 9,186       | 8,869       | 8,393       | (476)          | -5.36%        |
| TOTAL RACE EVENTS             | 726         | 730         | 747         | 740         | 696         | (44)           | -5.95%        |
| STARTERS                      | 5,842       | 5,738       | 6,330       | 6,379       | 6,020       | (359)          | -5.63%        |
| AVG STARTERS PER EVENT        | 8.05        | 7.86        | 8.47        | 8.62        | 8.65        | .03            | 0.34%         |
| AVG HANDLE PER START          | 116,336     | 112,253     | 115,751     | 122,084     | 120,483     | (1,601)        | -1.31%        |

Data Date 6/6/2008  
 Print Date 6/6/2008

numbers provided by CHRIMS, Inc.

### Los Angeles Turf Club Average Daily Totals



## END-OF-MEET OUTLINE SUMMARY

**Pacific Racing Association**

December 26, 2006 - December 22, 2007

Race Days: 98

## AVERAGE DAILY STATISTICS

|                                | Percent<br>Change | Total<br>Value |
|--------------------------------|-------------------|----------------|
| Avg. Daily Handle              | 11.29%            | 441,789        |
| Avg. On-Track Handle           | 3.49%             | 19,631         |
| Avg. ITW Network Handle        | -2.09%            | (29,414)       |
| Avg. ADW In Network Handle     | 18.47%            | 62,051         |
| Avg. Out-Of-State Handle       | 24.22%            | 389,522        |
| Avg. Daily Attendance          | 3.60%             | 216            |
| Avg. Daily On-Track Attendance | 12.04%            | 267            |
| Avg. Daily ITW Attendance      | -1.34%            | (51)           |

## CALIFORNIA HORSE RACING BOARD END OF MEET REPORT

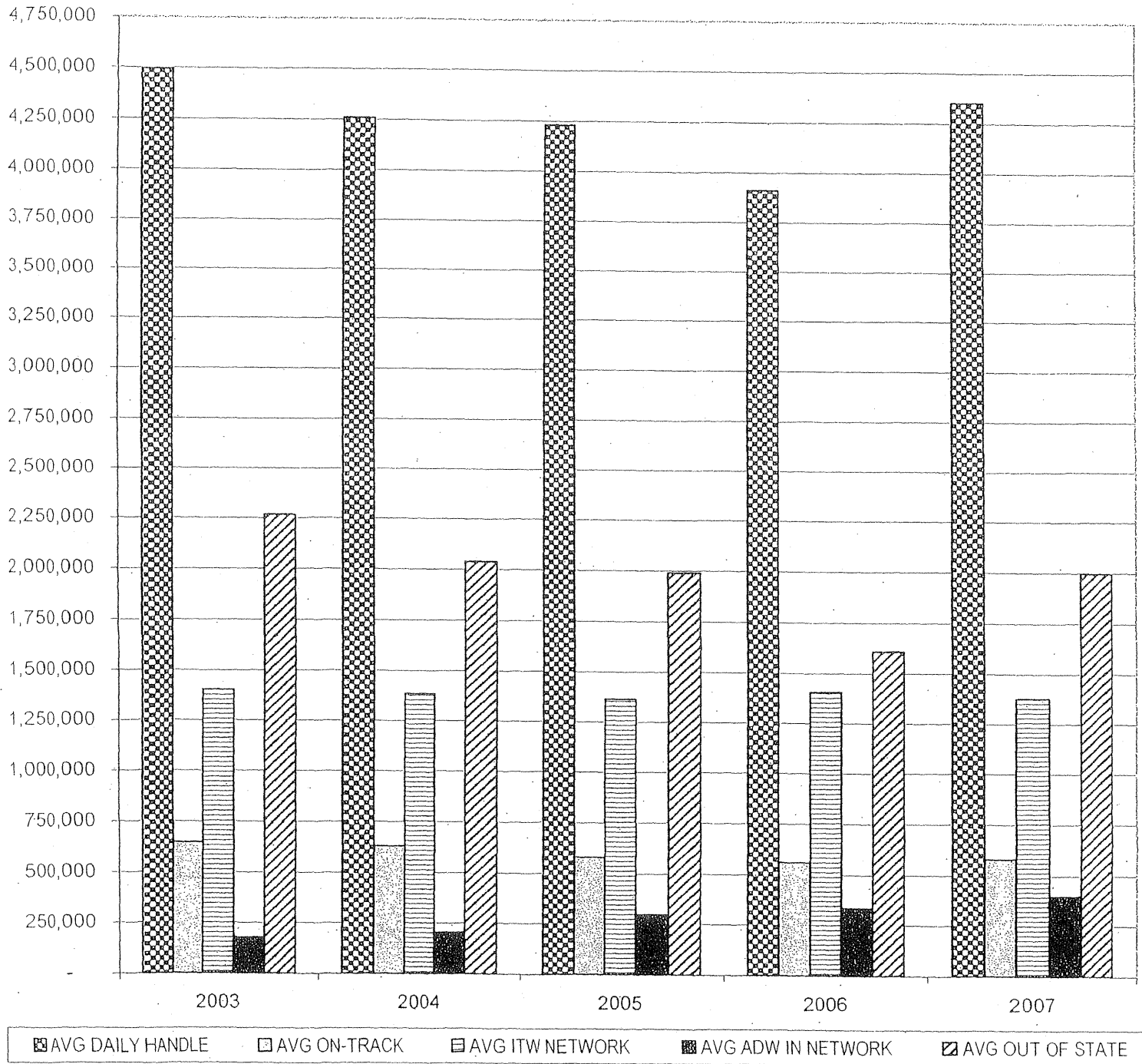
Pacific Racing Association

YTY CHANGE

|                               | 2003        | 2004        | 2005        | 2006        | 2007        | 2007 \$<br>CHANGE | 2007 %<br>CHANGE |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------------|------------------|
| TOTAL RACE DAYS               | 105         | 105         | 103         | 101         | 98          | (3)               | -2.97%           |
| TOTAL HANDLE                  | 471,901,779 | 447,320,522 | 435,843,312 | 395,115,632 | 426,674,872 | 31,559,240        | 7.99%            |
| <b>BY ORIGIN OF WAGER</b>     |             |             |             |             |             |                   |                  |
| ON-TRACK                      | 68,070,821  | 66,372,434  | 59,817,436  | 56,743,646  | 56,981,990  | 238,343           | 0.42%            |
| ITW NETWORK                   | 147,222,103 | 145,324,304 | 140,436,504 | 142,046,643 | 134,944,857 | (7,101,787)       | -5.00%           |
| ADW IN NETWORK                | 18,637,207  | 21,573,198  | 30,593,993  | 33,922,447  | 38,995,835  | 5,073,389         | 14.96%           |
| OUT-OF-STATE                  | 237,971,647 | 214,050,586 | 204,995,380 | 162,402,896 | 195,752,190 | 33,349,295        | 20.53%           |
|                               | 471,901,779 | 447,320,522 | 435,843,312 | 395,115,632 | 426,674,872 | 31,559,240        | 7.99%            |
| <b>BY ORIGIN OF RACE</b>      |             |             |             |             |             |                   |                  |
| LIVE                          | 319,777,153 | 290,312,645 | 277,030,667 | 222,622,346 | 258,343,976 | 35,721,631        | 16.05%           |
| OUT- OF- ZONE                 | 83,077,543  | 80,245,884  | 67,042,052  | 77,791,160  | 76,422,596  | (1,368,564)       | -1.76%           |
| INTERSTATE-IMPORT             | 68,569,205  | 73,749,215  | 81,205,388  | 84,000,108  | 79,876,999  | (4,123,109)       | -4.91%           |
| INTERNATIONAL-IMPORT          | 477,878     | 3,012,779   | 10,565,205  | 10,702,019  | 12,031,301  | 1,329,282         | 12.42%           |
|                               | 471,901,779 | 447,320,522 | 435,843,312 | 395,115,632 | 426,674,872 | 31,559,240        | 7.99%            |
| <i>proof</i>                  |             |             |             |             |             |                   |                  |
| AVG DAILY HANDLE              | 4,494,303   | 4,260,195   | 4,231,488   | 3,912,036   | 4,353,825   | 441,789           | 11.29%           |
| <b>AVG BY ORIGIN OF WAGER</b> |             |             |             |             |             |                   |                  |
| AVG ON-TRACK                  | 648,294     | 632,118     | 580,752     | 561,818     | 581,449     | 19,631            | 3.49%            |
| AVG ITW NETWORK               | 1,402,115   | 1,384,041   | 1,363,461   | 1,406,402   | 1,376,988   | (29,414)          | -2.09%           |
| AVG ADW IN NETWORK            | 177,497     | 205,459     | 297,029     | 335,866     | 397,917     | 62,051            | 18.47%           |
| AVG OUT OF STATE              | 2,266,397   | 2,038,577   | 1,990,246   | 1,607,949   | 1,997,471   | 389,522           | 24.22%           |
| <b>AVG BY ORIGIN OF RACE</b>  |             |             |             |             |             |                   |                  |
| AVG LIVE                      | 3,045,497   | 2,764,882   | 2,689,618   | 2,204,182   | 2,636,163   | 431,981           | 19.60%           |
| AVG OUT-OF-ZONE               | 791,215     | 764,247     | 650,894     | 770,210     | 779,822     | 9,613             | 1.25%            |
| AVG INTERSTATE-IMPORT         | 653,040     | 702,373     | 788,402     | 831,684     | 815,071     | (16,613)          | -2.00%           |
| AVG INTRNL-IMPORT             | 4,551       | 28,693      | 102,575     | 105,961     | 122,768     | 16,808            | 15.86%           |
| TOTAL TAKEOUT                 | 92,014,373  | 91,133,857  | 86,714,882  | 85,984,184  | 78,081,695  | (7,902,489)       | -9.19%           |
| EFFECTIVE TAKEOUT %           | 19.50%      | 20.37%      | 19.90%      | 21.76%      | 18.30%      | (0)               | -15.91%          |
| STATE LICENSE FEES            | 3,076,042   | 2,945,532   | 2,746,397   | 2,531,991   | 2,710,217   | 178,226           | 7.04%            |
| STATE %                       | 0.65%       | 0.66%       | 0.63%       | 0.64%       | 0.64%       | (0)               | -0.88%           |
| TRACK COMMISSION              | 17,589,927  | 17,229,886  | 16,586,749  | 16,011,386  | 16,243,093  | 231,707           | 1.45%            |
| TRACK %                       | 3.73%       | 3.85%       | 3.81%       | 4.05%       | 3.81%       | (0)               | -6.06%           |
| PURSE COMMISSION              | 17,143,872  | 16,780,856  | 16,118,362  | 15,567,045  | 15,746,311  | 179,265           | 1.15%            |
| PURSE %                       | 3.63%       | 3.75%       | 3.70%       | 3.94%       | 3.69%       | (0)               | -6.33%           |
| <b>CALIFORNIA NETWORK</b>     |             |             |             |             |             |                   |                  |
| ATTENDANCE                    | 690,221     | 670,820     | 634,636     | 606,103     | 609,290     | 3,187             | 0.53%            |
| ON-TRACK                      | 248,761     | 248,215     | 239,411     | 224,054     | 243,572     | 19,518            | 8.71%            |
| ITW NETWORK                   | 441,460     | 422,605     | 395,225     | 382,049     | 365,718     | (16,331)          | -4.27%           |
| AVG DAILY ATTENDANCE          | 6,574       | 6,389       | 6,162       | 6,001       | 6,217       | 216               | 3.60%            |
| AVG DAILY ON-TRACK            | 2,369       | 2,364       | 2,324       | 2,218       | 2,485       | 267               | 12.04%           |
| AVG DAILY ITW NETWORK         | 4,204       | 4,025       | 3,837       | 3,783       | 3,732       | (51)              | -1.34%           |
| TOTAL RACE EVENTS             | 882         | 890         | 886         | 866         | 855         | (11)              | -1.27%           |
| STARTERS                      | 6,863       | 6,524       | 6,280       | 6,361       | 5,725       | (636)             | -10.00%          |
| AVG STARTERS PER EVENT        | 7.78        | 7.33        | 7.09        | 7.35        | 6.70        | (1)               | -8.84%           |
| AVG HANDLE PER START          | 46,594      | 44,499      | 44,113      | 34,998      | 45,126      | 10,128            | 28.94%           |

Source: CHRIMS

### Pacific Racing Association



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:

**Los Angeles Turf Club, Incorporated**

**Golden Gate Fields**

**1100 Eastshore Highway**

**Berkeley, California 94710**

**Phone (510) 559-7300**

**Administration Fax (510) 559-7464**

B. Breed of horse:  TB  QH  H

C. Racetrack name: **Golden Gate Fields**

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 with the Board.**

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: **Sept. 17, 2008 through Dec. 21, 2008**

B. Actual dates racing will be held: **September 17-21, 24-28; October 3-5, 10-13, 15-19, 22-26, 29-31; November 1-2, 5-9, 12-16, 19-23, 26-30; December 3-7, 10-14, 17-21**

C. Total number of days or nights of racing: **67 days**

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

Wed - Sun  Tues - Sat  Other (specify)

**Exceptions; racing on Monday, October 13, 2008**

E. Number of days or nights of racing per week: **5 days per week except as set forth in Item D above**

3. RACING PROGRAM

A. Total number of races: **579**

B. Number of races for each day or night: **8.64 will be the average throughout the meet; we propose to conduct 8 races on weekdays and 9 races on weekends and holidays. If the horse population permits, we may run 10 races as long as we do not exceed an average of 8.64 races per day for the meet. If we plan to exceed this amount, we will request administrative approval.**

CHRB CERTIFICATION

Application received: *6/19/08*  
Deposit received: *on file*  
Reviewed: *apv*

Hearing date: *8/19/08*  
Approved date:  
License number:

**Golden Gate Fields Fall 2008  
Stakes Schedule**

6/7/2008

September 17, 2008 - December 21, 2008

67 Days

| <b>Stakes Race</b>  | <b>Purse</b>                       | <b>Distance</b> | <b>Date</b>            | <b>Closes</b>          | <b>Nom</b> | <b>Entry</b> |
|---|------------------------------------|-----------------|------------------------|------------------------|------------|--------------|
| <i>Miss America</i><br>F&M Three Years Old & Upward         | \$75,000 G                         | 1 1/8 (T)       | Saturday, September 20 | Friday, September 12   | \$50       | \$750        |
| <i>All American BC Gill</i><br>Three Year Olds & Upward     | \$200,000 A<br>(Inc. \$50,000 BCF) | 1 1/8           | Saturday, September 27 | Saturday, September 20 | \$50       | \$1,500      |
| <i>Sausalito</i><br>Three Year Olds & Upward                | \$75,000 G                         | 6 Furlongs      | Saturday, November 22  | Saturday, November 15  | \$50       | \$750        |
| <i>Forty Niner</i><br>Three Year Olds & Upward              | \$75,000 G                         | 1 1/16          | Friday, November 28    | Thursday, November 20  | \$50       | \$750        |
| <i>Pacific Heights (CA)</i><br>F&M Three Years Old & Upward | \$75,000 G<br>Inc \$15,000 CBRF    | 1 1/16          | Saturday, December 6   | Saturday, November 29  | \$50       | \$750        |
| <i>Corte Madera</i><br>Fillies, Two Years Old               | \$75,000 G                         | 1M              | Saturday, December 13  | Saturday, December 6   | \$50       | \$750        |
| <i>Gold Rush</i><br>Two Year Olds                           | \$75,000 G                         | 1M              | Saturday, December 20  | Saturday, December 13  | \$50       | \$750        |

- C. Total number of stakes races: 7  
(7 Non-Overnight Stakes including one Breeders' Cup Stake and one Cal-Bred Stake)
- 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. **Stakes schedule 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:

| <u>Post Time</u> | <u>Race Number</u> |
|------------------|--------------------|
| 12:45 p.m.       | 1                  |
| 1:15 p.m.        | 2                  |
| 1:45 p.m.        | 3                  |
| 2:15 p.m.        | 4                  |
| 2:45 p.m.        | 5                  |
| 3:15 p.m.        | 6                  |
| 3:45 p.m.        | 7                  |
| 4:15 p.m.        | 8                  |
| 4:45 p.m.        | 9                  |
| 5:15 p.m.        | 10                 |

The following post time exceptions will be made to coordinate North/ South signals:

Post time scheduled at 12:15 p.m. on Sunday, October 5, 2008 (Cal Cup)

Post time scheduled at 11:40 a.m. on Friday, October 24, 2008 (Breeders' Cup) -Tentative

Post time scheduled at 10:25 a.m. on Saturday, October 25, 2008 (Breeders' Cup) -Tentative

Post time scheduled at 12:15 p.m. on Sunday, October 26, 2008 (Closing Day-Oak Tree)

Post time scheduled at 11:15 a.m. on Thursday, November 27, 2008 (Thanksgiving Day)

**Request the option to change post time schedules in order to coordinate North/South signals.**

**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 with the Board.**
- C. CORPORATION
- Registered name of the corporation: **Los Angeles Turf Club, Incorporated**
  - State where incorporated: **California**

3. Registry or file number for the corporation: **481360**
4. Names of all officers and directors, titles, and the number of shares of the corporation held by each:  
**The officers of the corporation hold zero shares in Los Angeles Turf Club, Incorporated**  
**Ron Charles, President, Director**  
**George Haines II, Vice-President**  
**Frank De Marco Jr., Vice-President**  
**Allen Gutterman, Vice-President**  
**Gina Lavo, Vice-President**  
**William G. Ford, Director**  
**Scott F. Daruty, Director**
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:  
**Los Angeles Turf Club, Incorporated is a wholly owned subsidiary of The Santa Anita Companies, Inc., a Delaware Corporation, which is a wholly owned subsidiary of Magna Entertainment Corporation, a Delaware Corporation.**
6. Number of outstanding shares in the corporation:  
**Los Angeles Turf Club, Incorporated: 25 Shares (Not publicly traded.)**  
**The Santa Anita Companies, Inc.: 100 Shares (Not publicly traded.)**  
**Magna Entertainment Corp.: 49,259,999 Class A subordinate Voting Shares**  
**58,466,056 Class B shares**  
**As of August 31, 2007**
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: **Not applicable.**
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: **Magna Entertainment Corporation.**
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 with the Board.**

## D. LLC

1. Registered name of the LLC: **Not applicable**
2. State where articles of organization are filed: **Not applicable**
3. Registry or file number for the LLC: **Not applicable**
4. Names of all officers and directors, titles, and the number of shares of the LLC held by each:  
**Not applicable**
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: **Not applicable**

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. **Not applicable**

E. OTHER

1. Name(s) of partners/sole proprietor: **Not applicable**
2. If a partnership, attach partnership agreement. **Not applicable**

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:

**Ron Charles, President, Director**  
**Blake Tohana, Executive Vice-President and Chief Financial Officer**  
**Frank DeMarco, Jr., Vice-President Regulatory Affairs**  
**William G. Ford, Secretary, Director**  
**Peter W. Tunney, Community Relations**  
**Calvin Rainey, Assistant General Manager**  
**Robert Hartman, General Manager**  
**Adam Njaa, Controller of Operations**  
**Merry Scalzo, Director of Operations**  
**Bill Newell, Director of Hospitality**  
**Jerry Aldoroty, Director of Sales**  
**Bryan Wayte, Manager of Mutuels**  
**Tom Ferrall, Publicity Manager**  
**Kristin Finkel, Marketing Manager**  
**Robert Hemmer, Operations Manager**  
**T.W. Johnson, Security Manager**  
**Michael Wrona, Track Announcer**  
**Richard Somers, Price Maker**  
**William Vassar, Track Photographer**  
**Aaron Veracruz, Director of Simulcast**  
**David Seftel, M.D., Track 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:

**Robert Hartman, General Manager**

5. PURSE PROGRAM

- A. Purse distribution: *Prior meet actual represents PRA November 7, 2007 – December 22, 2007 (32 Days)*

1. All races other than stakes:  
 Current meet estimate: **\$9,178,330.00**  
 Prior meet actual: **\$4,426,698.00**

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

- Current meet estimate: **\$136,990.00**  
 Prior meet actual: **\$138,334.31**

- 2. Overnight stakes:  
 Current meet estimate: **\$0.00**  
 Prior meet actual: **\$45,500.00**  
  
 Average Daily Purse (5A2 ÷ number of days):  
 Current meet estimate: **\$0.00**  
 Prior meet estimate: **\$1,421.88**

- 3. Non-overnight stakes:  
 Current meet estimate: **\$585,000.00**  
 Prior meet actual: **\$471,600.00**  
  
 Average Daily Purse (5A3 ÷ number of days):  
 Current meet estimate: **\$8,731.34**  
 Prior meet estimate: **\$14,737.50**

B. Stakes races:

- 1. Purse distribution for all stakes races:  
 Current meet estimate: **\$585,000.00**  
 Prior meet actual: **\$517,100.00**  
  
 Average Daily Purse (5B1 ÷ number of days):  
 Current meet estimate: **\$8,731.34**  
 Prior meet estimate: **\$16,159.38**

- 2. Percentage of the purse distribution for all stakes races that will be distributed for California-bred stakes races:  
 Current meet estimate: **10.2%**  
 Prior meet actual: **8.8%**  
  
 Average Daily Purse (5B2 ÷ number of days):  
 Current meet estimate: **.15%**  
 Prior meet estimate: **.28%**

- C. Funds to be generated for all California-bred incentive awards:  
 Current meet estimate: **\$819,367.00**  
 Prior meet actual: **\$439,478.77**

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

|                                    |                            |                         |                            |
|------------------------------------|----------------------------|-------------------------|----------------------------|
| Recognized Horsemen's Organization |                            |                         |                            |
| Current meet estimate:             |                            | Prior meet actual:      |                            |
| TOC (NTRA Contribution)            | <b>\$167,814.43</b>        | TOC (NTRA Contribution) | <b>\$ 84,953.74</b>        |
| TOC                                | <b>\$ 95,893.96</b>        | TOC                     | <b>\$ 48,545.00</b>        |
| CTT (Administration)               | <b>\$ 47,946.98</b>        | CTT (Administration)    | <b>\$ 24,272.50</b>        |
| CTT (Pension)                      | <b><u>\$ 95,893.96</u></b> | CTT (Pension)           | <b><u>\$ 48,545.00</u></b> |
| Total                              | <b>\$ 407,549.33</b>       | Total                   | <b>\$206,316.24</b>        |

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

Current meet estimate: \$ 10,990,246.33

Prior meet actual: \$5,589,593.01

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

Current meet estimate: \$164,033.53

Prior meet estimate: \$174,674.78

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

Current meet estimate: \$7,047,148.00

Prior meet actual: \$3,625,869.13

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

Current meet estimate: \$105,181.31

Prior meet estimate: \$113,308.41

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

Current meet estimate: \$2,370,730.00

Prior meet actual: \$1,126,569.32

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

Current meet estimate: \$35,384.03

Prior meet estimate: \$35,205.29

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

**Wells Fargo Bank - Account #On file.**

- 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, California 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: **1325**
- B. Minimum number of stalls believed necessary for the meeting: **2000**
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: **680**
- D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site: **Pleasanton – 680 Stalls**
- 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: **1405**
- G. Estimated cost to provide off-site stalls for this meeting. Show cost per day per stall:  
**Stabling costs for this meet: \$1,056,000.00**  
**Stabling costs per day per stall: \$16.18**
- H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse:  
**Vanning fees for this meet: \$121,500.00**                      **Vanning fee per horse: \$135.00**

**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).

|               | <b>TYPE OF WAGERS</b>  | <b>APPLICABLE RULES</b>  |
|---------------|--|--|
| Example Race: | \$1 E; \$1 Double  | CHRB #1959; RCI #VE  |
| Race #1       | \$2 DD*, \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1 PPN%; \$.10 SF#<br>\$2 PAR^, \$1 PNP!            | CHRB#1957; 1959; 1958; 1977; 1979; 1976.8; 1979.1; 1954.1;<br>1976.9         |
| Race #2       | \$2 DD*, \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1 PPN%; \$.10 SF#<br>\$2 PAR^, \$1 PNP!            | CHRB#1957; 1959; 1958; 1977; 1979; 1976.8; 1979.1; 1954.1;<br>1976.9         |
| Race #3       | \$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++;<br>\$.10 SF#; \$1 PPN%; \$2 PAR^, \$1 PNP! | CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8;<br>1954.1, 1976.9 |
| Race #4       | \$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$.10 SF#<br>\$1 PPN%; \$2 PAR^, \$1 PNP!  | CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8;<br>1954.1, 1976.9 |

|          |  |  |
|----------|--|--|
| Race #5  | \$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1.10 SF#<br>\$1 PPN%; \$1 PNP!, \$2 PAR^ | CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8;<br>1976.9; 1954.1 |
| Race #6  | \$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1.10 SF#<br>\$1 PPN%; \$1 PNP!, \$2 PAR^ | CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8;<br>1976.9; 1954.1 |
| Race #7  | \$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1.10 SF#<br>\$1 PPN%; \$1 PNP!, \$2 PAR^ | CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8;<br>1976.9; 1954.1 |
| Race #8  | \$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1.10 SF#<br>\$1 PPN%; \$1 PNP!, \$2 PAR^ | CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8;<br>1976.9; 1954.1 |
| Race #9  | \$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1.10 SF#<br>\$1 PPN%; \$1 PNP!, \$2 PAR^ | CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8;<br>1976.9; 1954.1 |
| Race #10 | \$2 DD*; \$2 PNP @; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1.10 SF#<br>\$1 PPN%; \$1 PNP!          | CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8;<br>1976.9         |

\* - \$2 Daily Double on all races

@ - \$2 Pick 6 on last six races

+ - \$1 Pick 3 on every race

++ - \$1 Trifecta on every eligible race

# - \$ .10 cent Superfecta on all eligible races

% - \$1 Place Pick All on all races carded

! - \$1 Pick 4 on first four and last four races

^ - \$2 Parlay on every eligible race

B. Maximum carryover pool to be allowed to accumulate before its distribution **OR** the date(s) designated for distribution of the carryover pool: **December 21, 2008 for the period of September 17, 2008 through December 21, 2008.**

C. List any options requested with regard to exotic wagering: **2 Tier – 70%/30% split**

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:  
**Scientific Games Racing, LLC, Bill Huntley, Expires: September 2012**

**8. ADVANCE DEPOSIT WAGERING (ADW)**

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

- Xpressbet**
- TVG**
- Youbet**
- Churchill Downs ADW platforms of TwinSpire**

**9. SIMULCAST WAGERING PROGRAM**

A. Simulcast organization engaged by the association to conduct simulcast wagering:  
**Northern 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:

Northern California

- Alameda County Fair, Pleasanton
- Big Fresno Fair, Fresno
- California State Fair & Exposition, Sacramento
- Club One, Fresno
- Kern County Fair, Bakersfield
- Monterey County Fair, Monterey
- Redwood Acres Fair, Eureka
- San Joaquin County Fair, Stockton
- San Mateo County Fair, San Mateo
- 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

- Antelope Valley Fair, Lancaster
- Barona Casino, Lakeside
- California Mid-State Fair, Paso Robles
- Del Mar Thoroughbred Club, Del Mar
- Derby Club at Seaside Park, Ventura
- Earl Warren Showgrounds, Santa Barbara
- Fairplex Park, Pomona
- Hollywood Park, Inglewood
- Indian Fantasy Springs Casino, Indio
- Los Alamitos Racecourse, Los Alamitos
- National Orange Show, San Bernardino
- Santa Anita Park, Arcadia
- Santa Barbara County Fair, Santa Maria
- Shalimar Sports Center, Indio
- Sports Pavilion, Lake Perris
- Sports Pavilion, Victorville
- Sycuan Casino, El Cajon
- Viejas Casino, Alpine

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

Los Angeles Turf Club, Inc. / Golden Gate Fields  
 September 17, 2008 through December 21, 2008  
 Out-of-State & International Imports - Full or Partial Card (Subject to Change)

|                            |
|----------------------------|
| <b>OUT-OF-STATE TRACK</b>  |
| AQUEDUCT                   |
| CALDER RACECOURSE          |
| FAIRGROUNDS                |
| HAWTHORNE RACECOURSE       |
| KEENELAND                  |
| LAUREL                     |
| LONE STAR PARK             |
| LOUISIANA DOWNS            |
| NORTHLANDS PARK            |
| PHILADELPHIA PARK          |
| PIMLICO                    |
| PORTLAND MEADOWS           |
| REMINGTON PARK             |
| RIVER DOWNS                |
| STAMPEDE PARK              |
| THISTLEDOWN                |
| TURF PARADISE              |
| TURFWAY PARK               |
| <b>INTERNATIONAL TRACK</b> |
| FORT ERIE                  |
| HASTINGS                   |
| WOODBINE                   |

E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the association:

American Tab, OH  
 Arapahoe Park, CO  
 Arima Race Club  
 Arlington International Race Course, IL  
 Atlantic City Casino Assn., NJ  
 Atlantic City Race Course, NJ  
 Atokad Downs, NE  
 Balmoral Park, IL  
 Beulah Park, OH  
 Birmingham Race Course, AL  
 Blue Ribbon Downs, OK  
 Bluffs Run Greyhound  
 Buffalo Raceway, NY  
 Calder Race Course, FL  
 Canadian Associations  
 Canterbury Park, MN  
 Capital District OTB  
 Capital Sports Ply, Ltd, Australia  
 Casino Association  
 Catskills OTB  
 Charlestown Race Course, VA  
 Chester Downs & Marina LLC  
 Choctaw Racing Services, LLC, OK  
 Churchill Downs, KY  
 Coeur d'Alene Greyhound, ID  
 Coeur d'Alene Casino, ID  
 Colonial Downs, VA  
 Columbus Races, NE  
 Comanche Nation  
 Connecticut OTB, CT  
 Corpus Christi Greyhound Track, TX  
 Crystal Palace  
 Dairyland Greyhound Park, WI  
 Darwin All Sports  
 Delaware Park, DE  
 Delta Downs  
 Downs at Albuquerque, NM  
 Elite Turf Club  
 Ellis Park, KY  
 Emerald Downs, WA  
 Equus St. Thomas Racing, Inc.  
 European Simulco, Austria  
 Evangeline Downs, LA  
 Evansville OTB  
 Fair Meadows  
 Fairgrounds Race Course, LA  
 Finger Lakes Race Track, NY  
 Fonner Park, NE  
 Foxwoods  
 Freehold Raceway, NJ  
 Geneva Lakes  
 Gillespie County Downs  
 Great Lakes Downs, MI  
 Greentrack  
 Gulf Greyhound, TX  
 Gulfstream Park, FL  
 Harrington Raceway  
 Hawthorne  
 Hazel Park, MI  
 Hinsdale Greyhound Park, NH  
 Hoosier Park, IN  
 Horsemen's Park, NE  
 Indiana Downs, IN  
 International Racing Group  
 Jackson Harness Raceway, MI  
 John Martin's Manor Restaurant  
 Keeneland Association, KY  
 Kentucky OTB  
 Lebanon Raceway, OH  
 Les Bois/Idaho  
 Lewiston Raceway Inc., ME  
 Lien Games, Inc., ND  
 Lein Games, LLC  
 Lincoln Greyhound  
 Lodge Belmont Greyhound Park  
 Lone Star, TX  
 Louisiana Downs, LA  
 Manor Downs  
 Maryland Jockey Club, MD  
 Maywood  
 Meadowlands  
 Meadowlands The  
 Meskwaki Casino  
 Millers OTB  
 Mohegun Sun  
 Monmouth Park, NJ  
 Montana OTB, MT  
 Monticello Raceway, NY  
 Mount Pleasant Meadows, MI  
 Mountaineer Park, WV  
 Nevada Indian Casinos  
 Nevada Pari-Mutuel Association, NV  
 New Mexico  
 New York City Off-Track Betting, NY  
 New York Racing Association, NY  
 Newport Jai Alai, FL  
 North Dakota Horse Park, ND  
 Northfield Park, OH  
 Northville Racing Corp., MI  
 Oaklawn Park, AR  
 Ocean Downs, MD  
 Oneida Bingo and Casino  
 Penn National Race Course, PA  
 Philadelphia Park, PA  
 Plainfield Greyhound Park, NJ  
 Plainridge Racecourse, MA  
 Poconos  
 Pojoaque  
 Portland Meadows, OR  
 Prairie Meadows, IA  
 Raceway Park, OH  
 Racing & Gaming Services, British WI  
 Red River Casino  
 Remington Park, OK  
 Retama Park, TX  
 Riders Up OTB  
 River Downs, OH  
 Rockingham Park, NH  
 Rosecroft Raceway, MD  
 Royal Beach Casino  
 Royal River Racing  
 Ruidoso Downs, NM  
 Sam Houston, TX  
 Saratoga Raceway, NY  
 Scarborough Downs, ME  
 Scioto Downs, OH  
 Seabrook Greyhound  
 Shoreline Star Greyhound Park  
 Skydancer Casino  
 Southland, AR  
 Sports Center  
 Sports Creek Raceway, MI  
 Stables  
 State Fair Park, NE  
 Suffolk District OTB  
 Suffolk Downs, MA  
 Sunland Park, NM  
 Sunray Park, NM  
 Tampa Bay Downs, FL  
 Tauton Dog Track, Inc.  
 Thistledown Racing, OH  
 Timeout Lounge  
 Tioga Downs  
 Tri-State Racetrack & Gaming Center, WV  
 Turfway Park, KY  
 Turf Paradise, AZ  
 TVG  
 Valley Greyhound Park  
 Vernon Downs, NY  
 Western Fair Raceway  
 Western Regional OTB  
 Wheeling Downs, WV  
 Wichita Greyhound Park, KS  
 Will Rogers Downs, OK  
 Wonderland Greyhound Park, MA  
 Woodlands, KS  
 Wyoming OTB, WY  
 XpressBet, Inc., CA  
 YouBet  
 Yonkers Raceway, NY  
 Zia Park, NM

**Separate Pools:**

Caymanas  
 Hipodromo Presidente Remon, Panama  
 LVDC (NV)  
 MIR/Caliente

- 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 |
| See 8D above.      | TBD        |   |

- 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 |
| Los Alamitos       | Per CHRB calendar | Full Card   |

- 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 |
| Cal Expo Harness   | Per CHRB calendar | Full Card   |

- 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 |
| None               |                |            |                                |

- 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). **Not applicable.**

**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.)

**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:  
**Board of Directors, Los Angeles Turf Club, Incorporated**  
**285 W. Huntington Dr., Arcadia, CA 91007**
- B. Names and addresses of the trustees or directors of the distributing agent:  
**Los Angeles Turf Club, Incorporated, Frank De Marco, Assistant Secretary**  
**285 W. Huntington Dr., Arcadia, CA 91007**
- C. Dates the association will conduct races as charity racing days OR:
- D. Will the association pay the distributing agent an amount equal to the maximum required under B&P Code Section 19550(b)?  Yes

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

**11. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT**

- A. Racing officials nominated:
 

|                             |  |
|-----------------------------|--|
| Association Veterinarian(s) | <b>Heather Kerr, D.V.M (Track Veterinarian)</b>      |
|                             | <b>Joan Hurley, D.V.M. (CHRB Veterinarian)</b>       |
|                             | <b>Diane Isbell, D.V.M. (Examining Veterinarian)</b> |
| Clerk of Scales             | <b>Ken Sjordal</b>                                   |
| Clerk of the Course         | <b>Tina Walker</b>                                   |
| Film Specialist             | <b>Ross Allardyce</b>                                |
| Horse Identifier            | <b>Patrick Kealy</b>                                 |
| Horseshoe Inspector         | <b>Jack Hammonds</b>                                 |
| Paddock Judge               | <b>Linda Anderson</b>                                |
| Patrol Judges               | <b>Paul Nicolo &amp; Tammy McDuffie-Morris</b>       |
| Placing Judges              | <b>Ella Robinson &amp; Myra Truitt</b>               |
| Starter                     | <b>Chuck Burkes</b>                                  |
| Timer                       | <b>Richard Somers</b>                                |
- B. Management officials in the racing department:
 

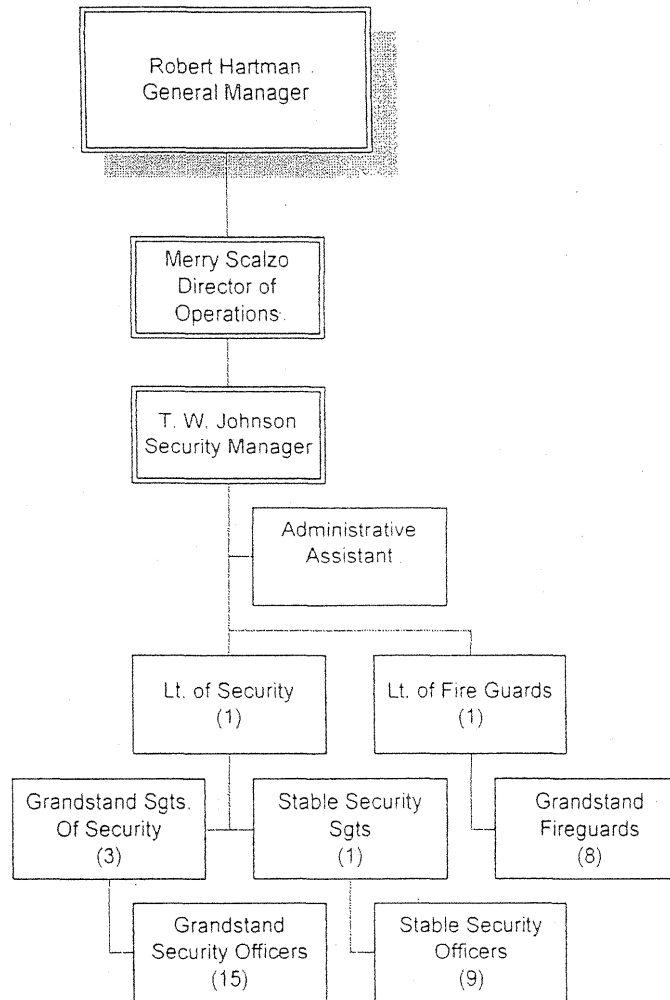
|                                     |                              |
|-------------------------------------|------------------------------|
| Director of Racing                  | <b>Sean Greely</b>           |
| Racing Secretary                    | <b>Sean Greely</b>           |
| Assistant Racing Secretary          | <b>C. Gregory Brent, Jr.</b> |
| Racing Secretary's Assistant        | <b>David Jerkens</b>         |
| Paymaster of Purses                 | <b>Patricia Prospero</b>     |
| Others (identify by name and title) |                              |
| Main Track Superintendent           | <b>Juan Meza</b>             |
| Turf Track Superintendent           | <b>Calvin Rainey</b>         |
| Price Maker                         | <b>Richard Somers</b>        |
| Stable Superintendent               | <b>Carrie Fawcett</b>        |

- 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 Service, 619 Pilgrim Drive, Foster City, CA 94404-1707, (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 Corp., USA, Bill O'Brien, Expires: December 31, 2008**
- 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.  
**Pegasus Communications, Inc, Jim Porep, Jr., System maintained in house, Equipment contract expires: March 5, 2013**
- 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 is installed and maintained by on-site staff.**

## 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.  
**T.W. Johnson, Security Manager is responsible for security on-site.  
Security Department organizational chart is attached.  
Security Department phone number (510) 559-7370  
Stable Security phone number (510) 559-7533  
T.W. Johnson cell phone number (510) 418-3161**
- B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis: **29**
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. **Attached**
  2. Detention Barns:
    - A. Attach a plan for use of graded stakes or overnight races.  
**6 hour surveillance prior to race in Graded Stakes with purses of \$100,000 or over  
24 hour surveillance in detention barn for Trainers with high-test results and repeat offenders.**
    - B. Number of security guards in the detention barn area during a 24-hour period.  
**Four Security Guards**
    - C. Describe number and location of surveillance cameras in detention barn area.  
**Attached.**

GOLDEN GATE FIELDS 2008  
SECURITY DEPARTMENT ORGANIZATIONAL CHART  
ATTACHMENT 12A



Attachment to Golden Gate Fields License Application  
12B (1) and 12B (2):

**SECURITY CONTROLS**

Graded Stakes and Races of \$100,000 or more

The following procedures have been put in place at Golden Gate Fields to ensure that proper security surveillance guidelines for races of \$100,000 or more are followed:

- Carrie Fawcett, Stable Superintendent, provides a list of starters to T. W. Johnson, Director of Security which includes the following information:
  1. Name of horse
  2. Name of trainer
  3. Barn number
  4. Stall number
- Supplemental security staff, provided by a licensed security contractor and licensed by the CHRB, are called in the morning of the race to meet with the Director of Security for the following instruction:
  - A. An overview of the race track operating procedures
  - B. A briefing of their duties throughout the day
  - C. All guards are asked to sign out for their specific video camera
  - D. A form is provided by the CHRB to each guard which is to be signed by the attending veterinarian when administering medication to bleeders.
  - E. Each guard is given a video camera to record ALL activities involving individuals entering and exiting their assigned stall. Instruction is given to first record the posted number on the stall to confirm that the camera is directed at the assigned horse.
  - F. Instruction is given to monitor any and all suspicious activity and to contact the Director of Security if and when suspicious activity occurs.
  - G. Guards are instructed to position themselves as close to the horse's stall without jeopardizing safety.
  - H. The horse and handler will be followed on foot by each guard to the receiving barn before the race.
  - I. After all horses are safely in the receiving barn, the guards are instructed to meet in the Security office with the Director of Security. The guards sign that they have returned their video camera and participate in a discussion of the day's surveillance activities.
- Surveillance videotapes are saved until all test results have received a negative result.

**Attachment to Golden Gate Fields License Application  
12B (2) and 12C (1):**

Detention Barn Surveillance:

Barn #44 contains 27 stalls and is utilized as our Transit and Detention Barn. The surveillance system in place contains cameras strategically placed to monitor entrances and exits along with a camera monitoring each stall.

The camera equipment is connected to a digital recording system which is kept in a secured area with a power back-up in place.

Stable Gate Surveillance:

Cameras are strategically placed to monitor all activities at the Main Stable Gate and the Horsemen Walk-In Gate.

GOLDEN GATE FIELDS  
ATTACHMENT 12B (3)EXHIBIT A

Track is entitled to perform physiological tests consisting of the taking of blood samples from owners' horses entered in races to be conducted at the 2008 race meets. It is the understanding of the parties that such samples will be tested for bicarbonate levels. Trainers of horses showing a total carbon dioxide (TCO<sub>2</sub>) of 37 millimoles per liter of plasma or more, and owners' horses within their control, will be subject to the following:

- 1<sup>st</sup> Incidence** - For the first test that results in a total carbon dioxide (TCO<sub>2</sub>) of 37 millimoles per liter of plasma or more, the registered trainer of such horse shall have his/her barn, and all owners' horses stabled therein, subject to surveillance for a period of 45 days from the date set by the TCO<sub>2</sub> Committee. Such surveillance may include, but not be limited to, the placing of surveillance cameras with recording devices in any location within that barn that TRACK deems necessary and appropriate to ensure the integrity of racing. Additionally, owners' horses entered by said trainer anytime within a period of 30 days from the date set by the TCO<sub>2</sub> Committee, will be quarantined to a Protection Barn beginning at noon on the day before said horse is scheduled to compete. The costs of such quarantine/surveillance including, but not limited to, \$150.00 for security and \$25.00 for stall renovation per horse/entrant for stall renovation, per day, being born by the trainer or owner of such horse.
- B. 2nd Incidence** - For the second test that results in a total carbon dioxide (TCO<sub>2</sub>) of 37 millimoles per liter of plasma or more, which occurs within three years of a prior incidence, the registered trainer of such horse shall have his/her barn, and all owners' horses stabled therein, under surveillance for a period of 75 days from the date set by the TCO<sub>2</sub> Committee. Such surveillance may include, but not be limited to, the placing of surveillance cameras with recording devices in any location within that barn that TRACK deems necessary and appropriate to ensure the integrity of racing. Additionally, owners' horses entered by said trainer anytime within a period of 60 days from the date set by the TCO<sub>2</sub> Committee, will be quarantined to a Protection Barn beginning at noon the day before said horse is scheduled to compete. The costs of such quarantine/surveillance including, but not limited to, \$150.00 for security and \$25.00 for stall renovation per horse/entrant for stall renovation, per day, being born by the trainer or owner of such horse.

- C. **3rd Incidence** - For the third test that results in a total carbon dioxide (TCO<sub>2</sub>) of 37 millimoles per liter of plasma or more, which occurs within three years of a prior incidence, the registered trainer of such horse shall have his/her barn, and all owners' horses stabled therein, under surveillance for a period of 105 days from the date set by the TCO<sub>2</sub> Committee. Such surveillance may include, but not be limited to, the placing of surveillance cameras with recording devices in any location within that barn that TRACK deems necessary and appropriate to ensure the integrity of racing. Additionally, owners' horses entered by said trainer anytime within a period of 90 days from the date set by the TCO<sub>2</sub> Committee, will be quarantined to a Protection Barn beginning at noon the day before said horse is scheduled to compete. The costs of such quarantine/surveillance including, but not limited to, \$150.00 for security and \$25.00 for stall renovation per horse/entrant for stall renovation, per day, being born by the trainer or owner of such horse.

Track further agrees that it shall enforce these penalties when imposed as a result of similar contract provisions with other racing associations in California. By way of example only, Track agrees that should any horse running at its meet be subject to detention barn confinement as the result of a positive at another association, Track will continue to require detention barn confinement for the remainder of said 30 day period. Also by way of example, should a trainer have a TCO<sub>2</sub> positive or positives at a race meet other than its own and a subsequent positive at Track's race meet or at another associations meet, Track will enforce paragraph B, and may, at its discretion, enforce paragraph C above as though the original positive(s) had taken place at its meet.

3. TCO2 Testing:
  - A. Number of races to be tested, and number of horses entered in each race to be tested.  
**Every horse in every race has been tested since early January 2005**
  - B. Plan for enhanced surveillance for trainers with high-test results.  
**24 Hour detention and video surveillance prior to the race.**
  - C. Plan for detention barns for repeat offenders.  
**Assigned to detention barns with 24 hour surveillance**
  - D. Number of security personnel assigned to the TCO2 program.  
**As needed per the direction of CHRB staff**
- C. Describe the electronic security system:
  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: **Not Applicable.**

### 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:  
**Brad Winding Turf Rescue, LLC, 19615 Barclay Road, Castro Valley, CA 94546, (510) 581-8470**
- B. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites:  
**Pleasanton – American Medical Response, 640-143<sup>rd</sup> Ave., San Leandro, CA 94577, 510-895-7600**
- C. Describe the on-track first aid facility, including equipment and medical staffing: **Attached.**
- D. Name and emergency telephone number of the licensed physician on duty during the race meeting:  
(If quarter horse racing association see D(1):  
**Dr. David Seftel**  
**Office Number: 510-559-7375, Cell Number: 650-520-6204**
1. Name address and emergency telephone number of hospital located within 1.5 miles of the racetrack, which whom an agreement is in place to provide emergency medical services:  
**No hospital located within 1.5 miles of the racetrack.**
- 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:  
**Alta Bates Summit Medical Center, 2450 Ashby, Berkeley, CA 94705 (510) 204-4444**
- 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: **Attached.**



## Description of GGF Medical Clinic (Live Racing)

### Services (Mission)

- Pre-race examinations on jockeys;
- Preventive & curative medical services for jockeys;
- Urgent care facility for jockeys;
- Assist CHRB in assessment of any impaired individuals;
- Urgent care for patrons & GGF employees.

### Staffing

- Physician Medical Director ("Track Physician");
- Full-time Medical Assistant;
- Part-time Medical Assistant "Intern".

### Equipment

- Advanced cardiac life support (ACLS) equipment;
- 12-Lead EKG;
- Lung function testing equipment;
- Ultrasound (for internal organ injury assessment);
- Blood work & hematology supplies & equipment;
- Basic surgical care supplies & equipment.

### Availability

- One-hour before first posted race until one-to-two hours following last posted race;
- Extended hours for necessary follow-up care and/or upon request from track management or CHRB.



## EMERGENCY MEDICAL PROCEDURES FOR ON-TRACK INJURY TO JOCKEYS

### "FIRST RESPONSE"

- In the event of an accident, the Stewards and/or Outriders shall immediately contact the Track Physician ("Jockey Down") using Radio Channel #7 (*or the accident may very well be witnessed directly by the Track Physician*);
- The on-track GGF Human Ambulance (manned by GGF-contracted EMTs) and the Track Physician (transported via the GGF "chase" or "Vet" truck) shall respond immediately to the site of the accident;
- The attending medical professionals shall arrive equipped with advanced cardiac life support (ACLS) and other necessary acute medical treatment equipment & supplies;
- An "on-site evaluation" of injuries to the jockey(s) shall be made by the Track Physician.



### "ON-SITE EVALUATION"

- Based on the Track Physician's "on-site evaluation" of injuries, a decision shall be made to either treat the injured jockey(s) on-site or to request emergency medical transport for off-site treatment at a hospital trauma center;
  - If on-site treatment is deemed sufficient, the GGF Human Ambulance shall transport the injured jockey(s) directly to the GGF Medical Clinic; or,
  - If off-site treatment is deemed necessary, "911" shall be used to summon a City of Albany Fire Dept. ambulance (*a Fire Dept. truck shall also respond*).



### "INJURY TREATMENT"

- If the injured jockey(s) is treated at the GGF Medical Clinic, the Track Physician shall be the primary care provider unless (or until) the Track Physician surrenders custody of the patient based on his/her medical judgment;
- If the City of Albany Fire Dept. ambulance is summoned to respond, the injured jockey(s) shall be transferred to this ambulance (*accompanied by the Track Physician*) at either of the two following locations for transport to a local hospital;
  - If the injuries are deemed less severe, the jockey will be transported by the GGF Human Ambulance to an off-track location for pick-up by the City of Albany Fire Dept. ambulance; or,
  - If the injuries are deemed severe and the jockey(s) cannot be moved, the City of Albany Fire Dept. ambulance will be escorted by GGF security personnel directly onto the track for patient pickup.



## PROCEDIMIENTOS MÉDICOS EN EMERGENCIAS PARA LESIONES DE JOCKEYS EN LA PISTA

### "PRIMERA RESPUESTA"

- En caso de accidente, los comisarios y/o escoltas deberán contactar inmediatamente al Médico de Pista ("Jockey Abajo") usando el canal de radio n°7 (*salvo que el Médico de Pista sea testigo directo del accidente*);
- La Ambulancia para Humanos de GGF (con personal de emergencias médicas contratado por GGF) y el Médico de Pista (transportado a través del camión de "chase" o "Vet" de GGF) deberá acudir en forma inmediata al lugar del accidente;
- Los médicos que asistan deberán estar equipados con soporte vital cardíaco avanzado (ACLS) y otros equipos y elementos necesarios para el tratamiento médico;
- El Médico de Pista hará una "evaluación en el lugar" de las lesiones del jockey.



### "EVALUACIÓN EN EL LUGAR"

- En base a la "evaluación en el lugar" de lesiones por parte del Médico de Pista, se tomará una decisión acerca de si tratar al jockey lesionado en el lugar o pedir transporte de emergencia médica para un tratamiento en un hospital o centro de salud;
  - Si se considera suficiente el tratamiento en el lugar, la Ambulancia para Humanos de GGF trasladará al jockey lesionado directamente a la Clínica Médica de GGF; o,
  - Si se considera necesario un tratamiento fuera del lugar, se usará el "911" para pedir una ambulancia del Departamento de Bomberos de la Ciudad de Albany (*un camión del Departamento de Bomberos también acudirá*).



### "TRATAMIENTO DE LA LESIÓN"

- Si el jockey lesionado recibe tratamiento en la Clínica Médica de GGF, el Médico de Pista será el que proporcione atención primaria a menos que (o hasta que) el Médico de Pista dé de alta al paciente en base a su juicio médico;
- Si se requiere que acuda la ambulancia del Departamento de Bomberos de la Ciudad de Albany, el jockey lesionado será transferido a esta ambulancia (*acompañado por el Médico de Pista*) en cualquiera de los siguientes lugares para luego ser trasladado a un hospital local;
  - Si se considera que las lesiones son menos severas, el jockey será trasladado por la Ambulancia Humana de GGF a una ubicación fuera de la pista para ser recogido por la ambulancia del Departamento de Bomberos de la Ciudad de Albany; o,
  - Si se considera que las lesiones son severas y no puede moverse al jockey, la ambulancia del Departamento de Bomberos Ciudad de Albany será conducida por el personal de seguridad de GGF directamente sobre la pista para recoger al paciente.

- 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):  
**Roy Roenbeck, Director of Safety and Compliance**  
**Meggie Ghidella, Director of Human Resources, serves as Assistant Safety Manager**
- H. Attach a fire clearance from the fire authority having jurisdiction over the premises.  
**Berkeley fire clearance letter attached.**  
**Albany fire clearance letter attached.**
- I. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details): **Liberty International - #On file.**
- J. Attach a Certificate of Insurance for workers' compensation coverage. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of insurance that secures the liability of the association for payment of workers' compensation.  
**Attached.**

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

#### 14. CONCESSIONAIRES AND SERVICE CONTRACTORS

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

**Tip Sheets**                      **Jack's Blue Card, 127 Sun Avenue, Hayward, CA 94544**

**Armored Car Services** **Loomis Armored Car, P.O. Box 44196, San Francisco, CA 94144**

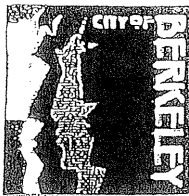
**Track Physician**              **Dr. David Seftel, Conocen Corp., 20066 Austin Lane, Castro Valley, CA 94546**

**Official Program**              **Del Mar Graphics, 1100 Eastshore Highway, Albany, CA 94706**

**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**

**Track Photographer**          **Bill Vassar, Vassar Photography, 1167 Sapphire Drive, Livermore, CA 94550**



Department of Fire and Emergency Services  
Division of Fire Prevention

January 24, 2008

Golden Gate Fields  
Attn: Mary Scalzo  
Director of Operations  
Berkeley, CA 94710

Re: Fire Life Safety Inspection. (Conducted 1/24/2008 valid thru 1/24/2009)

Ms. Scalzo,

First of all it was pleasure to meet with you and your staff at the site. We were very impress with your layout, upkeep and maintenance procedures for the fire detection / notification devices.

We did not discover any outstanding fire life and safety violations; although we would like to suggest recommendations should you want to entertain them.

- Install emergency lighting in temporary lodging dormitories; in case of a power outage.
- Place no smoking signs throughout the property (Stalls, sleeping areas, etc.) – as a preventive measure due to the construction type and dry feed.

We do very much appreciate the interest you have taken to ensure that Golden Gate Fields- horse stables and adjoining buildings are compliant. As mentioned, we would be more than happy to assist your primary insurance carrier (Factory Mutual) with their next compliance inspection. Should you have any questions regarding the inspection process, contact my office at 510.981-5582. Once again, thank you for the opportunity to be of service.

Sincerely,

Stan Fernandez, Fire Inspector



FIRE DEPARTMENT  
FIRE PREVENTION BUREAU

June 10, 2008

Calvin Rainey  
Vice-President and Assistant General Manager  
Golden Gate Fields  
1100 Eastshore Highway  
Albany, CA 94706

Dear Mr. Rainey

On May 20 & 21, 2008, this office under the Fire Prevention Code, NFPA 1, conducted a Fire and Life Safety inspection and the Fundamental Requirements listed in the *Life Safety Code*, NFPA 101, Chapter 2, the 2007 California Fire Code and California Code of Regulations. Listed below are the results of the inspection and code references. All areas of Golden Gate Fields Race Track, within the jurisdiction of the Albany Fire Department have been inspected. Areas that have been inspected include the Administration Offices, kitchens, snack shops, public areas and non-public areas of A & B Decks, public areas and non-public areas of the Club House & Turf Club, Equine Hospital and the Corp Yard.

### GENERAL

This building is in good condition. Housekeeping in the public areas are maintained, fire extinguishers and existing exit/panic hardware and egress doors are in serviceable condition. Exit signs and emergency illumination appear to be in working order. The fire alarm system had an annual test on December 20<sup>th</sup>, 2007 with no deficiencies or problems noted. Fire & Life Safety requirements appear to be in order.

Letter of Correction Notices for GGF Main Building – Administration Offices, Turf Club, Club House, A & B Decks, Public & Non Public Areas, Equine Hospital, GGF, Corporation Yard, GGF shall follow under separate cover


### Conditional Fire Clearance

Conditional fire clearance is granted for the September 17, 2008 through December 21, 2008 Racing Season. All Fire & Life Safety items are being completed. Before the September/December 2008 racing season ends, all areas of GGF shall be inspected. During the

course of the September/December 2008 Racing Season, the Albany Fire Prevention Bureau will conduct periodic Fire & Life Safety Inspections. In the event of a flagrant Fire or Life Safety violation, their clearance will be revoked.

If you have any questions, please do not hesitate to contact me at (510) 528-5775.

Sincerely,



Brian J. Crudo  
Battalion Chief/Fire Marshal

cc: Marc McGinn, Fire Chief  
Andrea Ogden, C.H.R.B.  
Peter Tunney, Vice-President, GGF  
Robert Hartman, General Manager, GGF  
Merry Scalzo, Director of Operations, GGF  
Roy Roenbeck, Director of Safety and Compliance, GGF

Ref. No. 320005856786

**CERTIFICATE OF INSURANCE**

Aon Reed Stenhouse Inc.  
 20 Bay Street  
 Toronto ON M5J 2N9  
 tel 416-868-5500 fax 416-868-5580

Re: For Evidence of Coverage

California Horse Racing Board  
 Attention : Insurance Department  
 1010 Hurley Way  
 Sacramento, CA 95825  
 USA

Insurance as described herein has been arranged on behalf of the Insured named herein under the following policy(ies) and as more fully described by the terms, conditions, exclusions and provisions contained in the said policy(ies) and any endorsements attached thereto.

**Insured**

Magna Entertainment Corp. a/o Los Angeles Turf Club,  
 Inc. a/o MI Developments  
 1100 East Shore Highway  
 Albany, CA 94706  
 USA

**Coverage**

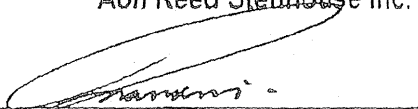
|                                     |                     |  |                    |
|-------------------------------------|---------------------|--|--------------------|
| US Workers Comp/Employers Liability | Insurer             | Liberty Mutual Insurance Company           |                    |
|                                     | Policy #            |  |                    |
|                                     | Effective           | 01-Jan-2008                                | Expiry 01-Jan-2009 |
|                                     | Limits of Liability | Workers Compensation as Per Applicable Law |                    |

**Cancellation / Termination**

The Insurer will endeavour to provide THIRTY ( 30 ) days written notice of cancellation/termination to the addressee except that statutory or policy conditions (whichever prevails) will apply for non-payment of premium.

THIS CERTIFICATE CONSTITUTES A STATEMENT OF THE FACTS AS OF THE DATE OF ISSUANCE AND ARE SO REPRESENTED AND WARRANTED ONLY TO THE INSURED. OTHER PERSONS RELYING ON THIS CERTIFICATE DO SO AT THEIR OWN RISK.

Aon Reed Stenhouse Inc.



Dated : 06-August-2008  
 Issued By : Chan, Chunhang  
 Tel : 416-868-5691

THE POLICY CONTAINS A CLAUSE THAT MAY LIMIT THE AMOUNT PAYABLE  
 OR, IN THE CASE OF AUTOMOBILE INSURANCE,  
 THE POLICY CONTAINS A PARTIAL PAYMENT OF LOSS CLAUSE



## 15. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

A. Describe any promotional plans:

The tentative Fall 2008 promotional/giveaway schedule is listed below (subject to change).

September 17, 2008 – Opening Day

- Direct Mail Offer – Fans on GGF Mailing List will receive 2 complimentary Turf Club Admission Passes and Valet Parking.

September 18, 2008

- Direct Mail Offer – Fans on GGF Mailing List will receive 2 complimentary Turf Club Admission Passes and Valet Parking.
- Senior Thursday – Seniors 62 and Older will receive FREE Club House or FREE Grandstand Admission with a THOROUGHBREDS card.

September 19, 2008

- Direct Mail Offer – Fans on GGF Mailing List will receive 2 complimentary Turf Club Admission Passes and Valet Parking.

September 20, 2008

- Russell vs. Ricardo - A Battle of the World's Winningest Jockeys. A series of races between Russell Baze (winningest jockey in North America) and Jorge Ricardo (winningest jockey in the world) will be recorded using a point system. A voucher will be mailed to fans on our mailing list with either the name Russell or Ricardo on it. After winning points are accumulated for that day, those people with the winning jockey's name on their voucher will win either \$5, \$25, \$50, \$500 or \$5,000 cash prize!
- Wine Festival - A variety of wineries from Napa, Sonoma and the Central Coast will be on-site for sampling California wine and new varietals from their vineyards. Fans participating in the event will receive a complimentary wine glass with admission into the festival.

September 21, 2008

- \$1 Day – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer.
- Live Entertainment – Fans will enjoy the excitement of a band performing throughout the race day.

September 25, 2008

- Senior Thursday – Seniors 62 and Older will receive FREE Club House or FREE Grandstand Admission with a THOROUGHBREDS card.

September 27, 2008

- Hooded Sweatshirt Giveaway where all fans will receive one giveaway item with paid admission while supplies last.

September 28, 2008

- \$1 Day – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer.
- Live Entertainment – Fans will enjoy the excitement of a band performing throughout the race day.

October 4, 2008

- Direct Mail Offer – “Day on Us” – Fans on the GGF Mailing list will receive 2 complimentary Turf Club Admission passes, a Valet parking pass, complimentary Program, and a complimentary Racing Form.

October 5, 2008 – Cal Cup

- \$1 Day – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer.
- Live Entertainment – Fans will enjoy the excitement of a band performing throughout the race day.

October 11, 2008

- Baseball Cap Giveaway where all fans will receive one giveaway item with paid admission while supplies last.

October 12, 2008

- \$1 Day – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer.
- Live Entertainment – Fans will enjoy the excitement of a band performing throughout the race day.

October 13, 2008 – Columbus Day

- Direct Mail Offer – Fans on GGF Mailing List will receive 4 complimentary Club House Admission Passes and General Parking.

October 15, 2008

- Direct Mail Offer – Fans on GGF Mailing List will receive 4 complimentary Club House Admission Passes and General Parking.

October 16, 2008

- Direct Mail Offer – Fans on GGF Mailing List will receive 4 complimentary Club House Admission Passes and General Parking.
- Senior Thursday – Seniors 62 and Older will receive FREE Club House or FREE Grandstand Admission with a THOROUGHBREDS card.

October 17, 2008

- Direct Mail Offer – Fans on GGF Mailing List will receive 4 complimentary Club House Admission Passes and General Parking.

October 18, 2008

- Two-Year-Old Triple Play Series – The first leg of a three race series leading up to a \$70,000+ final race purse.
- Mystery Mutuel Voucher – Fans on GGF Mailing List will receive a complimentary voucher.

October 19, 2008

- \$1 Day – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer.
- Live Entertainment – Fans will enjoy the excitement of a band performing throughout the race day.

October 23, 2008

- Senior Thursday – Seniors 62 and Older will receive FREE Club House or FREE Grandstand Admission with a THOROUGHBREDS card.

October 24, 2008 – Breeders' Cup

- Mystery Mutuel Voucher – Fans on GGF and Northern California Satellite Mailing Lists will receive a complimentary voucher.

October 25, 2008 – Breeders' Cup

- Mystery Mutuel Voucher – Fans on GGF and Northern California Satellite Mailing Lists will receive a complimentary voucher.

October 26, 2008

- \$1 Day – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer.
- Live Entertainment – Fans will enjoy the excitement of a band performing throughout the race day.

October 30, 2008

- Senior Thursday – Seniors 62 and Older will receive FREE Club House or FREE Grandstand Admission with a THOROUGHBREDS card.

November 2, 2008

- \$1 Day – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer.

November 5, 2008

- Direct Mail Offer – Fans on GGF Mailing List will receive 2 complimentary Turf Club Admission Passes and Valet Parking.

November 6, 2008

- Direct Mail Offer – Fans on GGF Mailing List will receive 2 complimentary Turf Club Admission Passes and Valet Parking.
- Senior Thursday – Seniors 62 and Older will receive FREE Club House or FREE Grandstand Admission with a THOROUGHBREDS card.

November 7, 2008

- Direct Mail Offer – Fans on GGF Mailing List will receive 2 complimentary Turf Club Admission Passes and Valet Parking.

November 8, 2008

- Mystery Mutuel Voucher – Fans on GGF Mailing List will receive a complimentary voucher.

November 9, 2008

- \$1 Day – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer.

November 13, 2008

- Senior Thursday – Seniors 62 and Older will receive FREE Club House or FREE Grandstand Admission with a THOROUGHBREDS card.

November 15, 2008

- Umbrella Giveaway where all fans will receive one giveaway item with paid admission while supplies last.
- Two-Year-Old Triple Play Series – The second leg of a three race series leading up to a \$70,000+ final race purse.

November 16, 2008

- \$1 Day – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer.

November 20, 2008

- Senior Thursday – Seniors 62 and Older will receive FREE Club House or FREE Grandstand Admission with a THOROUGHBREDS card.

November 22, 2008

- GGF Food Drive where fans will receive a complimentary admission pass if they donate one canned good item at the admission gates. All proceeds from the Food Drive will go to the Alameda County Community Food Bank.

November 23, 2008

- \$1 Day – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer.

November 27, 2008 – Thanksgiving Day

- Senior Thursday – Seniors 62 and Older will receive FREE Club House or FREE Grandstand Admission with a THOROUGHBREDS card.

November 28, 2008

- Direct Mail Offer – “Day on Us” – Fans on the GGF Mailing list will receive 2 complimentary Turf Club Admission passes, a Valet parking pass, complimentary Program, and a complimentary Racing Form.

November 29, 2008

- Direct Mail Offer – “Day on Us” – Fans on the GGF Mailing list will receive 2 complimentary

Turf Club Admission passes, a Valet parking pass, complimentary Program, and a complimentary Racing Form.

November 30, 2008

- \$1 Day – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer.

December 4, 2008

- Senior Thursday – Seniors 62 and Older will receive FREE Club House or FREE Grandstand Admission with a THOROUGHBREDS card.

December 6, 2008

- Long Sleeve Shirt Giveaway where all fans will receive one giveaway item with paid admission while supplies last.

December 7, 2008

- \$1 Day – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer.

December 10, 2008

- Direct Mail Offer – Fans on GGF Mailing List will receive 2 complimentary Turf Club Admission Passes and Valet Parking.

December 11, 2008

- Direct Mail Offer – Fans on GGF Mailing List will receive 2 complimentary Turf Club Admission Passes and Valet Parking.
- Senior Thursday – Seniors 62 and Older will receive FREE Club House or FREE Grandstand Admission with a THOROUGHBREDS card.

December 12, 2008

- Direct Mail Offer – Fans on GGF Mailing List will receive 2 complimentary Turf Club Admission Passes and Valet Parking.

December 13, 2008

- DRF Handicapping Contest – GGF Fans will have an opportunity to represent the racetrack in the DRF National Handicapping Challenge in Las Vegas. Contest will take place over two days and will include cash prizes and an all expense paid trip to Las Vegas.
- Two-Year-Old Triple Play Series – The final leg of a three race series leading up to a \$70,000+ final race purse.

December 14, 2008

- DRF Handicapping Contest – GGF Fans will have an opportunity to represent the racetrack in the DRF National Handicapping Challenge in Las Vegas. Contest will take place over two days and will include cash prizes and an all expense paid trip to Las Vegas.
- \$1 Day – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer.

December 18, 2008

- Senior Thursday – Seniors 62 and Older will receive FREE Club House or FREE Grandstand Admission with a THOROUGHBREDS card.

December 20, 2008

- GGF Winter Wonderland - 40 tons of snow along with sleds will be brought to the race track so children can build snowmen, make snow angels, and sled down slopes.

December 21, 2008 – Closing Day

- GGF Winter Wonderland - 40 tons of snow along with sleds will be brought to the race track so children can build snowmen, make snow angels, and sled down slopes.
- \$1 Day – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer.

- B. Number of hosts and hostesses employed for meeting:
- 4 Customer Service Representatives
  - 5 Group Sales Representatives

- C. Describe facilities set aside for new fans:

Customer Service – Our customer service center is open year round with trained customer service representatives to assist fans with general racing information and maintain our frequent fan club known as the THOROUGHBREDS.

Mutuel Newcomer Window - A specific Mutuel teller window has been created which includes a hand-selected Mutuel clerk trained in customer service.

Manager on Duty Program – This program was designed to ensure interaction between managers, employees, and the fans. There are 15 managers in rotation who are assigned specific days in which they interact with the fans to help with any questions while doing a site inspection for safety and cleanliness.

Group Sales Contest Area – All group attendees can enter contests for prizes which creates a festive atmosphere where people can mingle and share their handicapping prowess.

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

1. Horsemen

- Plan to raise the roof in the paddock to make the stalls more spacious.
- Plan to construct a Horsemen's Lounge including a business center and morning workout viewing/breakfast dining area within close proximity to the paddock.
- Replacement of lead weights that are placed in a carrying pouch under the race saddle with Best Pad race weight pads, a combination of felt, high-density polymer and vulcanized rubber which was well received by the Jockey's Room.
- Plan to create new horse paths consisting of rubberized material to prevent horse slippage.
- Plan to construct new Stable Gate within close proximity to Owner, Trainer, and Groom parking area to allow convenient access for our internal customers.
- Given the increased number of horses stabled and training at Golden Gate Fields, there is a plan to add 100 temporary stalls in the barn area.
- Plan to add a sprinkler system to water the Tapeta surface.

2. Fans

- Replace the carpet in the entire Turf Club with customized color scheme, logo, and GGF crest. The carpet will be installed before the beginning of the Fall race meet.
- Initiated "Project Rover"- a new outreach service provided where several customer service representatives go out among the crowd to assist fans.
- Transformed over 3,000 square feet in the Horse Wizard Lounge into the Horse Wizard Sports Bar by adding 19 flat screen televisions and 4 projector televisions that broadcast horse racing and sporting events. Improvements were made to increase the seating capacity by adding new tables and chairs, bar stools, and a comfortable handicapping area. The area also includes a full service bar with future plans to include a bar menu for food.

- Replaced 100% of tote machines (both teller and SST) with new models. During the retro-fit, we built several new SST islands to house the new machines, remodeled the Mutuel teller windows to make ergonomically correct, and remodeled designated windows to encase the new machines.
- Complimentary shuttle bus service now offered to fans from North Berkeley BART to Golden Gate Fields. The offer is part of Golden Gate Fields' commitment to a "green" environment by encouraging fans to take public transportation. This service will also allow Bay Meadows' customers who live on the Peninsula easier access to GGF.
- Relocated and modernized the program booth in the Club House to make easier fan accessibility.

1. Facilities in the restricted areas **Equine Hospital**

**16. SCHEDULE OF CHARGES**

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

|                              |   |
|------------------------------|---|
| Admission (general)          | <b>\$4.00</b>                                     |
| Admission (club house)       | <b>\$6.00</b>                                     |
| Admission (turf club)        | <b>\$10.00 Weekdays</b>                           |
| Admission (turf club)        | <b>\$15.00 Weekends &amp; Holidays</b>            |
| Reserved seating (general)   | N/A   |
| Reserved seating (clubhouse) | <b>\$3.00 (No charge with Thoroughbreds card)</b> |
| Parking (general)            | <b>\$4.00</b>                                     |
| Parking (preferred)          | <b>\$8.00</b>                                     |
| Parking (valet)              | <b>\$8.00</b>                                     |
| Programs (on-track)          | <b>\$2.25</b>                                     |
| (off-track)                  | <b>\$2.25</b>                                     |

**Thoroughbred Club Members**

|                           |               |                              |               |
|---------------------------|---------------|------------------------------|---------------|
| <b>General Admission:</b> |               | <b>Club House Admission:</b> |               |
| 1-3 Visits                | <b>\$3.00</b> | 1-3 Visits                   | <b>\$4.00</b> |
| 4-8 Visits                | <b>\$2.50</b> | 4-8 Visits                   | <b>\$3.50</b> |
| 9-15 Visits               | <b>\$2.00</b> | 9-15 Visits                  | <b>\$3.00</b> |
| 16-20 Visits              | <b>\$1.50</b> | 16-20 Visits                 | <b>\$2.50</b> |
| Over 20 Visits            | <b>\$1.00</b> | Over 20 Visits               | <b>\$2.00</b> |
|                           |               | Reserved seating             | <b>Free</b>   |

**Thoroughbred Club Prepaid Admissions**

Valid during live and ITW

TB Club Members can purchase a minimum of 30 Prepaid G/A admissions @ \$1.75 each  
 TB Club Members can purchase a minimum of 15 Prepaid C/H admissions @ 3.50 each

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

|  |                    |
|--|--------------------|
| <b>Turf Club – Full Season Single Membership</b>   | <b>\$ 1,000.00</b> |
| <b>Turf Club – Full Season Dual Membership</b>     | <b>\$ 2,000.00</b> |
| <b>Top of the Stretch – Full Season Membership</b> | <b>\$ 500.00</b>   |
| <b>Club House Box (4 seats, no admission)</b>      | <b>\$ 450.00</b>   |
| <b>Club House Season Pass (Admission only)</b>     | <b>\$ 400.00</b>   |
| <b>Grandstand Season Pass (Admission only)</b>     | <b>\$ 200.00</b>   |

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

#### 17. JOCKEYS/DRIVERS' QUARTERS

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

|                                     |                                |                                     |                                     |
|-------------------------------------|--------------------------------|-------------------------------------|-------------------------------------|
| <input checked="" type="checkbox"/> | Corners (lockers and cubicles) | How many                            | <input type="text" value="23"/>     |
| <input checked="" type="checkbox"/> | Showers                        | <input checked="" type="checkbox"/> | Steam room, sauna or steam cabinets |
| <input checked="" type="checkbox"/> | Masseur                        | <input checked="" type="checkbox"/> | Food/beverage service               |
|                                     |                                | <input checked="" type="checkbox"/> | Lounge area                         |
|                                     |                                | <input checked="" type="checkbox"/> | Certified platform scale            |

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

**Fifteen by twenty foot room accessed from a community hallway. The room has a television and bed with an attached shower room, sink and toilet.**

#### 18. BACKSTRETCH EMPLOYEE HOUSING

A. Inspection of backstretch housing was completed by **Anne Glasscock on May 28, 2008.**

B. Number of rooms used for housing on the backstretch of the racetrack: **128**

C. Number of restrooms available on the backstretch of the racetrack:  
**18 with showers, 7 in office areas.**

D. Estimated ratio of restroom facilities to the number of backstretch personnel:  
**1 restroom for every 12 people.**

#### 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.  
**Inner and outer railings are metal gooseneck. Coverings are Rider Protection Rail by Horsemen's Track & Equipment, Inc. Approximate height of the top of the inner railing is 42 inches.**

C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474:  
**Juan Meza**

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. **Not applicable.**

**20. DECLARATIONS**

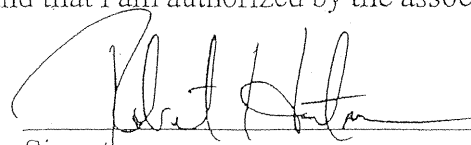
- A. All labor and lease agreements and concession and service contracts necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state): **No exceptions.**
- B. Attach each horsemen's agreement pursuant to CHRB Rule 2044.  
**CTT agreement on file.**  
**TOC agreement on file.**
- 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). **Not applicable.**
- D. All service contractors and concessionaires have valid state, county or city licenses authorizing each to engage in the type of service to be provided and have valid labor agreements, when applicable, which remain in effect for the entire term of the meeting except as follows (if no exceptions, so state): **No exceptions.**
- E. Absent natural disasters or causes beyond the control of the association, its service contractors, concessionaires or horsemen participating at the meeting, no reasons are believed to exist that may result in a stoppage to racing at the meeting or the withholding of any vital service to the association except as follows (if no exceptions, so state): **No exceptions.**

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

**21. CERTIFICATION BY APPLICANT**

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

Robert Hartman  
Print Name

  
Signature

General Manager  
Print Title

6/18/09  
Date

STAFF ANALYSIS  
August 19, 2008

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE OAK TREE RACING ASSOCIATION AT SANTA ANITA SEPTEMBER 24, 2008 THROUGH OCTOBER 26, 2008.

Oak Tree Racing Association filed its application to conduct a thoroughbred horse racing meeting at Santa Anita:

- September 24 through October 26, 2008, or 26 days, 5 less than 2007. The association proposes to race 226 races, or 8.69 per day. In 2007 they raced 8.84 races per day with an average of 8.90 runners per race. The (actual) average daily purse for the 2007 meet was \$413,305. The (estimated) average daily purse for this meet is \$450,695.
- The race dates proposed are the dates the Board allocated.

| September - 2008 |     |     |     |     |     |     |
|------------------|-----|-----|-----|-----|-----|-----|
| Sun              | Mon | Tue | Wed | Thu | Fri | Sat |
|                  | 1 H | 2   | 3   | 4   | 5   | 6   |
| 7                | 8   | 9   | 10  | 11  | 12  | 13  |
| 14               | 15  | 16  | 17  | 18  | 19  | 20  |
| 21               | 22  | 23  | 24  | 25  | 26  | 27  |
| 28               | 29  | 30  |     |     |     |     |

| October - 2008 |      |     |     |     |     |     |
|----------------|------|-----|-----|-----|-----|-----|
| Sun            | Mon  | Tue | Wed | Thu | Fri | Sat |
|                |      |     | 1   | 2   | 3   | 4   |
| 5              | 6    | 7   | 8   | 9   | 10  | 11  |
| 12             | 13 H | 14  | 15  | 16  | 17  | 18  |
| 19             | 20   | 21  | 22  | 23  | 24  | 25  |
| 26             | 27   | 28  | 29  | 30  | 31  |     |

- Racing 5 days per week, Wednesday through Sunday, with 8 races weekdays, 9 opening day, weekends and Monday, October 13. 11 Saturday and Sunday, October 5, California Cup Day, and October 25, Breeders Cup. 10 races Friday, October 24, Breeders Cup.
  - Request the option to program 10 races on opening day, weekends and October 13.
- Racing concurrently with the Fresno District Fair and Los Angeles Turf Club at Golden Gate Fields.
- First post 1:00 p.m. weekdays and 12:30 p.m. weekends and holidays.
  - 12:00 p.m. October 5, California Cup Day
  - 11:25 a.m. Friday, October 24, Breeders Cup (tentative)
  - 10:10 a.m. Saturday, October 25, Breeders Cup.(tentative)
  - 12:30 p.m. Sunday, October 26, Closing Day
- 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. to 10:00 a.m.
- The Advance Deposit Wagering (ADW) providers are Twin Spires, YouBet, TVG and Xpressbet.
- Simulcasting conducted with other out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.

- A copy of the 2007 Oak Tree Racing Association end of meet report has been included for your review. This report was previously presented to the Board at the March 27, 2008 CHRB Board meeting.
- Inspection of backstretch worker housing completed.

RECOMMENDATION:

Staff recommends the Board approve the application.

## END-OF-MEET OUTLINE SUMMARY

## Oak Tree Racing Associaton

September 26, 2007 - November 4, 2007

Race Days: 31

## AVERAGE DAILY STATISTICS

|                                | Percent<br>Change | Total<br>Value |
|--------------------------------|-------------------|----------------|
| Avg. Daily Handle              | 16.16%            | 1,467,187      |
| Avg. On-Track Handle           | -2.44%            | (46,829)       |
| Avg. ITW Network Handle        | 5.72%             | 133,657        |
| Avg. ADW In Network Handle     | 23.80%            | 217,888        |
| Avg. Out-Of-State Handle       | 29.73%            | 1,162,472      |
| Avg. Daily Attendance          | -4.12%            | (686)          |
| Avg. Daily On-Track Attendance | -8.98%            | (809)          |
| Avg. Daily ITW Attendance      | 1.60%             | 123            |

## CALIFORNIA HORSE RACING BOARD END OF MEET REPORT

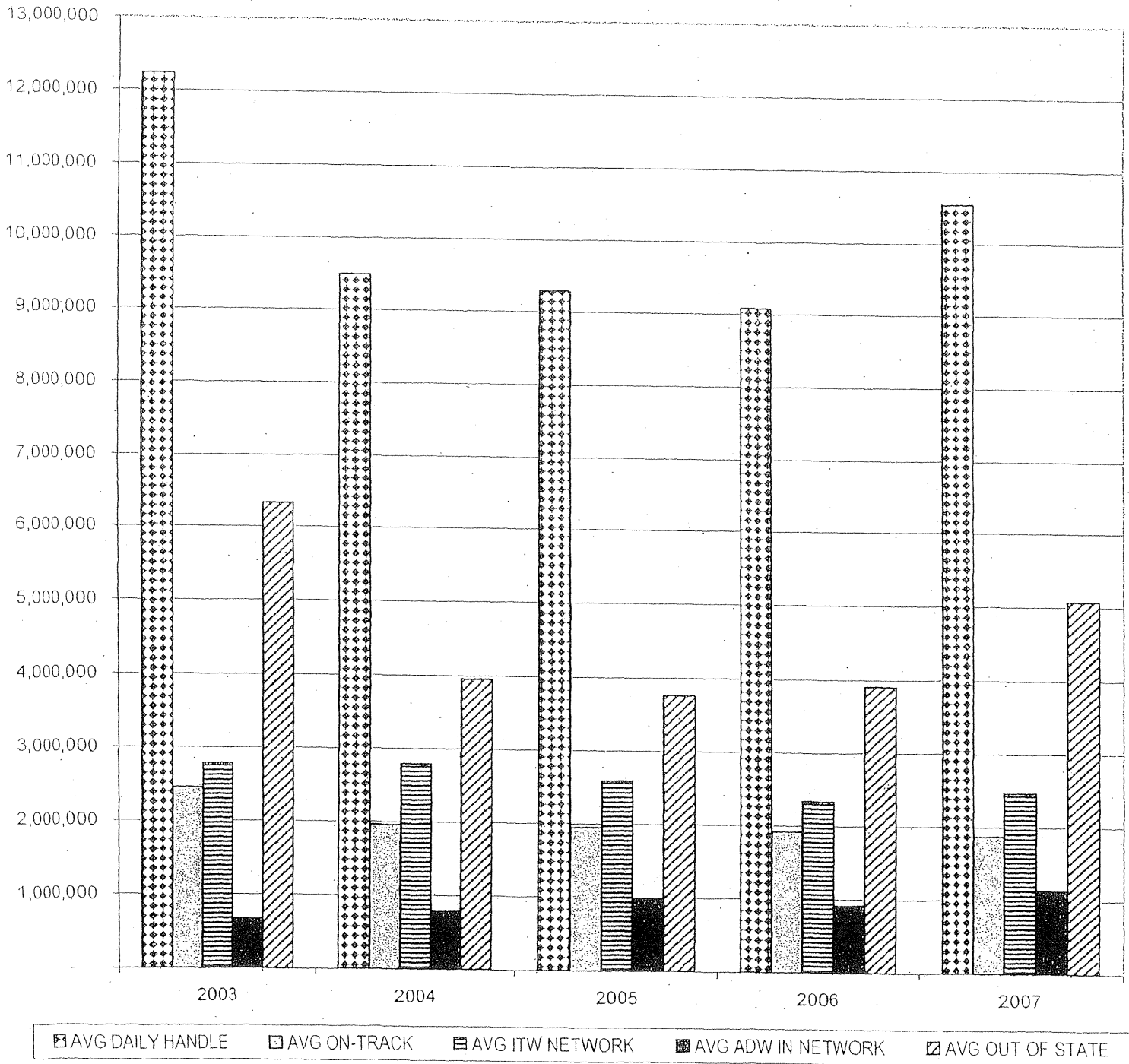
Oak Tree Racing Association

YTY CHANGE

|                               | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u>   | <u>2007</u> | <u>2007 \$</u><br><u>CHANGE</u> | <u>2007 %</u><br><u>CHANGE</u> |
|-------------------------------|-------------|-------------|-------------|---------------|-------------|---------------------------------|--------------------------------|
| TOTAL RACE DAYS               | 32          | 26          | 31          | 26            | 31          | 5                               | 19.23%                         |
| TOTAL HANDLE                  | 391,593,486 | 246,837,146 | 288,012,944 | 236,119,118   | 327,009,440 | 90,890,323                      | 38.49%                         |
| <b>BY ORIGIN OF WAGER</b>     |             |             |             |               |             |                                 |                                |
| ON-TRACK                      | 78,607,430  | 50,959,066  | 60,456,834  | 49,929,703    | 58,079,857  | 8,150,155                       | 16.32%                         |
| ITW NETWORK                   | 89,182,330  | 72,622,974  | 80,369,686  | 60,728,029    | 76,549,864  | 15,821,835                      | 26.05%                         |
| ADW IN NETWORK                | 21,369,297  | 20,415,957  | 30,456,485  | 23,806,699.85 | 35,139,432  | 11,332,732                      | 47.60%                         |
| OUT-OF-STATE                  | 202,434,430 | 102,839,150 | 116,729,938 | 101,654,686   | 157,240,288 | 55,585,601                      | 54.68%                         |
|                               | 391,593,486 | 246,837,146 | 288,012,944 | 236,119,118   | 327,009,440 | 90,890,323                      | 38.49%                         |
| <b>BY ORIGIN OF RACE</b>      |             |             |             |               |             |                                 |                                |
| LIVE                          | 317,999,939 | 175,981,966 | 201,646,590 | 175,923,112   | 248,518,589 | 72,595,477                      | 41.27%                         |
| OUT- OF- ZONE                 | 34,022,804  | 22,589,343  | 26,878,215  | 20,194,337    | 20,670,336  | 475,999                         | 2.36%                          |
| INTERSTATE-IMPORT             | 39,335,425  | 43,112,962  | 53,649,062  | 34,906,678    | 51,187,073  | 16,280,395                      | 46.64%                         |
| INTRNL-IMPORT                 | 235,318     | 5,152,876   | 5,839,076   | 5,094,991     | 6,633,442   | 1,538,452                       | 30.20%                         |
|                               | 391,593,486 | 246,837,146 | 288,012,944 | 236,119,118   | 327,009,440 | 90,890,323                      | 38.49%                         |
| <i>proof</i>                  |             |             |             |               |             |                                 |                                |
| AVG DAILY HANDLE              | 12,237,296  | 9,493,736   | 9,290,740   | 9,081,505     | 10,548,692  | 1,467,187                       | 16.16%                         |
| <b>AVG BY ORIGIN OF WAGER</b> |             |             |             |               |             |                                 |                                |
| AVG ON-TRACK                  | 2,456,482   | 1,959,964   | 1,950,220   | 1,920,373     | 1,873,544   | (46,829)                        | -2.44%                         |
| AVG ITW NETWORK               | 2,786,948   | 2,793,191   | 2,592,571   | 2,335,693     | 2,469,350   | 133,657                         | 5.72%                          |
| AVG ADW IN NETWORK            | 667,791     | 785,229     | 982,467     | 915,642       | 1,133,530   | 217,888                         | 23.80%                         |
| AVG OUT OF STATE              | 6,326,076   | 3,955,352   | 3,765,482   | 3,909,796     | 5,072,267   | 1,162,472                       | 29.73%                         |
| <b>AVG BY ORIGIN OF RACE</b>  |             |             |             |               |             |                                 |                                |
| AVG LIVE                      | 9,937,498   | 6,768,537   | 6,504,729   | 6,766,274     | 8,016,729   | 1,250,455                       | 18.48%                         |
| AVG OUT-OF-ZONE               | 1,063,213   | 868,821     | 867,039     | 776,705       | 666,785     | (109,920)                       | -14.15%                        |
| AVG INTERSTATE-IMPORT         | 1,229,232   | 1,658,191   | 1,730,615   | 1,342,565     | 1,651,196   | 308,631                         | 22.99%                         |
| AVG INTRNL-IMPORT             | 7,354       | 198,188     | 188,357     | 195,961       | 213,982     | 18,021                          | 9.20%                          |
| TOTAL TAKEOUT                 | 74,739,161  | 48,753,145  | 56,387,013  | 46,275,797    | 64,373,929  | 18,098,132                      | 39.11%                         |
| EFFECTIVE TAKEOUT %           | 19.09%      | 19.75%      | 19.58%      | 19.60%        | 19.69%      | 0                               | 0.44%                          |
| STATE LICENSE FEES            | 3,746,103   | 2,812,157   | 3,204,443   | 2,565,550     | 3,206,613   | 641,063                         | 24.99%                         |
| STATE %                       | 0.96%       | 1.14%       | 1.11%       | 1.09%         | 0.98%       | (0)                             | -9.75%                         |
| TRACK COMMISSION              | 16,255,537  | 9,944,456   | 11,596,667  | 9,533,011     | 12,359,906  | 2,826,895                       | 29.65%                         |
| TRACK %                       | 4.15%       | 4.03%       | 4.03%       | 4.04%         | 3.78%       | (0)                             | -6.38%                         |
| PURSE COMMISSION              | 15,921,734  | 9,703,661   | 11,295,141  | 9,053,469     | 11,991,661  | 2,938,191                       | 32.45%                         |
| PURSE %                       | 4.07%       | 3.93%       | 3.92%       | 3.83%         | 3.67%       | (0)                             | -4.36%                         |
| <b>CALIFORNIA NETWORK</b>     |             |             |             |               |             |                                 |                                |
| ATTENDANCE                    | 642,953     | 476,145     | 525,961     | 432,814       | 494,778     | 61,964                          | 14.32%                         |
| ON-TRACK                      | 327,959     | 241,016     | 263,317     | 234,076       | 254,018     | 19,942                          | 8.52%                          |
| ITW NETWORK                   | 314,994     | 235,129     | 262,644     | 198,738       | 240,760     | 42,022                          | 21.14%                         |
| AVG DAILY ATTENDANCE          | 20,092      | 18,313      | 16,966      | 16,647        | 15,961      | (686)                           | -4.12%                         |
| AVG DAILY ON-TRACK            | 10,249      | 9,270       | 8,494       | 9,003         | 8,194       | (809)                           | -8.98%                         |
| AVG DAILY ITW NETWORK         | 9,844       | 9,043       | 8,472       | 7,644         | 7,766       | 123                             | 1.60%                          |
| TOTAL RACE EVENTS             | 270         | 222         | 267         | 226           | 266         | 40                              | 17.70%                         |
| STARTERS                      | 2,122       | 1,776       | 2,099       | 1,845         | 2,389       | 544                             | 29.49%                         |
| AVG STARTERS PER EVENT        | 7.86        | 8.00        | 7.86        | 8.16          | 8.98        | 1                               | 10.01%                         |
| AVG HANDLE PER START          | 149,859     | 99,089      | 96,068      | 95,351        | 104,026     | 8,675                           | 9.10%                          |

Source: CHRIMS

### Oak Tree Racing Association



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:

Oak Tree Racing Association  
Santa Anita Park  
285 W. Huntington Drive  
Arcadia CA 91007

Telephone: 626/574-6345 or 574-7223  
Fax Phone: 626/447-2940

B. Breed of horse:  TB  QH  H

C. Racetrack name: Santa Anita 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.

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: September 24 through October 26, 2008

B. Actual dates racing will be held: September 24, 25, 26, 27, 28,  
October 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 13,  
15, 16, 17, 18, 19, 22, 23, 24, 25, 26,

C. Total number of days or nights of racing: 26 Days

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: 5 Days  
Exception: 6 days Monday, October 13 through  
Sunday, October 19

CHRB CERTIFICATION

Application received: 6/24/08  
Deposit received: on file  
Reviewed: (signature)

Hearing date: 8/19/08  
Approved date:  
License number:

Copy of 2008 OAKTREE STAKES - COSTS

| RACE DATE   | RACE  | 2007<br>PURSE \$ | 2008<br>PURSE \$ | COST \$     | AGE              | DISTANCE        | B/C \$    |
|-------------|---|------------------|------------------|-------------|------------------|-----------------|-----------|
| Wed, Sep 24 | THE MORVICH HANDICAP (G III)                  | \$100,000        | \$100,000+       | \$100,000   | 3 & UP           | abt 6 1/2 F (T) |           |
| Sat, Sep 27 | THE GOODWOOD STAKES (G I)                     | \$500,000        | \$500,000*       | \$380,000   | 3 & UP           | 1 1/8 M         | \$100,000 |
| Sat, Sep 27 | THE YELLOW RIBBON STAKES (G I)                | \$400,000        | \$400,000        | \$380,000   | F/M, 3 & UP      | 1 1/4 M (T)     |           |
| Sat, Sep 27 | THE OAK LEAF STAKES (G I)                     | \$250,000        | \$250,000*       | \$185,000   | F, 2 YO          | 1 1/16 M        | \$50,000  |
| Sat, Sep 27 | THE CLEMENT L. HIRSCH TURF CHAMPIONSHIP (G I) | \$250,000        | \$250,000        | \$235,000   | 3 & UP           | 1 1/4 M (T)     |           |
| Sat, Sep 27 | THE LADY'S SECRET STAKES (G I)                | \$250,000        | \$250,000*       | \$165,000   | F/M, 3 & UP      | 1 1/16 M        | \$75,000  |
| Sat, Sep 27 | THE ANCIENT TITLE STAKES (G I)                | \$300,000        | \$250,000*       | \$185,000   | 3 & UP           | 6 F             | \$50,000  |
| Sun, Sep 28 | THE NORFOLK STAKES (G I)                      | \$250,000        | \$250,000*       | \$185,000   | 2 YO             | 1 1/16 M        | \$50,000  |
| Sun, Sep 28 | THE OAK TREE MILE (G II)                      | \$250,000        | \$200,000*       | \$185,000   | 3 & UP           | 1 M (T)         |           |
| Sat, Oct 4  | THE SEN. KEN MADDY HANDICAP (G III)           | \$100,000        | \$100,000+       | \$100,000   | F/M, 3 & UP      | abt. 6 1/2 (T)  |           |
| Sun, Oct 5  | CALIFORNIA CUP CLASSIC                        | \$250,000        | \$250,000        |             | 3 & UP (CA)      | 1 1/8 M         |           |
| Sun, Oct 5  | CALIFORNIA CUP MILE                           | \$175,000        | \$175,000        |             | 3 & UP (CA)      | 1 M (T)         |           |
| Sun, Oct 5  | CALIFORNIA CUP MATRON                         | \$150,000        | \$150,000        |             | F/M, 3 & UP (CA) | 1 1/16 M        |           |
| Sun, Oct 5  | CALIFORNIA CUP SPRINT                         | \$150,000        | \$150,000        |             | 3 & UP (CA)      | 6 F             |           |
| Sun, Oct 5  | CALIFORNIA CUP DISTAFF                        | \$150,000        | \$150,000        |             | F/M, 3 & UP (CA) | abt 6 1/2 f (T) |           |
| Sun, Oct 5  | CALIFORNIA CUP JUVENILE (COLTS & GELDINGS)    | \$125,000        | \$125,000        |             | 2 YO (CA)        | 1 1/16 M        |           |
| Sun, Oct 5  | CALIFORNIA CUP JUVENILE (FILLIES)             | \$125,000        | \$125,000        |             | F, 2 YO (CA)     | 1 1/16 M        |           |
| Sun, Oct 5  | CALIFORNIA CUP DISTANCE HANDICAP              | \$100,000        | \$100,000        |             | F/M, 3 & UP      | 1 1/4 M (T)     |           |
| Sun, Oct 5  | CALIFORNIA CUP STARTER HANDICAP               | \$50,000         | \$50,000         |             | 3 & UP (CA)      | 1 1/2 M (T)     |           |
| Sun, Oct 5  | CALIFORNIA CUP STARTER SPRINT HANDICAP        | \$50,000         | \$50,000         |             | 3 & UP (CA)      | 6 F             |           |
| Sat, Oct 11 | THE HAROLD C. RAMSER, SR. HANDICAP (G III)    | \$100,000        | \$100,000+       |             | F, 3 YO          | 1 M (T)         |           |
| Sun, Oct 12 | <b>THE LURE STAKES @</b>                      |                  | \$75,000+        |             | 3 & UP           | 1 M (T)         |           |
| Sat, Oct 18 | THE JACK GOODMAN STAKES                       | \$65,000         | \$75,000+        |             | 2 YO             | 6 F             |           |
| Sun, Oct 19 | THE ANOAKIA STAKES                            | \$65,000         | \$75,000+        |             | F, 2 YO          | 6 F             |           |
| Fri, Oct 24 | THE LAS PALMAS HANDICAP (G II)                | \$150,000        | \$250,000        |             | F/M, 3 & UP      | 1 M (T)         | \$250,000 |
| Fri, Oct 24 | <b>BREEDERS' CUP DAY</b>                      |                  |                  |             |                  |                 |           |
| Sat, Oct 25 | THE OAK TREE DERBY (G II)                     | \$150,000        | \$150,000        |             | 3 YO             | 1 1/8 M (T)     | \$150,000 |
| Sat, Oct 25 | THE DAMASCUS STAKES                           |                  | \$100,000+       |             | 3 YO             | 7 F             | \$100,000 |
| Sat, Oct 25 | <b>BREEDERS' CUP DAY</b>                      |                  |                  |             |                  |                 |           |
| Sun, Oct 26 | THE CASCAPEDIA STAKES                         |                  | \$100,000+       | \$100,000   | F, 3 YO          | 7 F             |           |
|             |   |                  | \$2,375,000      | \$2,200,000 |                  |                 |           |

Supplemental nominations available for all stakes...\*\*Pending TOC Approval + Added Money \* Includes Breeders'Cup Fund Money  
 The June Darling S, The Cavonnier S & The Carleton F. Burke H (G III) will not run in 2008

3. RACING PROGRAM

- A. Total number of races: Estimate 226 (Includes Cal. Cup and Breeders' Cup)
- B. Number of races for each day or night: 8 races weekdays  
 9 races Opening Day, Weekends and Monday, October 13; (\*) with the option to program 10 races on such days.  
 11 races Sunday, October 5, 2008 Cal. Cup Day  
 10 races Friday, October 24, 2008 (Breeders' Cup) and  
 11 races Saturday, October 25, 2008 (Breeders' Cup)
- C. Total number of stakes races: 30 (Including California Cup Day and Breeders' Cup Days)
- 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.

See following schedule.

- 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:

| Weekdays | Weekends &                  | Holidays                    |
|----------|-----------------------------|-----------------------------|
| Race 1   | 1:00 p.m.                   | 12:30 p.m.                  |
| Race 2   | 1:30 p.m.                   | 1:00 p.m.                   |
| Race 3   | 2:00 p.m.                   | 1:30 p.m.                   |
| Race 4   | 2:30 p.m.                   | 2:00 p.m.                   |
| Race 5   | 3:00 p.m.                   | 2:30 p.m.                   |
| Race 6   | 3:30 p.m.                   | 3:00 p.m.                   |
| Race 7   | 4:00 p.m.                   | 3:30 p.m.                   |
| Race 8   | 4:30 p.m.                   | 4:00 p.m.                   |
| Race 9   | 5:00 p.m. (When applicable) | 4:30 p.m. (When applicable) |
| Race 10  | 5:30 p.m. (When Applicable) | 5:00 p.m. (When applicable) |

Exceptions:

|  |                      |
|--|----------------------|
| California Cup Day, October 5, 2008      | 12:00 PM             |
| Breeders' Cup Friday, October 24, 2008   | 11:25 AM (Tentative) |
| Breeders' Cup Saturday, October 25, 2008 | 10:10 AM (Tentative) |
| Closing Day, Sunday, October 26, 2008    | 12:30 PM             |

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. Addendum A on file with the Board.

C. CORPORATION

1. Registered name of the corporation: Oak Tree Racing Association
2. State where incorporated: California
3. Registry or file number for the corporation: D5468-730
4. Names of all officers and directors, titles, and the number of shares of the corporation held by each:
 

|                           |  |
|---------------------------|--|
| Dr. Jack K. Robbins       | President and Director                       |
| Sherwood C. Chillingworth | Executive Vice President, Director           |
| Thomas R. Capehart        | Vice-President-Secretary, Director           |
| Dr. Rick M. Arthur        | Vice-President-Assistant Secretary, Director |
| John H. Barr              | Vice-President, Director                     |
| Richard Mandella          | Vice-President, Director                     |
| Warren B. Williamson      | Vice-President, Director                     |
| Robert W. Zamarripa       | Vice-President, Director                     |

Note: There are no shares of stock, but there are eight membership certificates issued; One to each Director. Oak Tree Racing Association is a not-for-profit and Non-dividend paying corporation.

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: None. Each Director owns one membership.
6. Number of outstanding shares in the corporation: Eight
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: Thomas R. Capehart, Vice President-Secretary
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: N/A
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.  
Financial statements as of May 31, 2008, are presently being prepared by our independent auditors, Vicenti, Lloyd & Stutzman. It is anticipated that these statements will be completed by late August and will be promptly forwarded to the Board. Latest available statements as of May 31, 2007 are on file with CHRB.

D. LLC N/A

E. OTHER N/A

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:

|                           |   |
|---------------------------|---|
| Dr. Jack K. Robbins       | President and Director                                |
| Sherwood C. Chillingworth | Executive Vice President & Managing Officer, Director |
| Thomas R. Capehart        | Vice-President-Secretary, Director                    |
| Dr. Rick M. Arthur        | Vice-President-Assistant Secretary, Director          |
| John H. Barr              | Vice-President, Director                              |
| Richard Mandella          | Vice President, Director                              |
| Warren B. Williamson      | Vice-President, Director                              |
| Robert W. Zamarripa       | Vice-President, Director                              |
| Ron Charles               | President, Los Angeles Turf Club, Incorporated        |
| George Haines II          | General Manager                                       |
| Candace Coder-Chew        | Director of Print & Graphics                          |
| Aaron Vercruysse          | Director of Simulcast                                 |
| Jason Spetnagel           | Director of Facility & Grounds                        |
| Allen Gutterman           | Director of Marketing                                 |
| Randy Hartzell            | Director of Mutuels                                   |
| Dick Honaker              | Director of Operations & Security                     |
| Gina Lavo                 | Controller  |
| Pete Siberell             | Director of Community Services & Special Projects     |
| Ken Walker                | Director of Industrial Relations                      |
| Amy J. Zimmerman          | Director of Broadcasting                              |
| Nina Zukin                | Director of Information Services                      |
| Trevor Denman             | Public Address Commentator                            |
| Jay Cohen                 | Hornblower  |

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:

Sherwood C. Chillingworth, Executive Vice President & Managing Officer,  
Oak Tree Racing Association

## 5. PURSE PROGRAM

## A. Purse distribution:

*(All numbers exclude Breeders' Cup and California Cup days.)*

|                              |             |                                      |
|------------------------------|-------------|--------------------------------------|
| All races other than stakes: | (23 days)   |                                      |
| Current meet estimate:       | \$6,577,000 | (Not including \$26,300,000 in total |
| Prior meet actual:           | \$7,933,000 | Breeders' Cup distribution.)         |

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

Current meet estimate: \$ 285,956

Prior meet actual: \$ 264,400

1. Overnight stakes:

Current meet estimate: \$ 225,000

Prior meet actual: \$ 260,000

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

Current meet estimate: \$ 9,782

Prior meet actual: \$ 8,666

3. Non-overnight stakes: \$ 2,200,000

Current meet estimate: \$ 2,469,000

Prior meet actual:

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

Current meet estimate: \$ 95,652

Prior meet actual: \$ 82,300

B. Stakes races:

1. Purse distribution for all stakes races:

Current meet estimate: \$2,425,000

Prior meet actual: \$2,729,000

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

Current meet estimate: \$ 105,434

Prior meet actual: \$ 90,966

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

**Oak Tree – used 26 days and include Cal Cup day and both BC days to stay consistent with prior meets. This number simply reflects the average daily amount paid for Cal-Bred Stakes.**

Current meet estimate: \$1,325,000 (Not included in stakes figure.)

Prior meet actual: \$1,325,000

Average Daily Purse (5B2 ÷ number of days): Based on 26 days.

Current meet estimate: \$ 50,961

Prior meet actual: \$ 42,741

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

Current meet estimate: \$1,120,000

Prior meet actual: \$1,400,000

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

Recognized Horsemen's Organization

Current meet estimate:

Prior meet actual:

|              |                           |              |                           |
|--------------|---------------------------|--------------|---------------------------|
| NTRA         | \$ 31,000                 | NTRA         | \$ 48,170                 |
| TOC          | \$ 85,200                 | TOC          | \$ 115,600                |
| CTT          | *\$ 127,800               | CTT          | *\$ 173,400               |
|              | *Pension Fund \$ 85,191   |              | *Pension Fund \$ 115,598  |
|              | *Administration \$ 42,609 |              | *Administration \$ 57,802 |
| <b>TOTAL</b> | <b>\$ 244,000</b>         | <b>TOTAL</b> | <b>\$ 337,170</b>         |

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

Oak Tree - used 23 days, excluding Cal Cup and Both BC days, to produce a number consistent with prior years. Cal Cup is excluded as in prior years. Over 27 million will be distributed between Cal Cup and BC, therefore that number would significantly change the averages.

Current meet estimate: \$10,366,000  
 Prior meet actual: \$12,399,170

Average Daily Purse (5E ÷ number of days): (23 Days)

Current meet estimate: \$ 450,695  
 Prior meet actual: \$ 413,305

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

Cal Cup Day generate purse revenue that is paid out, however the purses are supplemented by the CTBA. BC is excluded to be consistent and the handle revenue on those days goes directly to BC.

Current meet estimate: \$ 6,630,500                      24 Days; excluding Breeders' Cup  
 Prior meet actual: \$ 7,540,000

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

Current meet estimate: \$ 276,270  
 Prior meet actual: \$ 243,225

G. Purse funds to be generated from interstate handle:                      24 Days; excluding Breeders' Cup

Current meet estimate: \$ 2,426,958  
 Prior meet actual: \$ 2,610,000

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

Current meet estimate: \$ 101,123  
 Prior meet actual: \$ 84,193

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

CitiBank, 787 W. 5th Street 29th Floor, Los Angeles, CA 90071, paid through  
 Paymaster of Purses Account #On file

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

Bowen, McBeth Co., 10722 Arrow Route, Suite 110, Rancho Cucamonga, CA 91730  
 Telephone: (909) 944-6465

CHRB-17 (Rev. 12/06)

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:  
1950
- B. Minimum number of stalls believed necessary for the meeting: 1853
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: 2500
- D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site:
- |                      |                        |              |
|----------------------|------------------------|--------------|
| Hollywood Park 1,500 | San Luis Rey Downs 500 | Fariplex 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.

SCOTWINC agreement on file with CHRB

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: 1,950
- G. Estimated cost to provide off-site stalls for this meeting. Show cost per day per stall:  
\$405,600 (\$8.00/day/stall; excluding vaning costs)
- H. Estimated cost to provide vaning from off-site stalls for this meeting. Show fees to be paid for vaning per-horse:
- |          |                             |
|----------|-----------------------------|
| \$77,120 | Estimated vaning cost.      |
| \$180    | RT for Hollywood and Pomona |
| \$320    | RT for San Luis Rey Downs   |

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       | \$1E              | \$2DD | \$1PK3 | \$1PNP4 |         | \$1PPN  | CHRB #1959, 1957, 1977, 1976.9, 1976.8    |
| Race #2       | \$1E              | \$2DD | \$1PK3 |         |         |         | CHRB #1959, 1957, 1977                    |
| Race #3       | \$1E              | \$2DD | \$1PK3 |         |         | \$2PNP6 | CHRB #1959, 1957, 1977, 1976.9            |
| Race #4       | \$1E              | \$2DD | \$1PK3 |         | \$1PNP5 | \$2PNP6 | CHRB #1959, 1957, 1977, 1976.9 (PK 5-6)   |
| Race #5       | \$1E              | \$2DD | \$1PK3 | \$1PNP4 | \$1PNP5 | \$2PNP6 | CHRB #1959, 1957, 1977, 1976.9 (PK 4-5-6) |
| Race #6       | \$1E              | \$2DD | \$1PK3 | \$1PNP4 | \$1PNP5 | \$2PNP6 | CHRB #1959, 1957, 1977, 1976.9 (PK 4-5-6) |
| Race #7       | \$1E              | \$2DD | \$1PK3 | \$1PNP4 | \$1PNP5 |         | CHRB #1959, 1957, 1977, 1976.9 (PK 4-5)   |
| Race #8       | \$1E              | \$2DD | \$1PK3 | \$1PNP4 |         |         | CHRB #1959, 1957, 1977, 1976.9            |
| Race #9       | \$1E              | \$2DD |        |         |         |         | CHRB #1959, 1957                          |
| Race #10      | \$1E              | \$2DD |        |         |         |         | CHRB #1959, 1957                          |

- Rolling \$2 Daily Doubles beginning with Race #1. (CHRB #1957)
- \$1 Trifecta on all eligible races. (CHRB #1979)
- \$0.10 Superfecta on all eligible races. (CHRB #1979.1)
- Incoming simulcasts will follow host track format.
- \$1 Place PK-8 on 8-race program; Place PK-9 on 9-race program, Place PK-10 on 10-race program. Alternate runner provision (CHRB #1976.9) or if not marked, Closing Line Favorite evidenced by the amounts wagered in the win pool. [All \$1 Wagers] No carryover. Pay all tickets with most winners. (CHRB 1976.8)
- \$2 PNP-6 last six live races 70% Carryover, 30% Minor. Alternate runner provision. (CHRB #1976.9)
- \$1 PNP-5 last five live races. Mandatory payout daily. Pay all tickets with most winners. (CHRB #1976.9)
- \$1 PNP4 last four live races. (CHRB #1976.9) Mandatory payout daily.
- \$2 Parlay Wagering Races 1-10 (CHRB #1954.1)
- Additional deduction provided by subdivision (a) of Section 19611.5 will be made.
- No PK-5 offered on guaranteed PK-6 days.

B. Maximum carryover pool to be allowed to accumulate before its distribution OR the date(s) designated for distribution of the carryover pool: Sunday, October 26, 2008

C. List any options requested with regard to exotic wagering: N/A

D. Will "advance" or "early bird" wagering be offered?  Yes  No  
 If yes, when will such wagering begin: 8:30 AM – 10:00 AM

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 Racing, Brooks Pierce, President Expires: September 2012

8. ADVANCE DEPOSIT WAGERING (ADW)

- A. Identify the ADW provider(s) to be used by the association for this race meeting:  
Providers include: Twin Spires, YouBet, TVG, Xpress Bet

9. SIMULCAST WAGERING PROGRAM

- A. Simulcast organization engaged by the association to conduct simulcast wagering:  
Southern California Off-Track Wagering, Inc.
- B. Attach the agreement between the associations 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.  
Agreement on file with CHRB.
- C. California simulcast facilities the association proposes to offer its live audiovisual signal:
 

|   |  |
|---|--|
| Alameda County Fair<br>Antelope Valley Fair<br>Barona Casino<br>Bay Meadows<br>Cal. Expo<br>Desert Expo<br>Earl Warren Showground's – 19 <sup>th</sup> DAA<br>ExpoCentre<br>Fairplex<br>Fantasy Springs Casino<br>Fresno District Fair – 21 <sup>st</sup> DAA<br>Fresno Club One Wagering Facility<br>Golden Gate<br>Hollywood Park<br>Kern County Fair – 15 <sup>th</sup> DAA<br>Lake Perris Sports Pavilion<br>Los Alamitos | Monterey County Fair – 7 <sup>th</sup> DAA<br>National Orange Show<br>Redwood Acres Fair – 9 <sup>th</sup> DAA<br>San Bernardino County Fair – 28 <sup>th</sup> DAA<br>San Joaquin Fair – 2 <sup>nd</sup> DAA<br>Santa Barbara County Fair – 37 <sup>th</sup> DAA<br>Santa Clara County Fair<br>Shasta District Fair – 27 <sup>th</sup> DAA<br>Solano County Fair<br>Sonoma County Fair<br>Stanislaus County Fair, Turlock Satellite<br>Sycuan Casino<br>Ventura County Fair – 31 <sup>st</sup> DAA<br>Viejas Casino & Turf Club<br>Surfside Race Place at Del Mar<br>24 <sup>th</sup> District Agricultural Association |
|---|--|
- D. Out-of-state wagering systems the association proposes to offer its live audiovisual signal:  
See (E) Common Pool Sites and Separate Pool/Flat Fee Sites.

- E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the association:

EXPORT SIMULCAST SITE REQUEST – Subject to Change/Additions

|                                     |              |                                      |               |
|-------------------------------------|--------------|--------------------------------------|---------------|
| Amwest Entertainment                | North Dakota | Capital District OTB                 | New York      |
| Arapahoe Park                       | Colorado     | Capital Sports Pty Ltd.              | Australia     |
| Arima Race & Sports Book            | Trinidad     | Catskill OTB                         | New York      |
| Arlington International Racecourse, | Illinois     | Charles Town Races                   | West Virginia |
| Atlantic City Casino Assn.          | New Jersey   | Choctaw Racing Services, LLC,        | Oklahoma      |
| Atlantic City Race Course           | New Jersey   | Churchill Downs                      | Kentucky      |
| Atokad Downs                        | Nebraska     | Churchill Downs Sports Spectrum,     | Kentucky      |
| Balmoral Park/Maywood               | Illinois     | Coeur d' Alene Casino                | Idaho         |
| Bettor Racing OTB (Royal River),    | South Dakota | Colonial Downs                       | Virginia      |
| Beulah Park                         | Ohio         | Columbus Races                       | Nebraska      |
| Birmingham Race Course              | Alabama      | Connecticut OTB                      | Connecticut   |
| Blue Ribbon Downs                   | Oklahoma     | Corpus Christi Greyhound Race Track, | Texas         |
| Bluffs Run Greyhound Park & Casino, | Iowa         | Crystal Palace Casino                | Bahamas       |
| Boyd Gaming, dba Delta Downs        | Louisiana    | Dairyland Greyhound Park             | Wisconsin     |
| Buffalo Trotting Association        | New York     | Delaware Park                        | Delaware      |
| Calder Race Course                  | Florida      | Dover Downs                          | Delaware      |
| Canterbury Park                     | Minnesota    | Downs at Albuquerque                 | New Mexico    |

|  |               |
|--|---------------|
| Ellis Park                                   | Kentucky      |
| Emerald Downs                                | Washington    |
| European Simulco                             | Austria       |
| Evangeline Downs                             | Louisiana     |
| Fair Meadows at Tulsa                        | Oklahoma      |
| Fairgrounds Race Course                      | Louisiana     |
| Fairmount Park                               | Illinois      |
| Finger Lakes Race Track                      | New York      |
| Fonner Park                                  | Nebraska      |
| Freehold Raceway                             | New Jersey    |
| Geneva Lakes Kennel Club                     | Wisconsin     |
| Gillespie County Fair Race Meet              | Texas         |
| Great Lakes Downs                            | Michigan      |
| Hawthorne National LLC                       | Illinois      |
| Hazel Park                                   | Michigan      |
| Hinsdale Greyhound Park                      | New Hampshire |
| Hoosier Park                                 | Indiana       |
| Horsemen's Park                              | Nebraska      |
| Indiana Downs                                | Indiana       |
| International All Sports Limited             | Florida       |
| Jackson Harness Raceway                      | Michigan      |
| Keeneland Association                        | Kentucky      |
| Las Vegas Dissemination Co.                  | Nevada        |
| Lebanon Raceway                              | Ohio          |
| Les Bois Park                                | Idaho         |
| Lewiston Raceways, Inc.                      | Maine         |
| Lien Games, Inc.                             | North Dakota  |
| Lincoln Park                                 | Rhode Island  |
| Lone Star Race Park Ltd.                     | Texas         |
| Louisiana Downs                              | Louisiana     |
| LVDC / Elite Turf Club                       | Nevada        |
| LVDC / Tribal Locations                      | Nevada        |
| Manor Downs                                  | Texas         |
| Maryland Jockey Club                         | Maryland      |
| Midway Slots & Simulcast                     | Delaware      |
| Monmouth Park                                | New Jersey    |
| Montana Simulcast Partners                   | Montana       |
| Monticello Raceway                           | New York      |
| Mount Pleasant Meadows                       | Michigan      |
| Mountaineer Park                             | West Virginia |
| Nassau/Suffolk OTB                           | New York      |
| Nevada Pari-Mutuel Association               | Nevada        |
| New Jersey Sports & Exposition Authority, NJ |               |
| New York City Off-Track Betting              | New York      |
| New York Racing Association                  | New York      |
| Newport Jai-Alai                             | Rhode Island  |
| Northfield Park                              | Ohio          |
| Northville Racing Corp.                      | Michigan      |
| Oaklawn Park                                 | Arkansas      |

**Canada Pools:**

Assiniboia Down., CAN  
 Charlottetown, CAN  
 Clinton Raceway, CAN  
 Connaught Park-Aylmer, CAN  
 Dresden, CAN  
 Elmira Raceway, CAN  
 Evergreen Park Grande Prairie, Can  
 EX Park IVR, CAN  
 Flamboro Downs, CAN

|  |               |
|--|---------------|
| Ocean Downs                                    | Maryland      |
| Penn National Race Course                      | Pennsylvania  |
| Philadelphia Park                              | Pennsylvania  |
| Plainridge Race Course                         | Massachusetts |
| Portland Meadows                               | Oregon        |
| Prairie Meadows                                | Iowa          |
| Raceway Park                                   | Ohio          |
| Racing & Gaming Services, Inc.,                | British WI    |
| Remington Park                                 | Oklahoma      |
| Retama Park                                    | Texas         |
| River Downs                                    | Ohio          |
| Rockingham Park                                | New Hampshire |
| Rosecroft Raceway                              | Maryland      |
| Ruidoso Downs                                  | New Mexico    |
| Saginaw Harness Raceway                        | Michigan      |
| Sam Houston Race Park, LTD                     | Texas         |
| Saratoga Raceway                               | New York      |
| Scarborough Downs                              | Maine         |
| Scioto Downs                                   | Ohio          |
| Southland Greyhound Park                       | Arkansas      |
| Sports Creek Raceway                           | Michigan      |
| State Fair Park                                | Nebraska      |
| Stevenson & Associates, Inc. (Common), Florida |               |
| Suffolk Downs                                  | Massachusetts |
| Suffolk OTB                                    | New York      |
| Sunland Park                                   | New Mexico    |
| Sunray Park                                    | New Mexico    |
| The Green Track                                | Alabama       |
| The Greyhound Park at Post Falls,              | Idaho         |
| The Meadows                                    | Pennsylvania  |
| The Texas Hub at Gulf Greyhound,               | Texas         |
| Thistledown Racing                             | Ohio          |
| Tri-State Racetrack & Gaming Center, WV        |               |
| Turf Paradise                                  | Arizona       |
| Turfway Park                                   | Kentucky      |
| Twin Spires ADW                                |               |
| Western Regional OTB                           | New York      |
| Wheeling Downs                                 | West Virginia |
| Wichita Greyhound Park                         | Kansas        |
| Wonderland Greyhound Park                      | Massachusetts |
| Woodlands                                      | Kansas        |
| Wyoming OTB                                    | Wyoming       |
| XpressBet, Inc.                                | California    |
| Yonkers Raceway                                | New York      |
| Youbet / I.R.G.                                | California    |
| Zia Park                                       | New Mexico    |

Fort Erie Racetrack, CAN  
 Fraser Downs, CAN  
 Fredericton Raceway, CAN  
 Georgian Downs, CAN  
 Grand River, CAN  
 Hanover Raceway, CAN  
 Hastings Park, CAN  
 Hiawatha, CAN  
 Hippodrome De Aylmer, CAN  
 Hippodrome de Montreal, CAN  
 Hippodrome de Quebec, CAN

Hippodrome De Trois-Rivieres, CAN  
 Inverness Raceway, CAN  
 Kawartha Downs, CAN  
 Marquis Downs, CAN  
 Mohawk Racetrack, CAN  
 Northlands Park, CAN  
 Picov Downs, CAN  
 Quinte Raceway, CAN  
 Rideau Carleton Raceway, CAN  
 Rocky Mountain Turf Club, CAN

St. John's, CAN  
 Stampede Park, CAN  
 Sudbury Downs, CAN  
 Summerside-PEI, CAN  
 TBC Teletheatres, CAN  
 Truro Raceway, CAN  
 Western Fair Raceway, CAN  
 Windsor Raceway, CAN  
 Woodbine, CAN  
 Woodstock-Ontario, CAN

**Separate Pools**

Caliente: Mexico, Central & South America,  
 Presidente Remon, Panama

- 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":

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

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

\*Subject to Change-No signals will be full card for the most part with the exception of Canadian Imports which do not count against the 23-race/day-import average.

| Track                     | Dates      | Races                                |
|---------------------------|------------|--------------------------------------|
| Aqueduct - AQU:           | Sept.-Oct. | Selected Feature and/or Stakes Races |
| Calder Race Course - CRC: | Sept.-Oct. | Selected Feature and/or Stakes Races |
| Fairground @ La. Downs:   | Sept.-Oct. | Selected Feature and/or Stakes Races |
| Fort Erie - Canada:       | Sept.-Oct. | Full Card                            |
| Gulfstream Park - GP:     | Sept.-Oct. | Selected Feature and/or Stakes Races |
| Hastings - HST:           | Sept.-Oct. | Full Card                            |
| Hawthorne - HAW:          | Sept.-Oct. | Selected Feature and/or Stakes Races |
| Keeneland - KEE:          | Sept.-Oct. | Selected Feature and/or Stakes Races |
| Laurel Park - LRL:        | Sept.-Oct. | Selected Feature and/or Stakes Races |
| Lone Star Park - LS:      | Sept.-Oct. | Selected Feature and/or Stakes Races |
| Louisiana Downs - LAD:    | Sept.-Oct. | Selected Feature and/or Stakes Races |
| Northlands Park - NP:     | Sept.-Oct. | Full Card                            |
| Oaklawn Park - OP:        | Sept.-Oct. | Selected Feature and/or Stakes Races |
| Philadelphia Park - PHA:  | Sept.-Oct. | Selected Feature and/or Stakes Races |
| Pimlico - PIM:            | Sept.-Oct. | Selected Feature and/or Stakes Races |
| Portland Meadows -        | Sept.-Oct. | Selected Feature and/or Stakes Races |
| Remington Park - RP:      | Sept.-Oct. | Selected Feature and/or Stakes Races |
| River Downs - RD:         | Sept.-Oct. | Selected Feature and/or Stakes Races |
| Stampede Park - STP:      | Sept.-Oct. | Full Card                            |
| Tampa Bay Downs - TAM:    | Sept.-Oct. | Selected Feature and/or Stakes Races |
| Thistledown - TDN:        | Sept.-Oct. | Selected Feature and/or Stakes Races |
| Turf Paradise - TUP:      | Sept.-Oct. | Selected Feature and/or Stakes Races |
| Turfway Park - TP:        | Sept.-Oct. | Selected Feature and/or Stakes Races |
| Woodbine - WO:            | Sept.-Oct. | Full Card                            |

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

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

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

## QUARTER HORSE SIMULCAST RACES TO BE IMPORTED

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

- 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: 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: 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).

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.)

## 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:

Oak Tree Charitable Foundation, 285 W. Huntington Drive, Arcadia, CA 91007

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

|                           |  |
|---------------------------|--|
| Dr. Jack K. Robbins       | President and Director                       |
| Sherwood C. Chillingworth | Executive Vice President, Director           |
| Dr. Rick M. Arthur        | Vice-President-Assistant Secretary, Director |
| John H. Barr              | Vice-President, Director                     |
| Thomas R. Capehart        | Vice-President-Secretary, Director           |
| Richard Mandella          | Vice President, Director                     |

Warren B. Williamson  
Robert W. Zamarripa

Vice-President, Director  
Vice-President, Director

285 W. Huntington Drive, Arcadia, CA 91007

- C. Dates the association will conduct races as charity racing days OR:
- D. Will the association pay the distributing agent an amount equal to the maximum required under B&P Code Section 19550(b)?  Yes

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

## 11. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

- A. Racing officials nominated:
- |                             |   |
|-----------------------------|---|
| Association Veterinarian(s) | Dr. Jill Bailey                             |
| Clerk of Scales             | Kevin Colosi                                |
| Clerk of the Course         | Melanie Stubblefield                        |
| Film Specialist             | Ruben Hernandez                             |
| Horse Identifier            | Jennifer Paige                              |
| Horseshoe Inspector         | Victor Tovar                                |
| Paddock Judge               | Ken Goldberg                                |
| Patrol Judges               | Ruben Hernandez, Dawn Jackson, Ken Goldberg |
| Placing Judges              | Bob Moreno, Lisa Jones                      |
| Starter                     | Jay Slender                                 |
| Timer                       | Jeff Tufts                                  |
- B. Management officials in the racing department:
- |                                     |                   |
|-------------------------------------|-------------------|
| Director of Racing                  | Michael J. Harlow |
| Racing Secretary                    | Rick Hammerle     |
| Assistant Racing Secretary          | Richard Wheeler   |
| Paymaster of Purses                 | Cece Connor       |
| Others (identify by name and title) |                   |
| Assistant 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:
- Ms. Barbara Weinstein  
9582 Hamilton Avenue, Suite 265  
Huntington Beach CA 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 Corporation USA/Bill O'Brien Expires December 31, 2009.

- 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. In-house Video System:

### MAJOR VIDEO EQUIPMENT LISTING

#### Cameras

- All cameras, except ENG cameras, are BTS LDK 91 or BTS LDK 100 broadcast color cameras.
- All cameras are equipped with Fujinon lens and Vinten camera Support Equipment.
- All cameras (except the 2 wireless) are on triax camera control systems.
- ENG cameras are Sony DVW-700 digital betacams.
- Enclosed saddling stall cameras are high-8 lock-down cameras.

#### Camera Positions

- |   |  |
|---|--|
| 1) 3/8 tower on grass 55:1 lens                         | 12) walking ring 14:1 lens                                 |
| 2) 3/8 tower on dirt 55:1 lens                          | 13) east saddling barn (remote) 7:1 lens                   |
| 3) hillside/square box on hill grass (remote) 18:1 lens | 14) west saddling barn (remote) 7:1 lens                   |
| 4) 1/4 tower on both grass and dirt 24:1 lens           | 15) studio 18:1 lens                                       |
| 5) tight pan camera on both grass and dirt 70:1 lens    | 16) infield speaker pole (remote) 18:1 lens                |
| 6) loose pan camera on both grass and dirt 36:1 lens    | 17) ENG camera 20:1 lens                                   |
| 7) 7/8 tower on grass 55:1 lens                         | 18) East saddling barn enclosed saddling stall (lock-down) |
| 8) 7/8 tower on dirt 55:1 lens                          | 19) West saddling barn enclosed saddling stall (lock-down) |
| 9) Winner's circle 24:1 lens                            | 20) 5/16 Camera outside of main track rail 14:1 lens       |
| 10) wireless starting gate and saddling barn 18:1 lens  |  |
| 11) wireless lower finish line and interviews 14:1 lens |  |

#### Public

- 250 - 13" Gateway Flat Screen Monitors
- 30 - 42" LG Plasma Monitors
- Over 600 - 9" Sony receivers
- Over 500 - 27" Sony receivers
- Over 350 - 32" Sony receivers
- Over 75 - 13" Sony receivers
- Over 150 - 10" Sony receivers
- 150 - 20" Sony receivers
- 8 - Barco Video Projectors
- 40'x53' Display Ad Large screen LED video board
- Barco LED Screens
- 32' x 18' Barco mobile LED video board

#### Control Room Equipment

- |   |  |
|---|--|
| ◦ 1 - Tektronix 4-channel digital profile file server         | ◦ GVG video DAs                                  |
| ◦ 1 - Digital Betacam VTP                                     | ◦ 1 - GVG-GF-40 character generator/paint system |
| ◦ 2 - Composite Digital Video Tape recorders                  | ◦ 1 - GVG DSS-4 stillstore                       |
| ◦ 6 - Betacam record/play VCRs with slo-mo                    | ◦ 1 - Quanta character generator                 |
| ◦ 2 - Betacam record/play VCRs                                | ◦ Sony video monitors                            |
| ◦ 1 - 3/4" Umatic record/play VCR                             | ◦ 5 - Tektronix WFM and V-scopes                 |
| ◦ 1 - 3/4" Umatic VCR   | ◦ 1 - GVG 100 video switchers                    |
| ◦ 5 - Digital Beta cam VCR's                                  | ◦ 2 - Soundcraft Delta audio mixers              |
| ◦ 1 - GVG IPS-110 Editor                                      | ◦ 1 - GVG 251 Editor                             |
| ◦ 2 - Hi 8 record/play VCR                                    | ◦ 30 - Jerold TV Modulators                      |
| ◦ 6 - VHS record/play VCR                                     | ◦ 2 - Chyron MAX! Graphics Generators            |
| ◦ 1 - BTS 128x128 video router with 64x64 stereo audio follow | ◦ 2 - Chyron Maxine! Graphics Generators         |
| ◦ 1 - GVG 3000 composite digital switcher w/dual MEs, PVW/PGM | ◦ Abekes Dveous digital effects machine          |
| ◦ 1 - Dual channel GVG DPM 700 digital effects system         | ◦ Sony DVD Recorder/Players                      |

Number and location of cameras for dirt and turf tracks:

- 1 Tight Pan
- 1 Loose Pan
- 1 7/8<sup>th</sup> camera *dirt*
- 1 7/8<sup>th</sup> camera *turf*
- 1 RF Starting Gate camera
- 1 3/8<sup>th</sup> camera *dirt*
- 1 3/8<sup>th</sup> camera *turf*
- 1 3/16<sup>th</sup> camera *dirt*
- 1 3/16<sup>th</sup> camera *turf*
- 1 ¼ pole camera
- 1 hillside camera *turf*
- 1 5/16<sup>th</sup> camera *dirt/turf*

- 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 timing systems on both dirt and turf courses, maintained and operated by Santa Anita personnel. Systems backed by hand timing.

## 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.

Richard Honaker, Director of Operations & Security

Lou Scalera, Chief of Security

Front Side Security Office (626) 574-6406

Stable Security Office (626) 574-6469

Organizational Chart: (Attached Exhibit 12-A)

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

1 Chief of Security

1 Stable Security Manager

7 Investigators

1 Dispatcher/Child Care

40 Security Guards

1 Risk & Office Manager

1 Fire Marshall

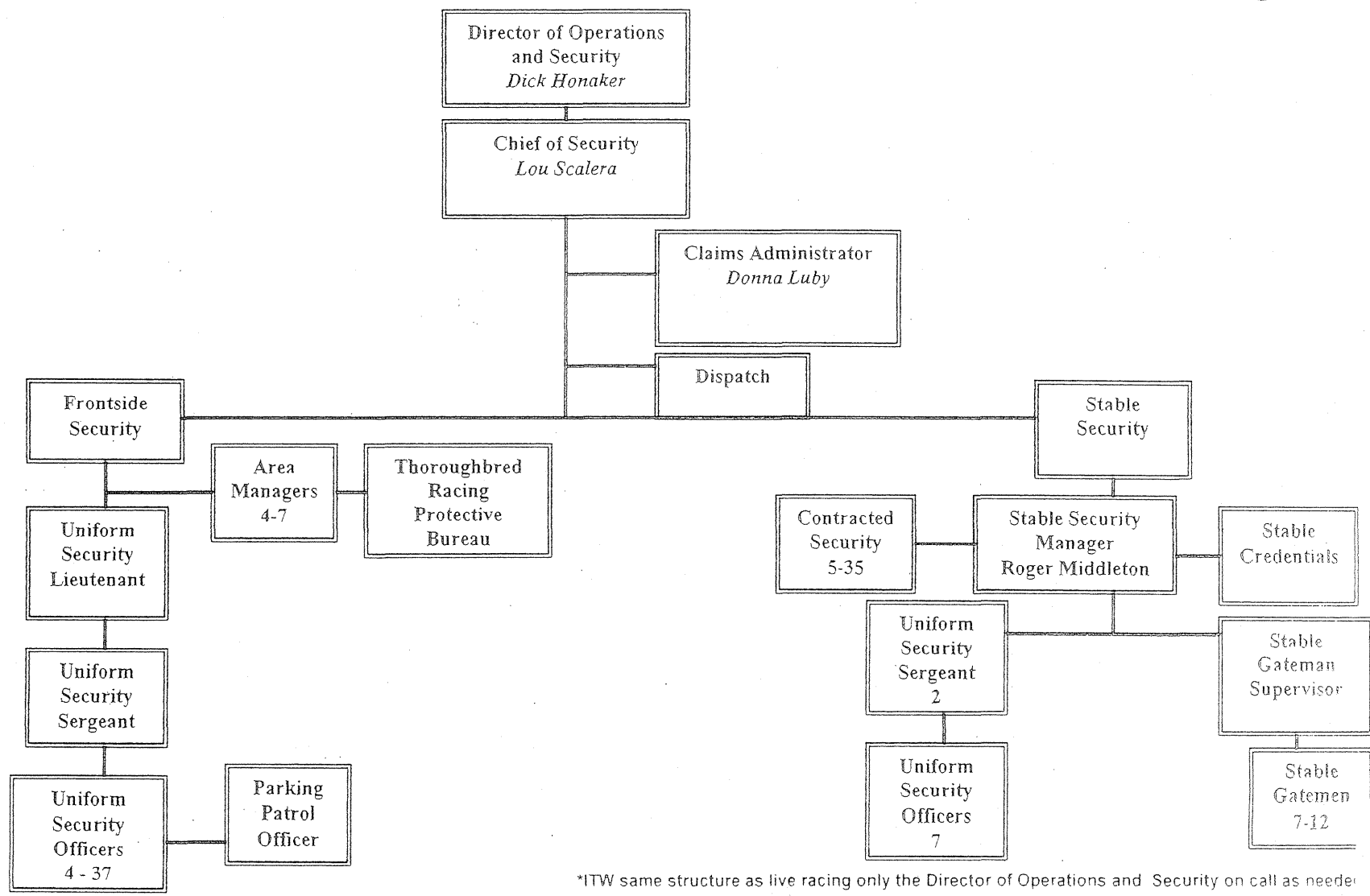
13 Gatemen

1 Stable Credentials Secretary

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.

Each horse entered in a graded race is assigned a contracted security officer, licensed by the CHRB. Each of these officers will be trained by LATC Stable Security management, the CHRB and one or more track veterinarians. Each officer is issued a hand-held digital video camera and a log sheet to record [in writing and electronically] all activity including persons entering the stall with the horses entered. Each security officer is briefed before starting surveillance a minimum of six (6) hours prior to the post time of the given race.

Organizational Chart



\*ITW same structure as live racing only the Director of Operations and Security on call as needed

## 2. Detention Barns:

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

As defined in contractual agreements with TOC, CTT and CHRB directives. (See Exhibit 12B-3)

- b. Number of security guards in the detention barn area during a 24-hour period.  
See 12-2a above.

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

LATC operates a detention barn located at Barn 121, stalls 9, 10, 11, 12, 12A, 14, 20 and 21 with each having a camera installed offering a wide angle view of the entire stall. In addition, on the outside of stalls 4, 7, 12A and 14, cameras have been installed offering wide-angle views of the shed row from both directions. The stable gates are included with the cameras as mentioned above and all of these cameras are controlled by the same measures.

## 3. TCO2 Testing:

- A. Number of races to be tested, and number of horses entered in each race to be tested.  
All horses will be tested.
- B. Plan for enhanced surveillance for trainers with high-test results.  
Contractual obligations with TOC, CTT and CHRB directives will be followed. (Exhibit 12-B3)
- C. Plan for detention barns for repeat offenders.  
(Exhibit 12B-3)
- D. Number of security personnel assigned to the TCO2 program.  
As needed.

## C. Describe the electronic security system:

Electronic security system consists of video cameras with the ability to pan, tilt and zoom remotely. Camera monitors and control points are managed from secure locations. Video recordings are maintained on hard drives.

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

LATC operates a detention barn located at Barn 121, stalls 9, 10, 11, 12, 12A, 14, 20 and 21 with each having a camera installed offering a wide angle view of the entire stall. In addition, on the outside of stalls 4, 7, 12A and 14, cameras have been installed offering wide-angle views of the shed row from both directions. The stable gates are included with the cameras mentioned in question 2-C above, and all of these cameras are controlled by the same measures.

- D. For night racing associations. Describe emergency lighting system: N/A

OAK TREE RACING ASSOCIATION  
Santa Anita Park

2008 Testing Policy & Procedures

The Trainer goes into the TCO2 surveillance-quarantine-protection barn within 72 hours of the CHRB's notice to the public that there has been a complaint filed against a trainer for a TCO2 violation.

1<sup>st</sup> Offense – For the first test that results in a total carbon dioxide (TCO2) of 37 millimoles per liter of plasma or more, the registered trainer of such horse shall have his/her barn, and all owners' horses stabled therein, subject to surveillance for a period of 45 days from the date set by the TCO2 Committee. Such surveillance may include, but not be limited to, the placing of surveillance cameras with recording devices in any location within that barn that Track deems necessary and appropriate to ensure the integrity of racing. Additionally, owners' horses entered by said trainer anytime within a period of 30 days from the date set by the TCO2 Committee will be quarantined to a Protection Barn beginning at noon on the day before said horse is scheduled to compete. The costs of such quarantine/surveillance including, but not limited to, \$150.00 for security and \$25.00 for stall renovation per horse/entrant, for stall renovation per day being born by the trainer or owner of such horse.

2<sup>nd</sup> Offense – For the second test that results in a total carbon dioxide (TCO2) of 37 millimoles per liter of plasma or more, which occurs within 3 years of a prior incidence, the registered trainer of such horse shall have his/her barn, and all owners' horses stabled therein, under surveillance for a period of 75 days from the date set by the TCO2 Committee. Such surveillance may include, but not be limited to, the placing of surveillance cameras with recording devices in any location within that barn that Track deems necessary and appropriate to ensure the integrity of racing. Additionally, owners' horses entered by said trainer anytime within a period of 60 days from the date set by the TCO2 Committee will be quarantined to a Protection Barn beginning at noon the day before said horse is scheduled to compete. The costs of such quarantine/surveillance including, but not limited to \$150.00 for security and \$25.00 for stall renovation per horse/entrant, for stall renovation per day being born by the trainer or owner of such horse.

3<sup>rd</sup> Offense – The third test that results in a total carbon dioxide (TCO2) of 37 millimoles per liter of plasma or more, which occurs within 3 years of a prior incidence, the registered trainer of such horse shall have his/her barn, and all owners' horses stabled therein, under surveillance for a period of 105 days from the date set by the TCO2 Committee. Such surveillance may include, but not be limited to, the placing of surveillance cameras with recording devices in any location within that barn that Track deems necessary and appropriate to ensure the integrity of racing. Additionally, owners' horses entered by said trainer anytime within a period of 90 days from the date set by the TCO2 Committee will be quarantined to a Protection Barn beginning at noon the day before said horse is scheduled to compete. The costs of such quarantine/surveillance including, but not limited to, \$150.00 for security and \$25.00 for stall renovation per horse/entrant, for stall renovation per day being born by the trainer or owner of such horse.

## 13. EMERGENCY SERVICES

- A. Name, address and emergency telephone number of the ambulance service to be used during workouts and the running of the races:  
Huntington Ambulance Service, PO Box 145, Sunset Beach, CA 90742, (714) 325-0363
- B. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites:  
Hollywood Park: Huntington Ambulance Service (same as above)  
Fairplex: Cole-Shaefer Ambulance, 324 N. Towne Ave., Pomona, CA 91767 (909) 622-1273  
San Luis Rey Downs: North County Fire Protection District (located within 1 mile) Dial: "911"
- C. Describe the on-track first aid facility, including equipment and medical staffing:

Description of Santa Anita First Aid Office  
(Live Racing)

## SERVICES (Mission)

- Yearly Jockey Physicals;
- Preventive and curative medical services for jockeys;
- Urgent care facility for jockeys;
- Urgent care for patrons and Santa Anita employees.

## STAFFING

- Contracted Track Physician;
- Contracted two EMTs;
- Licensed Emergency Ambulance

## EQUIPMENT

- Basic First Aid Supplies (i.e. bandages and wound care);
- Oxygen equipment;
- Backboard, cervical collars, and splints;
- Blood pressure monitoring.

## AVAILABILITY

- When gates open until after last race

- D. Name and emergency telephone number of the licensed physician on duty during the race meeting:  
Dr. Andreas T. Subadya (626) 212-0492
- 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:  
Arcadia Methodist Hospital, 300 W. Huntington Drive, Arcadia, CA 91007 (626) 445-4441
- 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:  
Exhibits 13-F Attached.

## OAK TREE RACING ASSOCIATION

EMERGENCY MEDICAL PROCEDURES  
FOR ON-TRACK INJURY TO JOCKEYS

## “FIRST RESPONSE”

- In the event of an accident, LATC Trackside Human Ambulance “Unit 41T “ which is manned by LATC-contracted EMTs and is following the horses and jockeys in the race will respond immediately to the site of the accident. The attending EMT’s shall arrive equipped with basic cardiac life support (BCLS), AED, and full C-spine equipment
- An “on-site evaluation” of injuries to the jockey(s) shall be made by Unit 41T.



## “ON-SITE EVALUATION”

- Based on the EMT’s “on-site evaluation” of injuries , a decision shall be made to either treat the injured jockey(s) on-site or to transport to Methodist Hospital Emergency Room.
  - If on-site treatment is deemed sufficient, Unit 41T shall transport the injured jockey(s) directly to the First Aid Office where the Track Physician will be primary care provider or,
  - If off-site treatment is deemed necessary Unit 41 will have the Security Department (channel 1) contact the emergency room and advised them of the situation. Unit 41 will then transport jockey(s) to Methodist Hospital Emergency Room.



## “INJURY TREATMENT”

- If the injured jockey(s) is treated at the First Aid Office the Track Physician shall be the primary care provider unless or until the Track Physician surrenders custody of the patient based on his/her medical judgment;
  - If deemed necessary Unit 41T will transport the injured jockey(s) to Methodist Hospital.
  - If more than two jockeys need to be transported to the hospital, the City of Arcadia Fire Department will be requested for assistance in transportation.

## OAK TREE RACING ASSOCIATION

Exhibit 13-F (Spanish)

PROCEDIMIENTO MEDICO de EMERGENCIAS  
PARA HERIDAS A JINETES EN LA PISTA

## “PRIMEROS AUXILIOS”

- En el evento de un accidente, la ambulancia humana de LATC “Unidad 41T” es manejada por las EMT’s contractados por la LATC, seguiran a los caballos y jinetes en la carrera para responder inmediatamente al sitio del accident. El EMT arrivara con el equipo cardiaco basico (BCLS), AED, y equipo para la espina dorsal.
- Un evaluacion de las heridas al jinete seran hechas en sitio del accidente por la Unidad 41T.



## “EVALUACION EN EL SITIO DEL ACCIDENTE”

- La decision de transporter al jinete a la sala de emergencias del Hispital Methodista o de ser tratado en la oficina de primeros auxilios del hipodromo sera basada en la evaluacion hecha por el EMT en el sitio del accidente sobre las heridas sufridas.
  - Si el tratamiento es suficiente en el sitio del accidente. La Unidad 41T transportara al jinete directamente a la oficina de primeros auxilios donde el doctor del hipodromo sera el proveedor medico primario.
  - Si se cree que es necesario la Unidad 41T se comunicara con el departamento de seguridad (Canal 1) para que ellos le informen a la sala de emergencias y avisen sobre la situacion. La Unidad 41T entonces transportara el jintete a la Sala de Emergencias del Hospital Methodista.



## “TRATAMIENTO DE LAS HERIDAS”

- Si el jinete herido es tratado en la oficina de primeros auxilios, el doctor del hipodromo sera el proveedor medico primario al no ser que el doctor del hipodromo entregue custodia del paciente basado en su dictamen medico;
  - Si se cree necesario la Unidad 41T transportara al jinete al Hospital Methodista.
  - Si mas de dos jinetes necesitan transportacion al hospital, se le pedira a al Departamento de Bomberos de la Ciudad de Arcadia de sus asistencia en la transportacion.





# City of Arcadia

June 16, 2008

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

RE: Los Angeles Turf Club Fire Clearance (Oak Tree Meet)

To Whom It May Concern:

The Arcadia Fire Department, Bureau of Fire Prevention conducted a Fire and Life Safety Inspection of the facilities at Los Angeles Turf Club to be used for the 2008 Oak Tree Meet.

It is requested that this letter be accepted as the report of that inspection. During this inspection no serious fire or life safety code violations were noted, and all permitted uses may continue.

In accordance with regulations as adopted by the California Horse Racing Board, this letter may be accepted as a fire clearance from this office for the 2008 Oak Tree Racing Meet at Los Angeles Turf Club, Arcadia, California.

Sincerely,

Mark Krikorian  
Fire Marshal

cc: George Haines, General Manager, L.A.T.C.  
Mary Saenz, Office Operations, L.A.T.C.  
Jason Spetnagel, Director of Facilities & Grounds, L.A.T.C.  
Doug Thorneberry, Asst. Facility Manager, L.A.T.C.  
Jerry Gardner, Fire Safety Consultant, L.A.T.C.  
Mike Miser, Fire Marshal, L.A.T.C.

Ref. No. 320005748786

**CERTIFICATE OF INSURANCE**

Aon Reed Stenhouse Inc.  
20 Bay Street  
Toronto ON M5J 2N9  
tel 416-868-5500 fax 416-868-5580

Re: Evidence of Insurance

California Horse Racing Board  
1010 Hurley Way, Suite 300  
Sacramento, CA 91007  
USA

Insurance as described herein has been arranged on behalf of the Insured named herein under the following policy(ies) and as more fully described by the terms, conditions, exclusions and provisions contained in the said policy(ies) and any endorsements attached thereto.

**Insured**

Magna Entertainment Corp a/o Oaktree Racing  
Association, Inc a/o MI Developments Inc.  
285 West Huntington Drive  
Arcadia, CA 91007  
USA

**Coverage**

|                                     |                      |                                  |             |
|-------------------------------------|----------------------|----------------------------------|-------------|
| US Workers Comp/Employers Liability | Insurer              | Liberty Mutual Insurance Company |             |
|                                     | Policy #             |                                  |             |
| Effective                           | 01-Jan-2008          | Expiry                           | 01-Jan-2009 |
| Limits of Liability                 | Workers Compensation |                                  |             |

**Cancellation / Termination**

The Insurer will endeavour to provide THIRTY ( 30 ) days written notice of cancellation/termination to the addressee except that statutory or policy conditions (whichever prevails) will apply for non-payment of premium.

THIS CERTIFICATE CONSTITUTES A STATEMENT OF THE FACTS AS OF THE DATE OF ISSUANCE AND ARE SO REPRESENTED AND WARRANTED ONLY TO California Horse Racing Board. OTHER PERSONS RELYING ON THIS CERTIFICATE DO SO AT THEIR OWN RISK.

Aon Reed Stenhouse Inc.

Dated : 20-December-2007  
Issued By : Lima,Ashley Marie  
Tel : 416-868-5691

THE POLICY CONTAINS A CLAUSE THAT MAY LIMIT THE AMOUNT PAYABLE  
OR, IN THE CASE OF AUTOMOBILE INSURANCE,

THE POLICY CONTAINS A PARTIAL PAYMENT OF LOSS CLAUSE



Baedeker's Incorporated  
 Mr. Robert Baedeker  
 130 W. El Portal  
 San Clemente, CA 92672

(CHRB-25A and CHRB-87 on file with CHRB.)

Duke Racing Selections  
 c/o Harry Acquarelli  
 6632 West 87th Street  
 Los Angeles, CA 90045

(CHRB-25A and CHRB-87 on file with CHRB.)

Today's Racing Digest, Inc.  
 Jason Karches  
 2080 Las Palmas Drive  
 Carlsbad, CA 92009

(Exempt from CHRB-25A and CHRB-87)

## 15. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

### A. Describe any promotional plans.

- Direct mail offering "Day on Us" to patrons including free parking, program and admission on Opening Day
- Collectable Stein given out to fans on Opening Day
- Breeders' Cup Challenge giveaway on September 27 – Item TBD
- \$1,000,000 Guaranteed Pick 6 on September 27
- K-EARTH Radio Promotion/Concert on October 4
- Cal Cup Day Sports Watch Giveaway on October 5
- \$500,000 Guaranteed Pick 4 on Cal Cup Day
- Direct mail offer to patrons with two Clubhouse passes and one mystery mutuel voucher valid during the 3<sup>rd</sup> week
- Other various direct mail offers sent to segments of the mailing list throughout the season
- Dollar Day promotions on October 13 with \$1 admission, programs, beer, hotdogs, sodas and popcorn
- Premium Giveaway to THOROUGHBREDS Members on October 18 – Item TBD
- Burbank Road Kings Car Show in the infield on October 19
- Breeders' Cup THOROUGHBREDS admission discounts
- Breeders' Cup ticket drawings
- Various Bounceback free admission passes given out during the season
- Seniors free general admission every Thursday (62 and older)
- Family Fun Days in the infield every Sunday
- Handicapping Challenge Contest
- ShowVivor online contest with a \$10,000 prize pool
- \$300,000 Guaranteed Pick 4 on weekends
- \$200,000 Guaranteed Pick 4 on weekdays

- ### B. Number of hosts and hostesses employed for meeting:
- Patron Service Representatives on weekdays and 6 on weekends.

C. Describe facilities set aside for new fans:

Jim Quinn and other handicappers will hold handicapping seminars adjacent to walking ring on weekends primarily for new 15. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

- D. Describe any improvements to the physical facility in advance of the meeting that directly benefit:
1. Horsemen: Installed Cushion Track.
  2. Fans: General maintenance and cleaning of the facility as needed.
  3. Facilities in the restricted areas: Continuing repair program to improve overall barn conditions.

16. SCHEDULE OF CHARGES

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

ALL prices exclude Breeders' Cup days, October 24 and 25, 2008.

|                              |    |  |
|------------------------------|----|--|
| Admission (general)          | \$ | 5.00                                   |
| Admission (clubhouse)        | \$ | 8.50                                   |
| Admission (turf club)        | \$ | 20.00                                  |
| Reserved seating (general)   |    | Free                                   |
| Reserved seating (clubhouse) | \$ | 5.00 (Sold on premium days only.)      |
|                              | \$ | 7.50 (Daily box seat, sold every day.) |
| Parking (general)            | \$ | 4.00                                   |
| Parking (preferred)          | \$ | 6.00                                   |
| Parking (valet)              | \$ | 10.00                                  |
| Programs (on-track)          | \$ | 2.25                                   |
| (off-track)                  | \$ | 2.25                                   |

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

Excludes Breeders' Cup days, October 24 and 25, 2008.

|                             |             |  |
|-----------------------------|-------------|--|
| Turf Club Season admission: | One Card -  | \$235.00 (Adjusted for 24 days)                |
|                             | Two Cards - | \$435.00 (Adjusted for 24 days)                |
| Season Box Seat:            | Per Seat -  | \$115.00 per seat (Adjusted for 24 days)       |
|                             | 4 Seat Box- | \$460  |
|                             | 6 Seat Box- | \$690  |
| Season Valet:               | \$115.00    | (Adjusted for 24 days; excludes Breeders' Cup) |

C. Describe any "package" plans such as combined parking, admission and program: N/A

17. JOCKEYS/DRIVERS' QUARTERS

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

|                                     |                                |   |   |
|-------------------------------------|--------------------------------|---|---|
| <input checked="" type="checkbox"/> | Corners (lockers and cubicles) | How many  | <input style="width: 50px;" type="text" value="40+"/> |
| <input checked="" type="checkbox"/> | Showers                        | <input checked="" type="checkbox"/>                 | Steam room, sauna or steam cabinets                   |
|                                     |                                | <input checked="" type="checkbox"/>                 | Lounge area   |
| <input checked="" type="checkbox"/> | Masseur                        | <input checked="" type="checkbox"/>                 | Food/beverage service                                 |
|                                     |                                | <input style="width: 30px;" type="text" value="x"/> | Certified platform scale                              |

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

Same amenities as above, but in separate quarters.

They share food and beverage service area.

**18. BACKSTRETCH EMPLOYEE HOUSING**

A. Inspection of backstretch housing will be completed by Bill Westerman approximately September 10, 2008.

B. Number of rooms used for housing on the backstretch of the racetrack: 445

C. Number of restrooms available on the backstretch of the racetrack:  
29 Restrooms (116 toilets, 99 lavatories, 45 urinals, 64 showers)

D. Estimated ratio of restroom facilities to the number of backstretch personnel: 47

**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.

Inside rail of the main track has metal goosenecks with a 6 inch aluminum rail and covering. Main track outside rail is a 4 inch round rail on a metal gooseneck. Turf Course has metal gooseneck with a 4 inch round rail with safety netting. The outside turf rail is a 2 inch metal rail.

C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474:  
George Haines, Vice President-General Manager

D. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474. On file

E. If the association is requesting approval to implement alternate methodologies to the provisions of Article 3.5, Track Safety Standards, pursuant to CHRB Rule 1471, attach a Certificate of Insurance for liability insurance which will be in force for the duration of the meeting specified in Section 2. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of liability insurance. Additionally, the CHRB must be listed as additionally insured on the liability policy at a minimum amount of \$3 million per incident. The liability insurance certificate must be on file in the CHRB headquarters office prior to the conduct of any racing. N/A

20. DECLARATIONS

- A. All labor and lease agreements and concession and service contracts necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state): No exceptions.
- B. Attach each horsemen's agreement pursuant to CHRB Rule 2044. On file.
- 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). No exceptions.
- D. All service contractors and concessionaires have valid state, county or city licenses authorizing each to engage in the type of service to be provided and have valid labor agreements, when applicable, which remain in effect for the entire term of the meeting except as follows (if no exceptions, so state): No exceptions.
- E. Absent natural disasters or causes beyond the control of the association, its service contractors, concessionaires or horsemen participating at the meeting, no reasons are believed to exist that may result in a stoppage to racing at the meeting or the withholding of any vital service to the association except as follows (if no exceptions, so state): No exceptions.

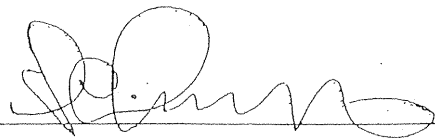
NOTICE TO APPLICANT: Pursuant to CHRB Rules 1870 and 1871, the CHRB shall be given 15 days' notice in writing of any intention to terminate a horse racing meeting or the engagements or services of any licensee, approved concessionaire, or approved service contractor.

21. CERTIFICATION BY APPLICANT

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

Sherwood C. Chillingworth  
Print Name

Executive Vice President  
Print Title

  
\_\_\_\_\_  
Signature  
6/23/08  
\_\_\_\_\_  
Date

STAFF ANALYSIS  
August 19, 2008

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE BIG FRESNO FAIR AT FRESNO OCTOBER 1-13, 2008.

Fresno District Fair filed its application to conduct a horse racing meeting at Fresno:

- October 1-13, 2008, or 11 days, the same as 2007. The fair proposes to race a total of 99 races, five more than 2007.
- The proposed race dates are the approved dates allocated to the fair.

| October – 2008 |     |     |     |     |     |     |
|----------------|-----|-----|-----|-----|-----|-----|
| Sun            | Mon | Tue | Wed | Thu | Fri | Sat |
|                |     |     | 1   | 2   | 3   | 4   |
| 5              | 6   | 7   | 8   | 9   | 10  | 11  |
| 12             | 13  | 14  | 15  | 16  | 17  | 18  |
| 19             | 20  | 21  | 22  | 23  | 24  | 25  |
| 26             | 27  | 28  | 29  | 30  | 31  |     |

- Racing 5 days the first week and 6 days the second week with 9 races per day.
- Number of horses available determines the number of daily races programmed by breed.
  - 2007 Race Meeting: Average number of runners per race (TB): 7.84
  - 2007 Race Meeting: Average number of runners per race (Arabian): 6.90
  - 2007 Race Meeting: Average number of runners per race (Quarterhorse): 7.36
  - 2007 Race Meeting: Average number of runners per race (Mules): 7.38
- Racing concurrently with Oak Tree Racing Association and Golden Gate Fields. Golden Gate Fields will be dark 10/1, 10/2, 10/8 and 10/9.
- First post 12:37 p.m. Saturday and Sunday, 1:30 p.m. Friday and 1:15 p.m. Monday, Wednesday and Thursday.
  - Requesting an additional five minutes in between races Saturday and Sunday to prevent shut outs at the betting windows.
- The Fresno District Fair will be open for stabling at no cost, September 21 through October 15. Stall applications will be accepted from all breeds running at facility.
- Specific changes from the 2007 license application:
  - \$0.50 pk4 on first race and last 4 races.
  - Increases: Admission – clubhouse from \$5 to \$10.
  - Parking – preferred from \$7 to \$8, chance lot from \$10 to \$12.
  - New: Seating – daily box seats will be sold individually at \$5/each if available.
  - New: Packages – Family Fun Pack (almost 50% savings) includes:
    - 2 Adult Admission tickets
    - 2 Child Admission Tickets
    - 1 Parking Pass
    - 1 voucher good for 30 carnival ride coupons

- \$4 in carnival food and game coupons
- A voucher for one Daily Fresno Bee and one Sunday Fresno Bee
- Request Darrell Sparks be appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety requirements have been fulfilled.
- Wagering program will use CHRB rules.
  - Early wagering will begin at 10:00 a.m.
- The Advance Deposit Wagering (ADW) providers are TVG, Twin Spires, Xpressbet, and Youbet.com
- Simulcasting conducted with other out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- A copy of the 2007 Fresno District Fair end of meet report has been included for your review. This report was previously presented to the Board at the December 2007 CHRB Board meeting.

RECOMMENDATION:

Staff recommends the Board approve the application.

## END-OF-MEET OUTLINE SUMMARY

**Fresno**

October 3, 2007 – October 14, 2007

Race Days: 11

## AVERAGE DAILY STATISTICS

|                                 | PERCENTAGE CHANGE |
|---------------------------------|-------------------|
| Ave. Daily Handle               | -1.21%            |
| Ave. On-Track                   | -8.83%            |
| Ave. Off-Track                  | -8.11%            |
| Ave. Out-Of-State               | 10.55%            |
| Ave. ADW                        | 10.35%            |
| Ave. Daily Attendance           | -5.12%            |
| Ave. Daily On-Track Attendance  | -3.28%            |
| Ave. Daily Off-Track Attendance | -10.13%           |

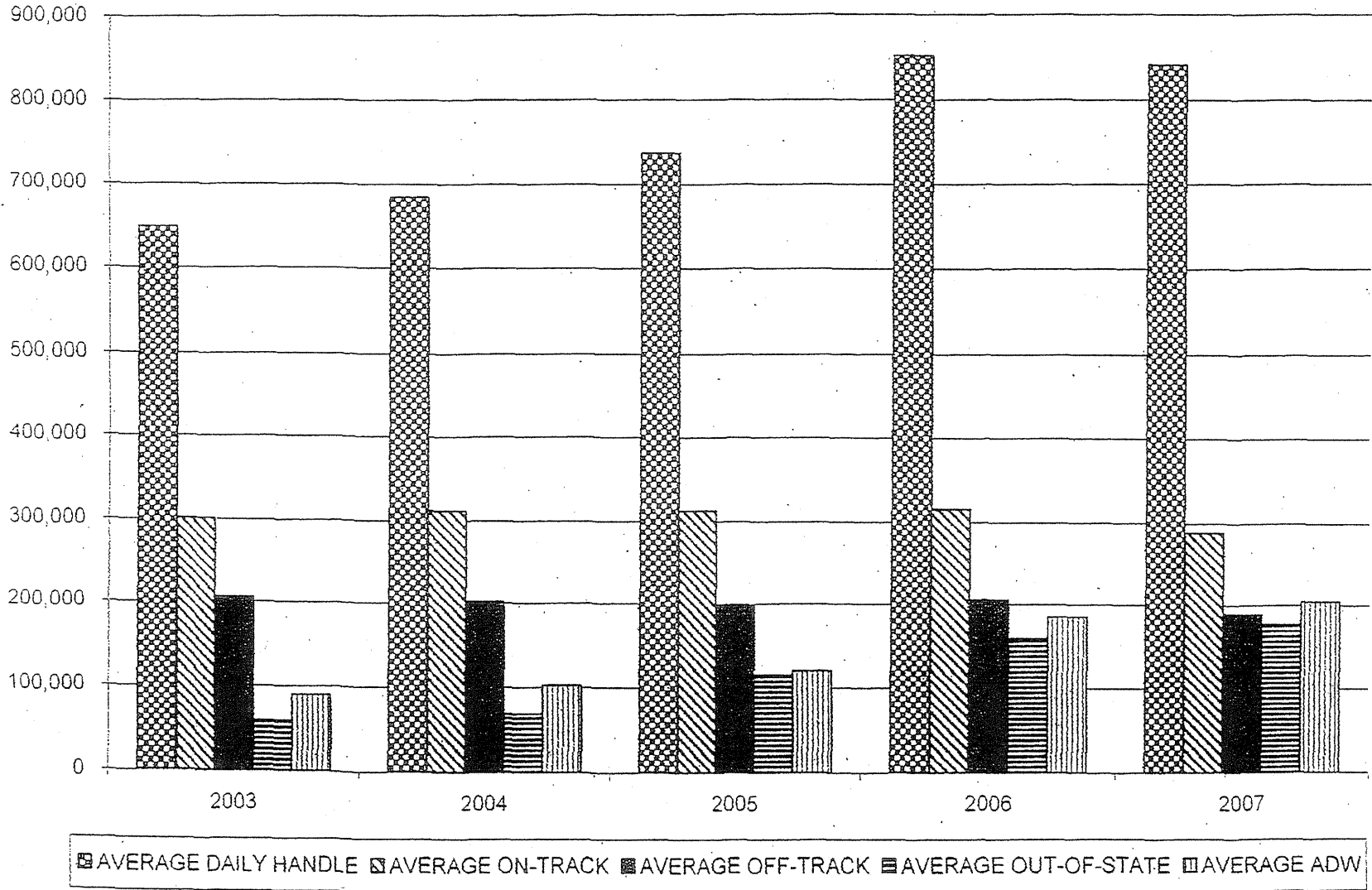
FRESNO FAIR

| YEAR                         | 2003      | 2004      | 2005      | 2006      | 2007      |
|------------------------------|-----------|-----------|-----------|-----------|-----------|
| TOTAL RACE DAYS              | 11        | 10        | 11        | 11        | 11        |
| TOTAL HANDLE                 | 7,122,973 | 6,840,268 | 8,104,725 | 9,364,097 | 9,251,137 |
| ON-TRACK                     | 3,313,016 | 3,117,712 | 3,442,261 | 3,476,203 | 3,169,221 |
| OFF-TRACK                    | 2,266,360 | 2,023,142 | 2,183,595 | 2,268,316 | 2,084,257 |
| OUT-OF-STATE                 | 645,210   | 675,873   | 1,270,851 | 1,763,598 | 1,949,618 |
| ADW                          | 898,388   | 1,023,541 | 1,208,018 | 1,855,981 | 2,048,041 |
| LIVE                         | 7,122,973 | 6,840,268 | 8,104,725 | 9,364,097 | 9,251,137 |
| OUT-OF-ZONE IMPORTED         | 0         | 0         | 0         | 0         | 0         |
| INTERSTATE IMPORTED          | 0         | 0         | 0         | 0         | 0         |
| AVERAGE DAILY HANDLE         | 647,543   | 684,027   | 736,793   | 851,282   | 841,012   |
| AVERAGE ON-TRACK             | 301,183   | 311,771   | 312,933   | 316,018   | 288,111   |
| AVERAGE OFF-TRACK            | 206,033   | 202,314   | 198,509   | 206,211   | 189,478   |
| AVERAGE OUT-OF-STATE         | 58,655    | 67,537    | 115,532   | 160,327   | 177,238   |
| AVERAGE ADW                  | 89,839    | 102,354   | 120,802   | 185,598   | 204,804   |
| AVERAGE LIVE                 | 647,543   | 684,027   | 736,793   | 851,282   | 841,012   |
| AVERAGE OUT-OF-ZONE IMPORTED | 0         | 0         | 0         | 0         | 0         |
| AVERAGE INTERSTATE IMPORTED  | 0         | 0         | 0         | 0         | 0         |
| TOTAL TAKEOUT                | 1,261,192 | 1,429,489 | 1,656,646 | 1,898,916 | 1,863,453 |
| EFFECTIVE TAKEOUT            | 17.71%    | 20.90%    | 20.44%    | 20.28%    | 20.36%    |
| STATE LICENSE FEES           | 80,181    | 74,770    | 83,664    | 86,967    | 80,596    |
| STATE %                      | 1.13%     | 1.09%     | 1.03%     | 0.93%     | 0.87%     |
| TRACK COMMISSIONS            | 391,003   | 365,845   | 409,846   | 421,450   | 390,807   |
| ADW COMMISSIONS              | 40,546    | 54,051    | 56,441    | 92,318    | 93,414    |
| TOTAL COMMISSIONS            | 431,549   | 419,896   | 466,287   | 513,767   | 484,221   |
| TRACK %                      | 6.41%     | 6.50%     | 6.09%     | 5.80%     | 5.53%     |
| HORSEMEN'S PURSES            | 414,005   | 387,669   | 433,732   | 445,680   | 412,536   |
| ADW PURSES                   | 42,755    | 57,023    | 59,610    | 97,722    | 98,874    |
| TOTAL PURSES                 | 456,760   | 444,692   | 493,342   | 543,403   | 511,410   |
| HORSEMEN'S %                 | 6.41%     | 6.50%     | 6.09%     | 5.80%     | 5.53%     |

FRESNO FAIR

| YEAR                      | 2003    | 2004   | 2005    | 2006    | 2007    |
|---------------------------|---------|--------|---------|---------|---------|
| CALIFORNIA ATTENDANCE     | 110,934 | 98,984 | 113,914 | 122,317 | 116,049 |
| ON-TRACK                  | 73,301  | 69,412 | 81,823  | 89,434  | 86,498  |
| OFF-TRACK                 | 37,633  | 29,572 | 32,091  | 32,883  | 29,551  |
| AVERAGE DAILY ATTENDANCE  | 10,085  | 9,898  | 10,356  | 11,120  | 10,550  |
| AVERAGE DAILY ON - TRACK  | 6,664   | 6,941  | 7,438   | 8,130   | 7,663   |
| AVERAGE DAILY OFF - TRACK | 3,421   | 2,957  | 2,917   | 2,989   | 2,686   |
| TOTAL RACE EVENTS         | 101     | 91     | 99      | 100     | 99      |
| TOTAL RUNNERS             | 762     | 747    | 702     | 798     | 758     |
| AVERAGE RUNNERS PER EVENT | 7.5     | 8.2    | 7.1     | 8.0     | 7.7     |
| AVERAGE HANDLE PER START  | 9,348   | 9,157  | 11,545  | 11,734  | 12,205  |

### FRESNO FAIR



NORTHERN CALIFORNIA  
2008 SUMMER STABLING SCHEDULE  
*As of June 6, 2008*

---

*Alameda County Fair*

*Pleasanton*

Open for stabling at no cost Monday May 12 through Tuesday July 8. Stall applications accepted from all breeds. Racing conducted June 25 through July 6.

Open for stabling year-round at a cost of \$4 per day per stall.

Stalls available: 684

**Contact: Racing Secretary Tom Doutrich**

*Solano County Fair*

*Vallejo*

Open for stabling at no cost Monday June 16 through Wednesday July 23. **Note:**

Opening on June 16 is conditional on receiving applications from at least 100 horses and/or mules deemed to be qualified by Racing Secretary Tom Doutrich.

Normal pre-meeting stabling opening date is June 30. Stall applications accepted from all breeds. Racing conducted July 9 through July 21.

Stalls available: 864

**Contact: Racing Secretary Tom Doutrich**

*Sonoma County Fair*

*Santa Rosa*

Open for stabling at no cost Sunday July 13 through Wednesday August 6.

Stall applications accepted from all breeds. Racing conducted July 23 through August 4.

Stalls available: 1,100

**Contact: Racing Secretary Tom Doutrich**

*Humboldt County Fair*

*Ferndale*

Open for stabling at no cost Sunday July 27 through Tuesday August 19. Stall applications accepted from all breeds. Racing conducted August 7 through August 17.

Stalls available: 230

**Contact: Racing Secretary Ella Robinson**

*San Mateo County Fair*

*Bay Meadows/San Mateo*

Open for stabling at no cost Monday May 12 through Monday October 13, the last day of Fresno Fair's racing. San Mateo Fair racing conducted August 6 through August 17. Stall applications accepted from all breeds. See also *Bay Meadows* below.

Stalls available: 900

Contact: Racing Secretary Tom Doutrich

*California State Fair*

*Sacramento*

Open for stabling at no cost Sunday August 10 through Wednesday September 3. Stall applications accepted from all breeds. Racing conducted August 20 through September 1.

Stalls available: 1,012

Contact: Racing Secretary Tom Doutrich

*San Joaquin Fair*

*Stockton*

Open for stabling at no cost Sunday August 24 through Saturday September 20. Stall applications accepted from all breeds. Racing conducted September 3 through September 14.

Stalls available: 756

Contact: Racing Secretary Tom Doutrich

*Fresno District Fair*

*Fresno*

Open for stabling at no cost Sunday September 21 through Wednesday October 15. Stall applications accepted from all breeds. Racing conducted October 1 through October 13.

Stalls available: 780

Contact: Racing Secretary Tom Doutrich

NORTHERN CALIFORNIA AUXILIARY STABLING FACILITIES

*Bay Meadows*

*San Mateo*

Open for stabling at no cost Monday May 12 through Monday October 13, the last day of Fresno Fair's racing. **Note:** Closing date of stabling availability may change due to development plans for Bay Meadows. Stall applications accepted from all breeds.

Stalls available: 900

Contact: Racing Secretary Tom Doutrich

*Golden Gate Fields*

*Albany*

Open for stabling at no cost Monday June 23 through Monday October 13, the last day of Fresno Fair's racing. Golden Gate Fields will be conducting Thoroughbred racing September 17 through the end of the year. Stall applications accepted from all breeds.

Stalls available: 1425

Contact: Racing Secretary Tom Doutrich

Contact: Racing Secretary Sean Greely

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:

21<sup>st</sup> District Agricultural Association  
The Big Fresno Fair  
1121 South Chance Avenue  
Fresno, Ca. 93702  
(559) 650-3247; FAX (559) 650-3226

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: October 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 13, 2008

B. Dates racing will NOT be held: Monday & Tuesday, October 6<sup>th</sup> and 7<sup>th</sup>, 2008

C. Total number of racing days: 11 Days

**3. RACING PROGRAM**

A. Total number of races: 99

B. Number of races by breed:

|                                 |               |                                 |                |                                 |            |
|---------------------------------|---------------|---------------------------------|----------------|---------------------------------|------------|
| <input type="text" value="66"/> | Thoroughbreds | <input type="text" value="10"/> | Quarter Horses | <input type="text" value="0"/>  | Appaloosas |
| <input type="text" value="10"/> | Arabians      | <input type="text" value="0"/>  | Paints         | <input type="text" value="13"/> | Mules      |

**CHRB CERTIFICATION**

Application received: 7-2-08  
Reviewed: *Ch*

Hearing date: 8-19-08  
Approved date:  
License number:

BLANK

Number of races daily:

|              | 1 <sup>st</sup><br>Sun.. | 2 <sup>nd</sup><br>Sun. | 1 <sup>st</sup><br>Mon. | 2 <sup>nd</sup><br>Mon. | Tues. | 1 <sup>st</sup><br>Wed. | 2 <sup>nd</sup><br>Wed. | 1 <sup>st</sup><br>Thurs. | 2 <sup>nd</sup><br>Thurs. | 1 <sup>st</sup><br>Fri. | 2 <sup>nd</sup><br>Fri. | 1 <sup>st</sup><br>Sat. | 2 <sup>nd</sup><br>Sat. |
|--------------|--------------------------|-------------------------|-------------------------|-------------------------|-------|-------------------------|-------------------------|---------------------------|---------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Thoroughbred | 6                        | 6                       |                         | 6                       |       | 6                       | 6                       | 6                         | 6                         | 6                       | 6                       | 6                       | 6                       |
| Other Breeds | 3                        | 3                       |                         | 3                       |       | 3                       | 3                       | 3                         | 3                         | 3                       | 3                       | 3                       | 3                       |
| Total        | 9                        | 9                       |                         | 9                       |       | 9                       | 9                       | 9                         | 9                         | 9                       | 9                       | 9                       | 9                       |

D. Total number of stakes races by breed:

Thoroughbreds      Quarter Horses      Appaloosas  
 Arabians      Paints      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.

Friday, October 3, 2008     California ARC Gold Cup     \$ 12,000 Guaranteed  
 Arabians, 3 Years Old & Up     (Includes \$2,000 from ARAC)  
 Six Furlongs     Noms Close 9/28/08

Sunday, October 5, 2008     AMRA World Championship     \$ 10,000 Guaranteed  
 Mules, 3 Years Old & Up     Futurity     Noms Close 9/30/08  
 350 Yards

Sunday, October 12, 2008     Fresno Quarter Horse     \$ 10,000 Guaranteed  
 Quarter Horses, 2 Years Old     Futurity     Noms Close 10/6/08  
 400 Yards     15<sup>th</sup> Running

Sunday, October 12, 2008     Fresno AMRA Gold Cup     \$ 10,000 Guaranteed  
 Mules, 3 Years Old & Up     14<sup>th</sup> Running     Noms Close 10/6/08  
 440 Yards

Sunday, October 12, 2008     K Cuch Jedah Stakes     \$12,000 Guaranteed  
 Arabians, 3 Years Old & Up     11<sup>th</sup> Running     (Includes \$2,000 from ARAC)  
 1 1/16 Miles     Noms Close 10/6/08

**OVERNIGHT STAKES SCHEDULE**

Friday, October 10, 2008     The Harvest Futurity     \$ 50,000 Added  
 Six Furlongs     5<sup>th</sup> Running     (Includes \$10,000 from Cal Bred)  
 2 Year Old Fillies (Bred in Calif.)     Noms Close 10/3/08 12 Noon

Sunday, October 12, 2008     Bulldog Stakes     \$ 50,000 Added  
 Thoroughbreds, 3 Years Old & Up     16<sup>th</sup> Running     Plus up to \$15,000 to Cal Breeds)  
 One Mile     Noms Close 10/6/08 12 Noon

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:

|         | <b>MON/WED/THURS</b> | <b>FRIDAYS</b> | <b>SATURDAYS *</b> | <b>SUNDAYS *</b> |
|---------|----------------------|----------------|--------------------|------------------|
| Race #1 | 1:15 p.m.            | 1:30 p.m.      | 12:37 p.m.         | 12:37 p.m.       |
| Race #2 | 1:45 p.m.            | 2:00 p.m.      | 1:12 p.m.          | 1:12 p.m.        |
| Race #3 | 2:15 p.m.            | 2:30 p.m.      | 1:42 p.m.          | 1:42 p.m.        |
| Race #4 | 2:45 p.m.            | 3:00 p.m.      | 2:12 p.m.          | 2:12 p.m.        |
| Race #5 | 3:15 p.m.            | 3:30 p.m.      | 2:42 p.m.          | 2:42 p.m.        |
| Race #6 | 3:45 p.m.            | 4:00 p.m.      | 3:12 p.m.          | 3:12 p.m.        |
| Race #7 | 4:15 p.m.            | 4:30 p.m.      | 3:42 p.m.          | 3:42 p.m.        |
| Race #8 | 4:45 p.m.            | 5:00 p.m.      | 4:12 p.m.          | 4:12 p.m.        |
| Race #9 | 5:15 p.m.            | 5:30 p.m.      | 4:42 p.m.          | 4:42 p.m.        |

With the approval of the Board, the Big Fresno Fair will set its post times in a manner that will enhance the California racing product from **Santa Anita and Golden Gate Fields**.

**\*During Saturday and Sunday races, requesting an additional five (5) minutes in between races due to customers being shut out at the betting windows. In previous years, we have had to ask stewards for additional minutes at post time due to long lines at the betting windows.**

**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:
 

|  |   |
|--|---|
| <p><b>Larry Serpa, President</b><br/> <b>Joseph De Los Santos</b><br/> <b>Ardie Der Manouel</b><br/> <b>Elizabeth Hudson</b></p> | <p><b>Richard "Tim" Bakman, Vice-President</b><br/> <b>Debbie Jacobsen</b><br/> <b>Vernon Jones</b><br/> <b>Wangyee Vang</b><br/> <b>William "Bill" White</b></p> |
|--|---|
  
- B. Names of the directors serving on the Racing Committee or otherwise responsible for the conduct of the racing program:  

**Chief Executive Officer John C. Alkire; Director Ardie Der Manouel**
  
- 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 10B, who will be listed in the official program:
 

|   |  |
|---|--|
| <p><b>John C. Alkire, CEO</b><br/> <b>Richard Horner, Pari-Mutuel Manager</b><br/> <b>Steve Wood, Track Superintendent</b><br/> <b>Tom Doutrich, Racing Secretary</b><br/> <b>Daniel White, Chief of Racing</b></p> | <p><b>Stacy Rianda, Deputy Manager II</b><br/> <b>Lauri King, Deputy Manager I</b><br/> <b>Chuck George, Track Foreman</b><br/> <b>Frank Mirahmadi, Track Announcer</b><br/> <b>John Heinrich, Maintenance Supervisor II</b></p> |
|---|--|

5. PURSE PROGRAM

A. Purse distribution:

1. All races other than stakes:

Current meet estimate: \$523,334  
 Prior meet actual: \$517,801

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

Current meet estimate: \$ 47,575  
 Prior meet actual: \$ 47,072

2. Overnight stakes:

Current meet estimate: \$100,000  
 Prior meet actual: \$100,000

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

Current meet estimate: \$9,090  
 Prior meet actual: \$9,090

3. Non-overnight stakes:

Current meet estimate: \$ 54,000  
 Prior meet actual: \$ 54,000

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

Current meet estimate: \$4,909  
 Prior meet actual: \$4,909

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

Current meet estimate: \$ 30,000  
 Prior meet actual: \$ 30,000

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

|                | Current meet estimate: | Prior meet actual: |
|----------------|------------------------|--------------------|
| CTT            | \$ 2,370               | \$ 2,301           |
| TOC            | \$ 4,534               | \$ 4,402           |
| NTRA           | \$ -0-                 | \$ -0-             |
| PCQHRA         | \$ 5,392               | \$ 5,235           |
| CWAR           | \$ -0-                 | \$ -0-             |
| ARAC           | \$ 8,295               | \$ 8,053           |
| AMRA           | \$11,696               | \$11,355           |
| CHBPAPEN       | \$ 6,801               | \$ 6,603           |
| CTHF           | <u>\$ 6,802</u>        | <u>\$ 6,604</u>    |
| <b>Totals:</b> | <b>\$45,890</b>        | <b>\$44,553</b>    |

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: \$753,224  
 Prior meet actual: \$746,354

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

Current meet estimate: \$ 68,474

Prior meet actual: \$ 67,850

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

Current meet estimate: \$317,925

Prior meet actual: \$308,705

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

Current meet estimate: \$ 28,902

Prior meet actual: \$ 28,064

F. Purse funds to be generated from interstate handle:

Current meet estimate: -0-

Prior meet actual: -0-

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

Current meet estimate: -0-

Prior meet actual: -0-

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

**West America Bank – Account # on file.**

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

**Disher Accountancy Corp., 1816 Maryal Drive, Sacramento, Ca. 95864 (916) 482-4224**

**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:

**780 stalls plus 80 portable stalls.**

B. Minimum number of stalls believed necessary for the meeting: **860**

C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: **None**

- D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site: N/A
- 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. N/A

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: **1,037**
- G. Estimated cost to provide **off-site** stalls for this meeting. Show cost per-day per stall: N/A
- H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse: N/A

## 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 |
| Exacta (E)                     | CHRB #1959          |
| Quinella (Q)                   | CHRB #1958          |
| Pick 3 (PK3)                   | CHRB #1977          |
| Daily Double (DD)              | CHRB #1957          |
| Trifecta (TRI)                 | CHRB #1979          |
| Superfecta (SF)                | CHRB #1979.1        |
| Place Pick (n) Pool (PPN)      | CHRB #1976.8        |
| Pick (n) Pool (PNP)            | CHRB #1976.9        |
| Select 4 (PK4)                 | CHRB #1978          |

| Race #  | Type of Wagers   |                             |
|---------|--|-----------------------------|
| Race #1 | \$1 E, \$1 PK3, \$.50 PK4, \$1 PNP, \$1 TRI, \$2 Q, \$2 DD, \$.10 SF |                             |
| Race #2 | \$1 E, \$1 PK3, \$.50 PK4, \$1 PNP, \$1 TRI, \$2 Q, \$2 DD, \$.10 SF |                             |
| Race #3 | \$1 E, \$1 PK3, \$.50 PK4, \$1 PNP, \$1 TRI, \$2 Q, \$2 DD, \$.10 SF |                             |
| Race #4 | \$1 E, \$1 PK3, \$.50 PK4, \$1 PNP, \$1 TRI, \$2 Q, \$2 DD, \$.10 SF |                             |
| Race #5 | \$1 E, \$1 PK3, \$.50 PK4, \$1 PNP, \$1 TRI, \$2 Q, \$2 DD, \$.10 SF | \$1 PNP for 8 Race Program  |
| Race #6 | \$1 E, \$1 PK3, \$.50 PK4, \$1 PNP, \$1 TRI, \$2 Q, \$2 DD, \$.10 SF | \$1 PNP for 9 Race Program  |
| Race #7 | \$1 E, \$1 PK3, \$1 PNP, \$1 TRI, \$2 Q, \$2 DD, \$.10 SF            | \$1 PNP for 10 Race Program |
| Race #8 | \$1 E, \$1 \$1 TRI, \$2 Q, \$2 DD, \$.10 SF                          | No DD on 8 Race Program     |
| Race #9 | \$1 E, \$1 TRI, \$2 Q, \$.10 SF                                      |                             |

- B. Maximum carryover pool to be allowed to accumulate before its distribution **OR** the date(s) designated for distribution of the carryover pool: **October 13, 2008, last day of race meet.**
- C. List any options requested with regard to exotic wagering:  
**\$1 PNP when applicable; and \$.10 SF when applicable**  
**\$.50 pk4 on first race and last 4 races**  
**@\$2 Pick 6 on last 6 races**

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

If yes, when will such wagering begin: **“Early Bird” Wagering will begin 10 a.m. day of event**

- 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: **Scientific games Racing (Autotote), George Brannon, September 30, 2012**  
**Equipment description on file with Board.**

**8. ADVANCE DEPOIST WAGERING (ADW)**

- A. Identify the ADW provider(s) to be used by the fair for this race meeting:  
**Youbet.com, Xpressbet, TVG, and Twin Spires.**

**9. SIMULCAST WAGERING PROGRAM**

- A. Simulcast organization engaged by the fair to conduct simulcast wagering: **Northern California Off-Track Wagering, Inc. (NOTWINC)**
- 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. **On File**
- C. California simulcast facilities the fair proposes to offer its live audiovisual signal: **All California facilities authorized to accept the signal, including:**

**NORTHERN CALIFORNIA**

**SOUTHERN CALIFORNIA**

|  |   |
|--|---|
| Alameda County Fair, Pleasanton                | Barona Valley Ranch Resort & Casino, Lakeside             |
| Bay Meadows, San Mateo                         | Cabazon Fantasy Springs Casino, Indio                     |
| Big Fresno Fair, Fresno                        | Del Mar Thoroughbred Club, Del Mar*                       |
| California State Fair & Exposition, Sacramento | Earl's Place at Earl Warren Showgrounds, Santa Barbara    |
| Fresno Club One, Fresno                        | Fairplex Park, Pomona                                     |
| Golden Gate Fields, Albany                     | Hollywood Park, Inglewood                                 |
| Humboldt County Fair, Ferndale*                | Los Alamitos Racecourse, Los Alamitos                     |
| Kern County Fair, Bakersfield                  | Santa Anita Park, Arcadia                                 |
| Monterey County Fair, Monterey                 | Shalimar Sports Center, Riverside Fair, Indio             |
| Redwood Acres Fair, Eureka**                   | Sports Center at National Orange Show, San Bernardino     |
| San Joaquin County Fair, Stockton              | Sports Pavilion, San Bernardino Cty. Fair, Victorville    |
| San Mateo County Fair, San Mateo               | Sports Pavilion at The Farmer's Fair, Perris              |
| Santa Clara County Fair, San Jose              | Surfside Race Place at Del Mar, Del Mar**                 |
| Shasta District Fair, Anderson                 | Sycuan Gaming Center, El Cajon***                         |
| Solano County Fair, Vallejo                    | The Derby Club, Seaside Park, Ventura Cty. Fair, Ventura  |
| Sonoma County Fair, Santa Rosa                 | The Horsemen's Club, Santa Barbara Cty. Fair, Santa Maria |
| Stanislaus County Fair, Turlock                | Viejas Casino & Turf Club, Alpine                         |
| Tulare County Fair, Tulare                     | Watch & Wager, Antelope Valley Fairgrounds, Lancaster     |
|  |   |
| * Open during Ferndale Fair Meet               | *July 16 – September 3, 2008                              |
| **Closed during Ferndale Fair Meet             | **Closed July 16 – September 3, 2008                      |
|  | ***Closed for renovation                                  |

- D. Out-of-state wagering systems the fair 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 fair:  
**Attached**
  
- 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 |
|--------------------|------------------|---|
| Blue Ribbon Downs  | 10/1/08-10/13/08 | Full or Partial Card                              |
| Calder             | 10/1/08-10/13/08 | Full or Partial Cards                             |
| Canterbury         | 10/1/08-10/13/08 | Full or Partial Cards                             |
| Charles Town       | 10/1/08-10/13/08 | Full or Partial Cards                             |
| Delaware Park      | 10/1/08-10/13/08 | Full or Partial Cards                             |
| Fort Erie          | 10/1/08-10/13/08 | Full or Partial Cards (International)             |
| Hastings Park      | 10/1/08-10/13/08 | Full or Partial Cards (International)             |
| Hawthorne Park     | 10/1/08-10/13/08 | Full or Partial Cards                             |
| Hoosier Park       | 10/1/08-10/13/08 | Full or Partial Cards                             |
| Keeneland          | 10/3/08-10/13/08 | Full or Partial Cards                             |
| Laurel             | 10/3/08-10/13/08 | Full or Partial Cards                             |
| Lone Star          | 10/1/08-10/13/08 | Full or Partial Cards                             |
| Louisiana Downs    | 10/1/08-10/13/08 | Full or Partial Cards                             |
| Meadowlands        | 10/1/08-10/13/08 | Full or Partial Cards                             |
| Mountaineer Park   | 10/1/08-10/13/08 | Full or Partial Cards                             |
| NYRA (Belmont)     | 10/1/08-10/13/08 | Full or Partial Cards                             |
| Northlands Park    | 10/1/08-10/13/08 | Full or Partial Cards (International)             |
| Penn National      | 10/1/08-10/13/08 | Full or Partial Cards                             |
| Philadelphia Park  | 10/1/08-10/13/08 | Full or Partial Cards                             |
| Portland Meadows   | 10/5/08-10/13/08 | Full or Partial Cards                             |
| Remington Park     | 10/1/08-10/13/08 | Full or Partial Cards                             |
| South America      | 10/1/08-10/13/08 | Full or Partial Cards (International)             |
| Suffolk Downs      | 10/1/08-10/13/08 | Full or Partial Cards                             |
| Turf Paradise      | 10/3/08-10/13/08 | Full or Partial Cards                             |
| Turfway Park       | 10/1/08-10/02/08 | Full or Partial Cards                             |
| Woodbine           | 10/1/08-10/13/08 | Full or Partial Cards (International)             |
| Zia Park           | 10/1/08-10/13/08 | Full or Partial Cards                             |

- 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:  
n/a

## Northern California Racing Fairs

October 1-October 13, 2008

Prepared: 7/27/08

## Fresno-The Big Fresno Fair

| Common Pool Locations                 | Common Pool Locations                | Common Pool Locations                   |
|---------------------------------------|--------------------------------------|---|
| AmWest Entertainment                  | Hoosier Park @ Anderson              | Prairie Meadows                         |
| Cypress Bayou Casino (LA)             | Horsemen's Park                      | Presque Isle Downs                      |
| Rider's Up OTB (SD)                   | Indiana Downs                        | Raceway Park                            |
| Time Out Lounge (SD)                  |                                      | Racing World                            |
| Triple Crown OTB (SD)                 | Evansville OTB                       |   |
|                                       | Clarksville OTB                      |   |
| Arapahoe Park                         | Jackson Harness Raceway              | Racing US                               |
| Arima Race Club                       | Keeneland                            | Victor Chandler                         |
| Arlington Park                        | Kentucky Downs                       | Raynham Taunton Greyhound               |
| Atlantic City Race Course             | Lebanon Raceway                      | Raynham Taunton Greyhound ADW (MA only) |
| Atokad Downs                          | Les Bois Park                        | Remington Park                          |
| Balmoral Park/Maywood Park            | Lewiston Raceway                     | Retama Park                             |
| Bangor Historic Track/Millers OTB     | Lien Games                           | RGS                                     |
| BetPad                                |                                      | River Downs                             |
| Beulah Park                           | Chips Lounge and Casino              | Rockingham Park                         |
| Birmingham Race Course                | El Rancho Motor Hotel OTB            | Rockingham Park ADW (NH only)           |
| Blue Ribbon Downs                     | Idaho Falls Racing OTB               | Seabrook Greyhound                      |
| Bluff's Run Greyhound                 | North Dakota Horse Park              |   |
| Buffalo Raceway                       | Rumors OTB                           | Rosecroft Raceway                       |
| Calder Race Course                    | Aberdeen Racing OTB                  | Royal River Racing                      |
| Canadian Associations                 | Mitch's Grandstand OTB               | Ruidoso Downs                           |
| Canterbury Park                       | Clubhouse Lounge @ ND Horse Park     | Sam Houston Race Park                   |
| Capital District OTB                  | Skydancer Casino OTB                 |   |
| Capital District OTB ADW (NY only)    | BetAmerica ADW (non-CA wagers)       | Saratoga Raceway                        |
| Catskill Regional OTB                 | Lincoln Greyhound Park               | Scarborough Downs                       |
| Catskill Regional OTB ADW (NY only)   | Lone Star Park                       | Scioto Downs                            |
| Charles Town Race Course              | Louisiana Downs                      | Southland Greyhound                     |
| Churchill Downs                       | LVDC                                 | Sports Creek Raceway                    |
| Churchill Downs ADW                   |                                      | Suffolk Downs                           |
| Coeur d'Alene Casino & Acct. Wagering | Atlantis Paradise Island Casino      | Pat's Pizza OTB (ME)                    |
| Colonial Downs                        | Cities of Gold/Pojoaque              | Suffolk Regional OTB                    |
| Colonial Downs ADW (VA only)          | Elite Turf Club                      | Suffolk Regional OTB ADW (NY only)      |
| Columbus Races                        | Elite Turf Club #2                   | Sunland Park                            |
| Connecticut OTB                       | Elite Turf Club #3                   | SunRay Park                             |
|                                       | Foxwoods Resort and Casino           | Sol Mutuel Ltd.                         |
| Divi Carina Bay Casino                | Meskwaki Bingo & Casino              | The Greyhound Park @ Post Falls         |
| Ho-Chunk Casino                       | Stables, The                         | The Lodge @ Belmont                     |
| John Martin's Manor                   |                                      | The Lodge @ Belmont ADW (NH only)       |
| Mohegan Sun Casino                    | MagnaBet                             | The Meadows                             |
| Oneida Bingo                          | Manor Downs                          | The Racing Channel                      |
| Pony Bar Simulcast Center             | Maryland Jockey Club                 | TRNI                                    |
| Randall James Racetrack               | Meadowlands/Monmouth                 | Thistledown                             |
| Royal Beach Casino                    | Meadowlands/Monmouth ADW (NJ only)   | Tioga Downs                             |
| Shoreline Star Greyhound              | Mobile Greyhound                     | Tri-State Greyhound                     |
| Tote Investment Racing Service        | Montana Simulcast Partners           | Turf Paradise                           |
| CT OTB                                | Monticello Raceway                   | Turfway Park                            |
|                                       | Mountaineer Park                     | TVG                                     |
| Corpus Christi Greyhound              | Mount Pleasant Meadows               | Vernon Downs                            |
| Dairyland Greyhound Park              | Nassau Regional OTB                  | Western Region OTB                      |
| Delaware Park                         | Nassau Regional OTB ADW (NY only)    | Western Region OTB ADW (NY only)        |
| Delta Downs                           | Nebraska State Fair Park             | Wheeling Downs                          |
| Dover Downs                           | Nevada Pari-Mutuel Association       | Will Rogers Downs                       |
| Downs @ Albuquerque                   | New Jersey Casinos                   | Wonderland Greyhound                    |
| Ellis Park                            | Newport Jai-Alai                     | Woodlands                               |
| Emerald Downs                         | New York City OTB                    | Wyoming OTB                             |
| Evangeline Downs                      | New York City OTB ADW (NY only)      | Xpressbet                               |
| Fair Grounds                          | New York Racing Association          | Yavapai Downs                           |
| Fair Meadows                          | NYRA ADW (NY only)                   | Yonkers Raceway                         |
| Finger Lakes                          | Northfield Park                      | Yonkers ADW (NY only)                   |
| Fonner Park                           |                                      |   |
| Freehold Raceway                      | Northville Downs                     | Youbet                                  |
| Gillespie County Fair                 | Oaklawn Park                         | Zia Park                                |
| Global Wagering Solutions (MEC Intl.) | Ocean Downs                          |   |
|                                       | Penn National                        |   |
|                                       | Penn National ADW (PA only)          |   |
| Greenetrack                           | Philadelphia Park                    |   |
| Gulf Greyhound Park                   | Philadelphia Park ADW (PA only)      |   |
| Harrah's Chester Downs                | Plainridge Race Course               |   |
| Harrington Raceway                    | Plainridge Race Course ADW (MA only) |   |
| Hawthorne Race Course                 | Pocono Downs                         |   |
| Hazel Park                            | Pocono Downs ADW (PA only)           |   |
| Hinsdale Greyhound Park               | Portland Meadows                     |   |

| Separate Pool Locations    |
|----------------------------|
| Hipodromo Presidente Remon |
| NV Disseminator            |
| MIR/Caliente               |

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). **n/a**

**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.)

**10. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT**

A. Racing officials nominated:

|                             |  |
|-----------------------------|--|
| Association Veterinarian(s) | Shan Collette - DVM Track Fitness Veterinarian<br>Don Dooley – CHRB Veterinarian |
| Clerk of Scales             | Cheryl White   |
| Clerk of the Course TB      | Dolores Collins  |
| EB                          | Dolores Collins  |
| Film Specialist             | Danny Winick   |
| Horse Identifier            | Darrell Sparks   |
| Horseshoe Inspector         | Maurice Fitzpatrick  |
| Patrol Judge                | Danny Winick   |
| Paddock Judge/Patrol Judge  | Mathew Nichols   |
| Placing Judges              | Mathew Nichols/Myra Truitt   |
| Starter                     | Robert Mooneyhan   |
| Timer                       | Melody Truitt  |

B. Management officials in the racing department:

|                                     |                  |
|-------------------------------------|------------------|
| Chief of Racing                     | Daniel White     |
| Racing Secretary                    | Tom Doutrich     |
| Assistant Racing Secretary          | Dee Dee Robinson |
| Paymaster of Purses                 | Victoria Layne   |
| 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:

**Esquire Deposition Services, 516 W. Shaw, Suite 200, Fresno, Ca. 93704 (559) 261-2324**

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 Expires December 7, 2010.**

- 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.  
**Pegasus Communications, Inc., Jim Porep Expires April 30, 2013.**  
**Equipment Description: 5 Cameras – (3 cameras in tower; 1 pan camera in announcer's booth and a camera at 3/16 pole, which is remotely mounted on pole; and 1 hand-held camera).**
- 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:  
**Pegasus Communications, Inc., Jim Porep, expires April 30, 2013**  
**Permanently installed system-laser**

## 11. SECURITY CONTROLS

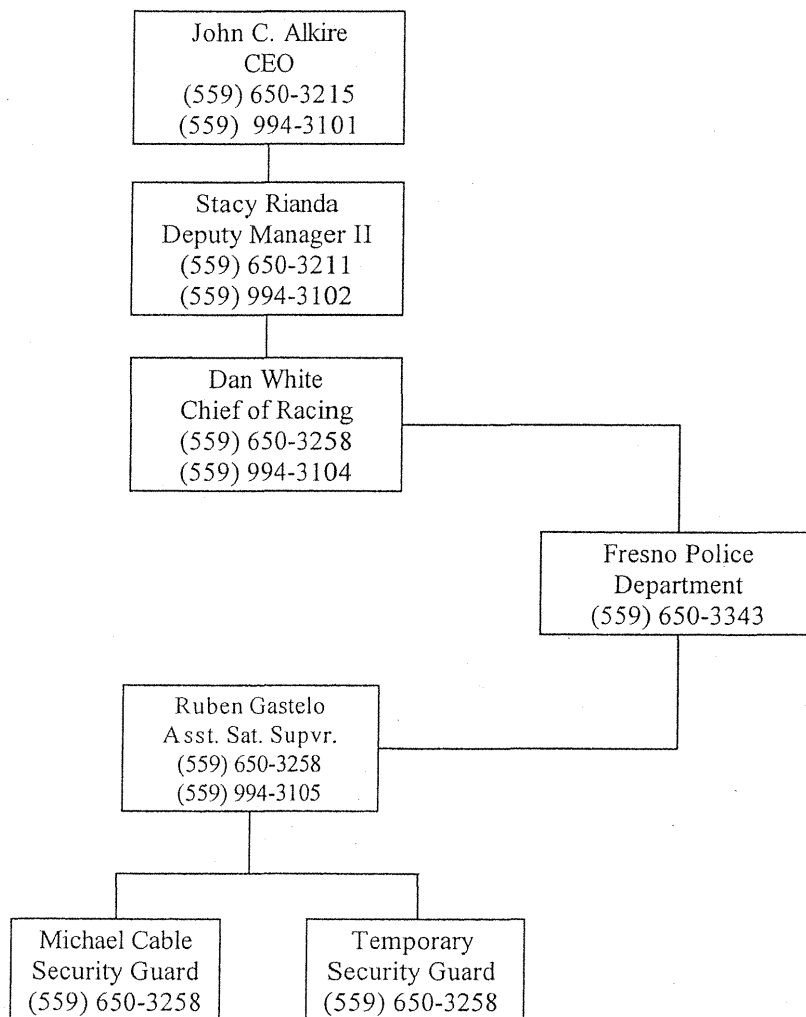
- A. Name and title of the person responsible for security controls on the premises. Include an organizational chart of the security department and a list of the names of security personnel and contact telephone numbers. **Daniel White, Chief of Racing**  
**Office: (559) 650-3258; Cell: (559) 994-3104**  
**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:  
**Grandstand Security Guards: 4 Security Guards plus 2 Fresno Police Officers.**  
**Stable Gate Area Security Guards: 6 Gatemen; 2 Stable Area Patrol; 4 Security Guards; and an on-grounds stall superintendent lives in the backside area and makes rounds throughout the night checking the horses and stalls.**
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. N/A
  2. Detention Barns: N/A **(The Fair is not running graded stakes)**
    - A. Attach a plan for use of graded stakes or overnight races. N/A
    - B. Number of security guards in the detention barn area during a 24-hour period. N/A
    - C. Describe number and location of surveillance cameras in detention barn area. N/A
  3. TCO2 Testing:
    - A. Number of races to be tested, and number of horses entered in each race to be tested.  
**All horses in Thoroughbred races.**
    - B. Plan for enhanced surveillance for trainers with high-test results.  
**Trainer with high test results will be moved to the detention area.**
    - C. Plan for detention barns for repeat offenders.  
**Ten (10) stalls adjacent to test barn, which are under 24-hour video surveillance.**
    - D. Number of security personnel assigned to the TCO2 program.  
**One (1) 24-hour security guard when detention stalls are occupied.**

Item #11-A

**Security Organizational Chart**

A number of security controls are made available during the Fair's live race meet and is coordinated by Fair Management and the Director of Racing. The grandstand is conducted by grandstand Security Guards as well as the Officers of the Fresno Police Department Command Center, who patrols all four floors of the grandstand and patrols the outside horse racing seats of the grandstand. Security Guards are assigned in the stable area, if and when issues arise and escalate, Fair Management and the Command Center become involved as needed and make necessary arrests and/or ejections. The Chief of Racing and Fair Management will work closely with CHRB staff in the backstretch area on a daily basis throughout the run of the Fair.

**21st District Agricultural Association  
The Big Fresno Fair  
2008**



- C. Describe the electronic security system.  
**Money Room and Tote Room – security system includes motion sensors, door contact sensors monitored by Central Alarm; Money Room Manager carries a panic button. Grandstand – security system includes motion sensors, door contacts monitored by ADT Security Services.**
1. Location and number of video surveillance cameras for the detention barn and stable gate.  
**Will work with CARF to provide cameras for the detention barn (TC02 Testing Trailer) and will conduct random security patrols throughout the barn area in conjunction with CHRB investigators.**

## 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:  
**American Ambulance, 2011 E. Tulare Street, Fresno, Ca. 93721 (559) 443-5900**
- B. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites: **None**
- C. Describe the on-track first aid facility, including equipment and medical staffing:  
**The Big Fresno Fair provides on-track emergency care providing comprehensive medical care for jockeys, track staff and racing personnel. Two medical technicians with the ambulance are present whenever horses are on the track during workouts and racing and are ready to initiate basic life support measures and transport injured to hospital. A licensed physician is also on duty to care for non-emergency medical care for those associated with racing. The Fair contracts with American Ambulance, who provides an Advanced Life Support (ALS) ambulance with two EMT's at racetrack workouts from 0630 hours until 1000 hours daily and from 12 Noon to end of racing each day for the duration of the Big Fresno Fair, October 1-13, 2008. The Fair also provides the services and equipment for the removal and evacuation of injured horses.**
- D. Name and emergency telephone number of the licensed physician on duty during the race meeting:  
**Sequoia Community Health Centers, John L. Maffeo, MD (559) 457-5227**
- 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:  
**Community Medical Centers, Fresno & R Streets, Fresno, Ca. 93701 (559) 459-6000.**
- 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:  
**See attached**
- 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):  
**John Alkire, CEO; and Stacy Rianda, Deputy Manager II**

- H. Attach a fire clearance from the fire authority having jurisdiction over the premises. **Fire Marshall is scheduled to inspect Fresno Fair's barns and portable horse stalls approximately September 12<sup>th</sup>.**
- 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. **Attached**

**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. 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:

| COMPANY                   | OWNER                 | ADDRESS   | CONCESSION SERVICE                                  |
|---------------------------|-----------------------|---|---|
| C & C Concessions         | Charles Giordano      | P. O. Box 1651<br>Ontario, Ca. 91762                      | Food & Beverage, Alcoholic & Non-Alcoholic Beverage |
| Speeda Sound              | Mike King             | 5617 W. San Madele<br>Fresno, Ca. 93722                   | Sound Equipment                                     |
| Winners Circle Restaurant | Don Fowler            | 1100 Howe Avenue #450<br>Sacramento, Ca. 95825            | Cafe  |
| Bob's Card, Inc.          | Tiffany Bohland       | 6288 Highland Meadows<br>Medina, OH 44256                 | Tip Sheets  |
| Cal Horse                 | Rick Harris           | 26807 Proveda<br>Mission Viejo, Ca. 92691                 | Tip Sheets  |
| Photo by Frank            | Patricia Visco        | 5024 Katella #124<br>Los Alamitos, Ca. 90720              | Winner's Circle Photos                              |
| Silver Bar Leasing        | Tracy Foote           | 2445 S. Fruit<br>Fresno, Ca. 93706                        | Portable Stalls                                     |
| 1 Sound View Loop         | CARF Contract         | South Salem, NY 10590                                     | Starting Gate                                       |
| Bailey Mobile Laundry     | Frances Lorene Dutton | 1129 Avenida Sevilla #7-B<br>Walnut Creek, Ca. 94595-3741 | Jockeys Laundry                                     |
| Daily Racing Form         | Ken Bonnema           | 100 Broadway<br>New York, NY 10005                        | Program Printing & Delivery                         |
| NOTWINC                   | Bryan Wayte           | 11875 Dublin Blvd.<br>Dublin, Ca. 94568                   | Armored Car Service                                 |

Item 12-F in English

### EMERGENCY MEDICAL PLAN PROCEDURE

In case of an accident to a jockey on the racetrack during the Big Fresno Fair's Race Meet, October 1-13, 2008, or at any time during the meet, the jockey is to immediately report injury to the track physician and/or the American Ambulance EMT's.

When a horse and jockey go down during workouts and/or during the race meet, the track ambulance, horse ambulance, and the track veterinarian go immediately to the scene of the accident. Depending on the severity of the injury, the jockey will either be transported to the Hospital and/or taken to the Jockey's Quarters for the track physician to evaluate the severity of injuries. When it is known that the horse is severely injured, the horse ambulance travels immediately to the scene of the accident and a screen blocking the public's view of the injured horse will be set up prior to be taken off the track by the horse ambulance.

A Fair staff official will be advised immediately when a horse and jockey go down during a workout and/or during the race meet in order to obtain the necessary information regarding the accident and notifying the owner/trainer and family member of the injured. This will help to facilitate the expediency of the paperwork for the employee, owner/trainer, and file the required information to the hospital in order for them to get reimbursed.

Item 12-F in Spanish

### PLAN DE PROCEDIMIENTOS EN CASO DE EMERGENCIA

En caso de un accidente a un jinete durante la Big Fresno Fair, del 1 al 13 de Octubre, o en cualquier momento durante el evento, el jinete deberá de reportar el accidente al medico designado o los paramedicos de emergencia.

Cuando un jinete junto con el caballo caen durante el entrenamiento o durante la carrera, la ambulancia del hipodromo o de caballos junto con el veterinario presente, iran inmediatamente al lugar del accidente.

Dependiendo de la severidad del caso, el jinete sera transportado al hospital o al Jockey's Quarters para que el médico de la pista evalúe la severidad de las heridas. Cuando se sabe que un caballo está gravemente herido, la ambulancia de caballos ira inmediatamente al lugar del accidente y pondra una pantalla para taparle la vista al publico antes de que lo levanten.

El personal official de al feria sera avisado inmediatamente cuando un jinete junto con el caballo caen durante un entrenamiento o durante la carrera, para obtener la información necessary acerca del accidente y notificar al dueño/entrenador y familia del jinete. Esto ayudará a facilitar la preparacion de documentos para el empleado, el dueño/entrenador, y asi consigan un reembolso rapido.

July 1, 2008

To: California Horse Racing Board  
 Attn: Andrea Ogden  
 1010 Hurley Way, Suite 300  
 Sacramento, CA 95825

Re: Big Fresno Fair/21st DAA  
 1121 S. Chance Avenue  
 Fresno, CA 93702

2008 JUL - 9 PM 12:08

Please be advised that the Big Fresno Fair/21st DAA is a member of the California Fair Services Authority (CFSA), and participates in the following self-insurance and loss pooling programs which are administered by CFSA:

### I. COMPREHENSIVE GENERAL LIABILITY PROGRAM

- A. Primary Coverage \$750,000 self-insured retention California Fair Services Authority  
 Coverage continuous until cancelled
- B. Excess Coverage \$9,250,000 in excess of \$750,000  
 Coverage provided by Insurance Company of the State of Pennsylvania  
 Term: 01/01/2008 to 01/01/2009

### II. WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY

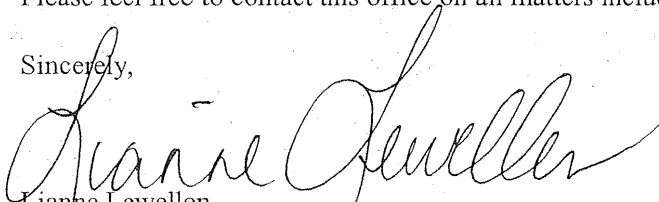
- A. Primary Coverage \$500,000 self-insured retention California Fair Services Authority  
 Coverage continuous until cancelled
- B. Excess Coverage (a) Workers' Compensation: \$299,500,000 in excess of \$500,000  
 (b) Employers' Liability: \$4,500,000 in excess of \$500,000  
 Coverage provided by CSAC Excess Insurance Authority  
 Term: 07/01/2008 to 07/01/2009

CFSA represents to California Horse Racing Board that within the above limits, terms and provisions of the coverage stated, to the extent provided by law, CFSA will provide defense, payment, and indemnification on loss funding in accordance with the terms of the contractual assumption of the Big Fresno Fair/21st DAA as set forth in California Horse Racing Board's "Insurance Requirements".

You will be given at least thirty (30) days notice of any change in the foregoing information. We trust that this commitment will satisfy your insurance requirements.

Please feel free to contact this office on all matters including possible claims.

Sincerely,

  
 Lianne Lewellen  
 Risk Analyst

**14. ON- TRACK ATTENDANCE/FAN DEVELOPMENT**

A. Describe any promotional plans:

**The 2008 Big Fresno Fair will operate its eleven days of live horse racing October 1-13 with two dark days on Monday, October 6<sup>th</sup> and Tuesday, October 7<sup>th</sup>. All dedicated horse racing television spots are run on local television stations and cable and promotions of the Fresno Fair’s Race Meet will also be included in radio spots and in all publicity materials; Hispanic Announcer on board both Sundays. (See Attached)**

B Number of hosts and hostesses employed for meeting: 6

C. Describe facilities set aside for new fans: **Daily Handi-Capping Seminars**

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

1. **Horsemen –In 2008, planted one thousand fifty three (1,053) more trees around the racetrack and backside; upgraded the tote board and rock/fountain area; remodeled and upgraded several horse stalls and tack rooms; and for the fourth year, offering the Owner/Trainer Appreciation BBQ and giving away awards for the Special Trainer, Top Jockey Thoroughbred, Top Jockey Mixed Breed, and Top Groom.**

2. **Fans - Started in 2007 and finished in 2008, built a beautiful VIP deck outside the Turf Club of the grandstand overlooking the paddock area and racetrack for race fans; started in 2007 and will be completed for the 2008 race meet, beautified the Kings Canyon Gate Entrance to the Infield Parking lot with a 40-foot replica of the original historic grandstand of 1890, which includes a life-size horse and jockey running across the front of the entrance; painted several Clydesdale murals on the 2<sup>nd</sup> and 4<sup>th</sup> floors of the grandstand making it more pleasant for race fans; installed a new gate entrance on Kings Canyon Avenue entrance to increase efficiency and safer for fair patrons; and again this year, inviting the fifteen outlying cities in Fresno County to a “Day at the Races” for their city; and looking at having the Mule World Championships at the 2008 Race Meet.**

3. **Facilities in the restricted areas – Upgraded and installed behind the pari-mutuel lines tire-derived rubber tile products on the floor for the comfort of the Pari-Mutuel Clerks.**

**15. SCHEDULE OF CHARGES**

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

|                              |   |                |              |                |
|------------------------------|---|----------------|--------------|----------------|
| Admission (general)          | - | \$ 8.00        | \$5.00 Child | \$7.00 Seniors |
| Admission (clubhouse)        |   | \$10.00/Person |              |                |
| Reserved seating (general)   |   | \$ 4.00        |              |                |
| Reserved seating (clubhouse) |   | N/A            |              |                |
| Parking (general)            |   | \$ 5.00        |              |                |
| Parking (preferred)          |   | \$ 8.00        |              |                |
| Parking (Chance Lot)         |   | \$12.00        |              |                |
| Parking (valet)              |   | N/A            |              |                |
| Programs (on-track)          |   | \$ 1.00        |              |                |
| (off-track)                  |   | \$ .00         |              |                |

Item # 14-A



1121 S. Change Avenue  
 Fresno, Ca. 93702  
 (559) 650-3247

## PROMOTION OF LIVE HORSE RACING AT THE 2008 BIG FRESNO FAIR

The tradition of live horse racing at The Big Fresno Fair is an extremely important part of our 125<sup>th</sup> Fair celebration and is therefore integrated into all global fair positioning as it relates to marketing and advertising of our annual Fair event. Listed below are the more concentrated efforts to help promote the Live Racing attraction at the 2008 Big Fresno Fair.

### Paid Buy

Although reference to live horse racing is included in our global fair advertising, an additional live horse racing buy is purchased annually, allowing us to target a more specific demographic for live horse racing, based on agency research regarding the average horse racing enthusiast.

- TV
  - o Dedicated Horse Racing TV Spot is run on English & Spanish language local broadcast and cable TV. Minimum \$20,000 paid schedule with an anticipated \$40,000 or more in promotional added value.
  - o Live Horse Racing to be promoted on the top Fresno Stations. Minimum of \$20,000 paid schedule with an anticipated \$40,000 or more in promotional added value.
- Print
  - o AA Section - Main Fair tab will include Live Horse Racing Section – Distribution 200,000. Approximate value \$22,000.
  - o Dedicated Horse Racing ads to run in the Sports section of local newspaper. Approximate value \$6,000.
  - o Live Horse Racing included in approx. \$5,000 of advertising in local Spanish Language newspaper, Vida En El Valle.
  - o Live Horse Racing to be included in approximately 25,000 of additional global Fair print promotion in The Fresno Bee.

### On-Grounds Promotion

- Grand Hat Day (Opening Day)
  - o Contest – Racing patrons encouraged to come to the races wearing a unique hat. Best hat wins “One Grand” in cash. Local celebrity judges.
  - o Promotional value of over \$80,000 on KMJ, one of the leading radio stations in the market for our target demo.
- KMJ as an official Radio sponsor of Live Horse Racing at The Big Fresno Fair
  - o KMJ RV – Most widely listened to local news stations broadcasts the most popular local news talk radio show live from the infield the 11 racing days of Fair.
  - o Track announcer feed plugged into RV for race updates transmitted to station throughout the day.

- Bulldog Stakes
  - o Contest – Patrons are encouraged to wear Red to celebrate the Fresno State Bulldog Stakes & be entered to win cash prizes at the races.
- VIP Suite
  - o Sponsors, Friends of the Fair & Satellite Wagering VIP's are offered a private location where they can enjoy the live racing venue effectively working as additional incentive for securing sponsorship funding.
- Live Horse Racing Sponsorship
  - o Sponsors and cities within the County of Fresno are included in race sponsorship packages which help stimulate interest in the live horse racing venue as a place to entertain business partners and encourages additional parties during live horse racing.

### **Additional Promotional Advertising**

- Website
  - o Dedicated page to promote Live Racing at The Big Fresno Fair.
  - o URL links offered as added value from several live racing sponsor sites.
  - o Dedicated email blasts to Fair's email newsletter subscriber list promoting live racing at the Fair.
- Collateral
  - o Reference to Horse Racing in all collateral and print promotion created for global Fair initiatives-- Daily schedules, flyers & posters.

### **Public Relations/Earned Media**

The Big Fresno Fair Public Relations Department strategically plans news coverage suggestions and organizes interviews, information and planning for on-site media prior to and during The Big Fresno Fair. As part of planning, an entire section of the annual media kit is designated to include live horse racing information and is distributed to all local TV and Radio stations and print media. Examples from 2007 include:

- Minimum of four (4) stations broadcast their morning news shows live from The Big Fresno Fair's racetrack including interviews with trainers, experts on betting and jockeys.
- Minimum of eight (8) packaged news stories were aired during the event. Topics included backstretch improvements, local racing horse owners and trainers, wagering tips, track safety and information for the layperson. 77

- B. Describe any "Season Boxes" or other special accommodation fees:  
**Box seats are sold in advance - \$642.00 (Box of 4)**  
**Daily box seats are sold individually at \$5/each (if available).**
- C. Describe any "package" plans such as combined parking, admission and program:  
**Family Fun Pack (almost a 50% savings) includes: (2) Adult Admission Tickets; (2) Child Admission Tickets; (1) Parking Pass; (1) voucher good for 30 carnival ride coupons; \$4 in carnival food and game coupons; and a voucher for one Daily Fresno Bee and one Sunday Fresno Bee.**

**16. JOCKEYS' QUARTERS**

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

|  |   |  |
|--|---|--|
| <input checked="" type="checkbox"/> Corners (lockers and cubicles) | How many  | 23   |
| <input checked="" type="checkbox"/> Showers                        | <input checked="" type="checkbox"/> Steam room, sauna or steam cabinets | <input checked="" type="checkbox"/> Lounge area              |
| <input type="checkbox"/> Masseur                                   | <input checked="" type="checkbox"/> Food/beverage service               | <input checked="" type="checkbox"/> Certified platform scale |
- B. Describe the quarters to be used for female jockeys:  
**Quarters for female jockeys are the same as the men's quarters. Built in 1990 and 1991. Separate locker rooms, restrooms, sauna room, bunkroom, and shower room for female jockeys.**

**17. BACKSTRETCH EMPLOYEE HOUSING**

- A. Inspection of backstretch housing completed by **Martin Snezek on 8/9/2008.**
- B. Number of rooms used for housing on the backstretch of the racetrack:  
**106 tack rooms, a possible 54 to be used for housing.**
- C. Number of restrooms available on the backstretch of the racetrack:  
**Four trailers—two, 48-foot restroom trailers with five restrooms each available for both men and women; and two, 28-foot shower trailers with four showers and 1 restroom each available for both men and women.**
- D. Estimated ratio of restrooms to the number of backstretch personnel:  
**1 – Receiving Barn; 58 in RV Trailer Park; 3 Portable Toilets (2 @Gate #10; 1 @Gap)**  
**1 – Racing Secretary's Office; 1 – Winner's Circle Café.**

**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: **Approximately** 5,129
- 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, metal (powder coated); outer rail, metal, aluminum and galvanized chainlink; inner rail supports, metal gooseneck; inner rail top shield is made of sheet metal; shield is 39" above the track surface.**

- C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474: **Track Masters, Inc., Steve Wood**
- D. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474. **On file**
- 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. **N/A**

**19. DECLARATIONS**

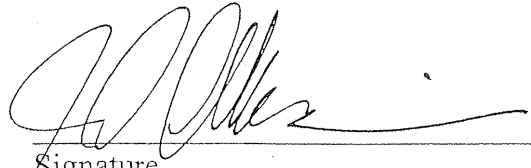
- A. All labor agreements, concession and service contracts, and other agreements necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state): **No Through CARF**
- B. Attach each horsemen's agreement pursuant to CHRB Rule 2044. **Through CARF**
- C. All 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): **No Exceptions**
- 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): **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 fair to attest to this application on its behalf.

John C. Alkire  
Print Name

  
Signature

Chief Executive Officer  
Print Title

June 30, 2008  
Date

STAFF ANALYSIS  
PUBLIC HEARING AND ACTION BY THE BOARD ON THE  
PROPOSED AMENDMENT OF  
RULE 1481. OCCUPATIONAL LICENSES AND FEES  
AND  
RULE 1486. TERM OF LICENSE  
AND THE PROPOSED ADDITION OF  
RULE 1504.5. PROVISIONAL EXERCISE RIDER

Regular Board Meeting  
August 19, 2008

BACKGROUND

Business and Professions Code section 19420 provides that jurisdiction and supervision over meetings in this State where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings, is vested in the California Horse Racing Board (Board). Business and Professions Code section 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 shall include licensing all persons, other than the public at large, who participate in a horseracing meeting with pari-mutuel wagering. Business and Professions 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. Board Rule 1481, Occupational Licenses and Fees, provides that a person acting in any capacity within the restricted area of an inclosure, or auxiliary stabling area shall procure the appropriate license and pay the fee required. A person acting in the capacity of an exercise rider shall procure an exercise rider license and pay a fee of \$75.00. The term of an exercise rider license is three years.

At the April 2008 Regular Board Meeting Leigh Ann Howard of San Luis Rey Downs proposed the creation of a provisional exercise rider (PER) license. The proposed license would provide a training period for aspiring exercise riders to gain experience before becoming licensed as an exercise rider. Ms. Howard contended California is losing experienced and professional exercise riders because there is no venue where an aspiring exercise rider can learn to ride a thoroughbred racehorse in a setting that duplicates the conditions at California racetracks. If they are able to get a license, inexperienced exercise riders are often thrown into the system without supervision and can become a danger on the racetrack.

Current practice requires that an applicant for an original exercise rider license must contact the CHRB licensing office where he or she fills out an application and receives a recommendation card. To complete the licensing process the applicant must gallop a horse on the track in front of the outriders, who judge the rider's ability to handle a racehorse and knowledge of track rules. In Northern California - primarily at Golden Gate Fields - applicants must also take a short written test, which is administered by the outriders. The

outriders and the stewards will sign the recommendation card if the applicant is considered qualified to be an exercise rider. The applicant must return to the CHRB occupational licensing office with the completed recommendation card to finish the licensing process. The signature of the outriders certify the applicant is qualified to gallop and breeze horses with experienced riders. However, if an inexperienced rider obtains a license, there is no way to distinguish him or her from other exercise riders, and trainers have no way to judge the competence of such riders when they seek employment.

At the April 2008 Regular Board Meeting staff was directed to initiate a 45-day public comment period for a proposal to amend Rule 1481, 1486 and to add Rule 1504.5.

## ANALYSIS

The proposal to establish a PER license would require the addition of a new Rule 1504.5, Provisional Exercise Rider, the amendment of Board Rule 1481, Occupational Licenses and Fees, and the amendment of Rule 1486, Term of License.

The proposed addition of Rule 1504.5 states that no persons may be licensed as exercise riders if they were not first a PER, or if they had not previously been licensed in California as an exercise rider. Applicants from other racing jurisdictions who were previously licensed as an exercise rider may also receive a California exercise rider license. This will allow persons who are already licensed as exercise riders, or who have held such a license, to obtain a license without having to first become a PER.

To become licensed as a PER an applicant must be employed by a licensed trainer. The trainer would be responsible for supervising the rider until the PER license is upgraded to full exercise rider. The PER would only be allowed on the racetrack under specific conditions. They are:

1. The PER would not be allowed on the track without the permission of the outrider,
2. A mounted trainer or assistant trainer must accompany the PER until the outrider determines the PER is competent enough to ride unaccompanied.
3. Must wear distinctive helmet and vest covers that would identify them to other riders on the track.

Under the proposed amendment to Rule 1486, the full term of the PER license would be set at one year. However, the PER license could be upgraded to a full exercise rider license within 60 days after the issuance of the PER license if the outrider determines that the PER is qualified. Otherwise, an upgrade to a full exercise rider license could take place anywhere within the 60-day to one year period.

A survey of the Arizona, Illinois, Kentucky, Louisiana, Maryland, New York, Ohio, Pennsylvania and Texas racing commissions revealed that none of the racing jurisdictions had an apprentice or provisional exercise rider license. Pennsylvania does allow stable employees

to exercise horses with the permission of the outrider. Such employees may go on to become licensed exercise riders. The remaining jurisdictions have much the same requirements as California: the outrider and the stewards must approve the initial licensing of an exercise rider.

During the 45-day public comment period staff received three comments. Two persons who commented suggested amending the text of the proposed Rule 1504.5 to provide an exemption for applicants who are currently licensed in good standing as jockeys or apprentice jockeys, or who had previously held such licenses in good standing. The rationale for the exemption is that jockeys and apprentice jockeys often exercise horses to earn extra income, and they have already demonstrated their ability on the racetrack.

A test that is administered primarily at Golden Gate Fields was also submitted for consideration as a requirement for license as a PER. The test is administered by the outriders and is designed to quiz the applicant's knowledge of the track and basic track procedures.

Another comment suggested the starter sign the applicant's authorization card. Current practice requires the outriders' and stewards' signatures. The rationale for having the starter sign the card is that exercise riders are required to take horses they ride to the starting gate for schooling and teaching and standing in the gate. The gate crew is in attendance to help the exercise rider with horses practicing at the starting gate. The only way to ensure the PER has been to the gate is for the starter to sign the card.

The Hollywood Park (HP) Board of Stewards (BOS) submitted comments. The HP BOS stated it believed the provisional period was a good idea, as it would allow the outriders time to observe and approve PERs. However the BOS did not like the idea of PERs "learning" on the job. The BOS stated the racetrack was too stressful and complex an environment for novice riders to receive the initial stages of education, and while a trainer might be willing to school a novice rider, the other horsemen on the track did not have a say in that decision. The HP BOS suggested shortening the initial time in which a PER may apply for an exercise rider license from 60 days to as little as three days. The BOS suggested crediting the cost of the PER license towards the exercise rider license if the PER license was upgraded so quickly.

## RECOMMENDATION

This item is presented for Board discussion and action.

Staff recommends that under Rule 1504.5 jockeys and apprentice jockeys should be granted the same exemption as exercise riders. This would be a non-substantial change, and would require an additional 15-day public comment period.

Incorporating a written examination, such as that given at Golden Gate Fields, in Rule 1504.5 would require an additional 45-day public comment period, as this would be a substantial change to the text.

CALIFORNIA HORSE RACING BOARD  
TITLE 4. CALIFORNIA CODE OF REGULATIONS  
ARTICLE 4. OCCUPATIONAL LICENSES  
PROPOSED AMENDMENT OF  
RULE 1481. OCCUPATIONAL LICENSES AND FEES

Regular Board Meeting  
August 19, 2008

1481. Occupational Licenses and Fees.

No person required to be licensed shall participate or attempt to participate in a race meeting without holding a valid license authorizing that participation.

(a) A person acting in any capacity within the restricted area of an inclosure, simulcast facility or auxiliary stabling area shall procure the appropriate license(s) and pay the fee required.

(b) A person acting in any of the following capacities shall procure the appropriate license(s) and pay the fee required:

- (1) Horse Owner by Open Claim .....\$250
- (2) Officer, Director, Partner or any individual or person who holds 5% or more of the outstanding shares of a racing association, simulcast service supplier or totalizator company.  
\$200

- (3) Horse Owner .....\$150
- (4) Trainer, Assistant Trainer, Driver, Jockey, Apprentice Jockey, Jockey Agent .....\$150
- (5) Veterinarian .....\$150
- (6) Steward, Associate Steward, Steward (Veterinary Service), Simulcast Facility Supervisor, Assistant Simulcast Facility Supervisor, Racing Official, Administrative or Managerial personnel including General Manager of a racing association, simulcast organization or an intrastate guest association, who exercise control over other licensees, horse racing, pari-

- mutuel wagering or simulcast operations, or whose duties routinely require access to restricted areas of the inclosure ..... \$150
- (7) Bloodstock Agent ..... \$150
- (8) Valet, Jockey Room or Drivers' Room Attendant or Custodian or Service Person, Colors Attendant, Paddock Attendant ..... \$75
- (9) Assistant to a Racing Official or Official, Assistant General Manager of a racing association, simulcast organization or an intrastate guest association, Assistant Starter, Assistant to the Veterinarian, Assistant Manager, Announcer, Paymaster of Purses, Superintendent, Starting Gate Driver, Flagman, Marshal, Stewards' Aide ..... \$75
- (10) Exercise Rider, Pony Rider, Outrider ..... \$75
- (11) Horseshoer, Stable Agent, Vendor or Vendor's Employee when duties require access to the restricted area, Stable Foreman ..... \$75
- (12) Pari-mutuel Employee, Totalizator Technician, Video Operator, Photofinish Operator. \$75
- (13) Security Officer, Security Guard, Stable Gateman, Fire Guard, Security Investigator .. \$75
- (14) Clerical Employee or Uncategorized Employee of a racing association, intrastate guest association, simulcast organization, simulcast service supplier, totalizator company, horsemen's organization or concessionaire when employed in a restricted area..... \$75
- (c) A person acting in the capacity of Backstretch Event Personnel, Groom, Provisional Exercise Rider, Stable Employee or Stable Assistant shall procure the appropriate annual license. The fee for an original license is \$35, and the annual renewal of license is \$20.
- (d) A person acting in the capacity of Authorized Agent shall register an authorized agent agreement and registration of authorized agent and pay a fee of \$25 for each registration.
- (e) A person or persons electing to conduct racing operations by use of a Stable Name shall register the Stable Name and pay a fee of \$300.

(f) A person or persons conducting racing operations as a syndicate or as a partnership having more than ten general partners or having one or more limited partners shall register the syndicate or partnership as a multiple ownership and pay a fee of \$300.

(g) A person participating in any capacity required to be licensed under this rule who participates or attempts to participate at a mule racing meeting shall procure an annual Mule Racing Participant license and pay an annual fee of \$25. A license for participating in a mule racing meeting is valid only at mule racing meetings and any license otherwise valid for horse racing meetings is not valid for mule racing meetings.

(h) A person whose license-identification card is lost, destroyed or mutilated shall procure a replacement license-identification card and pay a fee of \$15.

(i) A person who elects to participate in the Association of Racing Commissioners International (ARCI) Licensing Reciprocity Program shall pay the associated costs charged by the ARCI and the Federal Bureau of Investigation.

(j) The date the payment of the required fee is received and recorded by the Board is the effective date of issuance of a continuous occupational license for the capacity in which licensed. The fees required herein are for the entire period for which the issued license is to be valid.

Authority: Sections 19440, 19510, 19520 and 19704 ~~19703~~,  
Business and Professions Code.

Reference: Sections 19510, 19520 ~~19512~~ and 19704,  
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD  
TITLE 4. CALIFORNIA CODE OF REGULATIONS  
ARTICLE 4. OCCUPATIONAL LICENSES  
PROPOSED AMENDMENT OF  
RULE 1486. TERM OF LICENSE

Regular Board Meeting  
August 19, 2008

1486. Term of License.

(a) Every occupational license, original or renewal, granted by the Board under this Article, other than a license as a groom, provisional exercise rider, stable employee, stable assistant, backstretch event personnel and mule racing participant shall expire in its third year on the last day of the birth month of the licensee.

(b) Every original occupational license as groom, provisional exercise rider, stable employee, stable assistant, backstretch event personnel and mule racing participant shall expire on the last day of the calendar year in which it is issued. Such original license shall be automatically extended to expire on the last day of the birth month of the licensee. Renewal licenses shall expire on the last day of the birth month of the licensee on an annual basis.

Authority: Sections 19440 and 19704,  
Business and Professions Code.

Reference: Sections 19510, 19520, 19521 and 19704,  
Business and Professions Code.

August 19, 2008

CALIFORNIA HORSE RACING BOARD  
TITLE 4. CALIFORNIA CODE OF REGULATIONS  
ARTICLE 4. OCCUPATIONAL LICENSES  
PROPOSED ADDITION OF  
RULE 1504.5. PROVISIONAL EXERCISE RIDER

Regular Board Meeting  
August 19, 2008

1504.5. Provisional Exercise Rider.

No person may be licensed as an exercise rider who has not previously been licensed as a provisional exercise rider, or unless such person has held an exercise rider license in good standing in this state, or who was or is currently licensed as an exercise rider in good standing in another racing jurisdiction.

(a) Except as otherwise provided under this article, an applicant for a provisional exercise rider license shall provide evidence that a licensed trainer employs him or her by submitting a notarized Provisional Exercise Rider Agreement CHRB-213 (New 05/08), which is hereby incorporated by reference. The notary acknowledgement is not necessary if the CHRB-213 is signed before a CHRB employee. The CHRB-213 shall be available at CHRB licensing offices at live race meetings, and at CHRB headquarters offices.

(b) A licensed provisional exercise rider shall:

(1) Not enter the track without the permission of the outrider, and unless the outrider states otherwise shall be accompanied by the mounted trainer/employer or the trainer's assistant trainer while on the track.

(2) While on the track wear a helmet cover and vest cover of a distinctive color as determined by the outrider.

(c) A provisional exercise rider may apply for license as exercise rider 60 days after the date of issue of his or her provisional exercise rider license.

(1) At the time of application for license as exercise rider, the provisional exercise rider shall submit a recommendation card form California Horse Racing Board CHRB-59 that has been signed by the outrider and the stewards. The recommendation card form California Horse Racing Board CHRB-59 is hereby incorporated by reference. The CHRB-59 is available at CHRB licensing offices at live race meetings, and CHRB headquarter offices.

Authority: Sections 19420, 19440 and 19520,  
Business and Professions Code.

Reference: Sections 19420, 19440 and 19520,  
Business and Professions Code.

Coburn, Harold

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**From:** VCFarm  
**Sent:** Monday, July 21, 2008 11:37 AM  
**To:** Coburn, Harold  
**Subject:** PER

Re-send to correct address:

Hi Harold:

So, have you received any comments?? One thing I think would be good is to allow jockeys to by pass this license.....jockeys who want an exercise license. Also, how about having the starter sign the steward's card too.

Leigh Ann

---

**Coburn, Harold**

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**From:** Glasscock, Anne  
**Sent:** Wednesday, July 09, 2008 8:50 AM  
**To:** Coburn, Harold  
**Subject:** Exercise rider proposal

Hal ~ Good morning! Got your message regarding the proposed Exercise Rider Apprentice license...I do not have the proposed rule in front of me but as I remember there was an exemption or exception to the apprentice application process if the Exercise Rider had held a previous exercise rider license or had been one in another state. This language should also include jockeys since many of them exercise ride in the morning or are downgrading from a jockey license or are coming in from another state. If this person is a jockey it would infer a certain level of expertise greater than an exercise rider and that they would know all the rules and issues inherent with galloping on any track.

As to the memo I left you, I wrote that many months ago - maybe even a year ago - this was my take on the issue and I think there is a definite need to address this safety issue - it is particularly difficult up in this area with so many fairs and outriders that are barely qualified or who have never worked a main meet, where the conditions are totally different and there is too much traffic during morning training to have persons galloping who do not know what to do in the event of an emergency for themselves or others. I do think the proposed highly visible - colored vest for an apprentice to wear is an excellent idea as it gives the outriders and others a clear view of them if they are in trouble and the weather is bad or they are a far distance away. I also think that the written test that was proposed by Nancy Barney and which I left you a copy of is an important element of the process - it could certainly give the outrider an idea if the candidate has any idea of the basic knowledge of the track and procedures. The elements covered in the test are just the most important basics that every one should know if they are on the track. We also had it translated into Spanish so that the Spanish speaking population has an equal shot at it. I would think it could also be administered verbally for those who do not read or write. I believe there are some hoops to jump through to make the test a State test but I think this is a pretty basic one that should get approval easily.

Please let me know if there are any other questions or issues that need to be addressed in this proposal - wish I could be there to address the commission on it but work does not allow. Thanks for your help on this! Anne

*Anne Glasscock, Supervising Investigator  
California Horse Racing Board  
Northern Region Investigations  
510-559-7432 (Golden Gate Fields)  
650-573-4609 (Bay Meadows)*

Coburn, Harold A.

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**From:** Wagner, Jacqueline  
**Sent:** Tuesday, May 27, 2008 8:59 AM  
**To:** Coburn, Harold A.  
**Subject:** FW: provisional exercise rider's license

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

**From:** cscchaney  
**Sent:** Sunday, May 25, 2008 10:51 AM  
**To:** Wagner, Jacqueline  
**Subject:** provisional exercise rider's license

Jackie-

Hopefully you are the one to whom we should send this commentary regarding proposed CHRB rule 1504.5 (Provisional Exercise Rider).

It is this Board of Stewards' opinion that there are some issues with respect to a provisional exercise rider's license that require examination. First, to the extent that this provisional period would allow the outriders to observe and approve potential exercise riders, we believe that it is a good idea. Currently, in order to get a exercise rider's license, an individual usually rides a horse or two for the outrider before being licensed. This has always seemed improper especially from an insurance standpoint. We like the idea that all persons on the race track be licensed. Second, to the extent that this sixty day period provides an opportunity for exercise riders to "learn" on the job, we think this rule is a bad idea. The race track is far too stressful and complex an environment for novice riders to receive the initial stages of education. Additionally, while a trainer may feel that he or she is willing to "take a chance" on a novice rider, all other horsemen on the track do not get to make that decision and are therefore at the mercy of what has the potential to be a disastrous endeavor. The human and equine life on the track at any given moment is far too valuable to risk for the education of an individual exercise rider.

While this BOS does not have an entirely satisfactory solution that incorporates both issues, one recommendation might be to shorten the time period from sixty days to seven days or even three days. This limits the exposure of such riders to general training but also provides an opportunity for the outriders to make judgments about their abilities. Perhaps any cost incurred for such a license could be deducted from the regular exercise rider's license.

BOS, Hollywood Park

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STAFF ANALYSIS  
PUBLIC HEARING AND ACTION BY THE BOARD ON THE  
PROPOSED AMENDMENT OF  
RULE 1505, QUALIFICATIONS FOR LICENSE AS HORSE OWNER  
TO PERMIT A HORSE OWNER WHOSE LICENSE HAS EXPIRED TO  
QUALIFY FOR RENEWAL OF THE LICENSE EVEN IF  
THEY ARE NOT AN OWNER OF A PROPERLY REGISTERED RACE HORSE  
WHICH IS IN THE CARE OF A  
LICENSED TRAINER AT THE TIME OF RENEWAL

Regular Board Meeting  
August 19, 2008

BACKGROUND

Business and Professions Code section 19420 provides that jurisdiction and supervision over meetings in this state where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings, is vested in the California Horse Racing Board. Business and Professions Code section 19440 states the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the Board shall include, but not be limited to, licensing of each racing association and all persons who participate in a horse racing meeting with pari-mutuel wagering. Business and Professions Code section 19460 provides that all licenses granted under this chapter are subject to the rules, regulations, and conditions from time to time prescribed by the Board, and shall contain such conditions as are deemed necessary or desirable by the Board for the purposes of this chapter. Business and Professions 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.

Business and Professions Code section 19464(a) states: “...no application for a horse owner’s license...shall be granted unless the applicant’s liability for workers’ compensation is secured in accordance with Division 4 (commencing with section 3700) of the Labor Code. Any termination of security for that liability during the period of a license shall result in the immediate automatic suspension of the license during the period of that termination and also shall be grounds for revocation of the license.”

Board Rule 1481, Occupational Licenses and Fees, states no person required to be licensed shall participate or attempt to participate in a race meeting without holding a valid license authorizing that participation. A person acting in the capacity of a horse owner shall procure the appropriate license and pay the fee required.

Board Rule 1501, Worker's Compensation Insurance Required, provides that no person may be licensed as a trainer, owner, trainer-driver, or in any other capacity in which such person acts as the employer of any other licensee at any authorized race meeting, unless his liability for worker's compensation has been secured in accordance with the Labor Code of the State of California and until evidence of such security for liability is provide to the Board.

Board Rule 1505, Qualifications for License as Horse Owner, provides that no person may be licensed as a horse owner who is not the owner of record of a properly registered race horse which is in the care of a licensed trainer, or who does not have an interest in such race horse as a co-owner, part owner, or lessee. A horse owner's license shall be granted to individual natural persons only.

An applicant for license as horse owner must demonstrate that he or she owns a properly registered racehorse in the care of a licensed trainer. To verify horse ownership Board licensing staff uses the Board's California Horse Racing Information System (CHRIS). If the horse has run in California, CHRIS will list the horse and its ownership at the time the horse last ran. If CHRIS does not list the applicant as the owner, Board licensing staff will contact the clerk of the course to verify the horse's registration, and/or contact the trainer. In addition, licensing staff verifies the license status of the trainer listed on the horse owner application. If the trainer is in good standing his workers' compensation insurance is current, which means the owner's liability is covered. This process is repeated every time the horse owner renews his or her license. The term of a horse owner license is three years.

Occasionally persons who have held a CHRB license as horse owner will attempt to renew their license, but are denied renewal because they are currently not owners of record of properly registered racehorses in the care of licensed trainers. Most such persons accept that they may not renew their license until they own horses that are ready to race. However, some persons argue that once they have been licensed as a horse owner, the Board should renew their licenses regardless of their actual *need*, and a refusal to renew the licenses somehow violates a principal or discourages persons from participating in horseracing.

The Board currently has a class of occupational license for persons who do not own racehorses. The "horse owner by open claim" license allows a person who does not own a horse to become licensed, and to claim a horse. Once the horse is claimed, the new owner may receive a horse owner license without paying additional fees.

At its April 24, 2008, Regular Meeting, the Board heard a proposal to amend Rule 1505 to allow the renewal of horse owner licenses regardless of actual racehorse ownership at the time of renewal. The Board directed staff to initiate a 45-day public comment period regarding the proposed amendment.

## ANALYSIS

The proposal to amend Rule 1505 will add subsection 1505(d) to allow an applicant to renew a horse owner license without owning a properly registered racehorse in the care of a licensed trainer.

Although the proposed amendment will allow a person who has held a horse owner license in good standing to renew his license without actually owning a horse in the care of a licensed trainer, the applicant for renewal will still be required to provide evidence that his liability for workers' compensation insurance is secured. Workers' compensation insurance is a requirement for a horse owner license under the Business and Professions Code section 19464, and Board Rule 1505. Horse Racing Law requires the immediate automatic suspension of a horse owner license should the licensee's coverage for workers' compensation insurance be terminated. The Board may waive Rule 1505; however, legislation would be required to change Business and Professions Code section 19464. Staff contacted State Compensation Insurance Fund (State Fund) to determine if it was possible to obtain workers' compensation insurance under such circumstances. The State Fund representative said it was possible to purchase a "basic" policy at a cost of \$650 per year. The policy could be issued because the person who renews a horse owner license without actually owning a horse could have liability in the near future due to the purchase of a racehorse.

One of the advantages of having a horse under the care of a licensed trainer is that the trainer is required to carry workers' compensation insurance that has been endorsed to cover the owner's liability. Persons who renew a horse owner license without owning a horse will have the added expense of obtaining workers' compensation insurance, *as required by law*.

The proposed amendment to Rule 1505 does not require the purchase of a horse at any time during the three year term of the horse owner license, nor does the proposed amendment prevent an individual from renewing a horse owner licenses multiple times - regardless of horse ownership. In effect, after one procures an initial horse owner license, horse ownership is no longer a requirement for renewal of the license.

An issue that may be raised is the length of time a license has lapsed before an application for renewal is submitted. The proposed regulation does not explicitly state the license has to have lapsed in the immediate past. Can a person who does not own a racehorse, but who has held a license in good standing, apply for a renewal after one, two or three years?

A survey of Arizona, Illinois, Kentucky, Louisiana, New York, Ohio, Texas and Pennsylvania revealed that each racing jurisdiction requires an applicant for license as horse owner to own a racehorse in the care of a licensed trainer. None of the jurisdictions would issue or renew an owner's license without proof of horse ownership.

## RECOMMENDATION

This item is presented for discussion and may be adopted by the Board. No comments were received during the 45-day public comment period.

CALIFORNIA HORSE RACING BOARD  
TITLE 4. CALIFORNIA CODE OF REGULATIONS  
ARTICLE 4. OCCUPATIONAL LICENSES  
DISCUSSION REGARDING THE FEASIBILITY OF AMENDING  
RULE 1505. QUALIFICATIONS FOR LICENSE AS HORSE OWNER

Regular Board Meeting  
August 19, 2008

1505. Qualifications for License as Horse Owner.

(a) No person may be licensed as a horse owner who is not the owner of record of a properly registered race horse which is in the care of a licensed trainer, or

(1) who does not have an interest in such race horse as a co-owner, part owner, or lessee, or

(2) who is not the responsible managing employee of a corporation or a limited liability company (Corporations Code section 17000 et seq.) which is the legal owner of such horse.

(b) No person licensed by the Board as a jockey, apprentice jockey, racing official, assistant starter or veterinarian's assistant shall be licensed also as a horse owner.

(c) A horse owner's license shall be granted to individual natural persons only.

(d) An applicant for renewal of a horse owner license whose license is in good standing with the Board, but who does not currently own a properly registered race horse which is in the care of a licensed trainer, or who does not have an interest in such race horse as a co-owner, part owner, or lessee, may renew such license as horse owner.

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

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

STAFF ANALYSIS  
PUBLIC HEARING AND ACTION BY THE BOARD ON THE  
PROPOSED AMENDMENT OF  
RULE 1606, COUPLING OF HORSES

Regular Board Meeting  
August 19, 2008

BACKGROUND

Business and Professions Code section 19420 provides that the Board shall have 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. Business and Professions Code section 19440 states the Board shall have all powers necessary and proper to enable it to carry out the purposes of this chapter. Responsibilities of the Board shall include adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. Business and Professions Code section 19562 provides the Board may prescribe rules, regulations, and conditions under which all horse races with wagering on their results shall be conducted in this State. Business and Professions Code section 19703 states the Board shall adopt rules governing, permitting and regulating mule racing and wagering on the races under the pari-mutuel system.

Board Rule 1606, Coupling of Horses, currently provides that two or more horses shall be coupled as a single wagering interest and as an entry when the same person or persons own such horses in whole or in part.

At the January 2008 Regular Board Meeting Vice-Chairman Harris proposed amending Rule 1606 to allow for the uncoupling of horses in thoroughbred races when the horses are owned by different partnerships with at least one partner in common, but the partnerships are not mirror images, and different trainers train the horses. During the discussion, TOC President Drew Couto announced that the TOC board supported the uncoupling of horses with common ownership. Jack Liebau, president of Bay Meadows and Hollywood Park, endorsed repealing the rule, indicating the uncoupling experiment in 2006 resulted in larger fields without any adverse consequences. Ron Charles, representing Santa Anita Park and Golden Gate Fields, said there was considerable fan opposition to repealing the rule, as it would allow horses with the same owner and trainer to race uncoupled.

The Board referred the issue to the Pari-Mutuel/ADW and Simulcast Committee (committee) to reconsider in its entirety. At its February 2008 Regular Meeting the Board heard the committee's recommendations regarding coupling. The committee recommended the Board waive (under Rule 1406, Suspension of Rule) the coupling

requirements of Rule 1606 for the 2008/2009 Breeders' Cup races, and for all non-overnight stakes races. In addition, the committee endorsed the proposed amendment to Rule 1606 that would allow the uncoupling of thoroughbred horses owned by different partnerships whose composition are not mirror images, but there was at least one partner with ownership interest in each partnership, and a different trainer trained each horse. Staff was directed to develop a text for the proposed amendment to Rule 1606 for Board consideration. At the March 2008 Regular Board Meeting staff was directed to initiate a 45-day public comment period regarding the proposed amendment to Rule 1606.

## ANALYSIS

The proposed amendment to Rule 1606 will allow the uncoupling of two or more thoroughbred horses entered in the same race, and that are owned by different partnerships whose composition are not mirror images, but where at least one partner has ownership interest in each partnership, and a different trainer trains each horse. New subsections 1606(b) and 1606(b)(1) provide that two or more horses entered in the same race do not have to be coupled if each is owned by different partnerships whose composition is not the same, but there is at least one partner with ownership in each of the partnerships. The Board has determined that when at least one person has common ownership amongst partnerships that have entered horses in the same race, the issue of coupling would not have the same weight as it would if only one individual owned the horses. Subsection 1606(b)(1) states at least one partner must have ownership in each of the partnerships. This is necessary, as coupling would not be an issue if there were no common ownership amongst the partnerships. There may be more than one partner with common ownership; in fact, all but one of the partners may have common ownership. Subsection 1606(b)(2) states different trainers must train the horses. The Board determined that different trainers must train the horses as many fans believe trainers have a greater ability to influence the outcome of a race than owners, and if uncoupling is to occur, different trainers will help remove any negative perceptions.

## RECOMMENDATION

This item is presented for discussion and may be adopted by the Board. No comments were received during the 45-day public comment period.

CALIFORNIA HORSE RACING BOARD  
TITLE 4. CALIFORNIA CODE OF REGULATIONS  
ARTICLE 6. ENTRIES AND DECLARATIONS  
PROPOSED AMENDMENT OF  
RULE 1606. COUPLING OF HORSES

Regular Board Meeting  
August 19, 2008

1606. Coupling of Horses.

(a) Two or more horses shall be coupled as a single wagering interest and as an entry when such horses are owned in whole or in part by the same person or persons.

~~(b) Quarter horse races are exempt from subsection (a) of this regulation.~~

(b) Subsection (a) of this regulation does not apply when two or more thoroughbred horses, each owned by different partnerships whose composition are not mirror images, are entered in the same race, and

(1) There is at least one partner who has an ownership interest in each of the partnerships,  
and

(2) Each horse is trained by a different trainer.

(c) Quarter horse races are exempt from subsection (a) of this regulation.

Authority: Sections 19420, 19440 and 19590,  
Business and Professions Code.

Reference: Section 19401,  
Business and Professions Code.

STAFF ANALYSIS  
PROPOSED WAIVER  
OF CHRB  
RULES FOR THE  
2008 BREEDERS' CUP

Regular Board Meeting  
August 19, 2008

BACKGROUND

In 1993, 1997, and 2003 Breeders' Cup, Ltd. requested exceptions to or waivers of a variety of the Board's rules and regulations. In preparation for the October 23-24, 2008 Breeders' Cup at Santa Anita, Breeders' Cup, Ltd. has requested the following four rules be waived. The waiver requests are the same requests that were granted by the Board in 2003, the last time California hosted the Breeders' Cup, with the exception of the request to use the European whip.

ANALYSIS

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

Rule 1481, Occupational Licenses and Fees, establishes the duration and fees of occupational licenses for persons desiring to participate in California racing on an ongoing basis; however, it is silent on special events such as Breeders' Cup. Historically, the Board has approved a special Breeders' Cup license which is valid through December 31 of the event year, and costs one-third of the fee specified in Rule 1481.

At its July 24, 2003 Regular Board Meeting, the Board discussed and ultimately passed the waiver of Rule 1481 for the Breeders' Cup, granting an owner or trainer license valid through December 31 of that year at a cost of \$50.00; however, it was not without a lengthy discussion. A few Commissioners expressed concern that the rule waiver would give an unfair advantage to out-of-state and out-of-country trainers and owners. They were also unsure whether other states and countries reciprocate waivers of rules during big racing events.

Staff contacted the New Jersey Racing Commission (Monmoth Park), the host of the 2007 Breeders' Cup, and the Kentucky Horse Racing Commission

(Churchill Downs), the 2006 host, to survey their response to the Breeders' Cup request for special Breeders' Cup licenses at reduced duration and cost.

The New Jersey Racing Commission and the Kentucky Horse Racing Commission did not grant a waiver of their licensing rule and Breeders' Cup participants were required to obtain occupational licenses at full cost; however, both racing jurisdictions' occupational license fee schedules differ from California's fee schedule. In New Jersey, an owner or trainers license is \$50 for a one year term, whereas in California it costs \$150 for a three year license as either a trainer or owner. New Jersey's license fee for both classes is already one-third the amount it costs in California. Kentucky also offers a one year license, but at a higher cost of \$100.

- B. Rule 1554, Duties of Horse Identifier.** Breeders' Cup has previously requested that all horses shipped from Europe to participate in the Breeders' Cup event be allowed to race without an identifying tattoo.

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

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

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

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

Rule 1685, Equipment Required, specifies the type of whip jockeys are allowed to use during California horse races. No whip shall weigh more than one-half (1/2) pound. No whip shall be used unless it has affixed to the end a looped

“popper” made of leather or other material approved by the stewards, not less than one and one-quarter (1 ¼ ) inches in width, and not over three (3) inches in length, and be “feathered” above the “popper” with not less than three (3) rows of “feathers” made of leather or other material approved by the stewards, each feather not less than one (1) inch in length. No whip shall exceed thirty-one (31) inches in length. All whips are subject to inspection and approval by the stewards.

CHRB Directive 02-07, issued July 27, 2007, authorizes a temporary suspension of the Rule 1685 to allow the use of a “kinder whip.” Specifically, the waiver authorizes whips with a narrower tip, or “popper,” than the traditional whips authorized by Rule 1685. The alternative whip must have a narrower popper, be made of softer material, and have padding to make the tip nearly round in configuration, eliminating hard edges on the sides. The authorized alternative whip must also have a longer popper than those authorized by Rule 1685, extending as far up as the handle on some models. For these alternative whips with poppers six inches or greater in length, feathers or loose leather strips are not required.

The European Flat Whip that Breeders’ Cup is requesting authorization to use is strictly specified by BHA Rule 149 ii. The whip approved to be carried in flat races has a maximum length, including flap of 70cms; with no binding within 17cms of the end of the flap; a minimum diameter of 1cm; overall weight not to exceed 160gms and the contact area of the shaft must be smooth, with no protrusion or raised surface, and covered by shock absorbing material throughout its circumference such that it gives a compression factor of at least 6mm. The only additional feature which may be attached to the whip is a flap. If the flap is attached it must fall within the following specifications: (A) Maximum length of the flap from the end of the shaft of 10cms (B) Maximum width of the flap of 4cms, with a minimum width of 2 cms; (C) The flap from the end of the shaft must not contain any reinforcements or additions; (D) The flap must have a similar shock absorbing characteristics to that of the contact area. Other than adjustments to the handle/grip, an approved whip must not be modified in any way. For avoidance of doubt the addition of tape to the flap or shaft is unacceptable.

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

## RECOMMENDATION

Staff recommends the Board approve a waiver of the following rules for the 2008 Breeders Cup:

- Rule 1481, Occupational Licenses and Fees
- Rule 1554, Duties of Horse Identifier
- Rule 1693, Control of Horses and Jockeys on Entering the Track
- Rule 1685, Equipment Required

STAFF ANALYSIS  
DISCUSSION AND ACTION BY THE BOARD ON THE  
PROPOSAL TO ADD  
RULE 2066. APPLICATION FOR LICENSE TO  
OPERATE A MINISATELLITE WAGERING FACILITY  
TO ALLOW FOR THE APPROVAL OF AN ADDITIONAL  
15 MINISATELLITE WAGERING FACILITIES PER ZONE  
AS AUTHORIZED BY  
BUSINESS AND PROFESSIONS CODE SECTION 19605.25

Regular Board Meeting  
August 19, 2008

## BACKGROUND

Assembly Bill (AB) 241 (Price), Chapter 594, Statutes of 2007, added sections 19410.7, 19605.25 and 19605.54 to the Business and Professions Code to provide that the Board may authorize up to 15 minisatellite wagering sites in each of the three zones (total 45) under certain conditions:

- No such minisatellite wagering site may be located within 20 miles of existing racetracks, satellite facilities or tribal casinos, without the permission of the existing facility.
- An agreement between the parties must be executed and approved by the Board.
- The Board must approve the minisatellite wagering facility site.
- Wagers may be accepted only in areas not accessible to persons less than 21 years of age.
- The Board must approve the accommodation, and technology used in wagering and in transmitting odds.
- Pari-mutuel clerks must be available to service the tote machines and cash wagering vouchers on a regularly scheduled basis.

To develop initial regulations to implement AB 241 staff worked with the industry and researched other racing jurisdictions with similar off-track wagering.

## ANALYSIS

The proposed addition of Rule 2066, Application for License to Operate a Minisatellite Wagering Facility, provides that an applicant will submit the form Application for License to Operate a Minisatellite Wagering Facility CHRB-88 (New 7/08), which is incorporated by reference in Rule 2066, at least 90 days prior to the scheduled start date of the minisatellite operation. The Board must approve or deny the application within 90 calendar days of the date the application is received at its headquarters office, unless the applicant is granted more time to supply missing information. The proposed regulation also describes the timelines under

which an applicant may appeal a denial of application, and under which the Board must respond. These deadlines are a requirement of the Administrative Procedures Act, and they allow the applicant to respond in a timely manner during the application process. The proposed regulation also states the Board may conduct investigations, inspections or request additional information from the applicant, as it deems appropriate, and that the Board shall be given access for review and audit of all records. This is in keeping with Business and Professions Code section 19433, which allows the Board to conduct investigations and place expert accountants and other persons as it may deem necessary in the office or other place of business of a licensee to ensure its rules and regulations are strictly complied with. Other provisions of the proposed regulation include:

- The term of license for a minisatellite wagering facility is two years as provided by Business and Professions Code section 19605.25(h). The fee for a minisatellite license is \$75.00.
- All advertisement for a minisatellite wagering facility shall contain a statement that no person under the age of 21 is allowed access, as provided by Business and Professions Code section 19605.25(a)(4). All advertisement must also provide information about a recognized problem-gambling support organization.

The Application for License to Operate a Minisatellite Wagering Facility CHRB-88 (new 7/08) is a three part application that must be completed by the applicant seeking to operate a minisatellite wagering facility; the racing associations that have reached an agreement with the applicant; and the simulcast organization that has reached an agreement to provide services necessary for the conduct of minisatellite wagering pursuant to Business and Professions Code sections 19605.25 and 19605.3. Part I is the applicant's portion of the application, and it provides information regarding the applicant; the applicant's business structure; management and staff; and the associations with whom the applicant has reached an agreement. In addition, Part I of the application contains instructions for the Full Disclosure Statement, which must be completed by the applicant. Each racing association with which the applicant has reached an agreement must complete Part II of the application (one Part II per racing association). The simulcast organization shall complete Part III of the application in conjunction with the applicant. Part III provides information about the operation of the minisatellite wagering facility, including supervision, security and fire prevention. Part III also describes the minisatellite wagering facility/site. Information regarding renewal of the minisatellite wagering facility license and declarations regarding labor agreements, service contractors and the requirements for full disclosure statements are included in Part III.

On July 24, 2008, staff distributed the proposed text of Rule 2066 to interested parties, and requested that any comments be forwarded to staff not later than close of business, August 1, 2008. A response was received from California Horse Racing Information Management System (CHRIMS). The CHRIMS response proposed folding the form CHRB-88 into the text of Rule 2066. However, that is already accomplished, as the form is incorporated by reference, which makes it the equivalent of the text. The concern expressed by CHRIMS was that if the form CHRB-88 was not part of the text, it could be changed without industry

review. That is not the case, because when a form is incorporated by reference in a regulation, it must go through the regulatory process before it can be amended. CHRIMS also modified the "General Information" sheet of the form by providing definitions of "facility owner" and "simulcast organization." Staff incorporated the definitions in the proposed text. The CHRIMS response is attached.

#### RECOMMENDATION

This item is presented for Board discussion and action.

CALIFORNIA HORSE RACING BOARD  
TITLE 4. CALIFORNIA CODE OF REGULATIONS  
ARTICLE 25.5. MINISATELLITE WAGERING  
PROPOSED ADDITION OF  
RULE 2066. APPLICATION FOR LICENSE TO  
OPERATE A MINISATELLITE WAGERING FACILITY

Regular Board Meeting  
August 19, 2008

2066. APPLICATION FOR LICENSE TO OPERATE A MINISATELLITE WAGERING FACILITY.

- (a) An applicant for license to operate a minisatellite wagering facility shall complete an Application for License to Operate a Minisatellite Wagering Facility CHRB-88 (New 7/08), hereby incorporated by reference, which is available at the Board's administrative office. The application must be filed not later than 90 days in advance of the scheduled start date of operation. The application must include a certified check in the amount of \$75.00 payable to the Treasurer of the State of California for the minisatellite license fee. The term of the license shall be two years from the date the license is issued.
- (b) The Board may conduct investigations, inspections or request additional information from the applicant, as it deems appropriate in determining whether to approve the license.
- (c) The Board, or its designee, shall be given access for review and audit of all records. The applicant shall, at its location during hours of operation, make such information available. The Board may require the applicant to annually submit audited financial statements.
- (d) All advertisements shall contain a statement that persons under 21 are not allowed access to the minisatellite wagering site. All advertisements shall contain contact information for a recognized problem-gambling support organization.

(e) The Board shall notify the applicant in writing within 30 calendar days from the date the application is received by the Board's administrative office if the application is complete or deficient. If the application is deficient, the notice shall include:

(1) Instructions as to what is required of the applicant to complete the application.

(2) Instructions for requesting additional time to satisfy the requirements listed in the notification, if needed.

(f) The Board shall approve or deny an application within 90 calendar days from the date it is received by the Board unless the applicant requests and is granted additional time to supply information.

(g) If the Board denies an application, the applicant has 30 calendar days from the date of receipt of the Board's denial notification to request a reconsideration of the Board's decision.

The request must be in writing and sent to the Board's administrative office. The Board shall respond in writing to the reconsideration request within 30 working days from the date of receipt of the request. If reconsideration is denied, the applicant may file for judicial review in accordance with Business and Professions Code section 19463.

(h) After a license to operate a minisatellite wagering facility is issued under this article, changes or amendments to information or operating procedures contained in the application for the license will be permitted by order of the Board or by Board approval of a request submitted in writing by the applicant.

Authority: Sections 19420, 19440, 19590 and 19605.25,  
Business and Professions Code.

Reference: Sections 19410.7, 19460 and 19605.25  
Business and Professions Code.

### GENERAL INFORMATION

1. The Simulcast Organization and Facility-Owner applicants agree that any license which may hereafter be granted to said individual or business organization is predicated upon the statements and answers herein contained and that for any false or misleading statements or lack of total disclosure, said license may be suspended or revoked. Applicants' background may be investigated and verified by the Board or its designee.
2. The applicants must supply complete responses. The information is to be provided as of the date of this application unless otherwise specified. Each applicant must respond separately to each request and identify each response by Exhibit Number corresponding to the number of the request.
3. Where a response to a particular question or exhibit is provided fully in a response to another question elsewhere in this application, or in the most recently filed application, the applicants may refer to the previous response. The applicants may refer to a partial response stated elsewhere in the application and complete the requested information.
4. If a question is inappropriate or not applicable indicate "N.A." on the application.
5. Part I of the application, which includes the Full Disclosure Statement, shall be completed by the Facility-Owner seeking to locate a Minisatellite Wagering Facility. The Simulcast Organization that has reached an agreement with the applicant to conduct minisatellite wagering shall complete Part II of the application.
6. The following terms are defined for your assistance in preparing this application:
  - a. "Minisatellite Wagering Site" means a location where satellite wagering may be conducted, with approval of the Board, provided that the wagering occurs in an area that is restricted to those who are 21 years of age or older. (Business and Professions Code section 19410.7)
  - b. "Minisatellite Wagering Facility" means the building in which the minisatellite wagering site is located.
  - c. "Facility-Owner" means the individual or business entity that owns or leases the Facility in which the Minisatellite Wagering Site is located.
  - d. "Simulcast-Organization" means the organization created under simulcast organization pursuant to Business and Professions Code section 19608.2, and will operate the Minisatellite Wagering Site.

Application is hereby made to the California Horse Racing Board (CHRB/Board) for a license to operate a minisatellite wagering facility in connection with a horseracing meeting and/or parimutuel wagering in accordance with the Business and Professions Code, Chapter 4, Division 8 (Horse Racing Law) and the California Code of Regulations, Title 4, Division 4 (Rules and Regulations of the California Horse Racing Board).

**Part I:** To be completed by applicant seeking to operate a minisatellite wagering facility pursuant to Business and Professions Code section 19605.25.

**Part II:** To be completed by association(s) that has/have reached an agreement with the applicant to conduct minisatellite wagering.

**Part III:** To be completed by simulcast organization that has reached an agreement to provide services necessary for the conduct of minisatellite wagering pursuant to Business and Professions Code sections 19605.25 & 19605.3.

**PART I  
 MINISATELLITE WAGERING APPLICANT INFORMATION**

**APPLICANT INFORMATION**

|   |  |  |  |
|---|--|--|--|
| Name of applicant:                            |  |  |  |
| The applicant is:                             |  | <input type="checkbox"/> Card Room/Gambling Establishment<br><input type="checkbox"/> Restaurant/Bar<br><input type="checkbox"/> Other Business Entity |  |
| <input type="checkbox"/> Racing Association   |  |  |  |
| <input type="checkbox"/> Fair                 |  |  |  |
| <input type="checkbox"/> Tribal Gaming Agency |  |  |  |
| Facility street address:                      |  |  |  |
| Mailing address (if different from above):    |  |  |  |
| E-mail address:                               |  |  |  |
| City:   | State:   | Zip Code:  |  |
| Phone:  | Fax:   | Website:   |  |
| County:                                       | Zone Location:<br>North <input type="checkbox"/> South <input type="checkbox"/> Central <input type="checkbox"/> |  |  |
| (To be completed by CHRB staff)               |  |  |  |

**CONTACT PERSON  
 (Authorized Representative)**

|  |         |           |
|--|---------|-----------|
| Name and title of the contact person:      |         |           |
| Business street address:                   |         |           |
| Mailing address (if different from above): |         |           |
| City:                                      | State:  | Zip Code: |
| County:                                    |         |           |
| Phone:                                     | E-mail: | Fax:      |

Dates during which the applicant proposes to operate as a minisatellite wagering facility:

NOTICE TO APPLICANT: If approved for license, the term of license shall not exceed two years pursuant to Business and Professions Code section 19605.25 (h).

Have you previously operated a licensed gaming operation in California or another state? Yes  No

If yes, provide the following:

Facility name and address:

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

County: \_\_\_\_\_

Timeframe operated:

Begin Date: \_\_\_\_\_

End Date: \_\_\_\_\_

Zone Location:

North  South  Central

(To be completed by CHRB staff)

Have you had a license gaming operation license that has been revoked or suspended. Yes  No

If yes, provide the following if different from above:

Facility name and address:

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Racing Jurisdiction: \_\_\_\_\_

**BUSINESS STRUCTURE**

Corporation

Public

Private

Sub-S

Sub-C

Limited Partnership

Limited Liability Company

Partnership & Joint Venture

Sole Proprietorship

Other

If you have listed your company as other please identify your company structure:

Registered Business Name: \_\_\_\_\_

Fictitious Business Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

State where registered or  
 Articles of Organization are filed: \_\_\_\_\_

Registry or File number: \_\_\_\_\_

Name of all officers, directors, and managers. For officers, directors, and managers that have no ownership, enter "0%" in the ownership column. For members of a Limited Liability Company, list membership interest in ownership column. For partners, following the individual's name indicate whether general or limited partners. (true names)

| Entity/Individual Name and Title | Entity's Business Address/<br>Individual's Address of Record | Ownership %<br>(if any) | Compensation<br>Agreement |
|----------------------------------|--|-------------------------|---------------------------|
|                                  |  |                         |                           |
|                                  |  |                         |                           |
|                                  |  |                         |                           |
|                                  |  |                         |                           |
|                                  |  |                         |                           |
|                                  |  |                         |                           |

Are shares listed for public trade?

Yes  No

If yes on what stock exchange?

If more than 50 percent 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.

**All entities that own 5 percent or more must fulfill the instructions for Full Disclosure Statement on Pages 5-7 of this application.**

Attach the most recent annual financial statement for the applicant, 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.

**MANAGEMENT AND STAFF**

Name and title of the managing officer(s) and/or general manager(s) of the business.

| Name | Title |
|------|-------|
|      |       |
|      |       |
|      |       |
|      |       |
|      |       |

**ASSOCIATION CONTRACT/AGREEMENT**

Name(s) of racing association(s) with whom you intend to have a contract or agreement:

Addresses of racing association(s):

Racing association(s) phone numbers:

Proposed contract dates: From: \_\_\_\_\_ To: \_\_\_\_\_ (inclusive).

Location(s) where minisatellite wagering will be conducted:

.....

Attach a certified check payable to the Treasurer of the State of California in the amount of \$75 for the minisatellite contractor's license fee.

---

**CHRB CERTIFICATION**

|                       |                        |
|-----------------------|------------------------|
| Application filed on: | 30-day Notice Letter:  |
| Fee received by:      | Approved on:           |
| Reviewed by:          | License number issued: |

---

**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 applicant contractor to attest to this application on its behalf.

|       |                                       |
|-------|---------------------------------------|
| Name  | Signature of Applicant Representative |
| Title | Date:                                 |

## INSTRUCTION SHEET FOR FULL DISCLOSURE STATEMENT

### Background Information and Ownership

By authority of Chapter 4, Division 8, Sections 19440 and 19480 of the California Business and Professions Code; and in order to allow an evaluation of the competence, integrity, and character of potential licensees, all applicants for license as contractors, sub-contractors and all concessionaires applying for Board approval, including any person, corporation, trust, association, partnership or joint venture which submits an application for license or approval shall comply with the provisions set forth below. Please use a separate sheet of paper to supply the requested information.

#### I. BACKGROUND INFORMATION

- (A) PERSONAL INFORMATION - Application documents must include for each individual who is a director, officer, or partner in the application, or an owner of an interest in the applicant of 5 percent or more:
- (1) The individual's full name and any previous names or aliases;
  - (2) the individual's date of birth;
  - (3) a physical description of the individual;
  - (4) the individual's business addresses and telephone numbers and
  - (5) a disclosure of employment, educational and military history for the past 20 years or since the age of 18 years.
- (A1) PERSONAL HISTORY - Application documents must include a completed Personal History Record, CHRB-25A, for each individual named in subsection (A) who is a director, officer, or partner in the application or an owner of an interest in the applicant of 5 percent or more.
- (B) RELATIONSHIP - The application documents must state, for each individual providing information under subsection (A) of this section, whether the individual is related to a member of the California Horse Racing Board or an employee of the Board. A half-relationship or step-relationship is considered to be a familial relationship for purposes of this section.
- (C) CORPORATIONS - If the applicant is a corporation, the application documents must state:
- (1) The state in which the applicant is incorporated and
  - (2) the name and address of the applicant's agent for service of process in California.
- (D) INDICTMENTS OR CONVICTIONS

If the applicant is a corporation, the application documents must include a statement disclosing whether the corporation is presently or has ever been indicted or convicted of a criminal offense, e.g., felony or misdemeanor.

#### II. OWNERSHIP

- (A) IDENTIFICATION AND LOCATION - The application documents must include:
- (1) A list of all names used by the applicant; and
  - (2) the name of the agent and the address and telephone number of the office of the applicant for service of process in California.

- (B) BUSINESS STRUCTURE - The application documents must describe the applicant's business structure and include an organizational chart.
- (C) ORGANIZERS - If the applicant is not an individual and was organized less than five years before the date on which the application documents are submitted to the Board, the application documents must state:
  - (1) The name of each individual who was an organizer or promoter of the applicant;
  - (2) the nature and amount of assets, services, or other consideration contributed to the applicant by an organizer or promoter of the applicant; and
  - (3) the nature and amount of anything of value given by the applicant to an organizer or promoter of the applicant.
- (D) ORGANIZATIONAL DOCUMENTS
  - (1) If the applicant is a corporation, the application documents must include:
    - (a) A statement of when and in what state the corporation was organized;
    - (b) a certified copy of the articles of incorporation and by-laws of the applicant;
    - (c) a statement and documentation of whether the corporation has been reorganized or reincorporated during the five year period preceding the date on which the application documents are submitted to the Board; and
    - (d) a statement and documentation of whether the corporation has filed restated articles of incorporation.
  - (2) If the applicant is an unincorporated business association, the application documents must include:
    - (a) A certified copy of each organizational document for the applicant, including any partnership agreement; and
    - (b) a description of any oral agreements involving the organization of the partnership.
- (E) CAPITAL STOCK
  - (1) If the applicant is authorized to issue capital stock, the application documents must include the information required by this section.
  - (2) The applicant must state the classes of stock authorized and the total shares of each class authorized. The applicant must state, for each class of stock:
    - (a) The par value, if any;
    - (b) the voting rights;
    - (c) the current rate of dividend; and
    - (d) the number of shares outstanding and the market value of each share.
  - (3) The application documents must list the name and address of each person who owns, of record or beneficially, at least 5 percent of stock. For each person listed under this subsection, the application documents must describe the nature of the person's ownership interest and the person's percentage of the total ownership interest.
  - (4) The application documents must include a certified copy of each voting trust or voting agreement in which at least 5 percent of the capital stock is held and must state:
    - (a) The name and address of each stockholder participating in the trust or agreement;

- (b) the class of stock involved; and
- (c) the total number of shares held by the trust or agreement.

(F) DIRECTORS, OFFICERS, AND PARTNERS

- (1) If the applicant is not an individual, the application documents must include a list of the individuals who are serving or who are designated to serve, during the first year after the date the application documents are submitted to the Board, as a director, officer, or partner of the applicant.
- (2) The list must state, for each individual listed under subsection (1) of this section:
  - (a) The individual's name and business address;
  - (b) each position or office of the applicant held by the individual;
  - (c) the individual's principal occupation during the five-year period preceding the date on which the application documents are submitted to the Board; and
  - (d) the nature and extent of any ownership interest that the individual has in the applicant.
- (3) Application documents must include a completed Personal History Record, CHRB-25A, for each individual named under subsection (1) of this section.

(G) CONTROLLING ENTITY

- (1) The application documents must state whether another entity exercises or is in a position to exercise control in the management or financial affairs of the applicant. The documents must describe the nature of the relationship between the entity and the applicant and the extent of control exercised by the entity.
- (2) If a non-individual entity owns an interest of 5 percent or more in the applicant, the application documents must include the information required by subsection (1) of this section as it relates to the non-individual entity.
- (3) The application documents must include information required by subsection (2) of this section for each non-individual entity identified in the application documents to the extent necessary to determine the identity of each individual who is an indirect holder of an ownership interest in the applicant.

(H) OUTSIDE INTERESTS AND LICENSE HISTORY

- (1) The application must state whether the applicant or a director, officer, or partner of the applicant;
  - (a) Has ever held an ownership interest in a licensee of the Board; or
  - (b) is currently engaged in the business of racing in another state.

**PART II**

**CONTRACTED ASSOCIATION INFORMATION**

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Telephone:

Fax number:

Racetrack name:

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name

Signature of association representative

Title

Date:

**PART III  
SIMULCAST ORGANIZATION INFORMATION**

To be completed by approved simulcast organization that has executed an agreement approved by the CHRB with the association conducting a racing meeting with the minisatellite wagering facility pursuant to Business and Professions Code sections 19605.25 and 19605.3.

**OPERATION OF THE MINISATELLITE WAGERING FACILITY**

Simulcast organization engaged by the association to conduct simulcast wagering:

Attach the agreement between the association and simulcast organization permitting the minisatellite wagering facility to use the association's live audiovisual signal for wagering purposes and providing access to it totalizator for the purpose of combining on-track and off-track pari-mutuel pools.

Submit a copy of each horsemen's written approvals.

Hours for operation of the facility:

Hours for operation of the minisatellite wagering site:

Time periods during the calendar year the facility **will not** be utilized as a minisatellite wagering facility (explain why):

If approved, wagering will be offered on live race meetings being held or conducted by the following California racing association(s):

List the host track from which the minisatellite wagering facility proposes to import out-of-state and/or out-of-country 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":

Estimated number of pari-mutuel terminals machines available:

Attach a proposed staffing plan for the facility and/or minisatellite wagering site, to include the number of security personnel and the number of pari-mutuel clerks pursuant to Business and Professions Code section 19605.25 (5)(b).

**SUPERVISION, SECURITY AND FIRE PREVENTION**

Changes to management personnel and minisatellite manager(s) must be immediately reported to the Board.

Name of the individual(s) responsible for the day-to-day operation of the minisatellite facility:

| Name and Title | CHRB License No. and Expiration Date |
|----------------|--------------------------------------|
|                |                                      |
|                |                                      |
|                |                                      |

Attach a certificate of insurance for workers' compensation coverage including carrier and the policy number securing the applicant's liability for payment of workers' compensation is (if self-insured, provide details):

Attach a fire clearance from the fire authority having jurisdiction.

Attach a security plan to include: the name, title and phone number of the person having responsibility for security controls, the number of security officers and/or guards and the police or sheriff's department having jurisdiction for criminal law enforcement over the premises of the facility.

Is there a backup emergency plan for power failure? Yes  No

If yes, describe.

### MINISTELLITE WAGERING SITE

Attach a detailed scale plan of the facility indicating all points of access to facility, emergency exits, placement of offices, and food and beverage service location and detailing the location of the proposed minisatellite wagering site. Identify how the designated minisatellite wagering area will be restricted to patrons 21 years and over. Attach photos of the minisatellite wagering site.

**NOTICE TO APPLICANT.** Pursuant to Business and Professions Code section 19605.25 (4) wagers placed at a minisatellite site must be in an area that is restricted to those who are 21 years of age or older.

### FACILITY DESCRIPTION

Describe the food and beverage services to be offered (full meals served; cafeteria-style full meals; short-order counter service; pre-ordered prepared sandwiches and fast foods available; full bar services; or other description as appropriate):

The seating capacity in the minisatellite wagering facility is:

The number of tables in the minisatellite wagering area is:

Overall square footage in the minisatellite wagering area is:

Attach a photograph of the minisatellite wagering area.

Describe occupancy restrictions, if any, imposed by the fire authority having jurisdiction:

The total number of parking spaces available in the parking areas can accommodate (number of standard sized automobiles):

Describe any other activities to be scheduled on or near the facility premises that may have a negative impact on available parking:

### EQUIPMENT PROVIDED BY THE MINISATILLITE WAGERING FACILITY

Describe the television equipment (satellite receivers, decoders, controls, monitors, etc.) to be utilized at the facility:

Describe the public address equipment (controls, microphones, speakers, etc.) to be utilized at the facility:

**ADVERTISING AND PATRON DEVELOPMENT**

Describe any advertising or promotional plans:

Describe any improvements to the facility that will directly benefit minisatellite wagering:

**NOTICE TO APPLICANT:** Pursuant to Board Rule 2066 all advertisement shall contain a statement that persons under 21 are not allowed to participate in minisatellite wagering. All advertisement shall contain contact information for a recognized problem-gambling support organization.

**ADMISSIONS, CHARGES AND SERVICE FEES**

Complete if applicable and note N/A if not

Admissions charges, if any, are:

Parking charges, if any, are:

Program charges, if any, are:

Seating charges, if any, are:

**RENEWAL**

Complete this section only if renewing your license.

Is this a renewal application: Yes  No

Have there been any changes since the submission of your last application for authorization to operate a minisatellite wagering facility? Yes  No

Have any changes occurred affecting ownership or controlling interest in your business structure or establishment since your last application? Yes  No

If you have answered, "Yes", to any of the questions above please attach a detailed statement describing the change.

How many years have you been an approved minisatellite wagering facility?

**AGREEMENTS**

Attach a copy of the agreement between the minisatellite wagering facility applicant, association(s) and the simulcast organizations(s) that sets forth therein the duties of the respective parties.

Attach a copy of the written consent of the horsemen's organization(s), if applicable, consenting to the acceptance of wagers at the facility.

Attach copies of **all applicable county, city or agency agreements** that may affect the minisatellite wagering facility.

**NOTICES TO APPLICANT**

Notice is given to the applicant that its application, if approved by the Board, authorizes the applicant to offer pari-mutuel wagering at its minisatellite wagering facility until notified otherwise.

Notice is given that retention of and control over all moneys generated from pari-mutuel wagering held or conducted at the facility is the responsibility of the simulcast organization(s) which contract(s) to provide the pari-mutuel equipment and pari-mutuel employees; and that such organization(s) is (are) responsible for its proper distribution in accordance with the law and the

rules and regulations of the Board.

Notice is given that CHRB Rules 1870 and 1871 require that the Board be given 15 days notice in writing of any intention to terminate operations, engagements, or services by any licensee, or approved contractor.

**DECLARATIONS**

All labor agreements, concession contracts, service contracts, horsemen's agreements, lease agreements, agreements with the simulcast organization(s) necessary to conduct and operate the simulcast wagering program at the facility, lease or rental agreement with the facility landlord and all applicable county, city or agency agreements that may affect the minisatellite wagering facility have been finalized except as follows (if there are no exceptions, so state):

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 license except as follows (if there are no exceptions, so state):

Absent natural disasters or causes beyond the control of the applicant, its service contractors, concessionaires or employees engaged at the facility, no reasons are believed to exist that may result in a stoppage to the conduct of pari-mutuel wagering at the facility or the withholding of any vital service to the applicant except as follows (if there are no exceptions, so state):

By authority of Article 9.2, of the Business and Professions Code; and the Federal Indian Gaming Act; to allow an evaluation of the competence, integrity, and character of potential simulcast facility operators, any person, corporation, trust association, partnership, joint venture, or management firm who submits an application for such license or who is named in such application and who is not a State or County entity, or has not previously completed such disclosure when filing for a horseracing application pursuant to Article 4, section 19480 of the Business and Professions Code shall be required to complete and submit a full disclosure statement.

**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 applicant to attest to this application on its behalf.

Print name of minisatellite facility applicant representative:

Date:

Signature of minisatellite facility representative:

Date:

Print name of association representative:

Date:

Signature of association representative:

Date:

Print name of simulcast organization representative:

Date:

Signature of simulcast organization representative:

Date:

# CHRIMS COMMENT

### GENERAL INFORMATION

1. The Simulcast Organization and Facility-Owner applicants agree that any license which may hereafter be granted to said individual or business organization is predicated upon the statements and answers herein contained and that for any false or misleading statements or lack of total disclosure, said license may be suspended or revoked. Applicants' background may be investigated and verified by the Board or its designee.
2. The applicants must supply complete responses. The information is to be provided as of the date of this application unless otherwise specified. Each applicant must respond separately to each request and identify each response by Exhibit Number corresponding to the number of the request.
3. Where a response to a particular question or exhibit is provided fully in a response to another question elsewhere in this application, or in the most recently filed application, the applicants may refer to the previous response. The applicants may refer to a partial response stated elsewhere in the application and complete the requested information.
4. If a question is inappropriate or not applicable indicate "N.A." on the application.
5. Part I of the application, which includes the Full Disclosure Statement, shall be completed by the Facility-Owner seeking to locate a Minisatellite Wagering Facility. The Simulcast Organization that has reached an agreement with the applicant to conduct minisatellite wagering shall complete Part II of the application.
6. The following terms are defined for your assistance in preparing this application:
  - a. "Minisatellite Wagering Site" means a location where satellite wagering may be conducted, with approval of the Board, provided that the wagering occurs in an area that is restricted to those who are 21 years of age or older. (Business and Professions Code section 19410.7)
  - b. "Minisatellite Wagering Facility" means the building in which the minisatellite wagering site is located.
  - c. "Facility-Owner" means the individual or business entity that owns or leases the Facility in which the Minisatellite Wagering Site is located.
  - d. "Simulcast-Organization" means the organization created under simulcast organization pursuant to Business and Professions Code section 19608.2, and will operate the Minisatellite Wagering Site.

CALIFORNIA HORSE RACING BOARD  
TITLE 4. CALIFORNIA CODE OF REGULATIONS  
ARTICLE 25.5. MINISATELLITE WAGERING  
PROPOSED ADDITION OF  
RULE 2066. APPLICATION FOR LICENSE TO  
LOCATE A MINISATELLITE WAGERING FACILITY AND OPERATE A  
MINISATELLITE WAGERING SITE

2066. APPLICATION FOR LICENSE TO LOCATE A MINISATELLITE WAGERING  
FACILITY AND OPERATE A MINISATELLITE WAGERING SITE.

(a) In order to locate minisatellite wagering facility and operate a minisatellite wagering site, a Facility-Owner and Simulcast Organization, pursuant to Business and Professions Code section 19608.2, (Simulcast Organization), must have an executed agreement between the parties. The Simulcast Organization and Facility-Owner will jointly complete and submit an Application for License to Locate a Minisatellite Wagering Facility and Operate a Minisatellite Wagering Site CHR-88 (New 7/08), hereby incorporated by reference, which is available at the Board's administrative office. The application must be filed not later than 90 days in advance of the scheduled start date of operation. The Board may waive this requirement if it deems it is in the best interest of California horseracing. The application must include a certified check in the amount of \$75.00 payable to the Treasurer of the State of California for the Minisatellite License fee to Locate a Minisatellite Wagering Facility . The term of the license shall be two years from the date the license is issued.

(b) The Board may conduct investigations, inspections or request additional information from the applicants, as it deems appropriate in determining whether to approve the license.

(c) The following is the information necessary to be completed by applicant Facility-Owner seeking to locate a Minisatellite Wagering Facility pursuant to Business and Professions Code

section 19605.25., and shall be submitted jointly with the information necessary to be completed by the Simulcast Organization operator in section (d).

**MINISATELLITE WAGERING LOCATION and APPLICANT INFORMATION SHALL INCLUDE THE FOLLOWING:**

Date application was filed

The applicant must have an executed agreement with the Simulcast Organization before proceeding with the filing of this application to allow the applicant to offer mini-satellite pari-mutuel wagering at the designated location(s). This application will be filed simultaneously with the Simulcast Organization's application to operate a minisatellite site at applicant's locations(s). It is the responsibility of the Simulcast Organization to make sure Facility-Owner has provided all necessary information and documentation when submitting the application.

Facility-Owner applicant will be required to provide the following:

**Background Information and Ownership**

By authority of Chapter 4, Division 8, Sections 19440 and 19480 of the California Business and Professions Code; and in order to allow an evaluation of the competence, integrity, and character of potential licensees, all applicants for license as contractors, sub-contractors and all concessionaires applying for Board approval, including any person, corporation, trust, association, partnership or joint venture which submits an application for license or approval shall comply with the provisions set forth below.

**I. BACKGROUND INFORMATION**

(A) PERSONAL INFORMATION - Application documents must include for each individual who is a director, officer, or partner in the application, or an owner of an interest in the applicant of 5 percent or more:

- (1) The individual's full name and any previous names or aliases;
- (2) the individual's date of birth;
- (3) a physical description of the individual;
- (4) the individual's business addresses and telephone numbers and
- (5) a disclosure of employment, educational and military history for the past 20 years or since the age of 18 years.

(A1) PERSONAL HISTORY - Application documents must include a completed Personal History Record, CHRB-25A, for each individual named in subsection (A) who is a director, officer, or partner in the application or an owner of an interest in the applicant of 5 percent or more.

(B) RELATIONSHIP - The application documents must state, for each individual providing information under subsection (A) of this section, whether the individual is related to a member of the California Horse Racing Board or an employee of the Board. A half-relationship or step-relationship is considered to be a familial relationship for purposes of this section.

(C) CORPORATIONS - If the applicant is a corporation, the application documents must state:

- (1) The state in which the applicant is incorporated and
- (2) the name and address of the applicant's agent for service of process in California.

(D) INDICTMENTS OR CONVICTIONS

If the applicant is a corporation, the application documents must include a statement disclosing whether the corporation is presently or has ever been indicted or convicted of a criminal offense, e.g., felony or misdemeanor.

## II. OWNERSHIP

(A) IDENTIFICATION AND LOCATION - The application documents must include:

- (1) A list of all names used by the applicant; and

- (2) the name of the agent and the address and telephone number of the office of the applicant for service of process in California.
- (B) BUSINESS STRUCTURE - The application documents must describe the applicant's business structure and include an organizational chart.
- (C) ORGANIZERS - If the applicant is not an individual and was organized less than five years before the date on which the application documents are submitted to the Board, the application documents must state:
- (1) The name of each individual who was an organizer or promoter of the applicant;
  - (2) the nature and amount of assets, services, or other consideration contributed to the applicant by an organizer or promoter of the applicant; and
  - (3) the nature and amount of anything of value given by the applicant to an organizer or promoter of the applicant.
- (D) ORGANIZATIONAL DOCUMENTS If the applicant is a corporation, the application documents must include:
- (a) A statement of when and in what state the corporation was organized;
  - (b) a certified copy of the articles of incorporation and by-laws of the applicant;
  - (c) a statement and documentation of whether the corporation has been reorganized or reincorporated during the five year period preceding the date on which the application documents are submitted to the Board; and
  - (d) a statement and documentation of whether the corporation has filed restated articles of incorporation.
- (2) If the applicant is an unincorporated business association, the application documents must include:
- (a) A certified copy of each organizational document for the applicant, including any partnership agreement; and
  - (b) a description of any oral agreements involving the organization of the partnership.
- (E) CAPITAL STOCK

- (1) If the applicant is authorized to issue capital stock, the application documents must include the information required by this section.
- (2) The applicant must state the classes of stock authorized and the total shares of each class authorized. The applicant must state, for each class of stock:
  - (a) The par value, if any;
  - (b) the voting rights;
  - (c) the current rate of dividend; and
  - (d) the number of shares outstanding and the market value of each share.
- (3) The application documents must list the name and address of each person who owns, of record or beneficially, at least 5 percent of stock. For each person listed under this subsection, the application documents must describe the nature of the person's ownership interest and the person's percentage of the total ownership interest.
- (4) The application documents must include a certified copy of each voting trust or voting agreement in which at least 5 percent of the capital stock is held and must state:
  - (a) The name and address of each stockholder participating in the trust or agreement;
  - (b) the class of stock involved; and
  - (c) the total number of shares held by the trust or agreement.

**(F) DIRECTORS, OFFICERS, AND PARTNERS**

- (1) If the applicant is not an individual, the application documents must include a list of the individuals who are serving or who are designated to serve, during the first year after the date the application documents are submitted to the Board, as a director, officer, or partner of the applicant.
- (2) The list must state, for each individual listed under subsection (1) of this section:

- (a) The individual's name and business address;
  - (b) each position or office of the applicant held by the individual;
  - (c) the individual's principal occupation during the five-year period preceding the date on which the application documents are submitted to the Board; and
  - (d) the nature and extent of any ownership interest that the individual has in the applicant.
- (3) Application documents must include a completed Personal History Record, CHR-25A, for each individual named under subsection (1) of this section.

(G) CONTROLLING ENTITY

- (1) The application documents must state whether another entity exercises or is in a position to exercise control in the management or financial affairs of the applicant. The documents must describe the nature of the relationship between the entity and the applicant and the extent of control exercised by the entity.
- (2) If a non-individual entity owns an interest of 5 percent or more in the applicant, the application documents must include the information required by subsection (1) of this section as it relates to the non-individual entity.
- (3) The application documents must include information required by subsection (2) of this section for each non-individual entity identified in the application documents to the extent necessary to determine the identity of each individual who is an indirect holder of an ownership interest in the applicant.

(H) OUTSIDE INTERESTS AND LICENSE HISTORY

- (1) The application must state whether the applicant or a director, officer, or partner of the applicant;
  - (a) Has ever held an ownership interest in a licensee of the Board; or
  - (b) is currently engaged in the business of racing in another state.

Dates during which the applicant proposes to operate as a Minisatellite Wagering Facility:

NOTICE TO FACILITY-OWNER APPLICANT: If approved for license, the term of license shall not exceed two years pursuant to Business and Professions Code section 19605.25 (h).

Have you previously operated a licensed gaming operation in California or another state?

Have you had a license gaming operation license that has been revoked or suspended?

Who will be the primary person responsible for the Minisatellite Facility?

Attach the most recent annual financial statement for the applicant, including balance sheet, profit and loss, and cash flow statements, 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.

If more than 50 percent 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.

(d) To be completed by Simulcast Organization that has reached an agreement to provide services necessary for the conduct of minisatellite wagering pursuant to Business and Professions Code sections 19605.25 & 19605.3.

The following information will be provided the Simulcast Organization:

Operation of the Minisatellite Wagering Facility

Supervision, security, and fire prevention

Minisatellite Wagering Site

Name and Title of the responsible party of the Minisatellite Wagering Facility

CHRB License No. and Expiration Date

Facility Description

Equipment to be provided by Simulcast Operator

Equipment to be provided by Facility-Owner

Advertising and Patron Development Plan

Admissions, charges, and service fees if any

### Renewal Agreements

Attach a copy of the agreement between the Facility-Owner, Simulcast Organization Minisatellite Wagering Facility and Site applicants, that sets forth therein the duties of the respective parties.

Attach a copy of the written consent of the horsemen's organization(s), if applicable, consenting to the acceptance of wagers at the facility.

Attach copies of all applicable county, city or agency agreements that may affect the minisatellite wagering facility.

Notice is given to the applicant that its application, if approved by the Board, authorizes the applicant to offer pari-mutuel wagering at the Minisatellite Wagering Site until notified otherwise.

The Simulcast Organization and Facility-Owner

## DECLARATIONS

All labor agreements, concession contracts, service contracts, horsemen's agreements, lease agreements, agreements with the simulcast organization(s) necessary to conduct and operate the simulcast wagering program at the facility, lease or rental agreement with the facility landlord and all applicable county, city or agency agreements that may affect the Minisatellite Wagering Site have been finalized except as follows (if there are no exceptions, so state):

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 license except as follows (if there are no exceptions, so state):

Absent natural disasters or causes beyond the control of the applicant, its service contractors, concessionaires or employees engaged at the facility, no reasons are believed to exist that may result in a stoppage to the conduct of pari-mutuel wagering at the facility or the withholding of any vital service to the applicant except as follows (if there are no exceptions, so state):

By authority of Article 9.2, of the Business and Professions Code; and the Federal Indian Gaming Act; to allow an evaluation of the competence, integrity, and character of potential

simulcast facility operators, any person, corporation, trust association, partnership, joint venture, or management firm who submits an application for such license or who is named in such application and who is not a State or County entity, or has not previously completed such disclosure when filing for a horseracing application pursuant to Article 4, section 19480 of the Business and Professions Code shall be required to complete and submit a full disclosure statement.

Notice is given that retention of and control over all moneys generated from pari-mutuel wagering held or conducted at the Facility is the responsibility of the Simulcast Organization(s) which contract(s) to provide the pari-mutuel equipment and pari-mutuel employees; and that such organization(s) is (are) responsible for its proper distribution in accordance with the law and the rules and regulations of the Board.

Notice is given that CHRB Rules 1870 and 1871 require that the Board be given 15 days notice in writing of any intention to terminate operations, engagements, or services by any licensee, or approved contractor.

Certification by Simulcast Organization and Facility-Owner

(e) The Board, or its designee, shall have access to review any documentation at the Minisatellite Facility pertaining to the operation of the Minisatellite Site and pari-mutuel wagering. The applicant shall, at its location during hours of operation, make such information available. The Board may require the applicant to annually submit financial statements.

(f) All advertisements shall contain a statement that persons under 21 are not allowed access to the Minisatellite Wagering Site. All advertisements shall contain contact information for a recognized problem-gambling support organization.

(g) The Board shall notify the applicant in writing within 30 calendar days from the date the application is received by the Board's administrative office if the application is complete or deficient. If the application is deficient, the notice shall include:

(1) Instructions as to what is required of the applicant to complete the application.

(2) Instructions for requesting additional time to satisfy the requirements listed in the notification, if needed.

(h) The Board shall approve or deny an application within 90 calendar days from the date it is received by the Board unless the applicant requests and is granted additional time to supply information.

(i) If the Board denies an application, the applicant has 30 calendar days from the date of receipt of the Board's denial notification to request a reconsideration of the Board's decision.

The request must be in writing and sent to the Board's administrative office. The Board shall respond in writing to the reconsideration request within 30 working days from the date of receipt of the request. If reconsideration is denied, the applicant may file for judicial review in accordance with Business and Professions Code section 19463.

(j) After a license to operate a Minisatellite Wagering Facility and Minisatellite Wagering Site is issued under this article, changes or amendments to information or operating procedures contained in the application for the license will be permitted by order of the Board or by Board approval of a request submitted in writing by the applicant.

Authority: Sections 19420, 19440, 19590 and 19605.25,  
Business and Professions Code.

Reference: Sections 19410.7, 19460 and 19605.25  
Business and Professions Code.

LEGISLATIVE UPDATE  
CALIFORNIA HORSE RACING BOARD  
HORSERACING BILLS

Pending Bills

Regular Board Meeting  
August 19, 2008

ASSEMBLY BILLS

**AB 1289(Price) Fairs: Wagering: Out-of-Zone, Out-of-State, and Out-of-Country Races.**

**Introduced:** 02/23/2007

**Last Amend:** 06/18/2008

**Status:** 06/26/2008-Read second time. To third reading.

**Location:** 06/26/2008-S THIRD READING

**Calendar:** 08/11/08 81 SEN THIRD READING FILE

**Summary:** This bill clarifies current law to allow the San Mateo County Fair, or other fair or racing association with overlapping racing dates with the Humboldt County Fair, to continue to accept wagers on out-of-zone, out-of-state, and out-of-country races and split satellite wagering revenue when their signal distributor, Bay Meadows, ceases to operate.

**AB 2048(Silva) Horse Racing: Harness or Quarter Horse Races**

**Introduced:** 02/19/2008

**Last Amend:** 08/12/2008

**Status:** 08/13/2008-From SECOND READING: Read second time. To THIRD READING.

**Location:** 08/13/2008-S THIRD READING

**Calendar:** 08/13/08 32 SEN SECOND READING FILE

**Summary:** This bill would increase the number of races a harness and quarter horse racing association may import (out-of-state or out-of-country) on live racing days from 6 to 8 races.

This bill was amended August 12, 2008, to extend the sunset date, from January 1, 2009 to January 1, 2014, on a deduction from the total amount handled in exotic pools at a quarter horse race meeting in order to defray the costs of pay or workers' compensation insurance and to require the Board to review regulations governing satellite wagering facilities, in an attempt to reduce the cost of operating these facilities.

**AB 2103(Plescia) Horse Racing: Thoroughbred Racing: Workers' compensation.**

**Introduced:** 02/19/2008

**Last Amend:** 04/23/2008

**Status:** 08/07/2008-In Assembly. To enrollment.

**Location:** 08/07/2008-A ENROLLMENT

**Summary:** This bill extends the sunset date, from January 1, 2009 to January 1, 2014, on a deduction from the total amount handled in exotic pools on thoroughbred horse racing in order to defray the costs of pay or workers' compensation insurance.

**AB 2205(Garrick) Horse Racing: Racing Weeks: Allocations.**

**Introduced:** 02/20/2008

**Last Amend:** 06/19/2008

**Status:** 07/10/2008-Read second time. To third reading.

**Location:** 07/10/2008-S THIRD READING

**Calendar:** 08/11/08 121 SEN THIRD READING FILE

**Summary:** This bill would authorize the Board to allocate race dates formerly allocated to a thoroughbred racing association in the central zone (Hollywood Park) to other racing associations or racing fairs that conducted licensed race meetings in 2008 in the southern or central zone if Hollywood Park is not available for racing in 2009 or thereafter. The total number of racing weeks in the central and southern zone cannot exceed the total aggregate permitted under Business and Professions Code section 19531.

This bill permits the southern or central racing associations or racing fairs that conduct racing in 2009 and beyond, together with the organization that represents thoroughbred horsemen, to annually submit an agreed upon plan of race date allocation that the Board may adopt. If a race date allocation plan is not submitted, the Board shall determine the allocation of race dates for the following year.

**AB 2258(Evans) Horse Racing: License Fees: Shortfalls: Pro Rata Assessment.**

**Introduced:** 02/21/2008

**Last Amend:** 07/02/2008

**Status:** 08/07/2008-Urgency clause adopted. Senate amendments concurred in. To enrollment.

**Location:** 08/07/2008-A ENROLLMENT

**Summary:** This bill clarifies existing law by specifying that if the total amount paid to the state as "license fees" by racing associations and fairs is less than forty million dollars (\$40,000,000) in any calendar year, all associations and fairs that conducted live racing during the year of the shortfall shall remit to the state, on a pro rata basis according to the amount paid as license fees by each association or fair, the amount necessary to bring the total amount paid to the state as license fees to \$40,000,000.

**AB 3073(Committee on Governmental Organization) Horse Racing: Racing Days.**

**Introduced:** 03/13/2008

**Last Amend:**

**Status:** 06/30/2008-From Consent Calendar. To third reading.

**Location:** 06/30/2008-S THIRD READING

**Calendar:** 08/11/08 88 SEN THIRD READING FILE

**Summary:** This bill deletes the requirement that the racing days allocated to fair racing associations be during the period in which general fair activities are conducted.

**AB 3074(Committee on Governmental Organization) Horse racing.**

**Introduced:** 03/13/2008

**Last Amend:**

**Status:** 07/10/2008-Read second time. To third reading.

**Location:** 07/10/2008-S THIRD READING

**Calendar:** 08/11/08 124 SEN THIRD READING FILE

**Summary:** This bill would authorize the California Horse Racing Board (CHRB) to permit a California harness racing association to accept wagers on the full card of races conducted by another racing association on the day that other association conducts the Kentucky Futurity.

## SENATE BILLS

**SB 560(Wiggins) Horses: Sale, Purchase, or Transfer.**

**Introduced:** 02/22/2007

**Last Amend:** 08/12/2008

**Status:** 08/12/2008-Re-referred to Com. on RLS.

**Location:** 08/12/2008-A RLS.

**Summary:** This bill would require any sale, purchase, or transfer of an equine, as defined, to be accompanied by a written bill of sale or acknowledgment of purchase, and a security agreement setting forth the purchase price, and signed by both the purchaser and seller or their duly authorized agents, as specified. The bill also provides that it is unlawful for any person to act as a dual agent, as defined, unless certain conditions are met, and would make it unlawful for a person acting as an agent to receive in excess of \$500 in compensation or in other items of value, related to that transaction, other than from the agent's principal, unless certain conditions are met. The bill would allow any person injured by a violation of its provisions to recover treble damages, plus other expenses.

This bill, sponsored by Jess Jackson, is a gut and amend, effective August 12, 2008, to address horseracing.

Per Senator Wiggins's office this bill will not move this year. The bill is "flawed" as written and will be used as a working document for next year introduction. The author's office recognizes that it inadvertently deleted the Board's authority to suspend or revoke the license of any person who violates this section, as reflected in current law. The bill maybe amended this session to ONLY add this language back. SB 560 will not go forward this year.

**SB 561(Margett) Horse Racing: Racing Days.**

**Introduced:** 02/22/2007

**Last Amend:** 07/15/2008

**Status:** 08/04/2008-Read second time. To third reading.

**Location:** 08/04/2008-A THIRD READING

**Calendar:** 08/11/08 277 ASM THIRD READING FILE

**Summary:** This bill would increase the number of racing weeks an association licensed to conduct thoroughbred racing in the northern zone may race from 22 weeks of racing to up to 35 weeks of racing.

**SB 1635(Negrete McLeod) Horse Racing: Out-of-State Thoroughbred Races:**

**Number of Races.**

**Introduced:** 02/22/2008

**Last Amend:** 06/18/2008

**Status:** 08/07/2008-Set, second hearing. Held in committee and under submission.

**Location:** 08/08/2008-A APPR. SUSPENSE FILE

**Summary:** This bill would eliminate the 1998 cap on the number of out-of-state thoroughbred on which wagers may be accepted statewide in any given year. This bill would also increase the total number of thoroughbred races that may be imported by an association or fair on a statewide bases from 23 races per day to 40 races per day. (Spot Bill)

AMENDED IN SENATE JUNE 18, 2008

AMENDED IN ASSEMBLY APRIL 9, 2007

CALIFORNIA LEGISLATURE—2007-08 REGULAR SESSION

ASSEMBLY BILL

No. 1289

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Introduced by Assembly Member Price

February 23, 2007

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An act to amend Section ~~19604~~ 19601.2 of the Business and Professions Code, relating to horse racing.

LEGISLATIVE COUNSEL'S DIGEST

AB 1289, as amended, Price. ~~Advance deposit wagering: out-of-state providers. Fairs: wagering: out-of-zone, out-of-state, and out-of-country races.~~

*Existing law provides that when the San Mateo County Fair, or other fair or thoroughbred association, and the Humboldt County Fair simultaneously conduct race meetings, the San Mateo County Fair, or other fair or thoroughbred association, is authorized to distribute the signal and accept wagers on out-of-zone, out-of-state, and out-of-country races if it complies with specified conditions.*

*Under existing law, for the period in which both fairs are conducting race meetings, the San Mateo County Fair, or other fair or thoroughbred association, is required to give to the Humboldt County Fair 0.75% of the out-of-zone, out-of-state, and out-of-country handle. Existing law requires the San Mateo County Fair to distribute the remaining amount by retaining 50% and distributing it equally as commissions and purses with the other 50% being paid to the state as a license fee.*

*This bill would make clarifying changes to the above provisions.*

~~Existing law authorizes advance deposit wagering to be conducted, with the approval of the California Horse Racing Board. Under existing law, advance deposit wagering is defined as a form of parimutuel wagering in which a person residing within California or outside of the state establishes an account with a licensee, board-approved betting system, or multijurisdictional wagering hub located within California or outside of the state.~~

~~This bill would remove from that definition, and from all provisions related to the authorization of advance deposit wagering, the reference to a multijurisdictional wagering hub located outside of the state.~~

~~Under existing law, in order for a licensee, betting system, or multijurisdictional wagering hub to be approved by the board to conduct advance deposit wagering, it must meet certain requirements.~~

~~This bill would add to those requirements that the employees who operate and administer the advance deposit wagering on a daily basis shall work in California.~~

~~Existing law requires the California Horse Racing Board to adopt rules to license and regulate all phases of operation of advance deposit wagering for licensees, betting systems, and multijurisdictional hubs located in California.~~

~~This bill would require the rules adopted by the board to include a requirement that employees represented in the same or similar classifications be employed at a ratio of one employee for every \$20,000 in wagers handled by those licensees, betting systems, and multijurisdictional hubs.~~

~~Existing law specifies how the amount received as a market access fee from advance deposit wagers shall be distributed.~~

~~This bill would require that a specified amount of that fee be used to establish and administer a defined contribution retirement plan for California jockeys, as specified.~~

~~Under existing law, the provisions relating to advance deposit wagering will be repealed on January 1, 2008.~~

~~This bill would delay the repeal date until January 1, 2011.~~

~~Vote: majority. Appropriation: no. Fiscal committee: yes-no. State-mandated local program: no.~~

*The people of the State of California do enact as follows:*

- 1 *SECTION 1. Section 19601.2 of the Business and Professions*
- 2 *Code is amended to read:*

1 19601.2. (a) During calendar periods when the San Mateo  
2 County Fair, or other fair or thoroughbred association, and the  
3 Humboldt County Fair simultaneously conduct race meetings *in*  
4 *the northern zone*, the San Mateo County Fair, or other fair or  
5 thoroughbred association, shall be the association authorized to  
6 distribute the signal and accept wagers on out-of-zone, out-of-state,  
7 and out-of-country races if it complies with the conditions specified  
8 in subdivision (a) of Section 19601. The amounts deducted from  
9 these wagers shall be distributed as provided in Section 19601,  
10 and license fees on races conducted by the Humboldt County Fair  
11 and on out-of-zone, out-of-state, or out-of-country races shall be  
12 as specified in subdivision (h) of Section 19601. Additionally,  
13 from, and to the extent of, license fees generated from the total  
14 handle of the San Mateo County Fair, or other fair or thoroughbred  
15 association, during the overlap, the San Mateo County Fair, or  
16 other fair or thoroughbred association, shall distribute to the  
17 Humboldt County Fair, not less than seven days after the close of  
18 the racing meeting, an amount equal to 0.75 percent of the  
19 out-of-zone, out-of-state, and out-of-country handle. From the  
20 amount remaining, if any, 50 percent shall be retained by the San  
21 Mateo County Fair, *or other fair or thoroughbred association*, to  
22 be distributed equally as commissions and purses, and 50 percent  
23 shall be paid to the state as a license fee.

24 (b) During calendar periods when the Fresno District Fair and  
25 any thoroughbred association in the northern zone both conduct  
26 race meetings, the thoroughbred association shall be the association  
27 authorized to distribute the signal and accept wagers on  
28 out-of-zone, out-of-state, and out-of-country races, if it complies  
29 with the conditions specified in subdivision (a) of Section 19601.  
30 The amounts deducted from these wagers shall be distributed as  
31 provided in Section 19601, and license fees on races conducted  
32 by the Fresno District Fair and on out-of-zone, out-of-state, or  
33 out-of-country races shall be as specified in subdivision (h) of  
34 Section 19601. Additionally, from, and to the extent of, license  
35 fees generated from the total handle of the thoroughbred association  
36 during the overlap, the thoroughbred association shall distribute  
37 to the Fresno District Fair, not less than seven days after the close  
38 of the racing meeting, an amount equal to 0.75 percent of the  
39 out-of-zone, out-of-state, and out-of-country handle. From the  
40 amount remaining, if any, 50 percent shall be retained by the

1 thoroughbred association to be distributed equally as commissions  
2 and purses, and 50 percent shall be paid to the state as a license  
3 fee.

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**All matter omitted in this version of the bill  
appears in the bill as amended in Assembly,  
April 9, 2007. (JR11)**

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AMENDED IN SENATE AUGUST 12, 2008

AMENDED IN ASSEMBLY APRIL 9, 2008

CALIFORNIA LEGISLATURE—2007-08 REGULAR SESSION

ASSEMBLY BILL

No. 2048

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Introduced by Assembly Member Silva

February 19, 2008

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An act to amend ~~Section 19596.1~~ *Sections 19596.1 and 19605.76* of the Business and Professions Code, relating to horse racing, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2048, as amended, Silva. ~~Horse racing: harness or quarter horse races: out-of-state or out-of-country. racing.~~

Under existing law, the California Horse Racing Board is authorized to permit a harness or quarter horse association conducting a race meeting to accept wagers on the results of out-of-state, out-of-country, and sometimes other harness or quarter horse races, if specified conditions are met, including that the association conducts at least 7 live races and imports not more than 6 races on live racing days.

This bill would revise that provision to instead permit the association to import not more than 8 races on live racing days.

*Existing law authorizes the operation of satellite wagering facilities.*

*This bill would require the board to review the regulations governing the operation of satellite wagering facilities, in an attempt to reduce the cost of operating these facilities.*

*Existing law authorizes a quarter horse racing association to deduct an additional 0.5% of the total amount handled in its exotic parimutuel*

*pools, under certain conditions, to be distributed as specified. This authorization expires as of January 1, 2009.*

*This bill would extend that authorization to January 1, 2014.*

Under existing law, revenues distributed to the state as license fees from horse racing are required to be deposited in the Fair and Exposition Fund and are continuously appropriated to the Department of Food and Agriculture for various regulatory and general governmental purposes.

By providing for the importation of additional out-of-state and out-of-country races, this bill would authorize additional wagering, and would increase the amount of continuously appropriated license fees, thereby making an appropriation.

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 19596.1 of the Business and Professions  
2 Code is amended to read:  
3 19596.1. (a) Notwithstanding any other provision of law, the  
4 board may authorize a harness or quarter horse association  
5 conducting a race meeting to accept wagers on the results of  
6 out-of-state or out-of-country harness or quarter horse races and,  
7 with the board's approval and with the concurrence of the  
8 horsemen's organization contracting with the association, other  
9 designated harness or quarter horse races during the period it is  
10 conducting the racing meeting, if all of the following conditions  
11 are met:  
12 (1) The authorization complies with federal laws, including, but  
13 not limited to, Chapter 57 (commencing with Section 3001) of  
14 Title 15 of the United States Code.  
15 (2) Wagering is offered only within the racing inclosure and  
16 only within 36 hours of the running of the out-of-state feature race.  
17 (3) The association conducts at least seven live races, and  
18 imports not more than eight races on those days during a racing  
19 meeting when live races are being run, except as provided in  
20 subdivision (b).  
21 (4) If only one breed of horse specified in this section is being  
22 raced on a given day, then the association conducting the live  
23 racing may import those races which would otherwise be simulcast  
24 by the association which is not racing, provided that the total

1 number of harness or quarter horse races imported in a calendar  
2 year does not exceed the number of night races imported in 1998  
3 after 5:30 p.m. After the usual deductions, including the portion  
4 for the racing association, the portion remaining for purses from  
5 these races shall be distributed equally for purses for harness  
6 horsemen and quarter horse horsemen.

7 (5) No quarter horse or harness racing association shall accept  
8 wagers on out-of-state or out-of-country quarter horse or harness  
9 races commencing before 5:30 p.m., Pacific standard time, without  
10 the consent of any thoroughbred association or fair that is then  
11 conducting a live racing meeting in this state.

12 (b) An association that is authorized to import races pursuant  
13 to subdivision (a) may, at its sole discretion, import fewer than the  
14 maximum number of harness or quarter horse races authorized in  
15 paragraph (3) of subdivision (a). For up to two races per night, for  
16 each race that is not imported under the maximum authorized by  
17 paragraph (3) of subdivision (a) on a particular night of racing, the  
18 association may add a race to the number of races allowable under  
19 the maximum authorization on another night of racing. However,  
20 no more than two races may be added under this subdivision to  
21 the number allowable on a single night, and the total number of  
22 imported races over a calendar year may not exceed the total  
23 number of imported races authorized pursuant to paragraphs (3)  
24 and (4) of subdivision (a).

25 *SEC. 2. Section 19605.76 of the Business and Professions Code*  
26 *is amended to read:*

27 19605.76. (a) Notwithstanding Section 19610, a quarter horse  
28 racing association may deduct an additional 0.5 percent of the total  
29 amount handled in its exotic parimutuel pools. This additional  
30 deduction shall only be permitted with the approval of the  
31 organization representing quarter horsemen and horsewomen at  
32 the applicable racing association meet.

33 (b) Any funds collected pursuant to subdivision (a) from exotic  
34 parimutuel pools on races within the inclosure of a racetrack, at  
35 satellite wagering facilities within this state, and through advance  
36 deposit wagering by residents of this state, shall be distributed to  
37 the organization described in subdivision (e) to be used in  
38 accordance with subdivision (d).

39 (c) Any quarter horse racing association that authorizes a betting  
40 system located outside of this state to accept exotic wagers on its

1 races and to combine those wagers in the association's exotic  
2 parimutuel pools, including, but not limited to, a multijurisdictional  
3 wagering hub as to exotic wagers made by residents other than  
4 those of this state, may deduct the amount specified in subdivision  
5 (a) in addition to any other applicable deductions specified in law.  
6 Any amount deducted pursuant to this subdivision shall be  
7 distributed to the organization described in subdivision (e) to be  
8 used in accordance with the provisions of subdivision (d). This  
9 additional deduction shall not be included in the amount on which  
10 license fees are determined pursuant to Section 19602.

11 (d) The amounts distributed to the organization described in  
12 subdivision (e) shall be deposited by that organization in a separate  
13 account to defray workers' compensation insurance costs for  
14 trainers and owners who are racing horses at the applicable quarter  
15 horse racing association meet. Any funds not expended for this  
16 purpose in the calendar year in which they are collected may either  
17 be used for the following year's workers' compensation costs, as  
18 specified above, or to benefit the purse pools at the track where  
19 the funds are generated. Funds to benefit purse pools shall be  
20 allocated by breed, in the same proportions as each breed generated  
21 in deductions under this section at the track in the year the funds  
22 were collected.

23 (e) The quarter horse racing association and the organization  
24 representing quarter horsemen and horsewomen shall form an  
25 organization to which any funds deducted pursuant to subdivisions  
26 (b) and (c) shall be distributed. The quarter horse associations  
27 collectively shall have representation equal to that of the  
28 organization representing quarter horsemen and horsewomen on  
29 the governing board of the organization formed pursuant to this  
30 subdivision.

31 (f) If the quarter horse racing association and the organization  
32 representing quarter horsemen and horsewomen cannot agree on  
33 the manner for distributing these funds to defray the costs of  
34 workers' compensation insurance, the matter shall be submitted  
35 to the California Horse Racing Board for a decision consistent  
36 with subdivision (d), and the decision of the board shall be final.

37 (g) This section shall remain in effect only until January 1, ~~2009~~  
38 2014, and as of that date is repealed, unless a later enacted statute,  
39 that is enacted before January 1, ~~2009~~ 2014, deletes or extends  
40 that date.

1     *SEC. 3. Due to a decrease in handle at several satellite*  
2     *wagering facilities, the California Horse Racing Board shall review*  
3     *the regulations governing the operation of satellite wagering*  
4     *facilities, in an attempt to reduce the cost of operating these*  
5     *facilities.*

O

AMENDED IN ASSEMBLY APRIL 9, 2008

CALIFORNIA LEGISLATURE—2007-08 REGULAR SESSION

ASSEMBLY BILL

No. 2048

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Introduced by Assembly Member Silva

February 19, 2008

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An act to amend Section ~~19533~~ 19596.1 of the Business and Professions Code, relating to horse racing, *and making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2048, as amended, Silva. Horse racing: ~~thoroughbred racing, harness or quarter horse races: out-of-state or out-of-country.~~

*Under existing law, the California Horse Racing Board is authorized to permit a harness or quarter horse association conducting a race meeting to accept wagers on the results of out-of-state, out-of-country, and sometimes other harness or quarter horse races, if specified conditions are met, including that the association conducts at least 7 live races and imports not more than 6 races on live racing days.*

*This bill would revise that provision to instead permit the association to import not more than 8 races on live racing days.*

*Under existing law, revenues distributed to the state as license fees from horse racing are required to be deposited in the Fair and Exposition Fund and are continuously appropriated to the Department of Food and Agriculture for various regulatory and general governmental purposes.*

*By providing for the importation of additional out-of-state and out-of-country races, this bill would authorize additional wagering, and would increase the amount of continuously appropriated license fees, thereby making an appropriation.*

~~Existing law gives the California Horse Racing Board the authority to regulate horse racing and parimutuel wagering on horse races in California. Existing law generally requires that any license granted to an association other than a fair shall be for only a single type of racing, except that the board may authorize the participation of thoroughbred and Appaloosa horses in quarter horse races subject to specified conditions. Existing law also provides that any association licensed to conduct quarter horse racing may apply to the board for, and be granted, the authority to conduct thoroughbred racing as part of its racing program, provided that specified conditions are met, including, among others, that the thoroughbred races are for a claiming price of not more than \$5,000.~~

~~This bill would increase the claiming price to not more than \$8,000.~~

~~Vote: majority <sup>2</sup>/<sub>3</sub>. Appropriation: no yes. Fiscal committee: no yes. State-mandated local program: no.~~

*The people of the State of California do enact as follows:*

1     *SECTION 1. Section 19596.1 of the Business and Professions*  
 2     *Code is amended to read:*

3     19596.1. (a) Notwithstanding any other provision of law, the  
 4     board may authorize a harness or quarter horse association  
 5     conducting a race meeting to accept wagers on the results of  
 6     out-of-state or out-of-country harness or quarter horse races and,  
 7     with the board’s approval and with the concurrence of the  
 8     horsemen’s organization contracting with the association, other  
 9     designated harness or quarter horse races during the period it is  
 10    conducting the racing meeting, if all of the following conditions  
 11    are met:

12    (1) The authorization complies with federal laws, including, but  
 13    not limited to, Chapter 57 (commencing with Section 3001) of  
 14    Title 15 of the United States Code.

15    (2) Wagering is offered only within the racing inclosure and  
 16    only within 36 hours of the running of the out-of-state feature race.

17    (3) The association conducts at least seven live races, and  
 18    imports not more than ~~six~~ *eight* races on those days during a racing  
 19    meeting when live races are being run, except as provided in  
 20    subdivision (b).

21    (4) If only one breed of horse specified in this section is being  
 22    raced on a given day, then the association conducting the live

1 racing may import those races which would otherwise be simulcast  
2 by the association which is not racing, provided that the total  
3 number of harness or quarter horse races imported in a calendar  
4 year does not exceed the number of night races imported in 1998  
5 after 5:30 p.m. After the usual deductions, including the portion  
6 for the racing association, the portion remaining for purses from  
7 these races shall be distributed equally for purses for harness  
8 horsemen and quarter horse horsemen.

9 (5) No quarter horse or harness racing association shall accept  
10 wagers on out-of-state or out-of-country quarter horse or harness  
11 races commencing before 5:30 p.m., Pacific standard time, without  
12 the consent of any thoroughbred association or fair that is then  
13 conducting a live racing meeting in this state.

14 (b) An association that is authorized to import races pursuant  
15 to subdivision (a) may, at its sole discretion, import fewer than the  
16 maximum number of harness or quarter horse races authorized in  
17 paragraph (3) of subdivision (a). For up to two races per night, for  
18 each race that is not imported under the maximum authorized by  
19 paragraph (3) of subdivision (a) on a particular night of racing, the  
20 association may add a race to the number of races allowable under  
21 the maximum authorization on another night of racing. However,  
22 no more than two races may be added under this subdivision to  
23 the number allowable on a single night, and the total number of  
24 imported races over a calendar year may not exceed the total  
25 number of imported races authorized pursuant to paragraphs (3)  
26 and (4) of subdivision (a).

27 ~~SECTION 1.—Section 19533 of the Business and Professions~~  
28 ~~Code is amended to read:~~

29 ~~19533.—(a) Any license granted to an association other than a~~  
30 ~~fair shall be only for one type of racing, thoroughbred, harness, or~~  
31 ~~quarter horse racing as the case may be, except that the board may~~  
32 ~~authorize the entering of thoroughbred and Appaloosa horses in~~  
33 ~~quarter horse races at a distance not exceeding five furlongs at~~  
34 ~~quarter horse meetings, mixed breed meetings, and fair meetings.~~  
35 ~~If the board authorizes the entering of thoroughbred or Appaloosa~~  
36 ~~horses in quarter horse races, the following conditions shall be~~  
37 ~~met:~~

38 ~~(1) Any race written for participation by quarter horses;~~  
39 ~~Appaloosas, and thoroughbreds shall be written as quarter horse~~  
40 ~~preferred.~~

1 ~~(2) The number of races written as quarter horse preferred at a~~  
2 ~~distance exceeding 870 yards shall not exceed more than three~~  
3 ~~races per program without the consent of the quarter horse~~  
4 ~~horsemen's organization contracting with the association.~~

5 ~~(3) More than one-half of the races on any program shall be for~~  
6 ~~quarter horses at a distance not to exceed 550 yards, unless the~~  
7 ~~consent of the quarter horse horsemen's organization is received.~~

8 ~~(4) Mixed races with Appaloosa and quarter horses may only~~  
9 ~~be written with the consent of the quarter horse horsemen's~~  
10 ~~organization contracting with the association.~~

11 ~~(5) Thoroughbreds shall constitute less than half the number of~~  
12 ~~horses in these races although an exception may be granted on a~~  
13 ~~race-to-race basis with the consent of the quarter horse horsemen's~~  
14 ~~organization contracting with the association.~~

15 ~~(b) The association that conducts the meeting shall pay to a~~  
16 ~~thoroughbred trainers' organization an amount for a pension plan~~  
17 ~~for backstretch personnel to be administered by that trainers'~~  
18 ~~organization equivalent to 1 percent of the amount available to~~  
19 ~~thoroughbred horses for purses. The remainder of the portion shall~~  
20 ~~be distributed as purses. Any redistributable money paid to the~~  
21 ~~board pursuant to Section 19641, which is paid to a welfare fund~~  
22 ~~established by a horsemen's organization from races with both~~  
23 ~~thoroughbred and quarter horses, shall be divided pro rata between~~  
24 ~~the two welfare funds based on the number of thoroughbreds and~~  
25 ~~quarter horses in the race.~~

26 ~~(c) (1) Notwithstanding any other provision of law, any~~  
27 ~~association licensed to conduct quarter horse racing may apply to~~  
28 ~~the board for, and the board shall grant, authority to conduct~~  
29 ~~thoroughbred racing as part of its racing program if all of the~~  
30 ~~following conditions are met:~~

31 ~~(A) The thoroughbred races are for a claiming price of not more~~  
32 ~~than eight thousand dollars (\$8,000), and at a distance of four and~~  
33 ~~one-half furlongs or less. The races may not be stakes, allowance~~  
34 ~~races, or maiden allowance races.~~

35 ~~(B) More than one-half of the races on any program shall be for~~  
36 ~~quarter horses at a distance not to exceed 550 yards, unless the~~  
37 ~~consent of the quarter horse horsemen's organization is received.~~

38 ~~(C) The consent of the quarter horse horsemen's organization~~  
39 ~~contracting with the association is obtained with respect to the~~  
40 ~~inclusion of thoroughbred racing.~~

1     ~~(2) The quarter horse racing association conducting~~  
2     ~~thoroughbred racing pursuant to this subdivision shall pay to a~~  
3     ~~quarter horse horsemen's organization the amount specified in~~  
4     ~~subdivision (e) of Section 19613, and an amount for a pension~~  
5     ~~plan for backstretch personnel to be administered by a~~  
6     ~~thoroughbred trainers' organization equivalent to 1 percent of the~~  
7     ~~amount available to thoroughbred horses for purses. The remainder~~  
8     ~~of the portion shall be distributed as purses. The quarter horse~~  
9     ~~racing association shall also deduct the appropriate amount to~~  
10    ~~comply with subdivision (a) of Section 19617.2 for distribution~~  
11    ~~to the thoroughbred official registering agency.~~

**Assembly Bill No. 2103**

\_\_\_\_\_  
Passed the Assembly May 15, 2008

\_\_\_\_\_  
*Chief Clerk of the Assembly*

\_\_\_\_\_  
Passed the Senate August 7, 2008

\_\_\_\_\_  
*Secretary of the Senate*

\_\_\_\_\_  
This bill was received by the Governor this \_\_\_\_ day  
of \_\_\_\_\_, 2008, at \_\_\_\_ o'clock \_\_\_\_M.

\_\_\_\_\_  
*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to amend Section 19605.75 of the Business and Professions Code, relating to horse racing.

## LEGISLATIVE COUNSEL'S DIGEST

AB 2103, Plescia. Horse racing: thoroughbred racing: workers' compensation.

Existing law, operative until January 1, 2009, provides that every thoroughbred association and fair that conducts a racing meet shall deduct a percentage of the total amount handled in exotic parimutuel pools of thoroughbred races, which shall be distributed to a thoroughbred racing association to defray costs of workers' compensation insurance in connection with thoroughbred horses that race in this state, as specified. Existing law provides that any funds that are not used to defray the cost of workers' compensation insurance shall either be carried forward to the subsequent year or used to reimburse racing associations for safety-related expenditures, as specified.

This bill would extend the operation of these provisions until January 1, 2014. The bill would also make conforming and technical, nonsubstantive changes.

*The people of the State of California do enact as follows:*

SECTION 1. Section 19605.75 of the Business and Professions Code is amended to read:

19605.75. (a) The Legislature finds and declares that the existence of high caliber thoroughbred racing in California is important to this state's agricultural economy. The California horse racing industry is being threatened by the escalating costs of doing business in California, including, but not limited to, workers' compensation insurance costs, in that these costs are not only causing thoroughbred horses and trainers to leave this state, but are also discouraging owners and trainers from bringing horses into this state to compete. It is the intent of the Legislature to provide some relief from these escalating costs through the redistribution of the parimutuel handle on exotic wagers.

(b) Notwithstanding Section 19610, every thoroughbred association and fair that conducts a racing meet shall deduct an additional 0.5 percent of the total amount handled in exotic parimutuel pools of thoroughbred races.

(c) The funds collected pursuant to subdivision (b) from exotic parimutuel pools on thoroughbred races within the inclosure of a thoroughbred association or fair conducting a race meeting, at satellite wagering facilities within this state, and through advance deposit wagering by residents of this state, shall be distributed to the organization described in subdivision (f) to be used in accordance with subdivision (e).

(d) Any thoroughbred association or fair that authorizes a betting system located outside of this state to accept exotic wagers on its races and to combine those wagers in the association's or fair's exotic parimutuel pools, including, but not limited to, a multijurisdictional wagering hub as to exotic wagers made by residents other than those of this state, shall deduct the amount specified in subdivision (b) in addition to any other applicable deductions specified in law. The amount deducted pursuant to this subdivision shall be distributed to the organization described in subdivision (f) to be used in accordance with subdivision (e). This additional deduction shall not be included in the amount on which license fees are determined pursuant to Section 19602.

(e) The amounts distributed to the organization described in subdivision (f) shall be deposited by that organization in a separate account to defray the costs of workers' compensation insurance incurred in connection with thoroughbred horses that race in this state at thoroughbred associations and racing fairs through the payment of supplemental premiums that reduce rates, payment to or for the benefit of trainers and owners of such thoroughbreds, based on the number of such thoroughbreds they start, in order to reimburse them for the costs of workers' compensation insurance directly or indirectly incurred by them, and other appropriate payments. Any funds that are not used for the purposes set forth in this subdivision shall, after an affirmative vote of at least 25 of the voting interests of the organization described in subdivision (f), either be carried forward to the subsequent year, or be used to reimburse racing associations for the actual cost of health and safety programs, research or safety equipment, or making capital improvements that are designed to prevent workplace accidents

and increase the safety of jockeys, exercise riders, backstretch employees, and other racetrack personnel. Those capital improvements shall include, but not be limited to, safety improvements to racing and training surfaces. All requests for reimbursements shall be approved by the board. In developing proposals for approval by the board, the association shall confer with their horsemen's organizations and all affected labor organizations or associations.

(f) The thoroughbred racing associations and the owners' organization described in subdivision (b) of Section 19613 shall form an organization to which funds shall be distributed pursuant to subdivisions (c) and (d). This organization shall have a total of 34 voting interests, of which 16 shall be allocated to the organization representing thoroughbred owners pursuant to Section 19613, one shall be allocated to the official registering agency for thoroughbreds in California, and one shall be allocated to the organization representing thoroughbred trainers pursuant to Section 19613. The remaining 16 votes shall be allocated among the licensed racing associations and racing fairs in the state. Each racing association and fair shall receive the portion of these remaining votes represented by the sum of exotic wagering on its races divided by the statewide total of exotic wagering in the preceding calendar year, excluding Breeders Cup races. Fractional voting shall be permitted. Any decision of this organization with respect to the allocation of funds pursuant to subdivisions (c) and (d) shall require the affirmative vote of 25 of these voting interests. In the event that the required number of affirmative votes cannot be obtained, the matter shall be submitted to the board for a decision consistent with subdivision (e), and the decision of the board shall be final.

(g) (1) The organization formed pursuant to this section shall account annually to the board with respect to the expenditure and distribution of funds received by the organization pursuant to subdivisions (c) and (d), and shall obtain an independent audit of fund generation and distribution. A copy of the completed audit shall be forwarded to the board within 45 days of its receipt by the organization.

(2) No earlier than 18 months and no later than two years following the effective date of this section, the organization described in subdivision (f) shall commission an independent

evaluation of the effectiveness of the distributions under this section along with recommendations for any improvements or modifications regarding the program created in this section. A copy of that evaluation along with a report detailing the organization's response to the evaluation shall be filed with the board within 30 days of the receipt of the final evaluation.

(h) Between January 1, 2014, and July 1, 2014, any unexpended funds collected under this section shall be distributed to organizations formed and operated pursuant to Sections 19607 and 19607.2 based upon the total thoroughbred handle in their respective zones in the year 2013.

(i) Except for subdivision (h), this section shall become inoperative on January 1, 2014, and as of January 1, 2015, this entire section is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

Approved \_\_\_\_\_, 2008

\_\_\_\_\_  
*Governor*

AMENDED IN SENATE JUNE 19, 2008

AMENDED IN ASSEMBLY APRIL 23, 2008

AMENDED IN ASSEMBLY APRIL 2, 2008

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2205**

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**Introduced by Assembly Member Garrick**

February 20, 2008

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An act to add Section 19531.2 to the Business and Professions Code, relating to horse racing.

LEGISLATIVE COUNSEL'S DIGEST

AB 2205, as amended, Garrick. Horse racing: racing weeks: ~~22nd District Agricultural Association: allocations.~~

Existing law generally creates district agricultural associations, which are state institutions.

Existing law, the Horse Racing Law, generally regulates horse racing and vests the administration and enforcement of the Horse Racing Law in the California Horse Racing Board. Existing law requires the board to make allocations of racing weeks as it deems appropriate and specifies the maximum number of racing weeks that may be allocated for horse racing other than at fairs, including, for thoroughbred racing, a maximum of 44 weeks per year in the northern zone, 42 weeks per year in the central zone, and 7 weeks per year in the southern zone.

This bill would, in the event a venue used for thoroughbred racing by an association licensed to conduct thoroughbred racing in the central zone in 2008 is not available for racing in 2009 or thereafter, ~~permit the board to authorize the 22nd District Agricultural Association to use allocations of racing weeks from the central zone and conduct~~

~~thoroughbred racing throughout the year, whether or not those racing days coincide with an annual fair, so long as authorize the board to allocate the dates formerly allocated to that venue to other associations or fairs that conducted licensed race meetings in 2008 in the southern or central zone in accordance with specified requirements, including, among others, that a certain agreed upon plan of allocation be submitted annually to the board and that the aggregate racing weeks conducted in the southern and central zones do not exceed the total aggregate racing weeks allocated, as specified.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 19531.2 is added to the Business and  
2 Professions Code, to read:

3 ~~19531.2. Notwithstanding Section 19531 and any other~~  
4 ~~provision of law, in the event a venue used for thoroughbred racing~~  
5 ~~by an association licensed to conduct thoroughbred racing in the~~  
6 ~~central zone in 2008 is not available for racing in 2009 or thereafter,~~  
7 ~~the board may authorize the 22nd District Agricultural Association~~  
8 ~~to use allocations of racing weeks from the central zone and~~  
9 ~~conduct thoroughbred racing throughout the year, whether or not~~  
10 ~~those racing days coincide with an annual fair, so long as the~~  
11 ~~aggregate racing weeks conducted in the southern and central zones~~  
12 ~~do not exceed the total aggregate racing weeks allocated pursuant~~  
13 ~~to Section 19531.~~

14 *19531.2. Notwithstanding any other provision of law, in the*  
15 *event a venue used for thoroughbred racing by an association*  
16 *licensed to conduct thoroughbred racing in the central zone in*  
17 *2008 is not available for racing in 2009 or thereafter, the dates*  
18 *formerly allocated to that venue shall be available for allocation*  
19 *to other associations or fairs, and those associations and fairs that*  
20 *conducted licensed race meetings in 2008 in the southern or central*  
21 *zone may conduct additional racing using an allocation of those*  
22 *unused dates from the central zone in accordance with all of the*  
23 *following:*

24 *(a) Absent its consent to accept a lesser allocation, an*  
25 *association or fair that conducted licensed race meetings in 2008*  
26 *in the southern or central zone shall be entitled to an allocation*

1 of not less than the dates allocated to it during 2007 or 2008,  
2 whichever is greater.  
3 (b) An association or fair continuing to conduct racing in 2009  
4 and beyond, together with the organization representing  
5 thoroughbred horsemen, shall annually, on a date set by the board,  
6 submit an agreed upon plan of allocation that the board may adopt.  
7 In the event an agreed upon plan of allocation is not presented to  
8 the board in any year, the board shall determine the appropriate  
9 allocation for the year following.  
10 (c) The aggregate allocation of racing weeks conducted in the  
11 southern and central zones shall not exceed the total aggregate  
12 racing weeks permitted to be run in the southern and central zones  
13 by Section 19531.

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Assembly Bill No. 2258

\_\_\_\_\_  
Passed the Assembly August 7, 2008

\_\_\_\_\_  
*Chief Clerk of the Assembly*

\_\_\_\_\_  
Passed the Senate July 10, 2008

\_\_\_\_\_  
*Secretary of the Senate*

\_\_\_\_\_  
This bill was received by the Governor this \_\_\_\_ day  
of \_\_\_\_\_, 2008, at \_\_\_\_ o'clock \_\_\_\_M.

\_\_\_\_\_  
*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to amend Section 19616.51 of the Business and Professions Code, relating to horse racing, and declaring the urgency thereof, to take effect immediately.

## LEGISLATIVE COUNSEL'S DIGEST

AB 2258, Evans. Horse racing: license fees: shortfalls: pro rata assessment.

Existing law, the Horse Racing Law, provides that if the total amount paid to the state by racing associations and fairs is less than \$40,000,000 in any calendar year, all associations and fairs that conducted live racing during the year of the shortfall are required to remit certain amounts, on a pro rata basis according to the amount handled in-state by each association or fair, in order to attain that \$40,000,000 total.

This bill would specify instead that if the total amount paid to the state as license fees by racing associations and fairs is less than \$40,000,000 in any calendar year, all associations and fairs that conducted live racing during the year of the shortfall shall remit to the state, on a pro rata basis according to the amount paid as license fees by each association or fair, the amount necessary to bring the total amount paid to the state as license fees to \$40,000,000.

This bill would declare that it is to take effect immediately as an urgency statute.

*The people of the State of California do enact as follows:*

SECTION 1. Section 19616.51 of the Business and Professions Code is amended to read:

19616.51. Notwithstanding any other provision of law, if the total amount paid to the state as license fees by racing associations and fairs pursuant to this chapter is less than forty million dollars (\$40,000,000) in any calendar year, beginning January 1, 2001, and thereafter, all associations and fairs that conducted live racing during the year of the shortfall shall remit to the state, on a pro rata basis according to the amount paid as license fees by each

association or fair, the amount necessary to bring the total amount paid to the state as license fees to forty million dollars (\$40,000,000). The amounts due under this section, if any, shall be paid from the amount available for commissions, purses, and breeder awards, and shall be paid to the board prior to March 1 of the year following the year of the shortfall.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that the California Horse Racing Board can properly account for, and collect all license fees paid to, the state by racing associations and fairs in the 2008 calendar year and collect any shortfall due from the 2008 horse racing season by March 1, 2009, in compliance with statute, it is necessary for this act to take effect immediately.

Approved \_\_\_\_\_, 2008

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*Governor*

## ASSEMBLY BILL

No. 3073

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**Introduced by Committee on Governmental Organization (Torrico (Chair), Charles Calderon, Davis, De Leon, Evans, Jeffries, Levine, Mendoza, Portantino, Price, Soto, and Tran)**

March 13, 2008

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An act to amend Section 19549 of the Business and Professions Code, and to amend Section 4058 of the Food and Agricultural Code, relating to horse racing.

## LEGISLATIVE COUNSEL'S DIGEST

AB 3073, as introduced, Committee on Governmental Organization. Horse racing: racing days.

Existing law provides that the 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. This jurisdiction includes the authority to allocate racing days and weeks to racing associations and fairs, as provided. Existing law permits the board to allocate up to 14 racing days to a fair each year, with specified exceptions, and provides that these 14 days shall be during the period in which general fair activities are conducted.

This bill would delete the requirement that the racing days be during the period in which general fair activities are conducted. The bill would also make conforming changes.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 19549 of the Business and Professions  
2 Code is amended to read:

3 19549. Except as provided in Section 19549.1, the maximum  
4 number of racing days that may be allocated to a fair shall be 14  
5 days each year. ~~Those racing days shall be days during the period~~  
6 ~~in which general fair activities are conducted.~~ However, any fair  
7 racing association that conducted racing in the central or southern  
8 zone prior to January 1, 1980, shall be entitled to be allocated up  
9 to three weeks of racing. The board shall take public testimony  
10 and make all determinations on the allocation of racing dates during  
11 a public hearing. All discussions of allocating racing dates by the  
12 board or its subcommittees shall be conducted during a public  
13 hearing. Nothing in this section diminishes the authority of the  
14 board to establish racing dates.

15 SEC. 2. Section 4058 of the Food and Agricultural Code is  
16 amended to read:

17 4058. (a) Notwithstanding Section 4052, the California  
18 Exposition and State Fair, a district agricultural association fair,  
19 or county fair in the northern zone, with the approval of the  
20 Department of Food and Agriculture, may form an entity for  
21 conducting combined fair ~~horseracing~~ *horse racing* meetings and  
22 utilize their racing facilities for conducting ~~horseracing~~ *horse*  
23 *racing* meetings, with parimutuel wagering, on days other than  
24 the days on which general fair activities are conducted. ~~A combined~~  
25 ~~fair horseracing meeting pursuant to this section shall be a general~~  
26 ~~fair activity for the purpose of Section 19549 of the Business and~~  
27 ~~Professions Code.~~

28 (b) The association shall designate certain days of a mixed breed  
29 meeting held pursuant to this section as charity days with the  
30 proceeds therefrom to be distributed in accordance with Sections  
31 19550 and 19556 of the Business and Professions Code.

32 (c) The association shall encourage the racing of emerging  
33 breeds of horses.

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**ASSEMBLY BILL****No. 3074**

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**Introduced by Committee on Governmental Organization (Torrico  
(Chair), Charles Calderon, Davis, De Leon, Evans, Jeffries,  
Levine, Mendoza, Portantino, Price, Soto, and Tran)**

March 13, 2008

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An act to amend Section 19596 of the Business and Professions Code, relating to horse racing, and making an appropriation therefor.

## LEGISLATIVE COUNSEL'S DIGEST

AB 3074, as introduced, Committee on Governmental Organization.  
Horse racing.

Existing law provides that the California Horse Racing Board may authorize a California harness racing association conducting a live racing meeting to accept wagers on the full card of races conducted by another racing association on the day that other association conducts the Breeder's Crown Stakes, the Meadowlands Pace, the Hambletonian, or the North American Cup.

This bill would authorize the board to permit a California harness racing association conducting a live racing meeting to accept wagers on the full card of races conducted by another racing association on the day that other association conducts the Kentucky Futurity.

Under existing law, all revenues distributed to the state as license fees from horse racing are required to be deposited in the Fair and Exposition Fund and are continuously appropriated to the Department of Food and Agriculture for various regulatory and general governmental purposes.

This bill would authorize additional wagering, and would increase correspondingly the amount of continuously appropriated license fees,

AB 3074

— 2 —

thereby making an appropriation. This bill would also result in a change in state taxes for the purpose of increasing state revenues within the meaning of Section 3 of Article XIII A of the California Constitution, thereby requiring a  $\frac{2}{3}$  vote for passage.

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 19596 of the Business and Professions  
2 Code is amended to read:

3 19596. (a) Notwithstanding any other provision of law, the  
4 board may do any of the following:

5 (1) Authorize a licensed harness racing association that is  
6 conducting a live racing meeting in this state to accept wagers on  
7 the full card of races conducted by another racing association on  
8 the day that other association conducts the Breeder's Crown Stakes,  
9 the Meadowlands Pace, the Hambletonian, *Kentucky Futurity*, or  
10 the North American Cup.

11 (2) Authorize a licensed quarter horse racing association that is  
12 conducting a live racing meeting in this state to accept wagers on  
13 races conducted by the racing association that conducts the  
14 American Quarter Horse Racing Challenge, if the races are  
15 conducted on the same day as the American Quarter Horse Racing  
16 Challenge.

17 (3) Authorize the inclusion of wagers authorized pursuant to  
18 this section in the parimutuel pools of the out-of-state association  
19 that conducts the races on which the wagers are placed.

20 (b) The board authorization may be granted under this section  
21 only if both of the following conditions are met:

22 (1) The authorization complies with federal laws, including, but  
23 not limited to, Chapter 57 (commencing with Section 3001) of  
24 Title 15 of the United States Code.

25 (2) Wagering is offered only within the racing enclosure and  
26 only within seven days of the running of the out-of-state race.

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AMENDED IN ASSEMBLY AUGUST 12, 2008

AMENDED IN ASSEMBLY AUGUST 31, 2007

AMENDED IN SENATE MAY 9, 2007

SENATE BILL

No. 560

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Introduced by Senator Wiggins

February 22, 2007

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~~An act to add Section 1030.3 to the Military and Veterans Code, relating to veterans. An act to repeal and add Section 19525 of the Business and Professions Code, relating to horse racing.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 560, as amended, Wiggins. ~~Veterans' Home of California: adequacy of services; report. Horses: sale, purchase, or transfer.~~

*Existing law prohibits a person from receiving any form of compensation in connection with the sale or purchase of a racehorse, prospective racehorse, stallion, or broodmare, unless the purchaser and seller have agreed in writing to the payment of that compensation.*

*This bill instead would require any sale, purchase, or transfer of an equine, as defined, to be accompanied by a written bill of sale or acknowledgment of purchase, and a security agreement setting forth the purchase price, and signed by both the purchaser and seller or their duly authorized agents, as specified. The bill would provide that it is unlawful for any person to act as a dual agent, as defined, unless certain conditions are met, and would make it unlawful for a person acting as an agent to receive in excess of \$500 in compensation or in other items of value, related to that transaction, other than from the agent's principal, unless certain conditions are met. The bill would allow any*

*person injured by a violation of its provisions to recover treble damages, plus other expenses.*

~~Existing law provides certain protection and benefits for veterans, including, among other things, the establishment and operation of the Veterans' Home of California at various sites for aged and disabled veterans who meet certain eligibility requirements.~~

~~This bill would require the Department of Veterans Affairs to submit a report, as provided, that assesses the adequacy of services provided to the blind and visually impaired residents at the Veterans' Home of California at Yountville.~~

~~Vote: majority. Appropriation: no. Fiscal committee: yes-no. State-mandated local program: no.~~

*The people of the State of California do enact as follows:*

1     ~~SECTION 1. Section 19525 of the Business and Professions~~  
2     ~~Code is repealed.~~

3     ~~19525. No licensee or any other person may receive a~~  
4     ~~commission, fee, gratuity, or any other form of compensation in~~  
5     ~~connection with the sale or purchase of a racehorse, prospective~~  
6     ~~racehorse, stallion, or broodmare, unless the purchaser and seller~~  
7     ~~have agreed in writing to the payment of the commission, fee,~~  
8     ~~gratuity, or other compensation. No contract or agreement shall~~  
9     ~~be enforceable by way of an action or defense unless there is a~~  
10    ~~writing sufficient to indicate that the party against whom~~  
11    ~~enforcement is sought or his or her authorized agent or broker has~~  
12    ~~agreed to the commission, fee, gratuity, or other form of~~  
13    ~~compensation. Anyone who receives a commission, fee, gratuity~~  
14    ~~or any other form of compensation in violation of this section is~~  
15    ~~subject to treble damages to the injured purchaser or seller. The~~  
16    ~~board may suspend or revoke the license of any person who~~  
17    ~~violates this section. Any transfer of an interest in a racehorse,~~  
18    ~~prospective racehorse, stallion, or broodmare shall be accompanied~~  
19    ~~by a written bill of sale setting forth the purchase price.~~

20    ~~SEC. 2. Section 19525 is added to the Business and Professions~~  
21    ~~Code, to read:~~

22    ~~19525. (a) For purposes of this section, "equine" means a~~  
23    ~~horse of any breed used for racing or showing, including~~  
24    ~~prospective racehorses, breeding prospects, stallions, stallion~~

1 seasons, broodmares, yearlings, or weanlings, or any interest  
2 therein.

3 (b) Any sale, purchase, or transfer of an equine shall be both  
4 of the following:

5 (1) Accompanied by a written bill of sale or acknowledgment  
6 of purchase and a security agreement setting forth the purchase  
7 price.

8 (2) Signed by both the purchaser and the seller or their duly  
9 authorized agents or, in a transaction solely relating to a season  
10 or fractional interest in a stallion, signed by the syndicate manager  
11 or stallion manager.

12 (c) When a transaction described in subdivision (b) is  
13 accomplished through a public auction, the bill of sale requirement  
14 may be satisfied by the issuance of an auction receipt generated  
15 by the auction house and signed by the purchaser or an agent  
16 whom the purchaser has authorized.

17 (d) It is unlawful for a person to act as a "dual agent," which  
18 is hereby defined as a person acting as an agent for both the  
19 purchaser and the seller, in a transaction involving the sale,  
20 purchase, or transfer of an interest in an equine without the prior  
21 knowledge of both the purchaser and seller, and the written consent  
22 of both the purchaser and seller.

23 (e) It is unlawful for a person acting as an agent for either a  
24 purchaser or a seller or acting as a dual agent in a transaction  
25 involving the sale, purchase, or transfer of an equine to receive  
26 in excess of five hundred dollars (\$500) worth of compensation,  
27 fees, gratuities, or other items of value, related directly or  
28 indirectly to that transaction, from an individual or entity,  
29 including any consigner involved in the transaction, other than  
30 the agent's principal, unless both of the following occur:

31 (1) The agent receiving the item of value and the individual or  
32 entity giving the item of value disclose the transfer of that item of  
33 value in writing to both the purchaser and seller.

34 (2) The purchaser and seller each consent thereto in writing.

35 (f) Any person acting as an agent for a purchaser or seller or  
36 acting as a dual agent in a transaction involving the sale, purchase,  
37 or transfer of an equine shall, upon request by his or her principal  
38 or principals, provide to the requesters, copies of all financial  
39 records in the possession or control of the agent pertaining to the  
40 transaction. For purposes of this subdivision, financial records

1 shall not include the agent's or owner's work product used to  
2 internally evaluate the equine.

3 (g) Any person injured by a violation of this section shall recover  
4 treble damages from persons or entities violating this section, and  
5 the prevailing party in any litigation under this section shall be  
6 entitled to an award of costs of the suit, reasonable litigation  
7 expenses, and attorney's fees. As used in this section, treble  
8 damages shall equal three times the sum of both of the following:

9 (1) The difference, if any, between the price paid for the equine  
10 and the actual value of the equine at the time of sale.

11 (2) Any payment made in violation of subdivision (e).

12 (h) No contract or agreement for payment of a commission, fee,  
13 gratuity, or any other form of compensation in connection with  
14 any sale, purchase, or transfer of an equine shall be enforceable  
15 by way of an action or defense unless both of the following occur:

16 (1) The contract or agreement is in writing and is signed by the  
17 party against whom enforcement is sought.

18 (2) The recipient of the compensation provides a written bill of  
19 sale or auction receipt for the transaction in accordance with  
20 paragraph (1) of subdivision (b) and subdivision (c) respectively.

21 SECTION 1. ~~Section 1030.3 is added to the Military and~~  
22 ~~Veterans Code, to read:~~

23 ~~1030.3. On or before September 1, 2008, the Department of~~  
24 ~~Veterans Affairs shall submit a report to the Legislature and the~~  
25 ~~Governor that assesses the adequacy of services provided to the~~  
26 ~~blind and visually impaired residents at the Veterans' Home of~~  
27 ~~California at Yountville.~~

AMENDED IN ASSEMBLY JULY 15, 2008

AMENDED IN ASSEMBLY JUNE 16, 2008

SENATE BILL

No. 561

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Introduced by Senator Margett

February 22, 2007

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An act to amend Sections 19532, 19549, and 19549.1 of the Business and Professions Code, relating to horse racing—and, making an appropriation therefor, *and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

SB 561, as amended, Margett. Horse racing: racing days.

Existing law limits an association licensed to conduct thoroughbred racing in the northern zone to 22 weeks of that racing.

This bill would instead allow an association licensed to conduct thoroughbred racing in the northern zone up to 35 weeks of that racing.

Existing law generally limits the maximum number of racing days allocated to a fair to 14 days each year and limits those racing days to the period in which general fair activities are conducted.

This bill would expand the maximum period for racing allocated to a fair to 4 weeks each year and would remove the prohibition on racing outside of the period in which general fair activities are conducted.

Existing law limits the allocation of dates for a combined fair horse racing meeting to between July 1 and October 31, and places a limit on the total combined number of dates allocated for those meetings.

This bill would authorize combined fair horse racing meetings during the month of June, and would delete that limitation on the total combined number of dates for combined fair horse racing meetings.

By expanding the number of racing dates each year, this bill would authorize additional wagering and would increase the amount of continuously appropriated license fees, thereby making an appropriation.

*This bill would declare that it is to take effect immediately as an urgency statute.*

Vote: ~~majority~~<sup>2/3</sup>. Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 19532 of the Business and Professions  
2 Code is amended to read:

3 19532. (a) Any association licensed to conduct thoroughbred  
4 racing in the northern zone may receive no more than 35 weeks  
5 of that racing.

6 (b) Any association licensed to conduct thoroughbred racing in  
7 the central zone may receive no more than 17 weeks of that racing,  
8 except that any association which conducts a split meeting may  
9 receive up to 20 weeks of that racing. No more than one such split  
10 meeting may be licensed in any one year.

11 (c) This section and Section 19531 shall not operate to deprive  
12 any association of any weeks of racing granted during 1980.

13 (d) This section and Section 19531 shall not operate to deprive  
14 the California State Fair and Exposition of any weeks of racing  
15 granted during the previous calendar year, and the board may  
16 continue to allocate those weeks of racing to the California  
17 Exposition and State Fair or any lessee thereof.

18 (e) Nothing in subdivision (d) is a limitation on the board  
19 allocating racing weeks to any private racing association as a lessee  
20 of the California Exposition and State Fair racetrack facility  
21 pursuant to Sections 19531 and 19532.

22 SEC. 2. Section 19549 of the Business and Professions Code  
23 is amended to read:

24 19549. Except as provided in Section 19549.1, the maximum  
25 number of racing weeks that may be allocated to a fair shall be  
26 four weeks each year. The board shall take public testimony and  
27 make all determinations on the allocation of racing dates during a  
28 public hearing. All discussions of allocating racing dates by the  
29 board or its subcommittees shall be conducted during a public

1 hearing. Nothing in this section diminishes the authority of the  
2 board to establish racing dates.

3 SEC. 3. Section 19549.1 of the Business and Professions Code  
4 is amended to read:

5 19549.1. Notwithstanding Sections 19533 and 19549 or any  
6 other provision of this chapter, the board may allocate horse racing  
7 days for mixed breed meetings and combined fair horse racing  
8 meetings pursuant to Section 4058 of the Food and Agricultural  
9 Code, except as follows:

10 (a) Dates may only be allocated for a combined fair horse racing  
11 meeting between June 1 and October 31.

12 (b) Days may not be allocated for a mixed breed meeting or a  
13 combined fair horse racing meeting during the month of June at  
14 the California Exposition and State Fair if a standardbred meeting  
15 is being conducted at that facility during the month of June.

16 The mixed breed meetings shall be conducted by a person other  
17 than the fair and shall be subject to Section 19550. The mixed  
18 breed meetings shall encourage the racing of emerging breeds of  
19 horses.

20 *SEC. 4. This act is an urgency statute necessary for the*  
21 *immediate preservation of the public peace, health, or safety within*  
22 *the meaning of Article IV of the Constitution and shall go into*  
23 *immediate effect. The facts constituting the necessity are:*

24 *Changes to the allocation of racing weeks in northern California*  
25 *are needed due to the imminent closure of Bay Meadows Race*  
26 *Track on September 1, 2008. It is necessary to expand the number*  
27 *of potential racing weeks that can be allocated to fairs or private*  
28 *racing associations in northern California because without the*  
29 *ability to race those weeks previously utilized by Bay Meadows,*  
30 *thoroughbred racing in the north would have to close down. That*  
31 *closure would result in serious negative consequences for both*  
32 *the state of California and the racing industry.*

AMENDED IN ASSEMBLY JUNE 18, 2008

SENATE BILL

No. 1635

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**Introduced by Senator Negrete McLeod**

February 22, 2008

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An act to amend Section 19596.2 of, *and to add Section 19605.74 to*, the Business and Professions Code, relating to horse racing, and making an appropriation therefor.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1635, as amended, Negrete McLeod. Horse racing: out-of-state thoroughbred races: number of races.

Existing law, the Horse Racing Law, provides that a thoroughbred racing association or fair may distribute the audiovisual signal and accept wagers on the results of out-of-state thoroughbred races during the calendar period the association or fair is conducting a race meeting, provided that the total number of thoroughbred races on which wagers are accepted statewide in any given year does not exceed the total number of thoroughbred races on which wagers were accepted in 1998. Existing law further prohibits the total number of thoroughbred races imported by associations or fairs on a statewide basis from exceeding 23 per day on days when live thoroughbred or fair racing is being conducted in the state, except as provided.

This bill would eliminate the ceiling on the number of races as were wagered on in 1998 and would change the total number of thoroughbred races authorized to be imported by associations or fairs on a statewide basis to 40 per day.

*This bill would express the intent of the Legislature to enact legislation to deduct an additional percentage of the total amount handled in all parimutuel pools of thoroughbred races run in California, to be used*

*primarily to finance capital improvements to provide adequate stabling and training facilities for thoroughbred horses, and secondarily to supplement the costs of workers' compensation insurance incurred in connection with thoroughbred horse racing.*

Under existing law, revenues distributed to the state as license fees from horse racing are required to be deposited in the Fair and Exposition Fund and are continuously appropriated to the Department of Food and Agriculture for various regulatory and general governmental purposes.

This bill would authorize additional wagering and additional races, and would increase the amount of continuously appropriated license fees, thereby making an appropriation.

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 19596.2 of the Business and Professions  
2 Code is amended to read:

3 19596.2. (a) Notwithstanding any other provision of law and  
4 except as provided in Section 19596.4, a thoroughbred racing  
5 association or fair may distribute the audiovisual signal and accept  
6 wagers on the results of out-of-state thoroughbred races conducted  
7 in the United States during the calendar period the association or  
8 fair is conducting a race meeting, including days on which there  
9 is no live racing being conducted by the association or fair, without  
10 the consent of the organization that represents horsemen  
11 participating in the race meeting and without regard to the amount  
12 of purses. Further, the total number of thoroughbred races imported  
13 by associations or fairs on a statewide basis under this section shall  
14 not exceed 40 per day on days when live thoroughbred or fair  
15 racing is being conducted in the state. The limitation of 40 imported  
16 races per day does not apply to any of the following:

17 (1) Races imported for wagering purposes pursuant to  
18 subdivision (c).

19 (2) Races imported that are part of the race card of the Kentucky  
20 Derby, the Kentucky Oaks, the Preakness Stakes, the Belmont  
21 Stakes, the Jockey Club Gold Cup, the Travers Stakes, the  
22 Breeders' Cup, the Dubai Cup, or the Haskell Invitational.

23 (3) Races imported into the northern zone when there is no live  
24 thoroughbred or fair racing being conducted in the northern zone.

1 (4) Races imported into the combined central and southern zones  
2 when there is no live thoroughbred or fair racing being conducted  
3 in the combined central and southern zones.

4 (b) Any thoroughbred association or fair accepting wagers  
5 pursuant to subdivision (a) shall conduct the wagering in  
6 accordance with the applicable provisions of Sections 19601,  
7 19616, 19616.1, and 19616.2.

8 (c) No thoroughbred association or fair may accept wagers  
9 pursuant to this section on out-of-state races commencing after 7  
10 p.m., Pacific standard time, without the consent of the harness or  
11 quarter horse racing association that is then conducting a live racing  
12 meeting in Orange or Sacramento Counties.

13 *SEC. 2. Section 19605.74 is added to the Business and*  
14 *Professions Code, to read:*

15 *19605.74. (a) The Legislature finds and declares that the*  
16 *existence of high caliber thoroughbred racing in California is*  
17 *important to this state's agricultural economy. The California*  
18 *horse racing industry is being threatened by the escalating costs*  
19 *of doing business in California, including, but not limited to,*  
20 *workers' compensation insurance costs, in that these costs are not*  
21 *only causing thoroughbred horses and trainers to leave this state,*  
22 *but are also discouraging owners and trainers from bringing*  
23 *horses into this state to compete. It is the intent of the Legislature*  
24 *to provide some relief from these escalating costs through the*  
25 *redistribution of the parimutuel handle on wagers.*

26 *(b) In this regard, it is the intent of the Legislature to enact*  
27 *legislation that would do all of the following:*

28 *(1) Deduct an additional percentage of the total amount handled*  
29 *in all parimutuel pools of thoroughbred races run in California.*

30 *(2) Establish a joint powers agency to collect and distribute the*  
31 *money accumulated pursuant to paragraph (1), to issue bonds,*  
32 *and to be accountable to the board for the use of those funds.*

33 *(3) Use the money collected pursuant to paragraph (1) primarily*  
34 *for the financing of capital improvements to provide adequate*  
35 *stabling and training facilities for thoroughbred horses, and*  
36 *secondarily to supplement the costs of workers' compensation*  
37 *insurance incurred in connection with thoroughbred horse racing.*

O

STAFF ANALYSIS  
DISCUSSION BY THE BOARD REGARDING SACRAMENTO HARNESS  
ASSOCIATION'S UNCASHED TICKETS AND THE AMOUNT OF MONEY  
GENERATED TO THE CALIFORNIA HARNESS HORSEMEN'S ASSOCIATION  
(CHHA) FROM THE UNCASHED TICKETS FOR THE SUBSIDIZE FUNDING OF  
CHHA'S BACKSTRETCH AND WELFARE INSURANCE PROGRAM

Regular Board Meeting  
August 19, 2008

BACKGROUND

Business and Professions Code section 19598 states that any person claiming to be entitled to any part of a redistribution from a pari-mutuel pool operated by a licensee under this chapter, who fails to claim the money due the person prior to the completion of the horse racing meeting at which the pool was formed, may file a claim with the association issuing the person's ticket prior to May 15 of the year immediately following the close of the horse racing meeting. The funds which were unclaimed within the period specified under this section are designated as "unclaimed tickets" Business and Professions Code section 19601 (d) states that all breakage and unclaimed tickets, including unclaimed refunds shall be distributed equally between the association or fair that accepts wagers on the transmitted race, and the horsemen, in the form of purses.

ANALYSIS

On May 15 of each year the associations and fairs conducting race meets contract with an independent Certified Public Accountant (CPA) to conduct an audit of the unclaimed winning tickets, refunds, and vouchers. Based on the CPA's audit report the associations and fairs distribute to the appropriate parties the proceeds from the unclaimed winning tickets, refunds, and vouchers.

The independent CPA that in the past conducted the audit for the Sacramento Harness Association (SHA) refuses to perform any future work for SHA without advance payment and SHA's agreement to release the required information to perform the audit. As of August 11, 2008, SHA agreed to release the required information to perform the audit. However, SHA has indicated that it does not have the ability to pay for the audit at this time due to its financial difficulties. The California Harness Horsemen's Association (CHHA) has agreed to pay for the audit.

According to the CHHA the money generated from the unclaimed winning tickets is used to fund its backstretch and welfare fund which pays for health insurance for backstretch personnel and their families. CHHA expects to receive approximately \$115,000.

Further analysis to locate the unclaimed moneys shows that Los Alamitos and the Northern California Off-Track Wagering Incorporated (NOTWINC) performed the money room functions for SHA and were responsible for collecting, accounting and forwarding the unclaimed moneys to SHA. Los Alamitos indicated that they have forwarded all of the 2007 unclaimed moneys to SHA as of May 15 2007 and NOTWINC is holding \$137,211. Staff has contacted Ivan Axelrod, President of SHA, regarding whether SHA will forward to CHHA their portion of the unclaimed moneys once the CPA completes the audit. As of August 12, 2008 staff has not received a response from SHA.

#### RECOMMENDATION

This item is presented for discussion purposes.

**Gonzalez, Francisco**

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**From:** Wagner, Jacqueline  
**Sent:** Thursday, July 31, 2008 9:55 AM  
**To:** Gonzalez, Francisco  
**Subject:** FW: Welfare funds/outs

FYI...

This maybe on the August agenda.

Jackie

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

**From:** jpharnessracing@aol.com [mailto:jpharnessracing@aol.com]  
**Sent:** Wednesday, July 30, 2008 2:30 PM  
**To:** richard@wincorealestate.com; Breed, Kirk  
**Cc:** Wagner, Jacqueline; kennben@gmail.com  
**Subject:** Welfare funds/outs

Kirk,

First and foremost I would like to thank you and the board for the help on getting the CHHA the money from the promo funds held by Scotwinc. Unfortunately we have another issue with the welfare/outs money. We would like to add this to the agenda for the August CHRB meeting at Del Mar. As you know the outs money is generated from the un cashed tickets. We currently have not been paid for the calendar year of 2007. Those funds are used to help subsidize our insurance program for our needy families on the backside I have spoken to Gary Disher and asked him what the hold up was. Mr. Disher told me that SHA had not paid him for quite sometime and is not willing to do the reports until he gets paid. I on behalf of CHHA asked him if he would do the reports for us if we would pay him. Mr. Disher said he had no problem with that and that if and when SHA paid him he would forward those funds back to the CHHA. Mr. Disher said he had to get approval from SHA to release that information. Unfortunately SHA declined to release the information. So here we are. The funds from the outs total to be estimated at right around \$115,000 and usually get released in June. Our backstretch and welfare account is dwindling down and unless we get those funds soon we will be forced to stop our current insurance program and leave families and our horsemen without health insurance. Anything you could do to help us keep our insurance program alive would be appreciated.

Best Regards

Jim. A. Perez

EXECUTIVE DIRECTOR CHHA

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8/12/2008

STAFF ANALYSIS  
DISCUSSION AND ACTION BY THE BOARD ON THE  
DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF THE BAY MEADOWS  
RACING ASSOCIATION IN THE AMOUNT OF \$33,360 TO FOUR BENEFICIARIES

Regular Board Meeting  
August 19, 2008

BACKGROUND

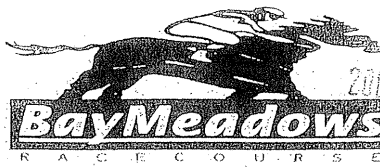
Business and Professions Code section 19550 states the Board shall require each licensed racing association that conducts 14 or less weeks of racing to designate three racing days during any one meeting to be conducted as charity days by the licensee for the purpose of distribution of the net proceeds to beneficiaries through the distribution agent. Business and Professions Code section 19556 provides that the distributing agent shall make the distribution to beneficiaries qualified under this article. At least 50 percent of the distribution shall be made to charities associated with the horse racing industry.

ANALYSIS

The Bay Meadows Racing Association, Incorporated is requesting approval to distribute proceeds from charity day races conducted at Bay Meadows during its February 6, 2008 through May 11, 2008 race meeting. The net proceeds from the charity days totaled \$33,360.20. The list of organizations selected and amount to be distributed is attached. Staff notes that 100 percent of the proceeds will be given to racing related organizations.

RECOMMENDATION

Staff recommends that the Board approve this request.



2008 JUL 16 PM 2:55

July 1, 2008

Francisco Gonzalez, Associate Management Auditor  
 California Horse Racing Board  
 1010 Hurley Way, Suite 300  
 Sacramento, CA 95825

RE: Charity Distributions for the 2008 Bay Meadows Racing Association Meet

Dear Mr. Gonzalez;

Bay Meadows Racing Association has determined the beneficiaries of proceeds from "Charity Day" races conducted at Bay Meadows during its seventy day 2008 race meet, which was conducted from February 6<sup>th</sup> through May 11<sup>th</sup>. The proceeds from the "Charity Days" for the combined meets totaled \$33,360.20. The organizations selected to be the beneficiaries of the Charity Day proceeds and the amount to be distributed to each are listed below. Distributions will be made upon approval of the proposed amounts by the California Horse Racing Board.

|  |              |
|--|--------------|
| Northern California Council of the Racetrack Chaplaincy<br>Section 19556 (b) | \$ 12,860.20 |
| Winners Foundation<br>Section 19556 (b)                                      | 5,000.00     |
| CTHF<br>Section 19641 (b)  | 8,800.00     |
| Disabled Riders Endowment<br>Section 19556 (c)                               | 6,700.00     |
| Total  | \$ 33,360.20 |

Please note that 100% of the proposed distributions are to horse related charities. Should you have any questions regarding the above distributions, please do not hesitate to contact me.

Very truly yours,

F. Jack Liebau  
 President

STAFF ANALYSIS  
STAFF REPORT ON END-OF-MEET RESULTS

Regular Board Meeting  
August 19, 2008

BACKGROUND

This item contains end-of-meet report for the following concluded race meet: Los Angeles Turf Club at Santa Anita.

Staff is prepared to answer questions regarding the information presented.

RECOMMENDATION

These items are for information and discussion.

Los Angeles Turf Club  
December 26, 2007 - April 20, 2008  
Race Days: 77

## AVERAGE DAILY STATISTICS

|                                  | Percent<br>Change | Total<br>Value |
|----------------------------------|-------------------|----------------|
| Avg. Daily Handle                | 2.77              | 325,052        |
| Avg. Daily On-Track Handle       | -9.97             | (213,390)      |
| Avg. Daily ITW Network Handle    | -3.58             | (102,787)      |
| Avg. Daily ADW In Network Handle | 33.24             | 290,939        |
| Avg. Daily Out-Of-State Handle   | 5.99              | 350,289        |
| Avg. Daily Attendance            | -5.46             | (989)          |
| Avg. Daily On-Track Attendance   | -5.56             | (514)          |
| Avg. Daily ITW Attendance        | -5.36             | (476)          |

# CALIFORNIA HORSE RACING BOARD

## END OF MEET REPORT

Los Angeles Turf Club at Santa Anita

2008 Number's Do not  
include AB480 Purses  
and Track CommissionsPrevious Year \$  
and % Change

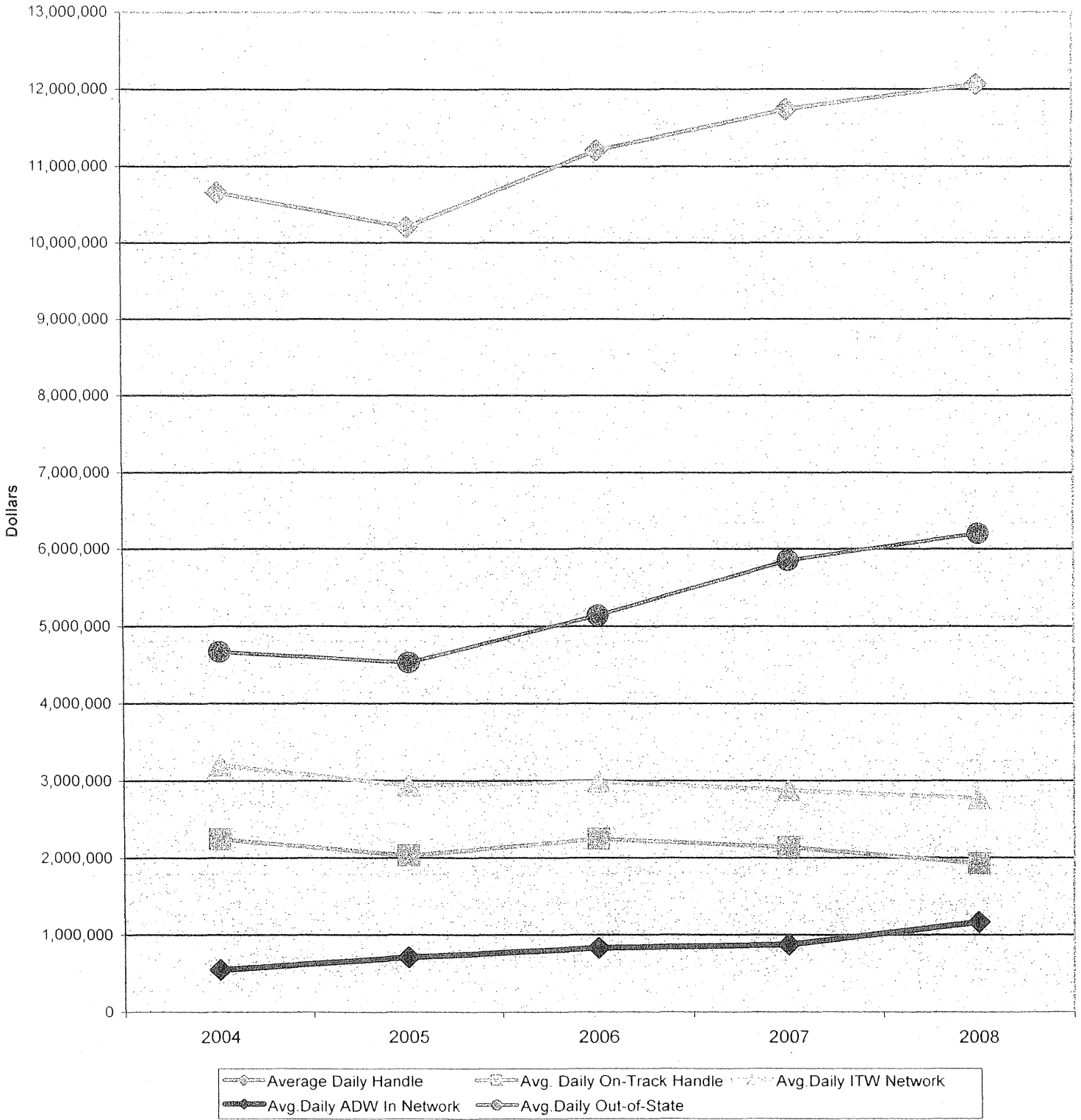
|                               | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2008 \$<br/>CHANGE</u> | <u>2008 %<br/>CHANGE</u> |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|---------------------------|--------------------------|
| TOTAL RACE DAYS               | 84          | 85          | 86          | 85          | 77          | (8)                       | -9.41%                   |
| TOTAL HANDLE                  | 895,295,884 | 867,614,465 | 963,949,422 | 997,699,283 | 928,827,174 | (68,872,108)              | -6.90%                   |
| <b>BY ORIGIN OF WAGER</b>     |             |             |             |             |             |                           |                          |
| ON-TRACK                      | 188,596,686 | 172,706,230 | 193,149,553 | 181,931,924 | 148,377,922 | (33,554,002)              | -18.44%                  |
| ITW NETWORK                   | 268,557,636 | 249,449,558 | 256,916,467 | 244,157,759 | 213,263,622 | (30,894,137)              | -12.65%                  |
| ADW IN NETWORK                | 46,235,471  | 60,627,905  | 71,579,464  | 74,404,308  | 89,803,885  | 15,399,577                | 20.70%                   |
| OUT-OF-STATE                  | 391,906,091 | 384,830,773 | 442,303,938 | 497,205,292 | 477,381,746 | (19,823,546)              | -3.99%                   |
| <b>BY ORIGIN OF RACE</b>      |             |             |             |             |             |                           |                          |
| LIVE                          | 679,633,218 | 644,105,147 | 732,703,490 | 778,773,589 | 725,307,400 | (53,466,188)              | -6.87%                   |
| OUT-OF-ZONE                   | 85,771,698  | 83,258,382  | 81,258,761  | 72,877,390  | 69,555,515  | (3,321,875)               | -4.56%                   |
| INTERSTATE-IMPORT             | 128,986,161 | 137,594,006 | 144,087,908 | 134,785,738 | 124,205,288 | (10,580,450)              | -7.85%                   |
| INTERNATIONAL-IMPORT          | 904,807     | 2,656,931   | 5,899,263   | 11,262,565  | 9,758,971   | (1,503,595)               | -13.35%                  |
| AVG DAILY HANDLE              | 10,658,284  | 10,207,229  | 11,208,714  | 11,737,639  | 12,062,691  | 325,052                   | 2.77%                    |
| <b>AVG BY ORIGIN OF WAGER</b> |             |             |             |             |             |                           |                          |
| AVG ON-TRACK                  | 2,245,199   | 2,031,838   | 2,245,925   | 2,140,376   | 1,926,986   | (213,390)                 | -9.97%                   |
| AVG ITW NETWORK               | 3,197,115   | 2,934,701   | 2,987,401   | 2,872,444   | 2,769,657   | (102,787)                 | -3.58%                   |
| AVG ADW IN NETWORK            | 550,422     | 713,269     | 832,319     | 875,345     | 1,166,284   | 290,939                   | 33.24%                   |
| AVG OUT OF STATE              | 4,665,549   | 4,527,421   | 5,143,069   | 5,849,474   | 6,199,763   | 350,289                   | 5.99%                    |
| <b>AVG BY ORIGIN OF RACE</b>  |             |             |             |             |             |                           |                          |
| AVG LIVE                      | 8,090,872   | 7,577,708   | 8,519,808   | 9,162,042   | 9,419,577   | 257,534                   | 2.81%                    |
| AVG OUT-OF-ZONE               | 1,021,092   | 979,510     | 944,869     | 857,381     | 903,318     | 45,937                    | 5.36%                    |
| AVG INTERSTATE IMPORT         | 1,535,550   | 1,618,753   | 1,675,441   | 1,585,715   | 1,613,056   | 27,341                    | 1.72%                    |
| AVG INTERNATIONAL IMPORT      | 10,772      | 31,258      | 68,596      | 132,501     | 126,740     | (5,761)                   | -4.35%                   |
| TOTAL TAKEOUT                 | 173,099,426 | 170,261,309 | 188,187,256 | 196,470,877 | 182,709,167 | (13,761,709)              | -7.00%                   |
| EFFECTIVE TAKEOUT %           | 19.33%      | 19.62%      | 19.52%      | 19.69%      | 19.67%      | -0.02%                    | -0.11%                   |
| STATE LICENSE FEES            | 10,371,730  | 9,658,842   | 10,397,619  | 10,115,922  | 8,843,803   | (1,272,119)               | -12.58%                  |
| STATE %                       | 1.16%       | 1.11%       | 1.08%       | 1.01%       | 0.95%       | -0.06%                    | -6.09%                   |
| TRACK COMMISSION              | 36,084,884  | 34,717,466  | 38,173,797  | 38,256,612  | 35,179,678  | (3,076,934)               | -8.04%                   |
| TRACK %                       | 4.03%       | 4.00%       | 3.96%       | 3.83%       | 3.79%       | -0.05%                    | -1.22%                   |
| PURSE COMMISSION              | 35,448,027  | 34,080,435  | 37,293,459  | 37,521,113  | 34,514,707  | (3,006,405)               | -8.01%                   |
| PURSE %                       | 3.96%       | 3.93%       | 3.87%       | 3.76%       | 3.72%       | -0.04%                    | -1.19%                   |
| CALIFORNIA NETWORK ATT        | 1,641,055   | 1,484,947   | 1,579,223   | 1,539,010   | 1,317,996   | (221,014)                 | -14.36%                  |
| ON-TRACK                      | 747,640     | 677,193     | 789,196     | 785,167     | 671,725     | (113,442)                 | -14.45%                  |
| ITW NETWORK                   | 893,415     | 807,754     | 790,027     | 753,843     | 646,271     | (107,572)                 | -14.27%                  |
| AVG DAILY ATTENDANCE          | 19,536      | 17,470      | 18,363      | 18,106      | 17,117      | (989)                     | -5.46%                   |
| AVG DAILY ON-TRACK            | 8,900       | 7,967       | 9,177       | 9,237       | 8,724       | (514)                     | -5.56%                   |
| AVG DAILY ITW NETWORK         | 10,636      | 9,503       | 9,186       | 8,869       | 8,393       | (476)                     | -5.36%                   |
| TOTAL RACE EVENTS             | 726         | 730         | 747         | 740         | 696         | (44)                      | -5.95%                   |
| STARTERS                      | 5,842       | 5,738       | 6,330       | 6,379       | 6,020       | (359)                     | -5.63%                   |
| AVG STARTERS PER EVENT        | 8.05        | 7.86        | 8.47        | 8.62        | 8.65        | 0                         | 0.34%                    |
| AVG HANDLE PER START          | 116,336     | 112,253     | 115,751     | 122,084     | 120,483     | (1,601)                   | -1.31%                   |

Data Date 6/6/2008

Print Date 6/6/2008

numbers provided by CHRIMS, Inc.

### Los Angeles Turf Club Average Daily Totals



STAFF ANALYSIS  
POLICY AND REGULATIONS RELATED TO REDISTRIBUTION OF PURSES  
AS A RESULT OF POST-RACE POSITIVE MEDICATION VIOLATIONS

Regular Board Meeting  
August 19, 2008

The repayment and redistribution of purses, including the shares originally received by the owners, trainers, and jockeys of horses subsequently disqualified for medication violations, has been the subject of questions and problems. Because purses are distributed before the results of sample testing are known, the recipients, who may have left the premises, may be required to refund significant amounts. Instances of owners and trainers failing to return their shares are few, but may be contentious and potentially the subject of litigation. However, the jockeys have been treated somewhat differently as a group. One school of thought holds that because the jockey had nothing to do with the administration of the medication, and he or she effectively performed the riding duties to guide the horse to a purse winning position, that such performance should place the jockey outside the redistribution requirements. Further, because the decisions related to disqualifications can take months (or in a few cases, years) to resolve, the bookkeeping logistics can be rather daunting at best. While the Board seemingly has clear guidance from the law and regulations, current practices have resulted in situations that seemingly lack equity for all involved.

Staff has surveyed a number of industry stakeholders, including owners, track executives, paymasters, trainers, jockeys, stewards, and other officials, to determine a general understanding of the situation and to identify possible suggestions for the Board to pursue.

## BACKGROUND

Business and Professions Code 19582.5 states:

**The board may adopt regulations that prohibit the entry in a race of a horse that tests positive for a drug substance in violation of Section 19581. Upon a finding of a prohibited drug substance in an official test sample, a horse may be summarily disqualified from the race in connection with which the drug sample was taken. Upon the disqualification of a horse pursuant to these regulations, any purse, prize, award, or record for that race shall be forfeited. However, the board, including its hearing officers and stewards, shall have the authority to order, in the interests of justice, that a jockey be permitted to keep his or her share of the purse, prize, or award for that race upon a finding that a person, other than the jockey, willfully, and with flagrant disregard for recommended veterinary practice and the regulations of the board, administered the prohibited substance. Such an order may provide that the jockey's share of the purse, prize, or award shall be paid by the person or persons determined to be responsible for willfully administering the prohibited substance.**

## CHRB Rules and Regulations 1760 "Purse Award or Prize to Be Withheld" –

The stewards or the Board may order any purse, award or prize for any race withheld from distribution pending the determination of any protest; and in the event any purse, award or prize has been distributed to an owner or for a horse which by reason of a protest or other reason is disqualified or determined to be not entitled to such purse, award or prize, the stewards or the Board may order such purse, award or prize returned and redistributed to the rightful owner or horse. Any person who fails to comply with an order to return any purse, award or prize erroneously distributed shall be suspended until its return.

## ANALYSIS

B&P Code Section 19582.5 makes clear that purses shall be forfeited upon a disqualification for a drug positive. However, it allows the jockey's situation to be considered separately in the instance where someone other than the jockey willfully administered the substance. The specific language suggests that the Board, including its hearing officers and stewards, could determine what is "willful and flagrant disregard for recommended veterinary practice and the regulations of the board in the administration of the prohibited substance," and could then permit the jockey to keep his or her share. This of course begs the question of the jockey who would move up as a result of the disqualification and who might legitimately expect to receive a greater share of the purse in question.

Rule 1760 grants the Board and the BOS the ability to withhold purses from distribution pending the determination of any protest. The rule further provides that for purses already distributed, the Board and BOS may order the purse returned and redistributed. The rule specifies only the owner and horse, thus leaving the shares that go to the trainer and jockey implicitly included in the owner's distribution. This is not necessarily the way things are handled by the paymasters.

Although the following is a description of the purse distribution process at Hollywood Park, and may not apply universally, it is fairly representative of the process at other tracks as well:

- Purses are distributed into the accounts of the owner, trainer, and jockey on the day they are earned. The winning horse earns 60 percent of the purse, the runner-up 20 percent, third horse 12 percent, fourth horse 6 percent, and fifth horse 2 percent. Of that, 10 percent is placed in the trainer's account unless the owner has opted out of this program. Jockeys receive 10 percent for first, 5 percent plus \$10 for second or third, and after that there is a sliding scale depending on the size of the purse, ranging from \$45 to \$115.
- The purse money placed in the owner and trainer accounts is placed on hold for 72 hours. After 72 hours, the accountholder can withdraw that money in person or can ask that it be mailed. If the accountholder does neither, the money remains in the account.
- Jockeys are paid once a week. At Hollywood Park, the work week is Wednesday through Sunday, and the check is issued the following Thursday. The clerk of scales

personally delivers the checks to the jockeys in the jockeys' room. At other racetracks, the work week and pay day might differ slightly.

When it comes to the redistribution of purses, the process at Hollywood Park is not necessarily representative of other racetracks. At Hollywood Park:

- No effort is made to collect any of the previously distributed purse until the paymaster receives a ruling from the stewards – be that weeks, months, or years later.
- The paymaster allows 30 days for appeal before taking any action. If there is no appeal, the paymaster sends letters to the owner, trainer, and jockey citing the ruling and asking for the return of the purse money. The paymaster finds it helpful if the ruling includes a date certain by which the money is to be returned.
- Once the money is returned, the paymaster immediately redistributes the purse. The InCompass system is programmed to recalculate the purse distribution based on the revised order of finish.
- In those instances where the jockey has difficulty repaying all of the money at once, the paymaster will work out a schedule of payments to accommodate the jockey. In the meantime, the jockey's share of the purse is redistributed using Hollywood Park's own funds.

If one were to define awaiting the results of the sample testing as a form of protest, the Board and the BOS could order the tracks to withhold purses until the results were determined. Moreover, if the rule language were changed to expressly require purses to be held until test results were known, the entire point would be largely moot, and the issue would be effectively mitigated without protest. The timing of sample testing and results availability is discussed below:

The Maddy laboratory at UC Davis can generally clear approximately 90% of the samples in 72 hours, not counting weekends and holidays. Most of the rest, about 80% of those uncleared on the first run, are cleared within 120 hours (an additional 48 hours.) A few take the entire 18 days, however, that is rare. The samples must reach the laboratory by 10:30 a.m. for timely processing.

Shipping is a bigger problem. Some samples do not reach the lab for up to 8 days in the worst case scenario. Samples are not ready for shipment until they are frozen overnight, and must be shipped with an overnight delivery to remain frozen or at least chilled. Holidays may exacerbate the problem. Shipping times could be tightened up in some instances. Without holidays, the longest shipping time is approximately 6 days from Southern California to UC Davis. Additional efficiencies might be achieved. The laboratory accepts samples on Saturdays, so Wednesday and Thursday samples could be shipped immediately to arrive on Saturday.

The few cases resulting in disqualifications could tie up purses for some period of time, but the length of time for most case resolution has shrunk in the past couple of years. In addition, other than the race winners and randomly selected sample test horses, the other participants could be paid the share assumptively earned pending an official clearance by the lab. The

jockeys of the winners and the randomly selected sample test horses could receive the losing jockey mount fee pending the official clearance. It was pointed out by one respondent that the jockeys are entitled only to the losing jockey mount fee. All additional amounts they earn are contractual in basis between them and the owners for whom they ride.

This position seems to be that of the majority of respondents to our survey.

One alternative was the historical model, wherein horsemen's representatives and associations negotiated to release purses after 72 hours, with the associations insuring the funds.

At the July Board Meeting, Commissioner Israel suggested that staff look into the Athletic Commission's control of boxing purses as a potential model. B&P Code section 18860 states:

18860. (a) The commission, the executive officer, or authorized representative shall have power to order a promoter to withhold any purse, any part thereof, any receipts or other funds owing or payable to any contestant, or the share thereof of any manager, if, in his or her judgment, it should appear that such contestant is not competing honestly, or is intentionally not competing to the best of his or her ability, or if it should appear that the contestant, manager, or any seconds have violated any provision of this act, or the rules and regulations adopted by the commission.

(b) Any purse, or portion thereof, so withheld, shall be delivered by the promoter to the commission upon demand. Any contestant claiming the money withheld shall within 10 days after the end of the contest apply in writing to the commission for a hearing, the commission shall fix a date for the hearing, and after the hearing determines the disposition to be made of the money held by the commission.

(c) If no application for a hearing is filed within the time prescribed the commission shall meet and determine the disposition to be made of the money held by the commission.

(d) This section does not apply to any exhibition where the participants are not competing to the best of their ability.

This section suggests that the commission would be the distributing entity for purses held or disputed. That may not be a viable option in the California horse racing industry, where the number of purses subject to review and possible dispute is on the order of up to 200 per week.

## RECOMMENDATION

Staff recommends that the Board consider the above and encourage additional comment from the industry and public. Further, the Board should consider amending Rule 1760 to limit the payment of purses initially to those not subject to sample testing, and for all others until the results of samples have been cleared. Consider also the release of jockey losing mount fees prior to the sample test results.