

CALIFORNIA HORSE RACING BOARD
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SACRAMENTO, CA 95825
(916) 263-6000
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REGULAR MEETING

of the California Horse Racing Board will be held on, Tuesday, November 17, 2009, commencing at 10:00 a.m., at the Bayside Lounge (Turf Club) at Golden Gate Fields, Albany, 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) under "Webcasts."

AGENDA

Action Items:

1. Minutes:
 - (a) Approval of the **minutes of the regular meeting** of October 15, 2009.
 - (b) Approval of amendment to the **minutes of the regular meeting** of May 25, 2006.
2. Discussion and action by the Board on the **Application for License to Conduct a Horse Racing Meeting of the Los Angeles Turf Club (T) at Santa Anita**, commencing December 26, 2009 through April 18, 2010, inclusive.
3. Discussion and action by the Board on the **Application for License to Conduct a Horse Racing Meeting of the Pacific Racing Association (T) at Golden Gate Fields**, commencing December 26, 2009 through June 13, 2010, inclusive.
4. Discussion and action by the Board on the **Application for License to Conduct a Horse Racing Meeting of the California Exposition and State Fair Harness Association (H) at Cal-Expo**, commencing December 26, 2009 through June 19, 2010, inclusive.
5. Discussion and action by the Board on the **Application for License to Conduct a Horse Racing Meeting of the Los Alamitos Quarter Horse Racing Association (Q) at Los Alamitos**, commencing January 1, 2010 through December 20, 2010, inclusive.
6. Discussion and action by the Board regarding the **allocation of Northern California race dates and related issues for 2010 and beyond**.
7. Public hearing and action by the Board regarding the **proposed amendment to CHRB Rule 1843.6, Total Carbon Dioxide Testing**, to authorize the Equine Medical Director and the stewards, as well as the official veterinarian, to direct that blood samples be taken from a horse for the purposes of TCO2 testing. (Note: This concludes the 45-day public comment period. The Board may adopt the proposal as presented.)

8. Public hearing and action by the Board regarding the **proposed amendment to CHRB Rule 1858, Test Sample Required**, authorizing the Equine Medical Director to designate horses for testing, as well as the steward and official veterinarian. (Note: This concludes the 45-day public comment period. The Board may adopt the proposal as presented.)
9. Public hearing and action by the Board regarding the **proposed amendment to CHRB Rule 1859, Taking, Testing and Reporting of Samples**, to provide that urine, blood or other official test samples may be taken under the direction of the Equine Medical Director as well as the official veterinarian. (Note: This concludes the 45-day public comment period. The Board may adopt the proposal as presented.)
10. Public hearing and action by the Board regarding the **proposed amendment to CHRB Rule 1866, Veterinarian's List**, to prohibit a horse placed on the veterinarian's list as injured, unsound or lame, from working out within 72 hours of being placed on the list without permission of the official veterinarian. (Note: This concludes the 45-day public comment period. The Board may adopt the proposal as presented.)
11. Public hearing and action by the Board regarding the **proposed amendment to CHRB Rule 1867, Prohibited Veterinary Practices**, to provide that the presence of any drug substance prohibited under this rule found in a test sample obtained consistent with the Board's rules shall apply in the same manner as to a horse entered to race. (Note: This concludes the 45-day public comment period. The Board may adopt the proposal as presented.)
12. Public hearing and action by the Board regarding the **proposed amendment to CHRB Rule 1890, Possession of Contraband**, to prohibit the possession at a facility under the jurisdiction of the Board of any veterinary treatment or medication, which has not been prescribed or labeled in accordance with Rule 1840, Veterinary Practices and Treatments Restricted, and Rule 1864, Labeling of Medications. (Note: This concludes the 45-day public comment period. The Board may adopt the proposal as presented.)
13. Discussion and action by the Board regarding the **proposed amendment to CHRB Rule 1632, Jockey's Riding Fee**, to revise the jockey riding fee scale pursuant to Business and Professions Code section 19501.
14. Discussion and action by the Board on the **pending amendments to the following CHRB Rules: (a) 1689, Safety Helmets Required; (b) 1689.1, Safety Vest Required; (c) 1685, Equipment Requirement; (d) 1658, Vesting of Title to Claimed Horse.**
15. Discussion and action by the Board regarding the **request to recognize the Permanently Disabled Jockeys Fund** as the nonprofit organization designated to receive charitable donations benefiting disabled jockeys pursuant to Business and Professions Code section 19556(c).

16. Report and presentation from representatives of **ODS Technologies LP, d/b/a TVG** regarding **TVG's on air promotional practices, and TVG's operating relationship with California racing associations, in particular Oak Tree Racing Association and Pacific Racing Association, and TVG's coverage of races during the respective race meetings.**
17. Discussion and action by the Board on the **Application for Approval to Conduct Advance Deposit Wagering (ADW) of ODS Technologies, L.P., dba TVG, for an out-of-state multi-jurisdictional wagering hub**, for a period of up to but not exceeding two years.
18. Discussion and action by the Board on the **Application for Approval to Conduct Advance Deposit Wagering (ADW) of Churchill Downs Technology Initiatives Company, dba Twinspires.com, for an out-of-state multi-jurisdictional wagering hub**, for a period of up to but not exceeding two years.
19. Discussion and action by the Board on the **Application for approval to Conduct Advance Deposit Wagering (ADW) of Youbet.Com, Inc., for a California multi-jurisdictional wagering hub and approval for an out-of-state multi-jurisdictional wagering hub**, for a period of up to but not exceeding two years.
20. Discussion and action by the Board on the **Application for License to Conduct Advance Deposit Wagering (ADW) of XpressBet, Inc., for a California multi-jurisdictional wagering hub**, for a period of up to but not exceeding two years.
21. Discussion and action by the Board regarding the **update from the Los Angeles Turf Club, Inc. operating at Santa Anita Park and the significance of the bankruptcy filing of Magna Entertainment Corporation on its racing operations and the status of statutory funds that may still be owed money from pre and post bankruptcy accounts.**
22. **CHRB Executive Director's Report.**
23. **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.
24. **Closed Session:** For the purpose of receiving advice from counsel, considering pending litigation, reaching decisions on administrative licensing and disciplinary hearings, and personnel matters, as authorized by Section 11126 of the Government Code.
 - A. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending litigation described in the attachment to this agenda captioned "Pending Litigation," as authorized by Government Code section 11126(e).

- B. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending administrative licensing or disciplinary matters described in the attachment to this agenda captioned "Pending Administrative Adjudications," as authorized by Government Code section 11126(e).

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

CALIFORNIA HORSE RACING BOARD

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

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**PENDING LITIGATION
NOVEMBER 2009**

CASE

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

Jamgotchian, Jerry v. Slender, George, et al.
District Court of Appeal B205337

Jamgotchian, Jerry v. CHRB, Kirk Breed and Ingrid Fermin
Los Angeles County Superior Court Case No. BS123038

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PENDING ADMINISTRATIVE ADJUDICATIONS
NOVEMBER 2009

CASE

APPEAL OF THE BOARD OF STEWARDS OFFICIAL RULING #8, DEL MAR
THOROUGHBRED CLUB, DATED JULY 26, 2009

Christian Santiago Reyes, Appellant
License #302068

APPEAL OF THE BOARD OF STEWARDS OFFICIAL RULING #13, DEL MAR
THOROUGHBRED CLUB, DATED AUGUST 1, 2009

Michael Baze, Appellant
License # 271896

APPEAL OF THE BOARD OF STEWARDS OFFICIAL RULING #001,
HOLLYWOOD PARK RACING ASSOCIATION, DATED APRIL 23, 2009

Arindel Farm (Alan Cohen)
License #291122

PROCEEDINGS of the Regular Meeting of the California Horse Racing Board held at the Harris Ranch Inn and Restaurant Ballroom, 24505 West Dorris Avenue, Coalinga, California, on October 15, 2009.

Present: John C. Harris, Chairman
Keith Brackpool, Member
Jesse H. Choper, Member
Bo Derek, Member
Kirk E. Breed, Executive Director
Robert Miller, Chief Counsel

MINUTES

Chairman Harris asked for approval of the minutes of the Regular Meeting of August 27, 2009. Commissioner Choper motioned to approve the minutes. Commissioner Brackpool seconded the motion, which was unanimously carried. Chief Counsel Robert Miller reported on the results of the Executive Session.

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

Gregg Scoggins of Magna Entertainment Corporation (MEC) stated on October 14, 2009, a bankruptcy court hearing was held in Delaware. The court heard several motions, with a motion regarding a \$26 million credit agreement between MI Developments, Inc. (MID) and MEC, having the most importance for California. The agreement would provide funds to allow MEC to operate through April 2010. One of the creditors had some questions, so the court granted an additional three weeks to confirm that there were no issues. The motion would be reheard on October 28, 2009. In the interim, the court

granted MEC \$2 million under the MID credit agreement to allow MEC to meet its obligations through the balance of October 2009. The court did not deal with auction deadlines for Golden Gate Fields (GGF) and Santa Anita Park Race Track (SA). Mr. Scoggins added he would address the arrangements that were being considered to pay the various statutory funds at GGF and SA in the context of the agenda item related to GGF. Commissioner Choper asked if Mr. Scoggins could tell the Board about advance deposit wagering and satellite wagering entities that made payments for winning tickets, but that were unable to effect payment from SA. Mr. Scoggins said Assembly Bill 246 (Price), Chapter 226, Statutes of 2009 (AB 246), was signed by the Governor. That caused several rebate entities that previously filed a motion with the bankruptcy court seeking payment of the monies owed on a pre-petition basis, to amend their motion to reflect additional arguments based on the enactment of the statute. The amended motion would delay the argument on the issue by a couple of months due to the briefing schedule, which meant it would be some time before there was an answer to the question. Commissioner Choper asked what MEC's position was on the claim for payment. Mr. Scoggins stated MEC's position was that the monies were the property of the estate, and could only be released if the bankruptcy court found otherwise. He stated he did not see MEC's position changing. Commissioner Choper asked if the creditor's committee had been heard from. Mr. Scoggins stated if MEC filed a response to the motion, there would be no need for the creditor's committee to file. If the creditor's committee felt it had reason to comment, it would do so during the argument. Commissioner Choper asked if there was a reason MEC did not support the position of the entities that filed the motion for payment. Mr. Scoggins stated MEC's position was driven by its interpretation of the

law, which suggested that the monies were the property of the estate unless the court determined otherwise. Chairman Harris asked if the State of California filed a claim, or was it an unsecured creditor. Mr. Scoggins said he was informed that a payment was made to the State of California which should satisfy all the outstanding pre-petition obligations. He added obligations to state entities were considered priority claims. When MEC filed for bankruptcy it asked for the right to pay certain outstanding tax obligations, but there was a cap. The SA and GGF obligations exceeded the cap, so they asked the court to elevate the cap to the point where the obligations could be paid. Jack Liebau of Hollywood Park asked if MEC agreed with the provisions of AB 246 in which the Legislature determined that the funds were held in trust. Mr. Scoggins stated anything he said on behalf of MEC could be used in any other setting. MEC's position would be outlined in greater detail in its response to the motion filed with the bankruptcy court. The critical issue with AB 246 was its effect on the pre-petition amounts. There would be discussion about whether AB 246 was retrospective in its application, and it was clear many viewed AB 246 as a confirmation of what was the law in California before March 5, 2009. However, there were rules regarding the retrospective effect or prospective effect of a statute, and the Legislature usually had to make a very specific statement to that effect. The California Legislature made several comments in the body or the preface to the law that it reflected its original intent, but it did not state it expected the law to be interpreted as being retrospective or post-facto in its effect. MEC had no problem with everything dating from when AB 246 was signed, forward. MEC believed it was the proper way to deal with the issues and the statute clarified matters going forward. Chairman Harris asked if legislation could be applied retroactively. Commissioner

Choper stated the ordinary presumption was against retroactivity unless it was specifically stated or intended. Mr. Liebau said the statute stated: "*It has always been known that the funds due to various distributes are not the property of the racing association. The racing association is merely acting as a trustee until the funds are paid to those as provided for in the statute.*" He commented the question was whether MEC repudiated the law which was signed by the Governor, was enrolled and which spoke retroactively. Mr. Scoggins said it was not a "yes" or "no" answer. MEC was not repudiating the law as far as its prospective effect; the issue was whether it was retrospective, and to the extent that it was, there could be problems under the bankruptcy code. Rod Blonien, a lobbyist, stated he was involved in writing AB 246, and the intent was to clarify existing California law, which was that racing associations held funds for entities designated by state statute as the recipient of the funds. AB 246 was intended to reinforce Board Rule 1470, Accounting Practices and Responsibility, which stated: "*Every association shall maintain in an approved depository those amounts deducted from the pari-mutuel handle which are retained by the association for distribution for purposes specified in the law...*" The intent of the statute was to state clearly that: 1) the funds did not belong to the racetracks, and 2) the funds were held in trust for distribution to entities designated by the statutes to receive the funds. Mr. Blonien said during the AB 246 hearing he talked about the MEC bankruptcy and the need to clarify the law. Commissioner Choper asked if that was Mr. Blonien's oral testimony. Mr. Blonien said it was. Commissioner Choper asked if anyone testified to the contrary. Mr. Blonien said no one testified otherwise. Commissioner Brackpool said he assumed MEC's position was taken because there was a fiduciary responsibility to maximize the estate for all

creditors. However, the bankruptcy court also allowed different interpretations of a position if it could further the business interests of the estate, and the two positions could be in conflict. The MEC bankruptcy appeared to be a classic case of such a conflict. Mr. Scoggins said he agreed. Commissioner Choper asked if, given AB 246, MEC would reexamine its position and determine it was better for the estate to file a different motion. Mr. Scoggins stated that was an option, but he did not participate in those discussions for the purposes of knowing what the intended strategy was relative to the motion. Commissioner Brackpool asked if the entities that made the motion had joined the creditor's committee. Mr. Scoggins stated they had not joined the committee.

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

CHRB Executive Director Kirk Breed said the application for license to conduct a horse racing meeting of the Pacific Racing Association (PRA) at Golden Gate Fields (GGF) was heard at the September 17, 2009, Regular Board Meeting. At that time, the application was approved contingent on PRA providing financial assurances that it could fulfill its financial obligations with respect to the conduct of its race meeting, in addition to the required payments for the support of the CHRB. Mr. Breed stated PRA and other stakeholders arrived at a resolution of the issue. Gregg Scoggins, representing Magna Entertainment Corporation (MEC), stated that under bankruptcy law MEC, as a debtor, had an obligation to meet its financial obligations on a going-forward basis. He said

MEC obtained Debtor in Possession (DIP) financing for the purposes of meeting its financial obligations. MEC sought additional DIP financing to meet its liquidity needs through April 2010, which was a timeframe in which certain things would occur. Mr. Scoggins said disputes over payments were generally related to payments owed to the debtor of pre-petition amounts; otherwise, GGF and Santa Anita Park Race Track made all payments that were owed since the bankruptcy petition was filed. He stated the parties looked at ways in which PRA could meet the expectations of the industry and the CHRB to provide financial assurance. The result was a proposal wherein Northern California Off Track Wagering, Inc. (NOTWINC), California Authority of Racing Fairs (CARF) and Thoroughbred Owners of California (TOC) agreed to have NOTWINC retain and pay all the statutory assessments, which would include vanning and stabling; location fees; expense fund payments; workers' compensation payments; city taxes; promotional fund payments; owners' premiums; breeders' awards; purses; track commissions; the Fairs and Exposition recapture amounts; and CHRB and Maddy Equine Research Laboratory support payments. All of the funds obligated to be paid in-state by statute would be paid by NOTWINC. The funds would be retained by NOTWINC from the takeout and none of those funds would reach GGF/PRA. Mr. Scoggins stated in September 2009 the NOTWINC board approved the plan, which would be formalized at the October 2009 NOTWINC board meeting. Commissioner Brackpool asked if the change required approval from the bankruptcy court. Mr. Scoggins said he did not believe it required approval because it dealt with post-petition activities. Guy Lamothe of TOC stated his organization understood the payments would be prioritized and that racetrack commissions would be paid last. He asked if the agreement only covered in-

state pools. Mr. Scoggins said he did not list the payments in the order they would be paid; others were involved in the specific discussions about priority of payments. He added the agreement only applied to in-state pools. The problem with the out-of-state pools was that the amounts were so large it was difficult to manage them just by setting them aside. Mr. Scoggins stated MEC would comply with Assembly Bill 246 (Price), Chapter 226, Statutes of 2009 (AB 246), but NOTWINC might not be in a position to take responsibility for making sizeable payments given the cash flow. Chairman Harris asked if NOTWINC was financially sound, and he asked who its partners were. Mr. Lamothe stated NOTWINC was not financially sound because of the MEC bankruptcy, and its partners were GGF, CARF, TOC and Bay Meadows, each with a 25 percent share in the corporation. He added TOC was concerned about the out-of-state pools. Most of the funds were from out-of-state and had a greater impact than in-state pools. TOC did not believe California pools were restricted within the boundaries of the state. If one placed a wager on a California race, one was participating in California's pools no matter where one was. It seemed the agreement provided integrity on 30 percent of the pools, but not the remaining 70 percent. Robert Hartman of GGF stated his organization had not missed a single post-petition payment to any entity. The parties were attempting to set up a system in a business that was highly dependent on cash flow, and there needed to be funds that could be moved around. One hundred percent of the funds that would normally go to GGF were going to NOTWINC, which provided tremendous protection for in-state locations. The out-of-state locations were more complicated, as depending on how the payoffs for wagers worked out, sometimes money was owed to GGF, or GGF owed money. Mr. Hartman said NOTWINC was not set up to handle out-of-state

settlements, and TOC, CARF and Bay Meadows agreed to the proposal as presented. Mr. Scoggins reiterated that AB 246 was the law, and PRA's obligations under the law were very clear. The statute provided additional assurances that payments would be made because of the way funds were to be treated. Commissioner Brackpool stated he did not hear an answer regarding NOTWINC's financial structure. He asked if NOTWINC had funds beyond the collective agreement, and was there a separate account for the transfer and protection of the monies. Mr. Hartman stated NOTWINC was running a deficit. It held millions of dollars that belonged to GGF, but it was floating GGF the funds because of its financial situation. He added legislation had been introduced that would increase the NOTWINC expense fund and with the additional funds NOTWINC would be made financially sound. Chairman Harris asked if it was clear that NOTWINC would hold the statutory funds in trust until they were distributed, and that they would not be considered part of the estate if NOTWINC were to go into bankruptcy. Mr. Scoggins stated the industry was uneasy with GGF holding the funds. The proposed solution was offered, and the entities with a direct interest in the issue agreed they preferred that NOTWINC held the funds. However, with the AB 246 protections in place, GGF would be happy to collect and distribute the funds. Chairman Harris stated that was up to the concerned parties. Either way, it seemed there was a bit of a risk involved. Chief Counsel Miller stated if MEC failed to make any payments its corporate reorganization Chapter 11 proceeding was in jeopardy, so GGF had a vested interest in ensuring the funds were properly distributed. Mr. Scoggins said that was true; MEC had an obligation, which it planned to meet, because the consequences of not meeting its obligations were severe. Jack Liebau of Bay Meadows stated his organization was not involved with the issue.

Mr. Lamothe stated the bankruptcy of MEC, with its uncertainty regarding the direction it would take, put the parties at the mercy of the bankruptcy court. The industry wished to move management of the statutory funds outside of MEC's control. That was why NOTWINC was the chosen vehicle. Trust accounts at NOTWINC were set up to add an additional layer of protection, which was why TOC preferred the proposed solution. Chris Korby of CARF stated his organization supported the proposal to have NOTWINC receive and distribute statutory funds. Commissioner Brackpool said just to be clear, he understood GGF also supported the proposal. Mr. Scoggins stated that was correct. Commissioner Derek motioned to grant final approval of the PRA application to conduct a horse racing meeting at GGF. Commissioner Brackpool seconded the motion, which was unanimously carried.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION TO CONDUCT A HORSE RACING MEETING OF THE HOLLYWOOD PARK FALL RACING ASSOCIATION, LLC (T) AT HOLLYWOOD PARK, COMMENCING NOVEMBER 11, 2009 THROUGH DECEMBER 20, 2009, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the Hollywood Park Fall Racing Association (HPFRA) proposed to run from November 11, 2009 through December 20, 2009, or 27 days, which was 13 fewer days than in 2008. Ms. Wagner stated HPFRA would run a total of 232 races, or 8.5 races per day. She added HPFRA was originally allocated 31 days of racing for 2009, but its application deleted December 21, and it was asking to offer simulcast wagering with no live racing on November 11 and 12, and December 16. The reduction in days of live racing would leave the number of race dates at 27. The first post time would be 12:30 p.m., daily, with an 11:00 a.m. post time on Thanksgiving Day,

November 26, 2009. HPFRA would offer a wagering program that utilized CHRB and Association of Racing Commissioner International wagers. The advance deposit wagering providers would be TVG, Youbet, XpressBet and Twin Spires. Ms. Wagner stated staff recommended the Board approve the application as presented. Chairman Harris commented that the industry should have a mechanism wherein goals were set, and at some point they were measured to see if they were met. The marketing plans were a means of setting such goals, but the HPFRA marketing plan was not clear in that regard. He asked what HPFRA felt it would have at its meeting. Eual Wyatt of HPFRA said with the state of the current economy HPFRA did not know what goals to set. He stated his organization was hopeful its meeting would be a relative success, but it had no anticipation of that happening. Dyan Grealish of HPFRA said HPFRA was attempting to be as conservative as possible regarding its meeting, and it was pleased that it was only five and a half weeks, because it was a little shorter and hopefully at the end of the year things would turn around a bit. Jack Liebau of HPFRA stated his organization was projecting a 5 percent decline in overall handle, which was aggressive compared to others' results to date. Commissioner Brackpool **motioned** to approve the application for license to conduct a horse racing meeting of HPFRA at Hollywood Park Race Track. Commissioner Derek **seconded** the motion, which was **unanimously carried**.

REPORT OF THE SAFETY COMMITTEE.

Commissioner Derek said the Safety Committee (committee) met at the Del Mar Race Track on September 4, 2009. The meeting focused on jockey safety, with information presented on new advanced safety vests, helmets and whips. The committee endorsed

proposed amendments to Board Rule 1685, Equipment Requirement, to revise the standards for the use of whips on California racetracks; Board Rule 1689, Safety Helmet Required, to establish standards for helmets; and Board Rule 1689.1, Safety Vest Required, to revise standards for safety vests. Commissioner Derek stated the three rules enjoyed a broad consensus with the exception of Rule 1689. The California Thoroughbred Trainers (CTT) spoke against requiring trainers to wear safety helmets, except when trainers were actively exercising horses. Commissioner Derek encouraged the Board to include all persons mounted on a horse on the racetrack, or training track, in the requirements of Rule 1689. She stated the committee would recommend that the Board direct staff to initiate a 45-day public comment period for the proposed amendments to the regulations. Chairman Harris commented he understood everyone on the racetrack and training track currently needed to wear helmets, and the safety vests were for exercise riders and jockeys, but not necessarily trainers. Commissioner Derek said that was true, but the helmet rule had not been enforced, and if the owners and trainers were excluded from the text, it would be a step backwards. Charlie Dougherty of CTT stated his organization supported the current language of Rule 1689. The CTT believed if a trainer was on a horse on the track, but not working, he should be allowed to not wear a helmet. The standard worked in the past, and the CTT did not know of any incidents. The primary argument was that trainers were responsible for their own insurance, so it was not a workers' compensation issue. The CTT would ask that the regulation not require trainers to wear helmets if they were not working on the track. Chairman Harris stated he could understand if the helmets prevented trainers from seeing well, or there were other issues. However, requiring some people to wear helmets, and

allowing others not to wear helmets would make the regulations difficult to enforce. Commissioner Derek stated trainers were currently not wearing helmets, and the committee did not wish to see the rule changed to exclude them. There was no reason to exclude a class of persons from safety requirements. Mr. Dougherty stated the CTT interpreted Rule 1689 to exclude trainers, unless they were actually working on the racetrack or training track. CHRB Executive Director Kirk Breed stated the proposed regulation read: "*A racing association, fair, or authorized training facility, may not permit any person to gallop or pony a horse, to ride a horse in a race or be mounted in or riding on a sulky unless the person is wearing a properly fastened safety helmet.*" It was basically the same as the current regulation, so a trainer at rest on a horse, or standing and watching his horse being galloped, was not considered under the rule to be galloping or ponying a horse. Commissioner Derek stated she was fine with the language, and recommended the Board proceed with the proposed amendment. Jack Liebau of Hollywood Park stated that at the suggestion of the National Thoroughbred Racing Association (NTRA) Hollywood Park would institute a house rule stating no person would be allowed on the track without a helmet. So, at Hollywood Park, one would not be allowed on the track, on a horse, unless one wore a helmet. Mike Martin, CHRB staff, commented if the Board wanted a person on horseback on the racetrack to wear a helmet, why wait to amend the regulation? The rule currently stated the person had to be galloping or ponying, but it seemed the Board might wish to state that just being on horseback one had to wear a helmet. Commissioner Derek said that was the committee's intent. Mr. Martin stated although the CTT did not agree, the text could be amended to reflect the committee's intent. Commissioner Brackpool stated he thought

the rule Mr. Liebau referenced was based on another recommendation. Mr. Liebau said the NTRA had an accreditation program based on evaluating racetracks for safety. One of the NTRA recommendations was that persons on horseback on the racetrack should wear helmets. Hollywood Park was going to institute a house rule that required everyone on horseback on the racetrack to wear helmets. It would be easier for Hollywood Park if the Board also adopted such a rule. He added the Racing Commissioners International (RCI) also had such a model rule. Commissioner Derek stated the rule would also include assistant starters, who were not on horses. Craig Fravel of Del Mar Thoroughbred Club stated it would be appropriate to include assistant starters. The NTRA Safety Alliance required assistant starters to wear helmets, and it was part of its accreditation process. From a safety standpoint, anyone handling a horse on the racetrack, particularly at the starting gate, should be wearing a safety helmet. Mr. Fravel commented it was not a new concept as in other racing jurisdictions persons on the racetrack routinely wore safety helmets. Jacqueline Wagner, CHRB staff, said the language of the proposed amendment could be changed to include anyone riding or handling a horse on the racetrack, which would include the assistant starter. Mr. Daugherty asked if grooms would also be included. Chairman Harris said they would if they were on the racetrack. The proposed regulation would not include grooms in the paddock. Executive Director Breed asked if the RCI rule included grooms. Mr. Fravel stated he did not know about the RCI rule, but the NTRA Safety Alliance accreditation included assistant starters and trainers. Ms. Wagner said the proposed text would include persons handling and riding horses on the racetrack and it would specifically mention assistant starters. Chairman Harris directed staff to initiate a 45-day public comment

period regarding the proposed amendment to Board rule 1689, as recommended by the committee.

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

A. 1689, SAFETY HELMET REQUIRED AND 1689.1, SAFETY VEST REQUIRED, TO ESTABLISH AND/OR REVISE STANDARDS FOR VESTS AND HELMETS WORN BY JOCKEYS, DRIVERS, EXERCISE RIDERS AND OTHER MOUNTED PERSONNEL TRAINING AND RACING ON CALIFORNIA RACETRACKS.

B. 1685, EQUIPMENT REQUIREMENT, TO REVISE THE STANDARDS FOR THE USE OF WHIPS ON CALIFORNIA RACETRACKS.

Jacqueline Wagner, CHRB staff, said the proposed amendment to Board Rule 1689.1, Safety Vest Required, would bring the rule up to date with current safety vest standards. The BETA rate would be updated to the current "level 1" and two new standards would be added. The new standards were: ASTM standard and the Shoe and Allied Trade Association standards. The changes to the regulation would allow licensees to wear a vest that met any of the three standards. Ms. Wagner said staff recommended the Board instruct it to initiate a 45-day public comment period regarding the proposed amendment to Rule 1689.1. CHRB Executive Director Kirk Breed asked if the proposed amendment included the assistant starters. Ms. Wagner said the assistant starters were not included in the regulation. Rule 1689.1 addressed jockeys, apprentice jockeys and exercise riders. If the Board determined it wished to require the assistant starter to wear a safety vest, the text of the proposed regulation could be changed. Chairman Harris stated the text could be changed and put out for public comment. Commissioner Derek said she would like to see anyone handling a horse on the racetrack included, because leading a horse on the

track could be very dangerous. Commissioner Brackpool said the language of the regulation could be an issue, because at what point would a person be required to put on a safety vest? Chairman Harris said if the horse was being led it might be for an eighth of a mile on the track getting to the paddock, and there would be no rider on the horse. He stated the issue could be argued either way. Ms. Wagner commented the text of 1689.1 would be changed to include the assistant starter. Dave Elliott of Cal-Expo stated his organization would like drivers included in Rule 1689.1. Cal-Expo planned to make a safety vest requirement a house rule, and to help the drivers pay for the vests. Commissioner Derek said drivers complained that safety vests tended to push up their helmet when they leaned back. Mr. Elliott stated there were helmets designed specifically for harness drivers. Ms. Wagner stated the text of the proposed regulation would be changed to include harness drivers. Chairman Harris directed staff to initiate a 45-day public comment period regarding the proposal to amend Rule 1689.1, and Rule 1685, Equipment Requirement.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE REQUEST FROM OAKTREE RACING ASSOCIATION AND BREEDER'S CUP FOR WAIVERS OF CHRB RULES FOR THE 2009 BREEDERS' CUP.

A. RULE 1481, OCCUPATIONAL LICENSES AND FEES, TO ISSUE A SPECIAL 120-DAY LICENSE TO EXPIRE 12/31/09 FOR THE SOLE PURPOSE OF PARTICIPATING IN THE 2009 BREEDERS' CUP, FOR 1/3RD OF THE FEE FOR THAT LICENSE CLASSIFICATION.

B. RULE 1554, DUTIES OF HORSE IDENTIFIER, TO ALLOW IMPORTED HORSES, HAVING THEIR FIRST RUN IN CALIFORNIA, TO RACE WITHOUT AN IDENTIFICATION TATTOO.

C. RULE 1693, CONTROL OF HORSES AND JOCKEYS ON ENTERING THE TRACK, TO ALLOW HUMAN ATTENDANTS TO ESCORT HORSES ONTO THE TRACK UNTIL THE FINISH OF THE POST PARADE AND, IF REQUESTED,

THAT THOSE ATTENDANTS BE ALLOWED TO BE PRESENT AT THE STARTING GATE.

D. RULE 1685, EQUIPMENT REQUIREMENT, TO ALLOW ANY EUROPEAN JOCKEY TO CARRY THE APPROVED EUROPEAN FLAT WHIP AS SPECIFIED BY THE BHA – WHIP SPECIFICATIONS RULE 149 (II).

Chairman Harris stated the Oak Tree Racing Association (OTRA) requested waivers of certain Board rules for the 2009 Breeders' Cup event at OTRA. Specifically, OTRA wanted the Board to waive Rule 1481, Occupational Licenses and Fees, so a special 120-day license could be issued at one third of the fee for the license classification; Rule 1554, Duties of Horse Identifier, so imported horses could run without an identification tattoo; Rule 1693, Control of Horses and Jockeys on Entering The Track; and Rule 1685, Equipment Requirement, to allow the use of the European flat whip. Chairman Harris said OTRA requested the same waivers for Breeders' Cup in 2008. The Board agreed to every request except for a waiver of Rule 1481. The Board determined it did not wish to grant a license fee reduction for owners participating in Breeders' Cup if it did not grant one for participating California owners. Sherwood Chillingworth of OTRA stated the request by his organization was meant to show California's appreciation for the Breeders' Cup bringing its world-class event to this state. There was no other jurisdiction in the US that required the full license fee. Chairman Harris said if a California owner went to another state to run for one day, they would not receive a discounted license. In addition, if a Breeders' Cup participant bought a license in 2008, it would be valid for 2009. Californians were paying \$150 for a three year license, and they could not show up at a CHRB office and state they only wished to run once in a while, so they wanted a discount too. Mr. Chillingworth said if a California resident went to New York to race only one day they would pay a full fee, but it would be that person's decision to go to New York.

The Breeders' Cup decided the jurisdiction in which it will run and the participants had no choice; they were forced to pay the fee and run in California. Chairman Harris stated he did not think California's license fees were an impediment, but he agreed with waiving the other regulations. He stated he would recommend the Board approve items B, C and D of the request and take no action on item A, which was the request for reduced license fees. Mr. Chillingworth said the Breeders' Cup would also offer a pari-mutuel wager in which patrons would wager on which jockey would win the greatest number of races in two days. The handle would be small, but the wager would draw media attention to the jockeys. Chairman Harris asked what would happen if there was a tie. Mr. Chillingworth said it would be treated the same as a dead heat. Commissioner Derek asked if any other state prorated license fees for Breeders' Cup. Mr. Chillingworth said California was the only jurisdiction that did not give a concession on the issue. Chairman Harris stated he participated in only one Breeders' Cup, but he did not receive a discount on his license. Mr. Chillingworth stated the pro-rated license would cost one-third of the regular fee; however, it was the perception that counted. The perception was that California welcomed the Breeders' Cup and it wished to give a little break on its license fees. Chairman Harris stated the average owner who participated in the Breeders' Cup did not realize they were getting a break. They probably had an administrative assistant taking care of the fees. Mr. Chillingworth stated there was no argument regarding the dollar value; it was a public relations move. Chairman Harris said there were many things that needed to be done, and OTRA clearly needed to cater to the Breeders' Cup, but reducing the license fees would not create an overwhelming

impression. Chairman Harris motioned to approve items B, C and D. Commissioner Brackpool seconded the motion, which was unanimously carried.

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

Commissioner Derek stated several persons associated with horse racing suggested the Board should consider proposals to change claiming regulations so that a horse must finish the claiming race in a sound condition before it belonged to the person who claimed it, unless that person stated – in advance of the claim – that he or she wished to keep the horse regardless of condition. Commissioner Derek added the concept included the results from the official test sample. Chairman Harris commented the idea was to eliminate the practice of dropping a horse in value just to get it sold. The horse would have to pass the morning examination, but a horse could conceivably drop in price, not pull up very well and get claimed. Dr. Rick Arthur, CHRB Equine Medical Director, stated the issue was discussed at the first Jockey Club Welfare and Safety Summit. The idea was that current policy provided an incentive to run horses that had soundness problems, and that practice put everyone at risk, particularly the horse. The proposal was meant to take away that incentive. Dr. Arthur said New York had a similar rule wherein horses that tested positive were returnable. He stated trainers would claim they were protecting their owners by getting rid of bad horses, but in reality they were only selling a bad horse to another owner, and the horses were the ultimate losers. Dr. Arthur said the

proposal was an important step forward and he recommended the Board consider amending its regulations. Charles Daugherty of California Thoroughbred Trainers (CTT) said his organization supported the proposed regulation. Mr. Daugherty suggested the language might be modified to extend to the horse leaving the racetrack area without assistance. Commissioner Brackpool said the text required the horse to go to the saddling enclosure where they would be tagged. If a trainer did not want his horse claimed, he could call the ambulance. Dr. Arthur said it was the official veterinarian who determined if the ambulance was necessary, not the trainer. Ron Charles of Magna Entertainment Corporation stated as he understood the proposal, if a horse broke down in the race, for any reason, the claim became void, even if the horse was tested and the test was negative. Chairman Harris said the issue was the horse breaking down, not the test. Mr. Charles asked if the proposal was setting guidelines for a horse breaking down once it pulled up, or for a horse going back to the receiving barn where it could be placed on the veterinarian's list. At what point would the distinction be drawn as to exactly when the claim was void? Chairman Harris stated the issue could be muddy, but the goal was to discourage owners and trainers from running horses just to lose them. Mr. Charles said he was trying to clarify the issue so the Board understood what it was doing, because the proposal would be challenged. He stated there were currently problems with horses being scratched from claiming races. The jockey would scratch a horse because the trainer found out there was a claim in for the horse. Mr. Charles stated the issues should be clarified because someone who claimed a horse would come back to the Board if the van was not called, but the horse was dead lame in the receiving barn and went on the veterinarian's list. That person would feel the van should have been called. Mr. Charles

said he understood what the Board was trying to do: protect the new owner from claiming a horse that should not have been running. However, in claiming there was a sense of chance and a perfectly sound horse could pull up and be lost. Chairman Harris stated the proposed amendment could be put out for public comment, and the Board could revisit the issue. He asked if under Rule 1843.1, Prohibited Drug Substances, a claimed horse that had a positive test would be returned. Dr. Arthur said the horse would not be returned. Chairman Harris stated the concept of returning a claimed horse that tested positive might be tricky because someone could have custody of the horse for up to 30 days, and then have to give it back. Who would pay the cost of maintaining that horse for 30 days? Dr. Arthur stated New York had such a regulation in place, and it worked quite well. However, in California there were a lot of claims, and there could be as many as six claims in a race. It would be difficult for the receiving barn to handle that many horses, so there would be some issues to resolve. Chairman Harris said the issues could be separated, and the Board could proceed with the soundness portion. Jacqueline Wagner, CHRB staff, said the Board would amend its Rule 1658, Vesting of Title to Claimed Horse, to include the Racing Commissioner International Model Rule language that voided the claim if the horse, due to injury or distress, failed to return to the designated unsaddling area after the finish of the race and the unsaddling of the rest of the field. The stewards would void the claim unless the claimant notified the stewards prior to the start of the race that he or she still wanted to claim the horse. Chairman Harris said that was correct. Commissioner Derek **motioned** to direct staff to initiate a 45-day public comment period regarding the proposed amendment to Board Rule 1658. Commissioner Brackpool **seconded** the motion, which was **unanimously carried**.

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

Madeline Auerbach of Thoroughbred Owners of California (TOC) said that as of December 2008, the TOC California Retirement Management Account (CARMA), which was a California fund for retired thoroughbred racehorses, distributed \$150,000 to seven facilities for the care of retired horses. The distribution broke down to 177 horses at \$850 a horse. Ms. Auerbach stated the CARMA had a participation rate of 80 percent among California thoroughbred horse owners. She added Mace Segal donated an endowment of \$200,000 which would ensure CARMA would continue. In addition, the CARMA made \$100,000 in its 2008 poker tournament, and it received significant contributions from Scientific Games, the Breeders' Cup, Hollywood Park and various other individuals. Ms. Auerbach said in conjunction with Dr. Ferraro the CARMA developed a program with a checklist so that those who inspected racehorse retirement facilities would know what questions to ask and what to look for. Chairman Harris congratulated the TOC for its work with retired racehorses. He stated there were a lot of people in California who were also helping retired horses, which might explain why some owners did not participate in the CARMA. Chairman Harris added one of the goals of the program was outplacement. If retired racehorses could be placed in different careers, it would be better than just warehousing them. Ms. Auerbach said the focus of 2009 was retraining, so the CARMA would be looking at granting funds to persons who retrained horses for second and third careers. Most horses wanted a job and a career, and it was better for them if CARMA could help retrain them rather than just put them out to retirement. Ron Charles of Magna Entertainment Corporation (MEC) complemented the TOC CARMA program,

and spoke briefly about MEC's anti-slaughter program. He stated not only was CARMA successful in California, but it helped MEC work with other groups within the US. Sherwood Chillingworth of Oak Tree Racing Association spoke positively about CARMA.

**REPORT AND UPDATE ON THE PROGRESS AND EXPANSION OF THE
MINISATELLITE WAGERING FACILITY AT THE CALIFORNIA
COMMERCE CLUB.**

Rod Blonien, representing the California Commerce Club, said the Commerce Club minisatellite opened almost concurrently with the Del Mar Thoroughbred Club (DMTC) opening day. Shortly after it opened its minisatellite, the Commerce Club realized the space it had set aside was insufficient. This was without advertising beyond letting Commerce Club patrons know the race book was open. The largest handle was \$134,000 in one day. In October 2009 the Commerce Club opened a second room for minisatellite wagering. The second area had self service machines, while the original room had four windows with two pari-mutuel clerks. During the DMTC and Fairplex Park Pomona meeting the Commerce Club averaged about \$80,000 a day. The facility was currently averaging about \$60,000 a day, which was a million dollars in purse money that was being generated. Mr. Blonien stated the closest satellite wagering facility was the Los Alamitos facility – at a distance of 17 miles. He said that facility's handle was down, but it did not think the Commerce Club was the cause of its diminished numbers, as horse racing was suffering in general due to the state of the economy. Mr. Blonien commented the minisatellite was good news for the industry, as it was generating purse money that otherwise might not be available. He stated he and Southern California Off Track

Wagering, Inc. and Scientific Games were talking about additional sites that may be available for minisatellite wagering.

DISCUSSION BY THE BOARD REGARDING CHRB PROTOCOLS FOR FILING AND INVESTIGATING COMPLAINTS.

This item was included in the Report of the Stewards Committee.

REPORT OF THE STEWARDS COMMITTEE.

CHRB Executive Director Kirk Breed said the Stewards Committee (committee) met on October 5, 2009, at Santa Anita Park Race Track. The committee discussed protocols and procedures used for filing complaints, and would make recommendations and changes regarding those protocols. The committee also discussed reviewing races, and it critiqued the races and decisions that resulted from the race reviews. Chairman Harris commented that the reason for the discussions was to maximize consistency in calls. The committee solicited input regarding examples of races that were well-judged, or where there might be disagreement with the judgment. He added with TVG and HRTV there were a lot of "arm-chair stewards" who were looking at the races. There was always a lot of chatter regarding good or bad calls.

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

CHRB Executive Director Kirk Breed stated the Race Dates Committee (committee) met on October 14, 2009, and discussed the allocation of race dates and related issues for

2010 and beyond. He said the committee approved the 2010 night quarter horse racing calendar as requested. The Southern California 2010 race dates were approved as requested, with the exception of a one-day overlap in September 2010, which was an issue for the Fairplex Park Pomona meeting. Executive Director Breed said there were two additional corrections at Oak Tree for October 2010. Chairman Harris commented the issue was allowing six-day weeks at Oak Tree. Due to Columbus Day, there would be racing on Monday. The idea was not to race on Wednesday, but it would be open for discussion. Executive Director Breed stated the proposed 2010 Northern California race dates were approved with the exception of the traditional fair race dates, which were from June 16 through October 17. The fair race dates would be put over as a block for all parties to make a clearer, more united presentation. Chairman Harris stated there was the possibility of a new private association that would request dates to be run at Golden Gate Fields. However, some of the dates it was looking at were California Authority of Racing Fair (CARF) dates. He added another point of discussion was what Cal-Expo would propose. Cal-Expo traditionally had late August and Labor Day dates, but its board changed the fair dates to July. The conundrum was that if one piece of the puzzle was moved, all the other pieces were affected. The committee suggested the parties meet and try to arrive at some unanimous opinion regarding the best structure. Chris Korby of CARF said his organization agreed with the committee's recommendation, and would return with a modified 2010 proposal. Executive Director Breed stated the night harness industry at Cal-Expo proposed racing 131 total nights in 2010, which the committee approved. He said staff recommended approval of the proposed 2010 race dates as submitted with the exception of the Northern California racing fair dates of June 16, 2010

through October 17, 2010. Debbie Cook of the San Joaquin County Fair (SJCF) spoke on behalf of her organization. She stated the SJCF would like to keep its traditional dates, and added 2010 would be the 150th year of racing at Stockton. Chairman Harris commented SJCF was significantly more successful in 2009 than in previous years when it had different dates. Ms. Cook said that was true. Cliff Goodrich representing Fairplex Park Pomona said that his organization would talk with Thoroughbred Owners of California (TOC) to work out the issue with its race dates. Chairman Harris said the only issue TOC seemed to have was that Fairplex Park Pomona's proposed 2010 opening day was after Del Mar Thoroughbred Club's closing date. However, since Fairplex Park Pomona had a relatively short meeting, that did not seem to be a problem. David Neumeister of the California Harness Horsemen's Association (CHHA) stated his organization would agree to Cal-Expo's request for harness dates in 2010. However, he stated harness racing in California was in trouble. Due to the quality of the harness claiming races and low purses, there was no incentive for the average standardbred horse owner to race in California. If a horse won three times a month, it might make back its training bill for that month. Harness desperately needed a new venue for racing with an operator that had imagination and that cared for the sport. Other venues had expressed interest in harness and the CHHA was hoping that in 2010 the Board would be open to early applications for 2011 dates. That would give certain venues time to make capital improvements necessary to conduct a harness meeting. Chairman Harris said the Board would consider CHHA's request, and early applications could also be a factor in certain areas where venues needed a lot of lead time. Executive Director Breed said the 2010 race dates for Southern California thoroughbreds were: December 26, 2009 through April

18, 2010 at Santa Anita Park Race Track; April 21, 2010 through July 18, 2010 at Hollywood Park Race Track; July 21, 2010 through September 8, 2010, at Del Mar Thoroughbred Club; September 9, 2010 through September 27, 2010, at Fairplex Park Pomona; September 29, 2010 through October 31, 2010, for Oak Tree Racing Association at Santa Anita Park Race Track; November 3, 2010 through December 19, 2010, at Hollywood Park Race Track. The Los Alamitos Quarter Horse meeting would run from December 26, 2009 through December 19, 2010. The 2010 Cal-Expo Harness dates were December 26, 2009 through June 19, 2010 and August 13, 2010 through December 18, 2010. Chairman Harris said there was so much uncertainty with the Northern California summer race dates that it might be better to hold off on the Cal-Expo harness race dates. Dave Elliott of Cal-Expo said his organization would appreciate approval of at least the harness dates from December 26, 2009 through June 19, 2010. Chairman Harris said the Board could approve those dates. Guy Lamothe of TOC said his organization did not object to approval of Cal-Expo harness dates from December 26, 2009 through June 19, 2010. Executive Director Breed said for Northern California the 2010 Pacific Racing Association race dates at Golden Gate Fields were December 26, 2009 through February 21, 2010, for the winter meeting, and February 25, 2010 through June 13, 2010, for the spring meeting. The Pacific Racing Association fall meeting was from October 20, 2010 through December 19, 2010. Robert Hartman of Golden Gate Fields suggested that the 2010 Northern California race dates calendar not be approved so the outstanding issues could be resolved in time for the CHRB November 2009 Regular Board Meeting. He commented there were too many unresolved issues. Chairman Harris said there were uncertainties and it was implied there would be modifications.

However, the industry needed to plan its immediate future, and it needed to know who would be running in December 2009. The record would show that the approved 2010 dates were subject to change. Executive Director Breed said for Northern California the period of June 16, 2010 through October 17, 2010, would be held over until November 2009. Chairman Harris motioned to approve the proposed 2010 race dates as presented – with the stipulation that changes may be made in the best interests of horse racing. Commissioner Choper seconded the motion, which was unanimously carried.

PUBLIC COMMENT

Chairman Harris asked for an explanation of the four second issue. He stated one or more jurisdictions were refusing to take the California signal because of the delay. Richard Castro of Local 280 stated his union agreed to let the four second provision of its labor agreement be waived in the interest of racing. Chairman Harris commented the rule allowed pari-mutuel clerks time to cancel unwanted tickets. However, the issue was important to the continuity of racing, and the integrity of racing should not allow delays, as wagers needed to be instantaneously recorded. He stated it was very gracious of the pari-mutuel union and Mr. Castro to agree to waive the rule. Ron Charles of Magna Entertainment Corporation said the issue was a serious problem, as New York wanted wagering cut off immediately. He said it would have been a serious blow to California if the pari-mutuel union had not agreed, and all of racing was indebted to Local 280.

MEETING ADJOURNED AT 1:13 P.M.

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

Chairman

Executive Director

STAFF ANALYSIS
APPROVAL OF AMENDMENT TO
THE MINUTES OF THE REGULAR MEETING OF
MAY 25, 2006

Regular Board Meeting
November 17, 2009

BACKGROUND

At its Regular Meeting of May 25, 2006, the Board held a public hearing and took action on an amendment to Board Rule 1433, Application for License to Conduct a Horse Racing Meeting. The proposed amendment provided that no racing association that operated four or more continuous weeks of thoroughbred racing in a calendar year would be licensed to conduct a horse racing meeting at a facility that had not installed a polymer synthetic type racing surface. During the public hearing Commissioner Moss stated he believed the issue needed to be studied more, and that he did not know if the proposal before the Board included the study that needed to be made. The transcript of the hearing records only "Aye" votes.

On September 21, 2009, Commissioner Moss submitted a letter to the CHRB in which he states that although he did not vote "no" on the issue of the amendment to Rule 1433, he did not vote "aye." In addition, he stated he did not correct Chairman Shapiro's characterization of the vote. Commissioner Moss requested that his vote of abstention regarding the proposed amendment to Rule 1433 be inserted into the official record, so that it would accurately reflect his position on the issue.

RECOMMENDATION

Staff recommends the Board approve the request to attach the letter from Commissioner Moss to the official minutes of the Regular Meeting of May 25, 2006.

STAFF ANALYSIS

November 17, 2009

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE LOS ANGELES TURF CLUB AT SANTA ANITA DECEMBER 26, 2009 THROUGH APRIL 18, 2010.

Los Angeles Turf Club (LATC) filed its application to conduct a thoroughbred horse racing meeting at Santa Anita.

- December 26, 2009 through April 18, 2010, or 83 days, one day less than 2009. The association proposes to race a total of 714 races, or 8.60 per day. In 2009 LATC raced 727 races with an average of 8.65 runners per race. The (actual) average daily purse for the 2009 race meeting was \$438,964. The (estimated) average daily purse for this race meeting is \$390,867.
- The race dates proposed are the dates the Board allocated.

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 H	26
27	28	29	30	31		

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 H	19	20	21	22	23
24	25	26	27	28	29	30
31						

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

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			

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	

- Racing 5 days per week, Wednesday through Sunday, with the exception of Monday racing on December 28, 2009, January 18, 2010, and February 15, 2010. No less than 7 races weekdays; 9 races Opening Day, weekends and December 28, 2009, January 1, 18, and February 16, 2010, with the option to program 10 races on such days; 11 races Santa Anita Handicap day March 6, 2010 and Santa Anita Derby day April 3, 2010.
- 73 stakes races are proposed on the application; however, the attached stakes schedule provided only 54 stakes. According to LATC, there are 54 advertised stakes.

- First post 1:00 p.m. all weekdays; 12:30 p.m. weekends and holidays with the following exceptions
 - Saturday, December 26, 2009 (Opening Day) – 12:00 p.m.
 - Saturday, January 30, 2010 (Sunshine Millions) – 11:45 a.m.
 - Sunday, February 7, 2010 (Super Bowl) – 11:00 a.m.
 - Saturday, March 6, 2010 (Santa Anita Handicap) – 12:00 p.m.
 - Saturday, April 3, 2010 (Santa Anita Derby) – 12:00 p.m.
- Changes to corporation:
 - Aaron Vercruysse listed as Vice-President Racing/Wagering.
- Consolidated Financial Statements for Santa Anita Companies, Inc. for years ended December 31, 2008 and 2007 with report of independent auditors have been received.
- Vanning and Stabling contract on file with Board expires 12/31/2009. A copy of the 2010 contract has been requested.
- Wagering program will use CHRB rules and ARCI rules.
 - Early wagering will be 8:30 a.m. to 10:00 a.m. each day.
- Advance Deposit Wagering (ADW) providers are Xpressbet, Youbet, TwinSpires and TVG.
- Simulcasting conducted with out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- Request that Jennifer Paige be appointed horse identifier pursuant to CHRB Rule 1525.
- Schedule of charges for admission, seating, parking, program have not changed since the last submission of a LATC application to conduct a horse racing meeting.
- Track safety inspection has been requested and will be completed before the race meeting begins.
- Inspection of backstretch worker housing has been requested and will be completed before the race meeting begins.

Specific information still needed to complete this application includes:

1. Horsemen's agreement.
2. CTT agreement.
3. Track safety inspection.
4. Backstretch housing inspection.

Specific information which will need updating during the proposed race dates:

1. Workers' Compensation Insurance Policy (expires January 1, 2010).
2. 2010 vanning and stabling contract (expires December 31, 2009).

RECOMMENDATION:

Staff recommends that the application for license not be heard unless the Horsemen's agreement is received.

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

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

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

1. APPLICANT ASSOCIATION

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

Los Angeles Turf Club, Incorporated

Santa Anita Park

285 W. Huntington Drive

Arcadia, CA 91007

Telephone: 626/574-7223

Fax: 626/446-9565

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. On File

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

2. DATES OF MEETING

A. Inclusive dates for the entire meeting: December 26, 2009 through April 18, 2010

B. Actual dates racing will be held: December 26, 27, 28, 30, and 31;
 January 1, 2, 3, 6, 7, 8, 9, 10, 13, 14, 15, 16, 17, 18, 21, 22, 23, 24, 27, 28, 29, 30, 31;
 February 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, 15, 18, 19, 20, 21, 24, 25, 26, 27, 28;
 March 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, 17, 18, 19, 20, 21, 24, 25, 26, 27, 28, 31;
 April 1, 2, 3, 4, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18

C. Total number of days or nights of racing: 83 Days

D. Days or nights of the week races will be held: Monday, December 28, 2009,
 Wed - Sun Tues - Sat Other (specify) Monday, January 18 and
 Monday, February 15, 2010

E. Number of days or nights of racing per week: 5 Days
 Exception: 6 Days; Monday, December 28, 2010 – Sunday, January 3, 2010

CHRB CERTIFICATION

Application received: 10-28-09
 Deposit received: 9-29-09 \$10,000
 Reviewed: *CSJ*

Hearing date: 11-17-09
 Approved date:
 License number:

3. RACING PROGRAM

- A. Total number of races: Estimate: 714
- B. Number of races for each day or night: No less than 7 races weekdays; Nine (9) races Opening Day, Weekends and December 28, January 1, 18 and February 16, with the option to program 10 races on such days. Eleven (11) races Santa Anita Handicap day March 6, 2010, and Santa Anita Derby day April 3, 2010.
- C. Total number of stakes races: 73
- 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 attached Exhibit 3(D).
- 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>All Weekdays</u>	<u>Weekends & Holidays</u>
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		4:30 p.m.
Race 10		5:00 p.m. <i>(When Applicable)</i>
Race 11		5:30 p.m. <i>(When Applicable)</i>

Exceptions:

Saturday, December 26, 2009	Opening Day	12:00 pm
Saturday, January 30, 2010	Sunshine Millions	11:45 am
Sunday, February 7, 2010	Super Bowl	11:00 am
Saturday, March 6, 2010	Santa Anita Handicap	12:00 pm
Saturday, April 3, 2010	Santa Anita Derby	12:00 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).

Run Date	Race	Age	Distance	2009 Purse
Sat Dec 26	Malibu Stakes (Grade I)	3 YO	7 F	\$300,000
Sat Dec 26	Sir Beaufort Stakes (Grade III)	3 YO	1 M (T)	\$100,000
Sat Dec 26	California Breeders Champion Stakes	2 YO (CA Breds)	1 1/16 M	\$100,000
Sat Dec 26	La Brea Stakes (Grade I)	F, 3 YO	7 F	\$300,000
Sun Dec 27	California Breeders Champion Stakes	F, 2 YO (CA Breds)	1 1/16 M	\$100,000
Sun Dec 27	San Gabriel Handicap (Grade II)	3 & UP	1 1/8 M (T)	\$150,000
Fri Jan 1	Sensational Star Handicap	4 & UP (CA Breds)	abt 6 1/2 F (T)	\$100,000
Sat Jan 2	San Gorgonio Handicap (Grade II)	F/M, 4 & UP	1 1/8 M (T)	\$150,000
Sun Jan 3	Monrovia Handicap (Grade III)	F/M, 4 & UP	abt 6 1/2 F (T)	\$100,000
Sat Jan 9	San Pasqual Handicap (Grade II)	4 & UP	1 1/16 M	\$150,000
Sun Jan 10	Santa Ysabel Stakes (Grade III)	F, 3 YO	1 1/16 M	\$100,000
Sat Jan 16	**San Fernando Stakes (Grade II)	4 YO	1 1/16 M	\$150,000**
Sat Jan 16	San Rafael Stakes (Grade III)	3 YO	1 M	\$100,000
Sat Jan 16	Santa Ynez Stakes (Grade II)	F, 3 YO	7 F	\$150,000
Sun Jan 17	El Encino Stakes (Grade II)	F, 4 YO	1 1/16 M	\$150,000
Mon Jan 18	San Marcos Stakes (Grade II)	4 & UP	1 1/4 M (T)	\$150,000
Mon Jan 18	San Pedro Stakes	3 YO	6 1/2 F	\$70,000A
Sat Jan 23	Palos Verdes Handicap (Grade II)	4 & UP	6 F	\$150,000
Sat Jan 30	Sunshine Millions Classic	4 & UP (CA/FL Breds)	1 1/8 M	\$500,000
Sat Jan 30	Sunshine Millions F/M Turf	F/M, 4 & UP (CA/FL Breds)	1 1/18 M (T)	\$300,000
Sat Jan 30	Sunshine Millions F/M Sprint	F/M 4 & UP (CA/FL Breds)	6 F	\$200,000
Sun Jan 31	Santa Monica Handicap (Grade I)	F/M, 4 & UP	7 F	\$250,000
Sat Feb 6	Strub Stakes (Grade II)	4 YO	1 1/8 M	\$200,000
Sat Feb 6	Robert B. Lewis Stakes (Grade II)	3 YO	1 1/16 M	\$150,000
Sat Feb 6	Las Virgenes Stakes (Grade I)	F, 3 YO	1 M	\$250,000
Sun Feb 7	San Antonio Handicap (Grade II)	4 & UP	1 1/8 M	\$150,000
Sat Feb 13	Santa Maria Handicap (Grade I)	F/M, 4 & UP	1 1/16 M	\$250,000
Sun Feb 14	La Canada Stakes (Grade II)	F, 4 YO	1 1/8 M	\$150,000
Mon Feb 15	San Vicente Stakes (Grade II)	3 YO	7 F	\$150,000
Mon Feb 15	Buena Vista Handicap (Grade II)	F/M, 4 & UP	1 M (T)	\$150,000
Sat Feb 20	San Carlos Handicap (Grade II)	4 & UP	7 F	\$150,000
Sun Feb 21	San Luis Obispo Handicap (Grade II)	4 & UP	1 1/2 M (T)	\$150,000
Sat Feb 27	Sham Stakes (Grade III)	3 YO	1 1/8 M	\$150,000
Sun Feb 28	Crystal Water Handicap	4 & UP (CA Breds)	1 M (T)	\$100,000
Sat Mar 6	Santa Anita Handicap (Grade I)	4 & UP	1 1/4 M	\$750,000
Sat Mar 6	Frank E. Kilroe Mile (Grade I)	4 & UP	1 M (T)	\$250,000
Sat Mar 6	Santa Anita Oaks (Grade I)	F, 3 YO	1 1/16 M	\$250,000
Sat Mar 13	Santa Margarita Handicap (Grade I)	F/M, 4 & UP	1 1/8 M	\$250,000
Sat Mar 13	San Felipe Stakes (Grade II)	3 YO	1 1/16 M	\$150,000
Sat Mar 20	Irish O'Brien Stakes	F/M, 4 & UP (CA Breds)	abt 6 1/2 F (T)	\$100,000
Sat Mar 20	San Luis Rey Handicap (Grade II)	4 & UP	1 1/2 M (T)	\$150,000
Sun Mar 21	Santa Ana Handicap (Grade II)	F/M, 4 & UP	1 1/8 M (T)	\$150,000
Sat Mar 27	Tokyo City Cup (Grade III)	4 & UP	1 1/2 M	\$100,000
Sun Mar 28	Santa Paula Stakes (Grade III)	F, 3 YO	6 1/2 F	\$100,000
Sat Apr 3	Arcadia Handicap (Grade II)	4 & UP	1 M (T)	\$150,000
Sat Apr 3	Santa Anita Derby (Grade I)	3 YO	1 1/8 M	\$750,000
Sat Apr 3	**Potrero Grande Handicap (Grade II)	4 & UP	6 1/2 F	\$150,000**
Sat Apr 3	Providencia Stakes (Grade II)	F, 3 YO	1 1/8 M (T)	\$150,000
Sun Apr 4	Las Flores Handicap (Grade III)	F/M, 4 & UP	6 1/2 F	\$100,000
Sat Apr 10	La Puente Stakes	3 YO	1 1/8 M (T)	\$100,000
Sun Apr 11	Las Cienegas Handicap (Grade III)	F/M, 4 & UP	abt 6 1/2 F (T)	\$100,000
Sat Apr 17	Santa Barbara Handicap (Grade II)	F/M, 4 & UP	1 1/4 M (T)	\$150,000
Sat Apr 17	San Simeon Handicap (Grade III)	4 & UP	abt 6 1/2 F (T)	\$100,000
Sun Apr 18	San Juan Capistrano Handicap (Grade II)	4 & UP	abt 1 3/4 M (T)	\$150,000
	*** ALL RACES ARE GUARANTEED unless indicated			
		**Includes \$75,000 Breeders' Cup Funding		
	STAKES ELIMINATED			
	El Conejo Handicap (Grade III)			
	Tuzla Handicap (Grade III)			
	La Habra Stakes (Grade III)			
	Thunder Road Handicap (Grade III)			
	Daytona Handicap (Grade III)			
	Baldwin Stakes (Grade III)			
	Honest Lady Stakes			

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 CHRB.

C. CORPORATION

1. Registered name of the corporation: Los Angeles Turf Club, Incorporated
2. 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 & Chief Executive Officer
 George Haines II, V.P. & General Manager
 Frank De Marco, Jr., V.P. Regulatory Affairs and Assistant Secretary
 Allen Gutterman, V.P. Marketing & Sales
 Aaron Vercruysse, Vice-President Racing/Wagering
 Amy Zimmerman, Vice President Business Coordination/Director of Broadcasting
 Gina Lavo, V.P. Finance
 Scott J. 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 Corp., 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.: 2,928,447 Class A Subordinate Voting Shares
 2,923,302 Class B Shares
 As of August 31, 2008
7. Are the shares listed for public trading? Yes No
 If yes, on what exchange and how is the stock listed:
 The MEC shares are traded on the NASDAQ Exchange.
8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation: N/A
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 Corp.

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.

Santa Anita companies, Inc. consolidated financial statements for year ended December 31, 2008 is on file with the Board.

D. LLC N/A

E. OTHER N/A

F. Management and Staff

1. Name and title of the managing officer and/or general manager of the association and the name and title of all department managers and staff, other than those listed in 10B, who will be listed in the official program:

Ron Charles, President

George Haines, Vice-President & General Manager

Frank DeMarco, Jr., Vice-President Regulatory Affairs & Assistant Secretary

Allen Gutterman, Vice-President Marketing & Sales

Gina Lavo, Vice-President Finance

Aaron Vercruysse, Vice-President Racing/Wagering

Amy Zimmerman, Vice President Business Coordination/Director of Broadcasting

Candace Coder-Chew, Director of Print & Graphics

Randy Fowler, Director of Food & Beverage

Randy Hartzell, Director of Mutuels

Dick Honaker, Director of Operations & Security

Chris Quinn, Director of Group Sales

Pete Siberell, Director of Community Service & Special Events

Jason Spetnegal, Director of Facilities

Ken Walker, Director of Labor Relations

Mike Willman, Director of Publicity & Public Relations

Nina Zukin, Director of Information Services

Jay Cohen, Hornblower

Trevor Denman, Public Address Commentator/Announcer

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:

Frank DeMarco, Jr., Vice-President Regulatory Affairs & Assistant Secretary

5. PURSE PROGRAM

A. Purse distribution:

1. All races other than stakes:

Current meet estimate:	\$21,000,000
Prior meet actual:	\$22,008,000

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

Current meet estimate:	\$ 253,012
Prior meet actual:	\$ 262,000

2. Overnight stakes:

Current meet estimate:	\$ 70,000
Prior meet actual:	\$ 1,125,000

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

Current meet estimate:	\$ 843
Prior meet actual:	\$ 13,392

3. Non-overnight stakes:

Current meet estimate:	\$ 8,365,000
Prior meet actual:	\$10,300,000

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

Current meet estimate:	\$ 100,783
Prior meet actual:	\$ 122,619

B. Stakes races:

1. Purse distribution for all stakes races:

Current meet estimate:	\$ 8,435,000
Prior meet actual:	\$11,425,000

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

Current meet estimate:	\$ 101,626
Prior meet actual:	\$ 136,011

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

Current meet estimate:	13%
Prior meet actual:	13%

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

Current meet estimate:	.15%
Prior meet actual:	.15%

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

Current meet estimate:	\$ 2,050,000
Prior meet actual:	\$ 2,300,000

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

Recognized Horsemen's Organization

	Prior meet estimate:	Current:
NTRA	\$ 186,000	\$ 186,000
TOC	\$ 381,600	\$ 308,400
CTT Pension	\$ 377,784	\$ 308,370
CTT Administration	<u>\$ 194,616</u>	<u>\$ 154,230</u>
Total	\$1,140,000	\$ 957,000

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

Current meet estimate:	\$32,442,000
Prior meet actual:	\$36,873,000

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

Current meet estimate:	\$ 390,867
Prior meet actual:	\$ 438,964

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

Current meet estimate:	\$22,231,000
Prior meet actual:	\$24,421,000

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

Current meet estimate:	\$ 267,843
Prior meet actual:	\$ 290,726

G. Purse funds to be generated from interstate handle:

Current meet estimate:	\$ 8,100,000
Prior meet actual:	\$ 8,400,000

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

Current meet estimate:	\$ 97,590
Prior meet actual:	\$ 100,000

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

Wells Fargo Regional Commercial Bank, West Covina Office, 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

NOTICE TO APPLICANT: All funds generated and retained from on-track pari-mutuel handle which are obligated by law for distribution in the form of purses, breeders' awards or other benefits to horsemen, shall not be deemed as income to the association; shall not be transferred to a parent corporation outside the State of California; and shall, within 3 calendar days following receipt, be deposited in a segregated and separate liability account in a depository approved by the CHRB and shall be at the disposition of the Paymaster of Purses, who shall pay or distribute such funds to the persons entitled thereto. All funds generated from off-track simulcast wagering, interstate wagering, and out-of-state wagering which are obligated by law for distribution in the form of purses and breeders' awards, shall also be deposited within 3 calendar days following receipt, into such liability account. In the event the association is obligated to the payment of purses prior to those obligated amounts being retained from pari-mutuel wagering for such purpose, or as a result of

overpayment of earned purses at the conclusion of the meeting, the association shall transfer from its own funds such amounts as are necessary for the Paymaster of Purses to distribute to the horse owners statutorily or contractually entitled thereto. The association is entitled to recover such transferred funds from the Paymaster of Purses' account; and if insufficient funds remain in the account at the conclusion of the meeting, the association is entitled to carry forward the deficit to its next succeeding meeting as provided by B&P Code Section 19615(c) or (d). In the event of underpayment of purses which results in a balance remaining in the Paymaster of Purses' account at the conclusion of the meeting after distribution of amounts due to horsemen and breeders and horsemen's organizations, the association may carry forward the surplus amount to its next succeeding meeting; provided, however, that the amount so retained does not exceed an amount equivalent to the average daily distribution of purses and breeders' awards during the meeting. All amounts in excess shall be distributed retroactively and proportionally in the form of purses and breeders' awards to the horse owners and breeders having earned purses or awards during the conduct of the meeting.

6. STABLE ACCOMMODATIONS

- A. Number of usable stalls available for racehorses at the track where the meeting is held: 1,950
- B. Minimum number of stalls believed necessary for the meeting: 1,853
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: 2,500
- D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site:

Hollywood Park 1,500	San Luis Rey Downs 500	Fariplex 500
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- 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.

New contract pending and will be filed with the board by SCOTWINC when finalized.

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:
 \$3,156,075 (\$19.50/day/stall; excludes vanning costs)
- H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse: \$350,000

\$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 \$1PPN \$1PNP4	CHRB #1959, 1957, 1977, 1976.8, 1976.9
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 \$2PNP6	CHRB #1959, 1957, 1977, 1976.9
Race #5	\$1E \$2DD \$1PK3 \$2PNP6 \$1PNP4	CHRB #1959, 1957, 1977, 1976.9
Race #6	\$1E \$2DD \$1PK3 \$1PNP4	CHRB #1959, 1957, 1977, 1976.9
Race #7	\$1E \$2DD \$1PK3 \$1PNP4	CHRB #1959, 1957, 1977, 1976.9
Race #8	\$1E \$2DD \$1PK3 Super H5	CHRB #1959, 1957, 1977, 1976.9; ARCI 004-105
Race #9	\$1E \$2DD Super H5	CHRB #1959, 1957; ARCI 004-105
*Race #10	\$1E \$2DD Super H5	CHRB #1959, 1957; ARCI 004-105
*Race #11	\$1E \$2DD Super H5	CHRB #1959, 1957; ARCI 004-105

(*) When Applicable

- Rolling \$2 Daily Doubles beginning with Race #1. (CHRB #1957)
- \$1 Trifecta on all eligible races. (CHRB #1979)
- \$0.10 Superfecta wagering on all qualifying races. (CHRB #1979.1) Except on races with Pentafecta.
- Incoming simulcasts will follow host track format.
- \$1 Place PK8 on 8-race program; Place PK9 on 9-race program, Place PK10 on 10-race program. Alternate runner provision. [All \$1 Wagers] No carryover. Pay all tickets with most winners. (CHRB #1976.8)
- \$2 PNP6 Last six live races 70% Carryover, 30% Minor. Alternate runner provision. (CHRB #1976.9)
- \$1 PNP4 first race and last four live races. Alternate runner provision. (CHRB #1976.9)
- \$1 Pentafecta selecting the first five finishers in a same race. 100% payout on all tickets selecting five winners. No consolation; 100% carryover if no ticket has five winners. Note: Superfecta will not be offered in a selected Super High-5 race. Super High-5 will be carded as last race of the day. [Applicable rule: ARCI 004-105 – T PICK (N) POSITION (X) POOLS]

B. Maximum carryover pool to be allowed to accumulate before its distribution OR the date(s) designated for distribution of the carryover pool: Unlimited

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 a.m. – 10:00 a.m.

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:

- Twin Spires
- YouBet
- TVG
- XpressBet

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 Antelope Valley Fair Barona Casino Bay Meadows Cal. Expo Desert Expo Earl Warren Showground's – 19 th DAA ExpoCentre Fairplex Fantasy Springs Casino Fresno District Fair – 21 st DAA Fresno Club One Wagering Facility Golden Gate Hollywood Park Kern County Fair – 15 th DAA Lake Perris Sports Pavilion Los Alamitos	Monterey County Fair – 7 th DAA National Orange Show Redwood Acres Fair – 9 th DAA San Bernardino County Fair – 28 th DAA San Joaquin Fair – 2 nd DAA Santa Barbara County Fair – 37 th DAA Santa Clara County Fair Shasta District Fair – 27 th DAA Solano County Fair Sonoma County Fair Stanislaus County Fair, Turlock Satellite Sycuan Casino Ventura County Fair – 31 st DAA Viejas Casino & Turf Club Surfside Race Place at Del Mar 24 th District Agricultural Association
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- 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

All ADW companies should be on the list of sites possibly taking wagers on SA races. All are pending approval.	
Amwest Entertainment	North Dakota
Arapahoe Park	Colorado
Arima Race & Sports Book	Trinidad
Arlington International Racecourse,	Illinois
Atlantic City Casino Assn.	New Jersey
Atlantic City Race Course	New Jersey
Atokad Downs	Nebraska
Balmoral Park/Maywood	Illinois
Bettor Racing OTB (Royal River),	South Dakota
Beulah Park	Ohio
Birmingham Race Course	Alabama
Blue Ribbon Downs	Oklahoma
Bluffs Run Greyhound Park & Casino,	Iowa
Boyd Gaming, dba Delta Downs	Louisiana
Buffalo Trotting Association	New York
Calder Race Course	Florida
Canterbury Park	Minnesota
Capital District OTB	New York
Capital Sports Pty Ltd.	Australia
Catskill OTB	New York
Charles Town Races	West Virginia
	Choctaw Racing Services, LLC, Oklahoma
	Churchill Downs Kentucky
	Churchill Downs Sports Spectrum, Kentucky
	Coeur d' Alene Casino Idaho
	Colonial Downs Virginia
	Columbus Races Nebraska
	Connecticut OTB Connecticut
	Corpus Christi Greyhound Race Track, Texas
	Crystal Palace Casino Bahamas
	Dairyland Greyhound Park Wisconsin
	Delaware Park Delaware
	Dover Downs Delaware
	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	Prairie Meadows	Iowa
Great Lakes Downs	Michigan	Raceway Park	Ohio
Hawthorne National LLC	Illinois	Racing & Gaming Services, Inc.,	British WI
Hazel Park	Michigan	Remington Park	Oklahoma
Hinsdale Greyhound Park	New Hampshire	Retama Park	Texas
Hoosier Park	Indiana	River Downs	Ohio
Horsemen's Park	Nebraska	Rockingham Park	New Hampshire
Indiana Downs	Indiana	Rosecroft Raceway	Maryland
International All Sports Limited	Florida	Ruidoso Downs	New Mexico
Jackson Harness Raceway	Michigan	Saginaw Harness Raceway	Michigan
Keeneland Association	Kentucky	Sam Houston Race Park, LTD	Texas
Las Vegas Dissemination Co.	Nevada	Saratoga Raceway	New York
Lebanon Raceway	Ohio	Scarborough Downs	Maine
Les Bois Park	Idaho	Scioto Downs	Ohio
Lewiston Raceways, Inc.	Maine	Southland Greyhound Park	Arkansas
Lien Games, Inc.	North Dakota	Sports Creek Raceway	Michigan
Lincoln Park	Rhode Island	State Fair Park	Nebraska
Lone Star Race Park Ltd.	Texas	Stevenson & Associates, Inc. (Common), Florida	
Louisiana Downs	Louisiana	Suffolk Downs	Massachusetts
LVDC / Elite Turf Club	Nevada	Suffolk OTB	New York
LVDC / Tribal Locations	Nevada	Sunland Park	New Mexico
Manor Downs	Texas	Sunray Park	New Mexico
Maryland Jockey Club	Maryland	The Green Track	Alabama
Midway Slots & Simulcast	Delaware	The Greyhound Park at Post Falls,	Idaho
Monmouth Park	New Jersey	The Meadows	Pennsylvania
Montana Simulcast Partners	Montana	The Texas Hub at Gulf Greyhound,	Texas
Monticello Raceway	New York	Thistledown Racing	Ohio
Mount Pleasant Meadows	Michigan	Tri-State Racetrack & Gaming Center, WV	
Mountaineer Park	West Virginia	Turf Paradise	Arizona
Nassau/Suffolk OTB	New York	Turfway Park	Kentucky
Nevada Pari-Mutuel Association	Nevada	Twin Spires ADW	
New Jersey Sports & Exposition Authority, NJ		Western Regional OTB	New York
New York City Off-Track Betting	New York	Wheeling Downs	West Virginia
New York Racing Association	New York	Wichita Greyhound Park	Kansas
Newport Jai-Alai	Rhode Island	Wonderland Greyhound Park	Massachusetts
Northfield Park	Ohio	Woodlands	Kansas
Northville Racing Corp.	Michigan	Wyoming OTB	Wyoming
Oaklawn Park	Arkansas	XpressBet, Inc.	California
Ocean Downs	Maryland	Yonkers Raceway	New York
Penn National Race Course	Pennsylvania	Youbet / I.R.G.	California
Philadelphia Park	Pennsylvania	Zia Park	New Mexico
Plainridge Race Course	Massachusetts		
Portland Meadows	Oregon		

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
- 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

Stevenson & Associates, Inc.
 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:	DEC-APRIL	Selected Feature and/or Stakes Races
Calder Race Course - CRC:	DEC-JAN	Selected Feature and/or Stakes Races
Fairground @ La. Downs:	DEC-APRIL	Selected Feature and/or Stakes Races
Fort Erie - Canada:	APRIL	Full Card
Gulfstream Park - GP:	JAN-APRIL	Selected Feature and/or Stakes Races
Hastings - HST:	APRIL	Full Card
Hawthorne - HAW:	FEB-APRIL	Selected Feature and/or Stakes Races
Keeneland - KEE:	APRIL	Selected Feature and/or Stakes Races
Laurel Park - LRL:	JAN-APRIL	Selected Feature and/or Stakes Races
Lone Star Park - LS:	APRIL	Selected Feature and/or Stakes Races
Louisiana Downs - LAD:	APRIL	Selected Feature and/or Stakes Races
Northlands Park - NP:	MARCH-APRIL	Full Card
Oaklawn Park - OP:	JAN-APRIL	Selected Feature and/or Stakes Races
Philadelphia Park - PHA:	JAN-APRIL	Selected Feature and/or Stakes Races
Pimlico - PIM:	APRIL	Selected Feature and/or Stakes Races
Portland Meadows -	DEC-APRIL	Selected Feature and/or Stakes Races
Remington Park - RP:	APRIL	Selected Feature and/or Stakes Races
River Downs - RD:	APRIL	Selected Feature and/or Stakes Races
Stampede Park - STP:	APRIL	Full Card
Tampa Bay Downs - TAM:	DEC-APRIL	Selected Feature and/or Stakes Races
Thistledown - TDN:	MARCH-APRIL	Selected Feature and/or Stakes Races
Turf Paradise - TUP:	DEC-APRIL	Selected Feature and/or Stakes Races
Turfway Park - TP:	JAN-APRIL	Selected Feature and/or Stakes Races
Woodbine - WO:	APRIL	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:
Board of Directors
Los Angeles Turf Club, Incorporated
285 W. Huntington Drive
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 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. Dana Stead
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	Dane Nelson

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, 2012.

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

- | | |
|---|---|
| <ul style="list-style-type: none"> 1) 3/8 tower on grass 55:1 lens 2) 3/8 tower on dirt 55:1 lens 3) hillside/square box on hill grass (remote) 18:1 lens 4) 1/4 tower on both grass and dirt 24:1 lens 5) tight pan camera on both grass and dirt 70:1 lens 6) loose pan camera on both grass and dirt 36:1 lens 7) 7/8 tower on grass 55:1 lens 8) 7/8 tower on dirt 55:1 lens 9) Winner's circle 24:1 lens 10) wireless starting gate and saddling barn 18:1 lens 11) wireless lower finish line and interviews 14:1 lens | <ul style="list-style-type: none"> 12) walking ring 14:1 lens 13) east saddling barn (remote) 7:1 lens 14) west saddling barn (remote) 7:1 lens 15) studio 18:1 lens 16) infield speaker pole (remote) 18:1 lens 17) ENG camera 20:1 lens 18) East saddling barn enclosed saddling stall (lock-down) 19) West saddling barn enclosed saddling stall (lock-down) 20) 5/16 Camera outside of main track rail 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

- | | |
|--|--|
| <ul style="list-style-type: none"> ◦ 1 - Tektronix 4-channel digital profile file server ◦ 1 - Digital Betacam VTP ◦ 2 - Composite Digital Video Tape recorders ◦ 6 - Betacam record/play VCRs with slo-mo ◦ 2 - Betacam record/play VCRs ◦ 1 - 3/4" Umatic record/play VCR ◦ 1 - 3/4" Umatic VCR ◦ 5 - Digital Beta cam VCR's ◦ 1 - GVG IPS-110 Editor ◦ 2 - Hi 8 record/play VCR ◦ 6 - VHS record/play VCR ◦ 1 - BTS 128x128 video router with 64x64 stereo audio follow ◦ 1 - GVG 3000 composite digital switcher w/dual MEs, PVW/PGM ◦ 1 - Dual channel GVG DPM 700 digital effects system | <ul style="list-style-type: none"> ◦ GVG video DAs ◦ 1 - GVG GF-40 character generator/paint system ◦ 1 - GVG DSS-4 stillstore ◦ 1 - Quanta character generator ◦ Sony video monitors ◦ 5 - Tektronix WFM and V-scopes ◦ 1 - GVG 100 video switchers ◦ 2 - Soundcraft Delta audio mixers ◦ 1 - GVG 251 Editor ◦ 30 - Jerold TV Modulators ◦ 2 - Chyron MAX! Graphics Generators ◦ 2 - Chyron Maxine! Graphics Generators ◦ Abekes Dveous digital effects machine ◦ Sony DVD Recorder/Players |
|--|--|

Number and location of cameras for dirt and turf tracks:

- | | |
|---|---|
| <ul style="list-style-type: none"> ◦ 1 Tight Pan ◦ 1 Loose Pan ◦ 1 7/8th camera <i>dirt</i> | <ul style="list-style-type: none"> ◦ 1 7/8th camera <i>turf</i> ◦ 1 RF Starting Gate camera ◦ 1 3/8th camera <i>dirt</i> |
|---|---|

- 1 3/8th camera *turf*
- 1 3/16th camera *dirt*
- 1 3/16th camera *turf*
- 1 ¼ pole camera
- 1 hillside camera *turf*
- 1 5/16th 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.

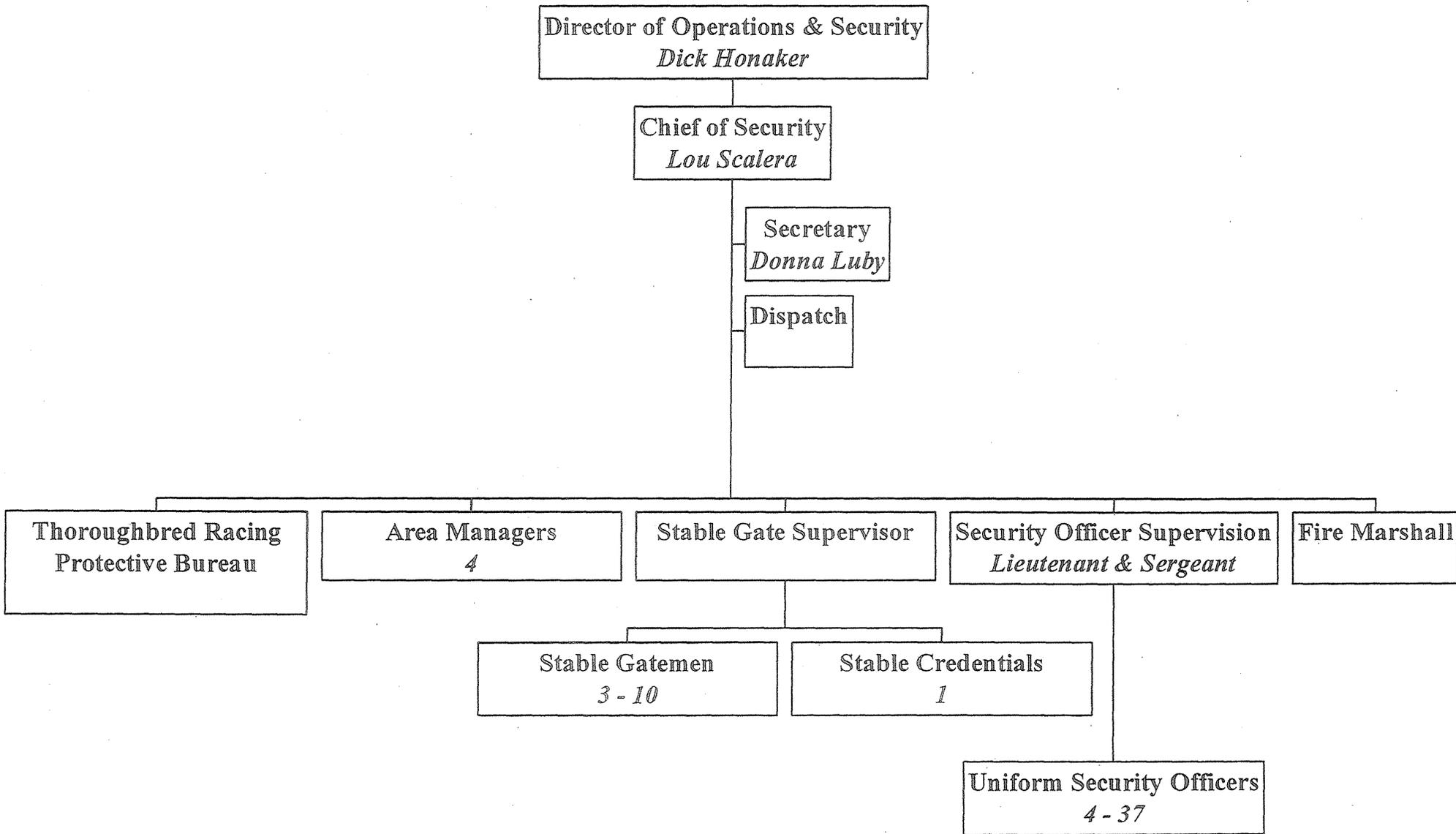
Each horse entered in a graded race is assigned a contracted security officer, licensed by the CHRB. Each of these officers will be trained by LATC Stable Security management, the CHRB and one or more track veterinarians. Each officer is issued a hand-held digital video camera and a log sheet to record [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.

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)

SANTA ANITA PARK Security Live Racing



- 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.

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



(from TOC agreement)

2009-2010 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.

1st 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.

2nd 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.

3rd 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: Copy of SLRD emergency plan on file with CHRB.
- 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

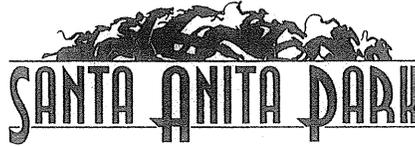
EQUIPMENT

- 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.



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.



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 contratados 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.

- 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):
George Haines, VP-General Manager
Mary Saenz, Safety Manager
- H. Attach a fire clearance from the fire authority having jurisdiction over the premises.
Letter dated September 18, 2009; copy attached.
- I. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details):
Aon Reed Stenhouse Inc. Policy #WC1-B71-072827-039 Renewed each January.
- 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 Exhibit 13-J) (Renewal will be forwarded in January, 2009)

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.



City of Arcadia

Fire Department

Tony L. Trabbie
Fire Chief

September 18, 2009

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

RE: Los Angeles Turf Club Fire Clearance (2009-2010 Main 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 2009-2010 Main 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 2009-2010 Main 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. 320005923861

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
Attention : Pat Noble
 1010 Hurley Way, Room 300
 Sacramento, CA 95825
 USA

Fax: 626-446-9565

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,
 Incorporated a/o Santa Anita Park
 285 West Huntington Drive
 Arcadia, CA 91007
 USA

Coverage

US Workers Comp/Employers Liability	Insurer	Liberty Mutual Insurance Company	
Policy #	WC1-B71-072827-039		
Effective	01-Jan-2009	Expiry	01-Jan-2010
Limits of Liability	Workers Compensation		

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 : 02-January-2009
 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**



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:

HANDICAPPERS

Bob's Card Incorporated (CHRB-25A and CHRB-87 on file with CHRB.)
Tiffany Bohland
6288 Highland Meadows Drive
Medina, OH 44256

Winners Card Corp. (CHRB-25A and CHRB-87 on file with CHRB.)
% Don Harris
924 Knob Hill Avenue
Redondo Beach, CA 90277-4538

Baedeker's Incorporated (CHRB-25A and CHRB-87 on file with CHRB.)
Mr. Robert Baedeker
130 W. El Portal
San Clemente, CA 92672

Duke Racing Selections (CHRB-25A and CHRB-87 on file with CHRB.)
c/o Harry Acquarelli
6632 West 87th Street
Los Angeles, CA 90045

Today's Racing Digest, Inc. (Exempt from CHRB-25A and CHRB-87)
Jason Karches
2080 Las Palmas Drive
Carlsbad, CA 92009

15. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

A. Describe any promotional plans:

PROPOSED 2009-2010 SANTA ANITA PARK MARKETING SCHEDULEBUDGET

Santa Anita Park is pleased to present the California Horse Racing Board with a preliminary marketing plan for the 2009-2010 race season.

Currently the Los Angeles Turf Club and MEC plans call for a gross 2010 marketing budget of \$4,976,000 a significant number by American racetrack standards today. It also includes salaries, benefits and ancillary expenses. At approximately \$1 million a month, this budget realistically reflects the high cost of doing business in the second largest media capital in the country.

This is, as you know, separate and apart from the budget provided by Santa Anita's tenant for the Oak Tree Racing Assn, meet in the fall.

NEW FOR 2009/2010 SEASON

For the 2009/2010 season, Santa Anita management continues to innovative and introduce fresh new ideas to the sport of thoroughbred racing in the metropolitan Los Angeles area.

New for 2009-2010 Season

For the new season Santa Anita management continues to innovate and introduce fresh ideas to the sport of thoroughbred racing in metropolitan Los Angeles.

Before this year is over, Santa Anita will offer Christmas/Chanukah/Kwanza presents for horseplayers of season long admission passes good in either the clubhouse or the grandstand. We will also upgrade and install additions to our Rewards program based on days attended with special bonus points for visits on Sunday afternoons. Free Fridays will grow bigger with more offers beyond free Friday admission, box seats, \$1 hot dogs, beer, soft drinks, popcorn and coffee.

Once again, opening day will be targeted with media and the calendar giveaway to be one of the biggest days of the year and Sunshine Millions returns for another strong round of competition between California bred and Florida bred.

This will be the second year of Santa Anita's Super High Five wager which was copied by many tracks in the country and by all in the state of California. It grew in popularity as the season progressed and is now a California racing fixture.

Top of the line premium giveaway items will help enhance our biggest stakes days to ensure top attendance for southern California's most significant racing events. Expect to see live performances in the infield and promotions with top ten radio stations.

ANALYSIS and RATIONALE

The undeniable truth about gambling is that there are only so many people on the planet who will ever gamble. Whether because of nature or nurture, gambling is an activity of varying interest to many consumers living in California, but not most.

When betting on live horseracing was the only legal gambling opportunity in the state, racetrack business thrived in Los Angeles and large daily crowds were the norm at Santa Anita and Hollywood Park. Horse racing was the

gateway to gambling and betting on thoroughbreds was most often the maiden voyage for gaming novices. That's no longer the case. Now, at least one generation of Californians, who might have had their first taste of gambling at a California horse track, has been intercepted at the gate by easily accessible casino action, a myriad of lottery games and gaming venues on the Internet.

We've also done a pretty good job of utilizing technology to compete with ourselves, but at least we're keeping (a good deal of) that wagering in the family.

Convenience is an overwhelming factor in the success of most businesses, certainly ours. Customers we have developed on track can also bet by phone, online or at a nearby satellite. That's not so great for the live business, but at least these fans are still in the game. We believe that convenience can work to the advantage of live racing, too and that is reflected in our 2010 marketing plans.

In addition to convenience, it is clear that visiting somewhere that appears to be "in" or "hot" definitely appeals to some Angelinos when they decide how to spend their free time and discretionary dollars. For 2010, we will continue our successful marketing and advertising efforts to create awareness of Santa Anita. Our goal is to place it high in the consciousness of locals as a cool place to go and a hot spot to be, for established fans and newcomers, for young and old, for individuals and families. Additionally, our plans include a focus for the first time on jockeys and the humans who make horse racing so fascinating and interesting.

PRINCIPLES AND PROCEDURES ~advertising and the convenience factor~

Much of Santa Anita's advertising program is designed around the purchase of media rings which support a theory that (outside of our biggest stakes and promotional days), those people most eligible, and, therefore most likely, to attend racing at Santa Anita reside within a 15 to 20 mile ring encircling the city of Arcadia. They would be prime candidates to benefit from the convenience factor.

Our advertising partners, Winner and Associates and Target Enterprises, are buying cable companies (not cable stations) within these rings that provide us heavy ad rotations on major broadcast channels in the neighborhoods from which we expect to get most of our midweek and weekend players. If you reside within these rings, you will be inundated with spots—usually on Wednesdays, Thursdays and Fridays-- on high profile programming pumping Santa Anita. These targeted buys allow us to be a prominent television presence every week of the meet all the way through April. As with our previous advertising programs, the long-range goal, including the incentives, is to bring back long-time fans, and establish a much larger, solid base of new racing fans for years to come.

When it comes to promoting our biggest days, our media buy grows exponentially to cover Los Angeles County and sometimes beyond. These major buys are planned for Opening Day, Sunshine Millions, Big 'Cap Day, Santa Anita Derby Day and to a lesser extent Strub Day, St. Patrick's Day, President's Day and Martin Luther King, Jr. Day. For the major days, the spots run for most of the preceding week.

In essence, there will be television advertising of Santa Anita Racetrack every week that live racing is held. This is an extraordinary effort to mainstream thoroughbred racing into much of the L.A. marketplace and make Santa Anita a cool place to go again and to showcase the young and interesting talent we have in our jockey community.

Additionally, print advertising will reflect that Santa Anita is both convenient and "a happening place." It will be purchased from the Los Angeles Newspaper Group, whose publications cover Arcadia and neighboring towns. Also, we will buy space in *La Opinion* and a number of Asian dailies and weeklies in our area (still to be determined) as well as the *L.A. Times*, the *Daily Racing Form* and several specialty publications. Radio partnerships, such as those with KROQ and KBIG are dedicated to promoting

special events such as microbrews, carnivals and chili cook offs.

~preaching to the choir or how to get your best customers back for more~

Santa Anita is the proud developer of THOROUGHBREDS, a membership club that provides real value and rewards for players who come to the track frequently. It is not based on handle; it is based only on their willingness to leave the convenience of their home to visit Santa Anita Park. This is the model that is used by the rest of the industry when attempting to communicate with fans...no matter how much they wager.

The popular *Day On Us* will return in 2010. This is the day each month where we provide a mailing that offers free clubhouse admission, free parking and a free program all on the same day with coupons provided through direct mail.

Over the course of the four month meet, SA will send out a myriad of offers and notices of events and upcoming races and promotions to fans whose names we have secured. These will include free passes, mystery mutuel vouchers, handicapping challenges and contest entries. Add to this a growing number of e-mail blasts featuring special offers and immediate pick six carryover notices. A major direct mail newsletter is sent to over 160,000 fans each month with exclusive offers specifically for them.

Dollar Days is a popular promotion, especially in difficult financial times. We have several scheduled with admission, beer, program, soft drinks, popcorn and hot dogs all just one dollar each.

Additionally, the revamped and improved Santa Anita website offers everything a serious player AND a new visitor to the game needs to know to get started.

We plan to continue a program that we continue to nurture. Use a big day to get your next big day off on the right foot. This is a Pass Program that thanks you for coming on a big day (such as Sunshine Millions) by providing you a free clubhouse admission pass or \$1 BuckPass for the next big day on our stakes calendar (such as the Strub Stakes Day).

Santa Anita stays closely in touch with all the major promotional companies that create and provide high quality premium giveaway items. Our research told us that our fans will come to the track more often on days when they can take something home.

~ what makes Santa Anita special~

To begin with, nature has provided Santa Anita with the most beautiful backdrop of any racetrack in the world. There's nothing like it in all of sports. More and more, we use the infield for special events to take advantage of our unique location.

Santa Anita is the home of Seabiscuit and every Saturday and Sunday two tram loads of tourists take the spectacular Seabiscuit guided tour through the backstretch, to his stall, into the jocks room and finally to a face-to-face meeting with Fighting Ferrari, the horse who played Seabiscuit in the film.

Santa Anita Park has an ongoing fun and informative Speakers Bureau featuring Hall of Fame jockeys Laffit Pincay, Jr., Eddie Delahoussaye, bugler Jay Cohen and a variety of others. They will be appearing at fraternal organizations, business meetings and fundraisers singing the praises of thoroughbred racing.

We have developed partnerships with KBIG-FM and KTLA CH.5 to be the broadcast promoters of Carnival Days, a very promising infield event seeking a more family oriented audience. Carnival Days is a scaled down

version of the L.A. County Fair all inside the Santa Anita infield.

Our Group Events business continues to expand. The number of groups is up, the number of individuals in the groups is up and bookings for 2010 are keeping pace with last year's numbers.

The Handicapping Education Programs are prevalent all weekend long near the Santa Anita walking ring highlighted by veteran handicapper Jim Quinn's special sessions.

The popular Santa Anita website handicapping contest, SHOWVIVOR, will return with the start of the new meet. Its unique popularity brings racing fans from all over the country to the Santa Anita website including contest winners from Maryland and Pennsylvania. Additionally, a new improved website has been designed for 2009 - 2010.

Family Fun Days are an infield staple every Sunday and feature pony rides, face painters, a petting zoo and children's activities.

A hit with serious students of the game will return in 2010. It's the Battle of the Handicapping Stars, a buy in event that will bring in some of the nation's best handicappers and biggest players to town looking to win the tournament.

On the drawing board, too, is the officially sanctioned SA Chili Cook Off, plus a salute to St. Patrick's Day with horseshoe pitches and celebrity players. In 2009, this day drew over 16,000 fans.

We hold our seniors in high regard and appreciate their loyalty. They receive free admission every Thursday. Thursday is Seniors Day.

B. Number of hosts and hostesses employed for meeting:

1. Patron Service Representatives (through Group Sales) 1-4 per day, depending on total groups' bookings by day, that offers handicapping assistance for newcomers.
2. Patron Service Representatives (through Operations) 4-12 per day, depending on needs.
3. Hosts & Hostesses, 15 weekdays, 18-20 weekends

C. Describe facilities set aside for new fans:

1. Newcomers' Seminar offers a daily handicapping seminar one hour before first post (locations vary).
2. Baldwin Terrace which over looks the Top O' the Stretch from the Mezzanine level hosts the Jim Quinn All-Day Seminar's.
3. Fans Forum located in the East Paddock Gardens hosts a handicapping seminar every Saturday and Sunday.

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

Fans: General maintenance and cleaning of the facility as needed.

Horsemen: Installed Cushion Track.

Facilities in the restricted areas: Continuing repair program to improve overall conditions.

16. SCHEDULE OF CHARGES

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

Admission (general)	\$ 5.00	
Admission (clubhouse)	\$ 8.50	
Admission (turf club)	\$ 20.00	
Reserved seating (clubhouse)	\$ 5.00	Reserved seating (general) Free (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	

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

Turf Club Season admission: One Card - \$ 750
Two Cards -\$1,175

Season Box Seat: \$ 380 per seat

D. 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 checked="" type="checkbox"/>	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 was completed by CHRB: (to be completed by CHRB)

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:

5,200

 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

20. DECLARATIONS

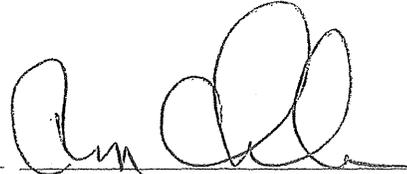
- A. All labor and lease agreements and concession and service contracts necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state): No exceptions.
- B. Attach each horsemen's agreement pursuant to CHRB Rule 2044. Pending
- C. Attach a lease agreement permitting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

Ron Charles
Print Name


Signature

President & CFO
Print Title

October 27, 2009
Date

STAFF ANALYSIS
November 17, 2009

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE PACIFIC RACING ASSOCIATION AT GOLDEN GATE FIELDS DECEMBER 26, 2009 THROUGH JUNE 13, 2010.

Pacific Racing Association [PRA] filed its application to conduct a thoroughbred horse racing meeting at Golden Gate Fields [GGF]:

- December 26, 2009 through June 13, 2010, or 115 days, 1 day less than 2009. The association proposes to race a total of 993 races, or 8.63 races per day. In 2009 PRA raced 8.54 races per day with an average of 7.00 runners per race during the 2009 winter/spring meet. The (actual) average daily purse for the 2009 winter/spring race meeting was \$157,850.70. The (estimated) average daily purse for this meet is \$151,027.22.
- The race dates proposed are the dates the Board allocated.

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 H	26
27	28	29	30	31		

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 H	19	20	21	22	23
24	25	26	27	28	29	30
31						

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

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			

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	

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 H					

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			

- Racing 4 to 5 days per week. Racing Thursday through Sunday during weeks with 4 days of racing; and Wednesday through Sunday or Monday and Thursday through Sunday during weeks with 5 days of racing. This is similar to the 2009 winter/spring racing schedule.
- 8 races weekdays and 9 on weekends and holidays. If horse population permits may run additional races, not to exceed an 8.55 average per day for the race meeting. Administrative approval will be requested if plans develop to exceed this amount.
- 11 stakes races are proposed (1 overnight / 10 non-overnight).
- First post 12:45 p.m. daily with the following exceptions:
 - Friday, December 26, 2009 (Opening Day) – 12:15p.m
 - Saturday, January 23, 2010 (Sunshine Millions) – 12:00p.m.
 - Sunday, February 7, 2010 (Super Bowl) – 11:15a.m.
 - Saturday, March 6, 2010 (Santa Anita Big Cap) – 12:15p.m.
 - Saturday, April 3, 2010 (Santa Anita Derby) – 12:15p.m.
 - Request the option to change post times to coordinate north/south signals.
- Changes to corporation:
 - Greg Rayburn listed as Chief Executive Officer.
 - Scott Fischer listed as Vice-President Finance and Operations.

PRA is a subsidiary of Magna Entertainment Corporation. Magna is unable at this time to provide a copy of any audited Consolidated Annual Financial Statement for the reason that Magna currently is in a status of re-organization under Chapter 11 of the United States Bankruptcy Code, pursuant to a Petition for Re-Organization filed March 5, 2009.

Financial assurances associated with PRA's race meeting commencing November 11, 2009 through December 21, 2009 to ensure proper payment of all funds generated from wagering as the licensed applicant is operating as a debtor in possession, will apply to the race meeting commencing December 26, 2009 through June 13, 2010.

- Vanning and Stabling contract on file with Board expires 12/31/2009. A copy of the 2010 contract has been requested.
- Wagering program will use CHRB and ARCI rules.
 - Early wagering will not be offered.
- Advance Deposit Wagering (ADW) providers are Xpressbet, Youbet, TwinSpires and TVG. Current ADW contracts/agreements expire December 31, 2009. The 2010 ADW provider contracts are currently in negotiations.

- Simulcasting conducted with out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- Request Patrick Kealy be appointed horse identifier pursuant to CHRB Rule 1525.
- Fire clearance from the City of Albany has been submitted. The fire clearance letter on file for the City of Berkeley will expire January 14, 2010. The Berkeley Department of Fire and Emergency Services performs its fire safety inspection annually and is scheduled to inspect the facilities at Golden Gate Fields shortly after the new year.
- Schedule of charges for admission, seating, parking, program have not changed since the last submission of a PRA application to conduct a horse racing meeting.
- Track safety inspection has been requested and will be completed before the race meeting begins.
- Inspection of backstretch worker housing has been requested and will be completed before the race meeting begins.

Specific information still needed to complete this application includes:

1. Track safety inspection.
2. Backstretch inspection.

Specific information, which will need updating during the proposed race dates:

1. Berkeley fire clearance (expires January 14, 2010).
2. Updated Workers' Compensation Insurance Policy (expires January 1, 2010).
3. 2010 vanning and stabling contract (expires December 31, 2010).

RECOMMENDATION:

Staff recommends the Board approve the application.

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:

Pacific Racing Association

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: December 26, 2009 through June 13, 2010

B. Actual dates racing will be held: December 26-27, 28, 30-31; January 1-3, 7-10, 14-17, 18, 21-24, 28-31; February 4-7, 11-14, 15, 18-21, 25-28; March 4-7, 11-14, 17-21, 24-28, 31; April 1-4, 7-11, 14-18, 21-25, 28-30; May 1-2, 5-9, 12-16, 19-23, 26-30, 31; June 3-6, 9-13.

C. Total number of days or nights of racing: 115 days

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

Wed - Sun Tues - Sat Other (specify)

Exceptions:

Racing Mondays December 28, 2009, January 18, 2010, February 15, 2010, and May 31, 2010.
Dark on Wednesdays January 6, January 13, January 20, January 27, February 3, February 10, February 17, February 24, March 3, March 10, and June 2, 2010.

E. Number of days or nights of racing per week: 4 day race weeks in January, February, and March; 5 days per week except as set forth in Item D above.

CHRB CERTIFICATION

Application received: 9-25-09
Deposit received: ON FILE
Reviewed: CJ

Hearing date: 11-17-09
Approved date:
License number:

3. RACING PROGRAM

- A. Total number of races: **993**
- B. Number of races for each day or night: **8.55 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 additional races as long as we do not exceed an average of 8.55 races per day for the meet. If we plan to exceed this amount, we will request administrative approval.**
- C. Total number of stakes races: **11**
(10 Non-Overnight Stakes, 1 Overnight 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:
 - Race 1 12:45 p.m.
 - Race 2 1:15 p.m.
 - Race 3 1:45 p.m.
 - Race 4 2:15 p.m.
 - Race 5 2:45 p.m.
 - Race 6 3:15 p.m.
 - Race 7 3:45 p.m.
 - Race 8 4:15 p.m.
 - Race 9 4:45 p.m.
 - Race 10 5:15 p.m. (When applicable)

Exceptions:

Friday, December 26, 2009	Opening Day	12:15 p.m.
Saturday, January 23, 2010	Sunshine Millions	12:00 noon
Sunday, February, 7, 2010	Super Bowl	11:15 a.m.
Saturday, March 6, 2010	Santa Anita Big Cap	12:15 p.m.
Saturday, April 3, 2010	Santa Anita Derby	12:15 p.m.

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)

Golden Gate Fields Winter/Spring 2009-2010						
Stakes Schedule						
December 26, 2009 - June 13, 2010					115 Days	9/17/2009
Stakes Race	Purse	Distance	Date	Closes	Nom	Entry
Silveyville (CA) 3 Yo's & Up	\$75,000 G Inc \$25,000 CBRF	1 1/16 (T)	Fri, Dec 26	Sat, Dec 19	\$50	\$750
California Oaks Fillies, 3 Yo	\$100,000 G	1 1/16	Fri, Jan 1	Sat, Dec 26	\$50	\$1,000
California Derby 3 Yo's	\$100,000 G	1 1/16	Sat, Jan 16	Sat, Jan 9	\$50	\$1,000
El Camino Real Derby GIII 3 Yo's	\$200,000 G	1 1/8	Sat, Feb 20	Sat, Feb 13	\$50	\$2,000
Work The Crowd (CA) F&M 4 Yo's & Up	\$75,000 G Inc \$25,000 CBRF	1 1/16	Sat, Mar 20	Sat, Mar 13	\$50	\$750
Golden Poppy Fillies, 3 Yo	\$75,000 G	1 1/16 (T)	Sat, Apr 17	Sat, Apr 10	\$50	\$750
San Francisco Mile GII 4 Yo's & Up	\$200,000 G	1 M (T)	Sat, Apr, 24	Sat, Apr 17	\$50	\$2,000
Alcatraz 3 Yo's	\$75,000 G	1 1/16 (T)	Sat, May 15	Sat, May 8	\$50	\$750
Golden Gate Fields Turf GIII 4 Yo's & Up	\$100,000 G	1 3/8 (T)	Sat, May 29	Sat, May 22	\$50	\$1,000
Berkeley GIII 4 Yo's & Up	\$100,000 G	1 1/16	Mon, May 31	Sat, May 24	\$50	\$1,000
Lost In The Fog 2 Yo's (Overnight)	\$50,000 G	5 Furlongs	Sat, Jun 12	Sat, Jun 5	\$50	\$500

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

C. CORPORATION

1. Registered name of the corporation: **Pacific Racing Association**
2. State where incorporated: **California**
3. Registry or file number for the corporation: **Federal ID #94-1585367**
California ID #173-1919-5
4. Names of all officers and directors, titles, and the number of shares of the corporation held by each:
Pacific Racing Association has only one shareholder, Magna Entertainment Corporation, a Delaware Corporation:
Frank Stronach, Chairman
Greg Rayburn, Chief Executive Officer
Ron Charles, Chief Operating Officer
Blake Tohana, Executive Vice-President and Chief Financial Officer
Frank DeMarco, Jr., Vice-President Regulatory Affairs
Mary Lyn Seymour, Vice-President and Controller
William G. Ford, Secretary
Scott Fischer, Vice-President Finance & Operations
Peter W. Tunney, Vice-President, Community Relations
Calvin Rainey, Vice-President and Assistant General Manager
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
6. Number of outstanding shares in the corporation: **69,347 shares of no par value common stock.**
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. **The last audited MEC financials were in 2007 and are on file with the Board. MEC financial letter attached.**

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, Chief Operating Officer; President, MEC California Operations**
Blake Tohana, Executive Vice-President and Chief Financial Officer
Frank DeMarco, Jr., Vice-President Regulatory Affairs
William Ford, Secretary
Robert Hartman, General Manager
Peter W. Tunney, Vice-President, Community Relations
Calvin Rainey, Vice-President, Assistant General Manager
Adam Njaa, Controller of Operations
Jerry Aldoroty, Director of Hospitality and Sales
Bryan Wayte, Manager of Mutuels
Tom Ferrall, Publicity Manager
Merry Scalzo, Director of Operations
Kristin Finkel, Marketing Manager
T.W. Johnson, Security Manager
Michael Wrona, Announcer
Juan Meza, Track Superintendent
Richard Somers, Price Maker
William Vassar, Track Photographer
Aaron Vercruysse, Simulcast Coordinator
Robert Hemmer, Operations Manager
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 12/26/08-6/14/09 (114 Days)*

1. All races other than stakes:

Current meet estimate: **\$14,166,620.00**

Prior meet actual: **\$14,107,800.00**

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

Current meet estimate: **\$123,188.00**

Prior meet actual: **\$123,752.63**

2. Overnight stakes:

Current meet estimate: **\$50,000.00**

Prior meet actual: **\$100,000.00**

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

Current meet estimate: **\$434.78**

Prior meet actual: **\$877.19**

3. Non-overnight stakes: (Doesn't include the \$50,000 provided by CBRF)

Current meet estimate: **\$1,050,000.00**

Prior meet actual: **\$1,545,350.00**

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

Current meet estimate: **\$9,130.43**

Prior meet actual: **\$13,555.70**

B. Stakes races:

1. Purse distribution for all stakes races:

Current meet estimate: **\$1,100,000.00**

Prior meet actual: **\$1,645,350.00**

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

Current meet estimate: **\$9,562.22**

Prior meet actual: **\$14,432.89**

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

Current meet estimate: **10%**

Prior meet actual: **8.6%**

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

Current meet estimate: **.087%**

Prior meet actual: **.075%**

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

Current meet estimate: **\$1,425,942.52**

Prior meet actual: **\$1,543,409.75**

- 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)	\$278,174.74	TOC (NTRA Contribution)	\$287,584.64
TOC	\$158,956.99	TOC	\$164,334.08
CTT (Administration)	\$ 79,478.50	CTT (Administration)	\$ 82,167.04
CTT (Pension)	<u>\$158,956.99</u>	CTT (Pension)	<u>\$164,334.08</u>
Total	\$675,567.22	Total	\$698,419.84

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

Current meet estimate: \$17,368,129.74
 Prior meet actual: \$17,994,979.59

Average Daily Purse (5E ÷ number of days):
 Current meet estimate: \$151,027.22
 Prior meet actual: \$157,850.70

- F. Purse funds to be generated from on-track handle and intrastate off-track handle:
 Current meet estimate: \$12,875,192.29
 Prior meet actual: \$12,891,575.98

Average Daily Purse (5F ÷ number of days):
 Current meet estimate: \$111,958.19
 Prior meet actual: \$113,084.00

- G. Purse funds to be generated from interstate handle:
 Current meet estimate: \$2,884,232.21
 Prior meet actual: \$3,319,186.38

Average Daily Purse (5G ÷ number of days):
 Current meet estimate: \$25,080.28
 Prior meet actual: \$29,115.67

- 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: \$1,274,000.00
Stabling costs per day per stall: \$10.30
- 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: \$145,475.00 **Vanning fee per horse: \$115.00**

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).

	TYPE OF WAGERS	APPLICABLE RULES
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#; \$1 PNP!	CHRB#1957; 1959; 1958; 1977; 1979; 1976.8; 1979.1; 1976.9
Race #2	\$2 DD*; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1 PPN%; \$.10 SF#; \$1 PNP!	CHRB#1957; 1959; 1958; 1977; 1979; 1976.8; 1979.1; 1976.9
Race #3	\$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$.10SF#; \$1 PPN%; \$1 PNP!	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1976.9
Race #4	\$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$.10 SF# \$1 PPN%; \$1 PNP!	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1976.9
Race #5	\$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$.10 SF# \$1 PPN%; \$1 PNP!; Super H5^^	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1976.9; ARCI #004-105
Race #6	\$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$.10 SF# \$1 PPN%; \$1 PNP!	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1976.9
Race #7	\$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$.10 SF# \$1 PPN%; \$1 PNP!	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1976.9
Race #8	\$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$.10 SF# \$1 PPN%; \$1 PNP!	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1976.9
Race #9	\$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$.10 SF# \$1 PPN%; \$1 PNP!	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1976.9
Race #10	\$2 DD*; \$2 PNP @; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$.10 SF# \$1 PPN%; \$1 PNP!	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 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

^^ - \$1 Pentafecta (Super High 5) in the 5th race only selecting the first five finishers in a same race. 100% payout on all tickets selecting five winners. No consolation; 100% carryover if no ticket has five winners.

B. Maximum carryover pool to be allowed to accumulate before its distribution OR the date(s) designated for distribution of the carryover pool: **June 13, 2010 for the period of December 26, 2009 through June 13, 2010.**

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

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
- YouBet
- TwinSpires
- TVG

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
 San Joaquin County Fair, Stockton
 San Mateo Event Center, 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
 Commerce Casino, City of Commerce
 Viejas Casino, Alpine

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

**Pacific Racing Association/Golden Gate Fields
 December 26, 2009 through June 13, 2010**

Out-of-State & International Imports - Full or Partial Card (Subject to Change)

<u>OUT-OF-STATE TRACK</u>
AQUEDUCT
ARLINGTON
BELMONT
CALDER RACECOURSE
CHURCHILL DOWNS
FAIRGROUNDS
GULSTREAM PARK
HAWTHORNE RACECOURSE
KEENELAND
LAUREL
LONE STAR PARK
PIMLICO
OAKLAWN
PORTLAND MEADOWS
SUNLAND PARK
TAMPA BAY DOWNS
TURF PARADISE
TURFWAY PARK
<u>INTERNATIONAL TRACK</u>
WOODBINE
HASTINGS
SAN ISIDRO
MARONAS

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

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

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: **Pacific Racing Association is agent for distribution.**
- B. Names and addresses of the trustees or directors of the distributing agent: **Pacific Racing Association will act as its own distributing agent.**
- C. Dates the association will conduct races as charity racing days OR:
- D. Will the association pay the distributing agent an amount equal to the maximum required under B&P Code Section 19550(b)? Yes

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

11. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

- A. Racing officials nominated:

Association Veterinarian(s)	Heather Kerr, D.V.M (Track Veterinarian)
	Joan Hurley, D.V.M. (CHRB Veterinarian)
	Diane Isbell, D.V.M. (Examining Veterinarian)
Clerk of Scales	Ken Sjoldal
Clerk of the Course	Tina Walker
Film Specialist	Ross Allardyce
Horse Identifier	Patrick Kealy
Horseshoe Inspector	Butch Fyllingness
Paddock Judge	Linda Anderson
Patrol Judges	Tammy McDuffie-Morris & Joshua Wyatt
Placing Judges	Ella Robinson & Myra Troske
Starter	Todd Stephens
Timer	Richard Somers
- B. Management officials in the racing department:

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

- 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, 2010
- 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

**Attachment to Golden Gate Fields License I Application
11 (E):**

Track Camera Equipment:

There are a total of seven (7) cameras placed at the following strategic locations around the race track:

7/8 Pole

3/8 Pole

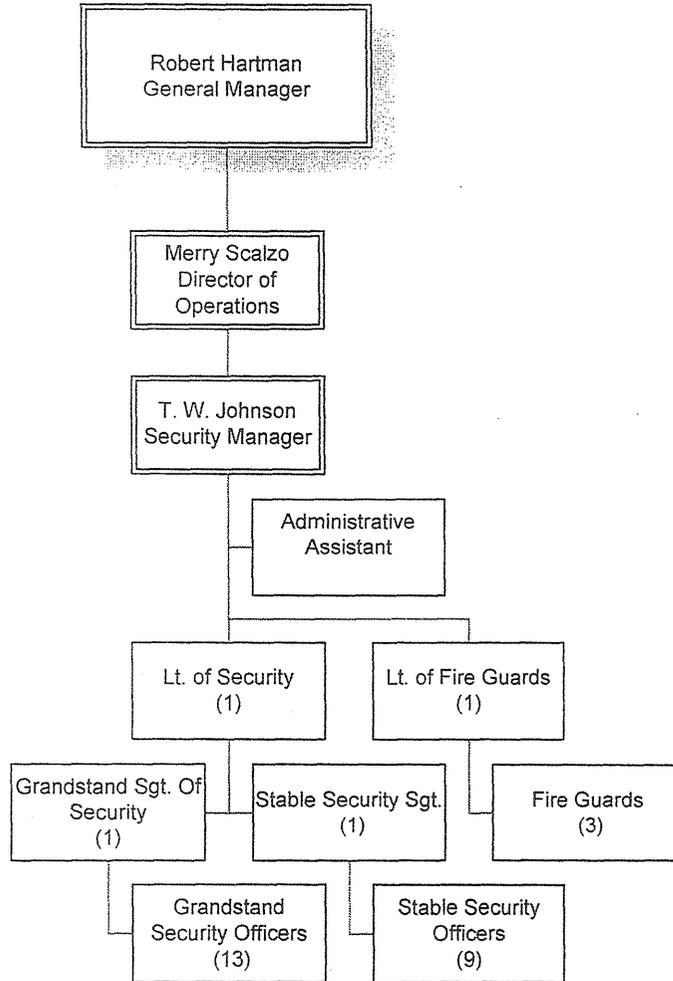
1/4 Pole

Paddock

Starting Gate

(2) Pan Cameras on Roof

GOLDEN GATE FIELDS 2009 - 2010
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.

3. TCO2 Testing:

A. Number of races to be tested, and number of horses entered in each race to be tested.
Pre-race TCO2 testing will be performed for all races and a minimum of one-third of the horses in any race will be randomly chosen for TCO2 testing (See attached). All horses in any stake race will be pre-race tested for TCO2.

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, 640-143rd 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:

N/A

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**

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

Calvin Rainey, Assistant General Manager, serves as Assistant Safety Manager.

GOLDEN GATE FIELDS
ATTACHMENT 12B (3)
TCO₂ TESTING

Pre-race TCO₂ testing will be performed for all races and a minimum of one-third of the horses in any race will be randomly chosen for TCO₂ testing:

HORSES IN RACE	MINIMUM NUMBER TESTED
3	1
4	2
5	2
6	2
7	3
8	3
9	3
10	4
11	4
12	4
13	5
14	5

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 2009/2010 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 (TCO₂) of 37 millimoles per liter of plasma or more, and owners' horses within their control, will be subject to the following:

1st Incidence - 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.

- B. **2nd Incidence** - For the second test that results in a total carbon dioxide (TCO₂) 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 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.
- C. **3rd Incidence** - For the third test that results in a total carbon dioxide (TCO₂) 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 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.

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 TCO₂ 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.



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.

In consultation with the Track Physician, an "Accident/Injury Investigation Report" must be completed by track management following completion of the above-noted procedures.

(REV 1.0, JUNE 2007)



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.

- H. Attach a fire clearance from the fire authority having jurisdiction over the premises.
Berkeley fire clearance valid through January 14, 2010 – will forward new letter upon receipt.
Albany fire clearance submitted to Board on October 28, 2009.
- 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 - #WC1-B71-072827-036**
- 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.
Certificate of Insurance valid through January 1, 2010 – will forward new certificate to Board upon receipt.

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**

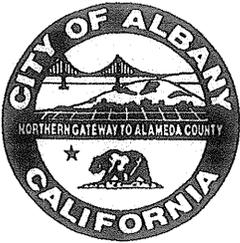
Jockey's Laundry **F. Lorene Dutton, Bailey's Mobile Laundry, 3263 Vineyard Ave., Pleasanton, CA 94566**

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**

15. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

A. Describe any promotional plans:



City of Albany

1000 SAN PABLO AVE. • ALBANY, CALIF. 94706 • TELEPHONE (510) 528-5775 • FAX (510) 528-5774

FIRE DEPARTMENT
FIRE PREVENTION BUREAU

October 28, 2009

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

Dear Mr. Rainey,

On October 20 & 21, 2009, 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, public areas and non-public areas of the Club House & Turf Club, public areas and non-public areas of A & B Decks, snack shops on all levels, underground level, Jockeys building and the Equine Hospital.

GENERAL

These buildings are in good condition. Housekeeping in the public and non-public areas are well maintained, fire extinguishers and existing exit/panic hardware and egress doors are in operational condition. Several of the emergency illumination devices need replacement of their back-up battery; all other emergency illumination devices and Exit signs are in good working order. The fire alarm system had an annual test in February 2009 and a quarterly test on August 10, 2009 with no deficiencies or problems noted at that time. However, recent problems with the Fire Alarm System is indicating that the FACP (Fire Alarm Control Panel) is getting old and a new upgraded FACP may be in the near future. If the fire alarm system fails, notification to the fire department and fire watch of the all facilities at GGF shall commence immediately. All other Fire & Life Safety requirements appear to be in order.

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

Conditional Fire Clearance

Conditional fire clearance is granted to Golden Gate Fields/ Pacific Racing Association for the December 26, 2009 - June 13, 2010. During the course of the December 2009 - June 2010 Racing Season, the Albany Fire Prevention Bureau will conduct periodic Fire & Life Safety Inspections. If a flagrant Fire or Life Safety violation is discovered during GGF's December 26, 2009 - June 13, 2010 racing season, their fire clearance shall 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
Colleen Germek, 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



Department of Fire and Emergency Services
Division of Fire Prevention

Date: 14 January 2009

Merry Scalzo
Director of Operations
Golden Gate Fields
1100 Eastshore Highway
Albany, CA 94706
Phone (510) 559-7325
Fax (510) 559-7465

Subject: Fire & Life Safety Inspection – Golden Gate Fields - Stables

On January 14, 2009 the Berkeley Fire Prevention Division conducted an annual inspection of the Golden Gate Field Horse Stables. This inspection will be valid through January 14, 2010. Our fire life safety report indicates that there are no outstanding violations noted or corrections need to be made at this time.

Should you have any questions regarding the annual inspection please call my office (510.981-5582) at your convenience.

Thank you for your time and I look forward to speaking with you in the near future.

A handwritten signature in black ink, appearing to read "Stan Fernandez". The signature is stylized and cursive.

Stan Fernandez
Fire Inspector / Investigator

Ref. No. 320005955745

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
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 Pacific Racing Association
 a/o Golden Gate a/o MI Developments Inc.
 375 Magna Drive
 Aurora, ON L4G 7L6

Coverage

Commercial General Liability	Insurer	Zurich American Insurance Company	
Policy #	GLO 9302183-07		
Effective	01-Apr-2009	Expiry	01-Apr-2010
Limits of Liability	Bodily Injury & Property Damage, Each Occurrence USD2,000,000 Policy may be subject to a general aggregate and other aggregates where applicable		
US Workers Comp/Employers Liability	Insurer	Liberty Mutual Insurance Company	
Policy #	WC1-B71-072827-039		
Effective	01-Jan-2009	Expiry	01-Jan-2010
Limits of Liability	Workers Compensation		

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 : 30-March-2009
 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**



The tentative 2009-2010 promotional/giveaway schedule is listed below (subject to change).

December 26, 2009 - Opening Day

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

December 27, 2009

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

December 28, 2009

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

December 30, 2009

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

December 31, 2009

- Direct Mail Offer – Fans on GGF Mailing List will receive two 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.

January 1, 2010

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

January 2, 2010

- Bounce Back Coupons – Club House admission passes distributed on 1/1/10.

January 3, 2010

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

January 7, 2010

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

January 9, 2010

- Day on Us - Fans on ½ GGF Mailing List will receive two Complimentary Turf Club Admission Passes, Valet Parking, Complimentary Racing Form and a Program.

January 10, 2010

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

January 14, 2010

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

January 16, 2010 – Cal Derby Day

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

January 17, 2010

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

January 21, 2010

- Direct Mail Offer – Fans on GGF Mailing List will receive two 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.

January 22, 2010

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

January 23, 2010 - Sunshine Millions

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

January 24, 2010

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

January 28, 2010

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

January 30, 2010

- Day on Us - Fans on ½ GGF Mailing List will receive two Complimentary Turf Club Admission Passes, Valet Parking, Complimentary Racing Form and a Program.

January 31, 2010

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

February 4, 2010

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

February 6, 2010

- Snow Day - 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.

February 7, 2010 - Super Bowl Sunday

- TV Giveaway- Drawing contest to win a 42" flat screen television after each race.
- \$1 Day – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer.

February 11, 2010

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

February 13, 2010

- Day on Us - Fans on GGF Mailing List will receive two Complimentary Turf Club Admission Passes, Valet Parking, Complimentary Racing Form and a Program.

February 14, 2010

- Day on Us - Fans on GGF Mailing List will receive two Complimentary Turf Club Admission Passes, Valet Parking, Complimentary Racing Form and a Program.
- \$1 Day – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer.

February 15, 2010 – Presidents' Day

- Day on Us - Fans on GGF Mailing List will receive two Complimentary Turf Club Admission Passes, Valet Parking, Complimentary Racing Form and Program.

February 18, 2010

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

February 20, 2010 – El Camino Real Derby

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

February 21, 2010

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

February 25, 2010

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

February 28, 2010 - Chinese New Year

- Mystery Mutuel Voucher – Fans on GGF Mailing List will receive a complimentary voucher.
- \$1 Day – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer.

March 4, 2010

- Direct Mail Offer – Fans on GGF Mailing List will receive two 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.

March 5, 2010

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

March 6, 2010

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

March 7, 2010

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

March 11, 2010

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

March 13, 2010

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

March 14, 2010

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

March 17, 2010 – St. Patrick's Day

- Irish Heritage Day where fans will receive Beer specials and Irish cuisine.

March 18, 2010

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

March 20, 2010

- Day on Us - Fans on ½ GGF Mailing List will receive two Complimentary Turf Club Admission Passes, Valet Parking, Complimentary Racing Form and a Program.

March 21, 2010

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

March 25, 2010

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

March 27, 2010

- Day on Us - Fans on ½ GGF Mailing List will receive two Complimentary Turf Club Admission Passes, Valet Parking, Complimentary Racing Form and a Program.

March 28, 2010

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

March 31, 2010

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

April 1, 2010

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

April 2, 2010

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

April 3, 2010 – Santa Anita Derby

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

April 4, 2010 – Easter

- Family Day and Easter brunch in the Turf Club.
- \$1 Day – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer.

April 8, 2010

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

April 10, 2010

- Wiener Nationals where Dachshunds race in-between our live races throughout the day.

April 11, 2010

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

April 15, 2010

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

April 18, 2010

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

April 22, 2010

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

April 24, 2010 – San Francisco Mile

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

April 25, 2010

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

April 29, 2010

- Senior Thursday – Seniors 62 and Older will receive FREE Club House or FREE

Grandstand Admission with a THOROUGHBREDS card.

May 1, 2010 – Kentucky Derby

- Mystery Mutuel Voucher – Fans on GGF Mailing List will receive a complimentary voucher.
- Hat Contest where the fan with the best Kentucky Derby hat will win a prize.
- Triple Crown Handicapping Challenge.

May 2, 2010

- \$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.

May 5, 2010 – Cinco de Mayo

- Direct Mail Offer – Fans on GGF Mailing List will receive two complimentary Club House Admission Passes and Valet Parking.
- Cinco de Mayo drink specials.

May 6, 2010

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

May 7, 2010

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

May 8, 2010

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

May 9, 2010 – Mother's Day

- \$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.

May 13, 2010

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

May 15, 2010 – Preakness Stakes

- Triple Crown Handicapping Challenge.

May 16, 2010

- \$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.

May 19, 2010

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

May 20, 2010

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

May 21, 2010

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

May 22, 2010

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

May 23, 2010

- \$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.

May 27, 2010

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

May 30, 2010

- \$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.

May 31, 2010 – Memorial Day

- Resort Shirt Giveaway where all fans will receive one giveaway item with paid admission while supplies last.
- Family Day – Pony Rides, Petting Zoo, Face Painters, and Bounce Jumps

June 2, 2010

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

June 3, 2010

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

June 4, 2010

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

June 5, 2010 – Belmont Stakes

- Mystery Mutuel Voucher – Fans on GGF Mailing List will receive a complimentary voucher.
- Wine Festival – A variety of wineries from Napa, Sonoma and the Central Coast will be onsite 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.

June 5, 2010 – Belmont Stakes (continued)

- Triple Crown Handicapping Challenge.

June 6, 2010

- \$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.

June 10, 2010

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

June 12, 2010

- Wiener Nationals where Dachshunds race in-between our live races throughout the day.

June 13, 2010 – Closing Day

- \$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.

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:

Project Rover – Initiated a customer service outreach program called “Project Rover” that brings customer service representatives directly to the fans.

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

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 16 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

- Ongoing restroom renovations in the barn area.
- The Owner/Trainer Lounge continues to be a great success in close proximity to the Paddock.

2. Fans

- Constructed a new area named the “End Zone” that features college football on Saturdays and NFL football on Sundays with new plasma televisions and refreshments served.

2. Facilities in the restricted areas Equine Hospital

and bed with an attached shower room, sink and toilet.

18. BACKSTRETCH EMPLOYEE HOUSING

- A. Inspection of backstretch housing was completed by (name) _____ on (date) _____.
CHRB to schedule inspection with Carrie Fawcett, Stable Superintendent.
- 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:

5,280

 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.
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

9/24/09
Date

STAFF ANALYSIS
November 17, 2009

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE CALIFORNIA EXPOSITION AND STATE FAIR DECEMBER 26, 2009 THROUGH JUNE 19, 2010.

The California Exposition and State Fair (Cal Expo) filed its application to conduct a harness horse racing meeting at Cal Expo:

- December 26, 2009 through June 19, 2010, or 89 days, 12 days more than it raced during the same period in 2009. The association proposes to race a total of approximately 1,200 races. The (actual) average daily purse for the 2009 meet during the same time period is \$50,741. The (estimated) average daily purse for this meet is \$50,251.
- The race dates proposed are the dates allocated:

December - 2009						
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 H	26
27	28	29	30	31		

January - 2010						
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 H	19	20	21	22	23
24	25	26	27	28	29	30
31						

February - 2010						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15 H	16	17	18	19	20
21	22	23	24	25	26	27
28						

March - 2010						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

April - 2010						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

May - 2010						
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 H					

June - 2010						
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			

- Racing 4 nights per week, Thursday through Sunday, from January 1, 2010 through March 31, 2010; racing 3 nights per week, Thursday through Saturday, from April 1, 2010 through June 19, 2010.
 - The California Exposition and State Fair requests the authorization to request administrative approval from the CHRB for additional racing dates (not to exceed 4 nights per week) or a reduction of racing dates dependent upon the number of available racehorses.
- 16 California Sires Stakes are proposed
- No management changes since the last submission of a California Exposition and State Fair.
- First post 5:45 p.m. daily.
 - The association requests the approval to request a change in daily post times through the administrative process as needed.
- Wagering program will use CHRB and ARCI rules.
 - Early wagering will begin at 10:00 a.m. each day.
- Advance Deposit Wagering (ADW) providers are Xpressbet, Youbet, TwinSpires and TVG. Current ADW contracts/agreements expire December 31, 2009. The 2010 ADW provider contracts are currently in negotiations.
- Simulcasting conducted with out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- Request Carl Sobey be appointed horse identifier pursuant to CHRB Rule 1525.
- The temporary fire clearance will expire December 19, 2009.
- Schedule of charges for admission, seating, parking, program have not changed since the last submission of a California Exposition and State Fair application to conduct a harness horse racing meeting.
- Track safety inspection has been requested and will be completed before the race meeting begins.
- Inspection of backstretch worker housing has been requested and will be completed before the race meeting begins.

Specific information still needed to complete this application includes:

1. Horsemen's agreement
2. Fire clearance
3. Track safety inspection
4. Backstretch inspection

RECOMMENDATION:

Staff recommends that the application for license not be heard until the Horsemen's agreement is received.

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

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

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

1. APPLICANT ASSOCIATION

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

California Exposition & State Fair
1600 Exposition Blvd.
Sacramento, CA 95825
916-263-3000
Fax- 916-263-3230

B. Breed of horse: TB QH H

C. Racetrack name: California Exposition & State Fair

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

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

2. DATES OF MEETING

A. Inclusive dates for the entire meeting: December 26, 2009 to June 19, 2010

B. Actual dates racing will be held:

December 26, 27	2 Nights
January 1, 2, 3, 7, 8, 9, 10, 14, 15, 16, 17, 21, 22, 23, 24, 28, 29, 30, 31	19 Nights
February 4, 5, 6, 7, 11, 12, 13, 14, 18, 19, 20, 21, 25, 26, 27, 28	16 Nights
March 4, 5, 6, 7, 11, 12, 13, 14, 18, 19, 20, 21, 25, 26, 27, 28	16 Nights
April 1, 2, 3, 8, 9, 10, 15, 16, 17, 22, 23, 24, 29, 30	14 Nights
May 1, 6, 7, 8, 13, 14, 15, 20, 21, 22, 27, 28, 29	13 Nights
June 3, 4, 5, 10, 11, 12, 17, 18, 19	9 Nights

C. Total number of days or nights of racing: 89 nights

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

Wed - Sun Tues - Sat Other (specify)

Thursday through Sunday- January 1, 2010 through March 31, 2010
Thursday through Saturday- April 1, 2010 through June 19, 2010

CHRB CERTIFICATION

Application received: 11-3-09
Deposit received: ON FILE
Reviewed: *ck*

Hearing date: 11-17-09
Approved date:
License number:

- E. Number of days or nights of racing per week:
 4 Nights- January 1 – March 31
 3 Nights- April 1-June 19
 Exceptions in item 2D.

We respectfully request the authorization to request administrative approval from the CHRB for additional racing dates (not to exceed 4 nights per week) or a reduction of racing dates dependent upon the number of available racehorses.

3. RACING PROGRAM

- A. Total number of races: Approximately 1,200
- B. Number of races for each day or night: Estimated
 - 10 – 12 Thursday Nights
 - 12 – 15 Friday Nights
 - 12 - 15 Saturday Nights
 - 10 – 12 Sunday Nights

Above estimated number of races does not include non betting or qualifying races that may occur prior to the first race of any racing program.

- C. Total number of stakes races: 16- California Sires Stakes
- D. Attach a listing of all stakes races and indicate the date to be run and the added money or guaranteed purse for each. Note the races that are designated for California-bred horses.
 Attached

- E. Will provisions be made for owners and trainers to use their own registered colors?
 Yes No If no, what racing colors are to be used: Drivers Colors are used

- F. List all post times for the daily racing program: Generally approximately 5:45 PM
 Respectfully request the approval to request a change in daily post times through the administrative process as needed.

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).

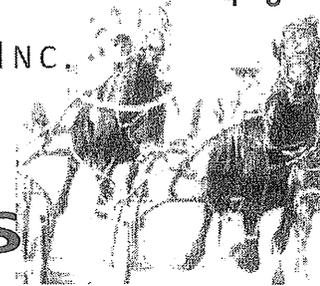
4. RACING ASSOCIATION

- 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.

CALIFORNIA STANDARD BRED SIRES STAKES COMMITTEE, INC.

C S S S C P O Box 254509 Sacramento CA 95865

www.chhaonline.com

2010 SPRING STAKES

3 YO FOALS BY SEX & GAIT

ROUND 1 \$15,000 PURSE

April 9 3 YO FILLY TROT

April 9 3 YO FILLY PACE

April 10 3 YO COLT TROT

April 10 3 YO COLT PACE

ROUND 2 \$15,000 PURSE

April 23 3 YO FILLY TROT

April 23 3 YO FILLY PACE

April 24 3 YO COLT TROT

April 24 3 YO COLT PACE

ROUND 3 \$15,000 PURSE

May 7 3 YO FILLY TROT

May 7 3 YO FILLY PACE

May 8 3 YO COLT TROT

May 8 3 YO COLT PACE

CHAMPIONSHIP \$25,000 PURSE

May 22 3 YO FILLY TROT

May 22 3 YO FILLY PACE

May 22 3 YO COLT TROT

May 22 3 YO COLT PACE

CHAIR
 Alan Kirschenbaum
 CORP. SECRETARY
 Vickie Desorme
 TREASURER
 Keith Willey
 MEMBERS
 Rocky Stidhan
 David Neumeister
 Ben Kenney, Alternate
 Jim Perez, CHHA Rep
 ADMINISTRATOR
 Susan Travers
 ACCOUNTANT
 Lewis Ridgeway

C. CORPORATION

1. Registered name of the corporation:
2. State where incorporated:
3. Registry or file number for the corporation:
4. Names of all officers and directors, titles, and the number of shares of the corporation held by each:
5. Names (true names) of all persons, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the corporation and the number of shares held by each:
6. Number of outstanding shares in the corporation:
7. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation:
9. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
10. Attach the most recent audited annual financial statement for the licensee, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the corporation and/or the Securities and Exchange Commission and/or the California Corporations Commission. The licensee may submit the audited consolidated annual financial statements of its parent owner if the parent owner is a publicly traded company and guarantees the obligations of the licensee.

D. LLC

1. Registered name of the LLC:
2. State where articles of organization are filed:
3. Registry or file number for the LLC:
4. Names of all officers and directors, titles, and the number of shares of the LLC held by each:
5. Names (true names) of all members, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the LLC and the number of shares held by each:
6. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
7. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
8. Attach the most recent audited annual financial statement for the licensee, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the LLC and/or the Securities and Exchange Commission and/or the California Corporations Commission.

E. OTHER: FAIR- CALIFORNIA EXPOSITION & STATE FAIR

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:

Norb Bartosik – General Manager
 David Elliott- Director of Racing
 Kate Snider- Racing Supervisor
 Glen Harris- Mutuel Manager
 Scott Ehrlich- Announcer and Export Simulcast Coordinator
 J.R. Williams- Track Superintendent

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:

Norbert Bartosik, General Manager/CEO
 David Elliott, Director of Racing

5. PURSE PROGRAM

- A. Purse distribution: Based on actuals 12/26/08-6/20/09 77 Racing Days

1. All races other than stakes:
 Current meet estimate: 3,840,546
 Prior meet actual: 3,322,720

Average Daily Purse (5A1 ÷ number of days):
 Current meet estimate: 43,152
 Prior meet actual: 43,152

2. Overnight stakes: None
 Current meet estimate:
 Prior meet actual:

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

3. Non-overnight stakes: None
 Current meet estimate:
 Prior meet actual:

Average Daily Purse (5A3 ÷ number of days):
 Current meet estimate:
 Prior meet actual:

B. Stakes races:

1. Purse distribution for all stakes races: California Sires Stakes 2 & 3 year olds
Current meet estimate: \$280,000
Prior meet actual: \$280,000

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

Current meet estimate: \$3,146

Prior meet actual: \$3,636

2. Percentage of the purse distribution for all stakes races that will be distributed for California-bred stakes races:
Current meet estimate: 100%
Prior meet actual: 100%

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

Current meet estimate: N/A

Prior meet actual: N/A

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

Current meet estimate: \$133,500

Prior meet actual: \$115,500

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

Recognized Horsemen's Organization- California Harness Horsemen's Association

Current meet estimate:

Total- 218,271

Prior meet actual:

Total- 188,842

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

Current meet estimate: 4,472,317

Prior meet actual: 3,907,062

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

Current meet estimate: 50,251

Prior meet actual: 50,741

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

Current meet estimate: 3,175,345 (71%)

Prior meet actual: 2,774,014

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

Current meet estimate: 35,678

Prior meet actual: 36,026

- G. Purse funds to be generated from interstate handle:
 Current meet estimate: 1,296,972 (29%)
 Prior meet actual: 1,133,048
- Average Daily Purse (5G ÷ number of days):
 Current meet estimate: 14,573
 Prior meet actual: 14,715
- H. Bank and account number for the Paymaster of Purses' purse account: Bank of the West
 Account number(s) (Commissions, Trust/Purses) will be furnished under separate cover upon request.
- I. Name, address and telephone number of the pari-mutuel audit firm engaged for the meeting:
 Disher Accountancy Corporation, 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 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: 1024
- B. Minimum number of stalls believed necessary for the meeting: 600
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: N/A
- 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 association 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 association will request reimbursement for off-site stabling as provided by B&P Code Sections 19607, 19607.1, 19607.2, and 19607.3; otherwise, skip to Section 7.

- F. Total number of usable stalls made available on-site for the 1986 meeting:
- G. Estimated cost to provide off-site stalls for this meeting. Show cost per day per stall:
- H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse:

7. PARI-MUTUEL WAGERING PROGRAM

- A. Pursuant to B&P Code Section 19599, and with the approval of the CHRB, associations may elect to offer wagering programs using CHRB Pari-mutuel Rules, the Association of Racing Commissioners International (RCI) Uniform Rules of Racing, Chapter 9, Pari-mutuel Wagering, or a combination of both. Please complete the following schedule for the types of wagering other than WPS and the minimum wager amount for each:

Use DD for daily double, E for exacta (special quinella), PK3 for pick three, PK4 for select four, PNP for pick (n) pool, PPN for place pick (n), Q for quinella, SF for superfecta, TRI for trifecta, and US for unlimited sweepstakes (pick 9).

Proposed Wagering Format

The following wagering rules will be in affect during the 2010 Cal Expo Harness meeting.

Type		Rule Number
Exacta	(E)	1959
Trifecta	(TRI)	1979
Daily Double	(DD)	1957
Superfecta	(SF)	1979.1
Pentafecta	(.50 PF)	ARCI 004-105
PK 3	(1PK3)	1977
PK 4	(PNP)	1976.9
PK 6	(PNP)	1976.9

- Race 1: 1DD, 1 SF, 1E, 1 TRI
- Race 2: 1E, 1 TRI, 1SF, 1PK4
- Race 3: 1E, 1 TRI, 1SF, 1 PK3
- Race 4: 1E, 1 TRI, 1SF, 1 PK6
- Race 5: 1E, 1 TRI, 1SF, 1 PK3
- Race 6: 1E, 1 TRI, 1SF, 1 PK3
- Race 7: 1E, 1 TRI, 1SF, 1 PK3
- Race 8: 1E, 1 TRI, 1 PK3, .50 PF
- Race 9: 1E, 1 TRI, 1SF, 1PK3 or 1PK4 on 12 race card
- Race 10: 1DD (on 11 race card), 1E, 1 TRI, 1SF, 1PK3 or 1PK4 on 13 race card
- Race 11: 1DD (on 12 race card), 1E, 1 TRI, 1SF, 1PK3 or 1PK4 on 14 race card
- Race 12: 1DD (on 13 race card), 1E, 1 TRI, 1SF, 1PK3 or 1PK4 on 15 race card
- Race 13: 1DD (on 14 race card), 1E, 1 TRI, 1SF, 1PK3 on 15 race card
- Race 14: 1DD (on 15 race card), 1E, 1 TRI, 1SF
- Race 15: 1E, 1 TRI, 1SF,

- B. Maximum carryover pool to be allowed to accumulate before its distribution OR the date(s) designated for distribution of the carryover pool: June 19, 2010
- C. List any options requested with regard to exotic wagering: Respectfully request to alter exotic wagering format options when needed. Respectfully request the minimum wager on all exotic wagers to be \$1 with the exception of the Superfecta \$.10, Pentafecta \$.50., and Trifecta \$.50 on a limited basis. Request authority to offer BalCal Pick 4 wagering during specific periods.
- D. Will "advance" or "early bird" wagering be offered? Yes No
If yes, when will such wagering begin: 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, September 2012,

8. ADVANCE DEPOSIT WAGERING (ADW)

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

9. SIMULCAST WAGERING PROGRAM

- A. Simulcast organization engaged by the association to conduct simulcast wagering:
SCOTWINC
- B. Attach the agreement between the association and simulcast organization permitting the organization to use the association's live audiovisual signal for wagering purposes and providing access to its totalizator for the purpose of combining on-track and off-track pari-mutuel pools.
On file with the CHRB
- C. California simulcast facilities the association proposes to offer its live audiovisual signal:
All CHRB licensed California simulcast wagering facilities, card rooms, Indian Gaming establishments, and racetracks.
- D. Out-of-state wagering systems the association proposes to offer its live audiovisual signal:
Attached
- E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the association:
Attached
- F. For THOROUGHBRED racing associations, list the host track from which the association proposes to import out-of-state and/or out-of-country thoroughbred races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races":

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
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- G. For QUARTER HORSE racing associations, list the host track from which the association proposes to

import out-of-state and/or out-of-country quarter horse races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races":

QUARTER HORSE SIMULCAST RACES TO BE IMPORTED

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

H. For **STANDARD BRED** racing associations, list the host tracks from which the association proposes to import out-of-state and/or out-of-country harness races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races":

HARNESS SIMULCAST RACES TO BE IMPORTED

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

Balmoral Park	TBD	Selected Feature
Dover Downs	TBD	Selected Feature
Monticello Raceway	TBD	Selected Feature
The Meadowlands	TBD	Selected Feature
	TBD	Full Card- Meadowlands Pace
	TBD	Full Card- Hambletonian Day
	TBD	Full Card- Breeders Crown
Mohawk Raceway	TBD	Selected Feature
	TBD	North American Cup
Northfield Park	TBD	Selected Feature
Pompano Park	TBD	Selected Feature
Maywood Park	TBD	Selected Feature
The Meadows	TBD	Selected Feature
Yonkers Raceway	TBD	Selected Feature
Pocono Downs	TBD	Selected Feature
Hoosier Park	TBD	Selected Feature
Harrington Raceway	TBD	Selected Feature
Hawthorne Race Course	TBD	Selected Feature
Woodbine Racecourse	TBD	Selected Feature

HARNESS SIMULCAST RACES TO BE IMPORTED

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

I. For **ALL** racing associations, list imported simulcast races the association plans to receive which use breeds other than the breed of the majority of horses racing at its live horse racing meeting. Include the name of the host track, the dates imported races will be held, and how many races will be imported:

OTHER BREED SIMULCAST RACES TO BE IMPORTED

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

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

OUT OF STATE SIMULCAST WAGERING LOCATIONS

American Tab, Oregon	New Jersey Casinos, New Jersey
Atlantic City, New Jersey	New York City OTB, New York
Balmoral Park, Illinois	Northfield Park, Ohio
Capitol District OTB, New York	Northlands Park, BC, CAN
Catskill Region OTB, New York	Northville Downs, Michigan
Connecticut OTB, Connecticut	Ocean Downs, Maryland
Diaryland Greyhound, Wisconsin	Penn National Gaming, Pennsylvania
Downs at Albuquerque, New Mexico	Philadelphia Park, Pennsylvania
ExpressBet, California	Plainridge Racecourse, Massachusetts
Euro Off Track, NA	Pompano Park, Florida
European Wagering Services, LTD. Oregon	Racing Channel, Oregon
Fire Lake Casino, Oklahoma	Raceway Park, Ohio
Foxwoods Casino, Connecticut	Racing & Gaming Services, St. Kitts
Fraser Downs, BC, CAN	Rosecroft Raceway, Maryland
Freehold Raceway, New Jersey	Sam Houston Park, Texas
Harrington Raceway, Delaware	Saratoga Harness, New York
Hastings Park, BC, CAN	Scioto Downs, Ohio
Hawthorne Racecourse, Illinois	Southland Greyhound, Arkansas
Hazel Park, Indiana	Sports Creek Raceway, Michigan
Hippodrome de Montreal, QUE, CAN	Suffolk Downs, MA
Hoosier Park, Indiana	Suffolk Regional OTB, New York
Illinois OTB, Illinois	Sunland Park, New Mexico
Indianapolis Downs, Indiana	Television Games Network (TVG)
International Racing Group, Curacao	Thistledown, Ohio
Ladbrokes at Meadows, Pennsylvania	The Downs at Albuquerque, New Mexico
Las Vegas Dissemination, Nevada	The Red Mile, Kentucky
Les Bois Park, Idaho	Tri-State Greyhound, WV
Lone Star Park, Texas	Western Fair, ONT, CAN
Maywood Park, Illinois	Western Region OTB, New York
Meadowlands Race Track, New Jersey	Windsor Raceway, ONT, CAN
Mesquaki Casino, Iowa	Woodbine Entertainment Group, ONT, CAN
Mohawk Racetrack, ONT, CAN	Yonkers Raceway, New York
Nassau Region OTB, New York	YouBet.com, Inc., California
Nevada Pari-mutuel Association, Nevada	YouBet, Oregon

OUT OF STATE SIMULCAST WAGERING LOCATIONS THAT WILL COMBINE THEIR⁴⁻¹⁵
POOLS WITH CAL EXPO.

American Tab, Oregon
Atlantic City, New Jersey
Balmoral Park, Illinois
Capitol District OTB, New York
Catskill Region OTB, New York
Connecticut OTB, Connecticut
Diaryland Greyhound, Wisconsin
Downs at Albuquerque, New Mexico
ExpressBet, California
Euro Off Track, NA
European Wagering Services, LTD: Oregon
Fire Lake Casino, Oklahoma
Foxwoods Casino, Connecticut
Fraser Downs, BC, CAN
Freehold Raceway, New Jersey
Harrington Raceway, Delaware
Hastings Park, BC, CAN
Hawthorne Racecourse, Illinois
Hazel Park, Indiana
Hippodrome de Montreal, QUE, CAN
Hoosier Park, Indiana
Illinois OTB, Illinois
Indianapolis Downs, Indiana
International Racing Group, Curacao
Ladbrokes at Meadows, Pennsylvania
Las Vegas Dissemination, Nevada
Les Bois Park, Idaho
Lone Star Park, Texas
Maywood Park, Illinois
Meadowlands Race Track, New Jersey
Mesquaki Casino, Iowa
Mohawk Racetrack, ONT, CAN
Nassau Region OTB, New York
Nevada Pari-mutuel Association, Nevada

New Jersey Casinos, New Jersey
New York City OTB, New York
Northfield Park, Ohio
Northlands Park, BC, CAN
Northville Downs, Michigan
Ocean Downs, Maryland
Penn National Gaming, Pennsylvania
Philadelphia Park, Pennsylvania
Plainridge Racecourse, Massachusetts
Pompano Park, Florida
Racing Channel, Oregon
Raceway Park, Ohio
Racing & Gaming Services, St. Kitts
Rosecroft Raceway, Maryland
Sam Houston Park, Texas
Saratoga Harness, New York
Scioto Downs, Ohio
Southland Greyhound, Arkansas
Sports Creek Raceway, Michigan
Suffolk Downs, MA
Suffolk Regional OTB, New York
Sunland Park, New Mexico
Television Games Network (TVG)
Thistledown, Ohio
The Downs at Albuquerque, New Mexico
The Red Mile, Kentucky
Tri-State Greyhound, WV
Western Fair, ONT, CAN
Western Region OTB, New York
Windsor Raceway, ONT, CAN
Woodbine Entertainment Group, ONT, CAN
Yonkers Raceway, New York
YouBet.com, Inc., California
YouBet, Oregon

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: Friends of the California State Fair, 1600 Exposition Blvd., Sacramento, CA 95815

B. Names and addresses of the trustees or directors of the distributing agent:
 Friends of the California State Fair
 1600 Exposition Blvd.,
 Sacramento, CA 95815

- President Joe Cruz
- Vice President Anne Jones
- Treasurer Mark Kramer
- Secretary Romaine Bubnes
- Trustee Joyce Evans
- Trustee Michael Evans
- Trustee Cindy Frazier
- Trustee Pamela Howard
- Trustee Marty Hull
- Trustee Carla Knee
- Past President/Trustee Harry Moos

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

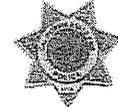
NOTICE TO APPLICANT: Net proceeds from charity racing days shall be paid to the designated and approved distributing agent within 180 days following the conclusion of the association's race meeting in accordance with the provisions of B&P Code Section 19555. Thereafter, the distributing agent shall distribute 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. Henry Cook |
| Clerk of Scales- N/A | |
| Clerk of the Course- | Patricia Petersen |
| Film Specialist- | Kathy Poor |
| Horse Identifier- | Carl Sobey |
| Horseshoe Inspector- | John Walker |
| Paddock Judge- | Walter Petersen |
| Patrol Judges- | Bill Vallandingham |
| Placing Judges- | Kathy Poor |
| Starter- | Bill Vallandingham |
| Timer- | Kathy Poor |
- B. Management officials in the racing department:
- | | |
|-------------------------------------|---------------------------|
| Director of Racing- | David Elliott |
| Racing Supervisor- | Kate Snider |
| Racing Secretary- | Fred Kuebler |
| Assistant Racing Secretary- | Joe Nefsky, Brent Bridges |
| Paymaster of Purses- | Donna Newman |
| 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:
Wendy V. Frazier Reporting, 13136 Ivey Rd., Herald, CA 95638 916-956-3914
- 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-CDV-210 System- Bill O'Brien- contract through 12/2010
- 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- Jim Porep, President. Contract through 12/2010.
Cameras (7)- Upper Pan, Lower Pan, 1/8 Pole Tower Head On, 5/8 Pole Tower Head On, Infield Warm Up, Paddock, Winners Circle/Finish Line Ground level.
- F. Type of electronic timing device to be used for the timing of all races, name of the person supplying the service, and expiration date of the service contract:
In house owned electronic timing device maintained and serviced by Pegasus Communications.
Contract Expires 12/2010

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: Chief Robert Craft, Contact: 916-263-3000/3120, Organizational chart attached

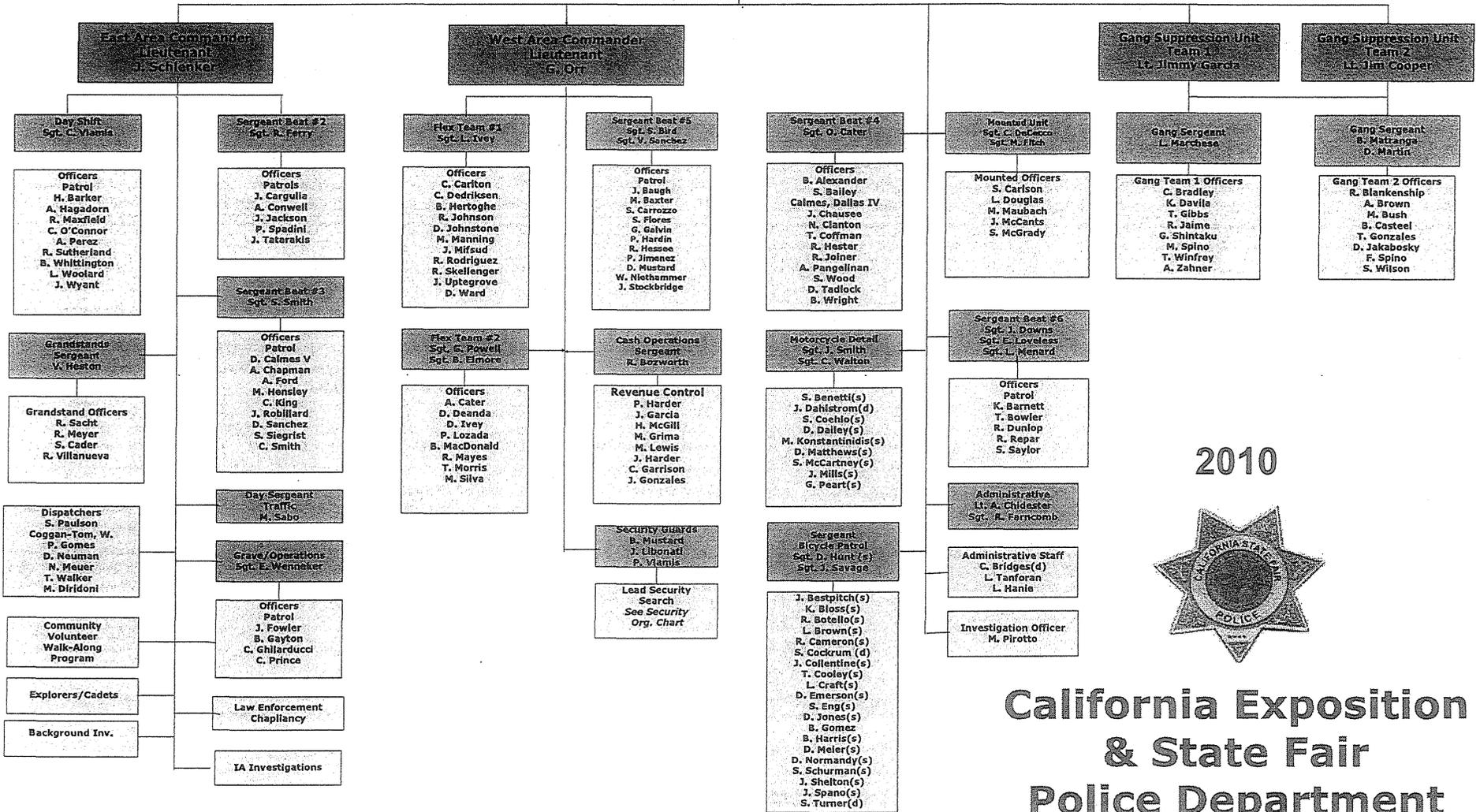


General Manager
Norb Bartosik

Deputy General Manager
Brian May

Robert L. Craft
Chief of Police

Cathy Purcell
Staff Services Analyst



2010



**California Exposition
& State Fair
Police Department**

B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis: 18

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:

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

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

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

3. TCO2 Testing:

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

Post race: Each winner of each race and a minimum of 7 random horses from each program

Pre Race: Random selection of a minimum/maximum of 12/24 horses per racing program.

B. Plan for enhanced surveillance for trainers with high-test results.

Any TCO2 positive tests will result in the sanctions and penalties handed out by the CHRB as attached. Any horse in my care whose TCO2 test results above the CHRB outlined threshold levels shall be subject to the detention barn for every start the horse makes for 3 starts after the post race positive result. The trainer of record shall have \$200 deducted from their paymaster account for each of the 3 starts the racehorse races out of the detention barn. The funds will be utilized to offset the costs of the detention barn guards and the clean up of the stalls. All horses must be in the detention barn by 12:00 Noon on the day of their race and will be notified of this procedure.

C. Plan for detention barns for repeat offenders.

If a trainer receives multiple, more than one, high TCO2 test results, all horses in to go that are listed under the care of that trainer shall all serve time in the detention barn for 30 days from Noon to the time the horse is scheduled to go to the paddock.

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

There are 10 gateman positions that can be assigned to the TCO2 program with no more than 2 gatemen serving at one time in the detention barn

Item 12 (2) - Detention Barns-

The Cal Expo detention barn is located adjacent to the Test Barn at the south end of the Cal Expo Barn area.

The detention barn will be used in the following events:

1. The stewards request that any trainers horses in to go be held in the detention barn
2. The association upon receiving findings of TCO₂ levels of 37 millimoles per liter of plasma or more, shall require all horses in to go trained by the offending trainer to be housed in the detention barn for a period of not less than 8 hours prior to post time of each horse.
3. All California Sires Stakes horses shall be housed in the detention barn for a period of not less than 6 hours prior to their California Sires Stakes race.

The detention barn will have one security officer assigned whenever the detention barn is being utilized. The security officer will be on duty before any horse arrives to serve detention and will not be relieved from duty until all horses have left the detention barn.

There will be two surveillance cameras installed at the entrance/exit of the detention barn. The monitor will be placed in the guard shack adjacent to the entrance of the detention barn.

C. Describe the electronic security system:

1. Location and number of video surveillance cameras for the detention barn and stable gate.
We will have one surveillance camera and monitor installed at the detention barn and there is a security camera and 24 hour security officers stationed at Gate 12.

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

Generator lights placed in strategic locations around racetrack and starting gate car lights will be used for the safe exit of all racing participants should a power outage occur.

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:

American Medical Response, 1779 Tribute Rd., Sacramento, CA 95815 916-563-0600

B. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites: N/A

C. Describe the on-track first aid facility, including equipment and medical staffing:

Mobile on track first aid facility staffed by two Emergency Medical Technicians and/or Paramedics.

D. Name and emergency telephone number of the licensed physician on duty during the race meeting:
(If quarter horse racing association see D(1): N/A

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: N/A

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: See Attachment

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

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): David Elliott, Kate Phariss

H. Attach a fire clearance from the fire authority having jurisdiction over the premises. On File

I. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details): Self Insured through California Fairs Services Authority, certificate on file with CHRB

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

Item 13E-

Emergency Services-

American Medical Response is the ambulance service contracted by Cal Expo for its racing meeting.

The protocol for determining which hospital would be best suited to transport an injured participant is patient request if the request is appropriate as determined by the attending EMT on duty and secondarily, the EMT on duty will determine which medical facility is best suited to attend to the participant based upon a medical evaluation by the EMT.

There are 4 major hospitals within a 3 mile radius of Cal Expo.

Those hospitals and their specialties are:

UC Davis Medical Trauma Center-
2730 Stockton Blvd., Sacramento
Specializing as a Level 1 Trauma Center
916-734-2011
3 Miles

Sutter Memorial Hospital-
5151 F Street, Sacramento
Specializing in cardiac treatment
916-733-1000
1 ½ miles

Kaiser Permanente Hospital-
2025 Morse Ave., Sacramento
Specializing in orthopedic and cardiac treatment
916-973-6600
2 Miles

Mercy General Hospital-
4001 J. Street, Sacramento
Specializing in cardiac treatment
916-453-4428
1 ½ Miles



CAL EXPO

EMERGENCY MEDICAL PROCEDURES FOR ON TRACK INJURY TO DRIVERS

“FIRST RESPONSE”

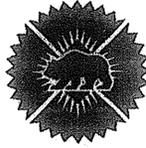
- In the event of an accident, the Starter; Outrider, and/or Ambulance shall respond immediately
- The American Medical Response Ambulance will stop on the track and assess the driver’s(s) need.
- The attending medical professionals shall be equipped with advanced cardiac life support (ACLS) and other necessary acute medical treatment equipment and supplies.
- An “on site evaluation” of injuries to the driver(s) shall be made.

“ON SITE EVALUATION”

- Based on the Emergency Medical Response (EMT) team on the American Medical Response Ambulance an on site evaluation of injuries, a decision shall be made to either treat the injured driver(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 American Medical Response shall treat the injured drivers(s); or,
- If off site treatment is deemed necessary, a back up ambulance from American Medical Response will be summoned to take over the duties at the track and the original ambulance will transport the injured driver(s).

“INJURY TREATMENT”

- If the injured driver(s) is treated by the EMT on the American Medical Response Ambulance, they will be the primary care provider.
- If a back up ambulance is requested, the injured driver(s) shall be transported to the local hospital.



CAL EXPO

PRECUDIOS DE EMERGENCIA PARA MANEJADORES

“PRIMERA RESPUESTA”

- En caso de un accidente, respondera la ambulancia, el poniador, o, el carrode comensar.
- La Ambulancia respondera par aver lo necesario.
- La Ambulancia tiene el equipo necesario para accidentes.
- Se hara una evaluacion de acuerdo al accidente.

“EVALUACION AL INSTANTE”

- Basandose al (EMT) Emergencia Medica Responsable. Que es la ambulancia. Ellos Aran Una evaluacion al instante. Para ver si se puede tartar al momento o ser transportado, al hospital.

“ATENCION AL ACSIDENTADO”

- El acidentado sera tratado de inmediato por (EMT).
- Sies demaciado grabe el accidente sera transportado por ambulancia al hospital.

CALIFORNIA EXPOSITION & STATE FAIR



September 1, 2009

To: California Horse Racing Board
101 Hurley Way, Suite 300
Sacramento, CA 95825

Re: California Exposition & State Fair
1600 Exposition Blvd.
Sacramento, CA 95815

Please be advised that the California Exposition & State Fair 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:

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: Statutory Limit in excess of \$500,000
(b) Employers' Liability: \$4,500,000 in excess of \$500,000
Coverage provided by CSAC Excess Insurance Authority
Term: 07/01/2009 to 07/01/2010

CFSA represents to the 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 California Exposition & State Fair as set forth in the 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
Lianne Lewellen
Risk Analyst

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: All contractors have been previously identified by the CHRB.

15. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

A. Describe any promotional plans:

Local outreach to new on track customers through specific media buys, 10,000 complimentary passes will be distributed throughout the local market, Exposition Blvd. banners and signage, and Business 80 Highway signage. We will offer up cash giveaways on specific nights each week through drawings, "Tunnel of Cash" giveaways, and losing ticket cash drawing giveaways. We have food and drink specials each racing night with \$1 nights on Saturday nights. We will reach out to all California satellite facilities and offer up cash prizes and giveaways to support handicapping contests at the California satellites. We will participate in the annual National Harness Handicapping Challenge contest at the Meadowlands Racetrack.

B. Number of hosts and hostesses employed for meeting: 3

C. Describe facilities set aside for new fans: Information Kiosk and booth

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

1. Horsemen- New Ladies Restroom in Barn P for backstretch personnel
2. Fans- None in addition to the \$1 million renovation done 2 years ago.
- 3 Facilities in the restricted areas- New State Vet office in Vet Barn in process

16. SCHEDULE OF CHARGES

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

Admission (general) \$4.00
 Admission (clubhouse) Free
 Reserved seating (general) None
 Reserved seating (clubhouse) None
 Parking (general) Free
 Parking (preferred) Free
 Parking (valet) None

Programs (on-track) \$3.50
 (off-track) \$4.00

- B. Describe any "Season Boxes" and "Turf Club Membership" fees:
None
- 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="checkbox"/> 46
<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 type="checkbox"/> Certified platform scale
- B. Describe the quarters to be used for female jockeys/drivers: Same Type/Separated Quarters

18. BACKSTRETCH EMPLOYEE HOUSING

- A. Inspection of backstretch housing was completed by (name) CHRB Investigator on (date) TBD.
- B. Number of rooms used for housing on the backstretch of the racetrack: 104
- C. Number of restrooms available on the backstretch of the racetrack: 8
- D. Estimated ratio of restroom facilities to the number of backstretch personnel: 1/50

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: 5,280 feet.
- B. Describe the type(s) of materials used for the inner and outer railings of the race course, the type of inner railing supports (i.e., metal gooseneck, wood 4" x 4" uprights, offset wood 4" x 4" supports, etc.), the coverings, if any, on the top of the inner railing, and the approximate height of the top of the inner railing from the level of the race course.
 Inner rail is replaced by pylons; outer rail is a Steriline Aluminum Racing Safety Rail in full compliance with CHRB regulations
- C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474: David Elliott
- 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.

Finish line pole padded within 20 feet of racetrack.

20. DECLARATIONS

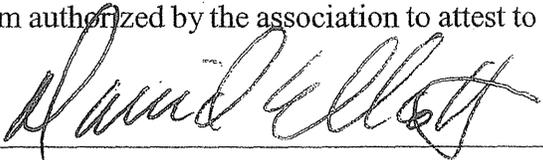
- A. All labor and lease agreements and concession and service contracts necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state): No Exceptions
- B. Attach each horsemen's agreement pursuant to CHRB Rule 2044.
Pending
- C. Attach a lease agreement permitting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

David Elliott
Print Name


Signature

Director of Racing
Print Title

10/27/09
Date

STAFF ANALYSIS
November 17, 2009

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF LOS ALAMITOS QUARTER HORSE RACING ASSOCIATION AT LOS ALAMITOS DECEMBER 26, 2009 THROUGH DECEMBER 19, 2010.

Los Alamitos Quarter Horse Racing Association (LAQHRA) filed its application to conduct a quarter horse racing meeting at Los Alamitos.

- December 26, 2009 through December 19, 2010, or 203 days, 3 days more than the 2009 allocated race dates. The association proposes to race a total of 2,087 races. The (estimated) average daily purse for the 2009 meet is \$88,252. The (estimated) average daily purse for this meet is \$88,783. The 2009 meet has not been completed.
 - The race dates proposed are the dates the Board allocated.

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		

Sun	Mon	Tue	Wed	Thu	Fri	Sat
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17	18	19	20	21	22	23
24/31	25	26	27	28	29	30

Sun	Mon	Tue	Wed	Thu	Fri	Sat
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28						

Sun	Mon	Tue	Wed	Thu	Fri	Sat
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Sun	Mon	Tue	Wed	Thu	Fri	Sat
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Sun	Mon	Tue	Wed	Thu	Fri	Sat
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17	18	19	20	21	22	23
24/31	25	26	27	28	29	30

Sun	Mon	Tue	Wed	Thu	Fri	Sat
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Sun	Mon	Tue	Wed	Thu	Fri	Sat
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

- Racing 4 nights per week, Thursday through Sunday, except February 7 and November 25, 2010. Seven to 15 live races per night and 6 to 12 simulcast races.
 - LAQHRA proposes to begin its Thursday and Friday programs with simulcast races, while the Saturday and Sunday programs would be a blend of live and simulcast racing dependent on thoroughbred associations scheduling throughout the year.
 - 72 Stakes races are proposed.
- First live post 5:45 p.m. Thursday, 7:15 p.m. Friday, 7:00 p.m. Saturday and 5:30 p.m. Sunday.
 - During Del Mar and Fairplex - Sunday first live post will be determined by the number of races run at those meets.
 - During Hollywood Park (HP) - Los Alamitos will conduct its races between HP races.
- Changes to corporation:
 - Cathy Monji listed as Vice President/Special Assistant to the Chairman.
- Financial Statements for Quarter Horse Racing, Inc. and Subsidiaries for years ended December 31, 2008 with independent auditor's report have been received.
- Wagering program will use CHRB and ARCI rules.
 - Early wagering will start at 9:30 a.m. Thursday, Friday, Saturday and Sunday.
- Advance Deposit Wagering (ADW) providers are TVG and Youbet.
- Simulcasting conducted with out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- Request that Juan Garcia is appointed horse identifier pursuant to CHRB Rule 1525.
- Schedule of charges for admission, seating, parking, program have not changed since the last submission of a Los Alamitos application to conduct a horse racing meeting.
- Track safety inspection has been requested and will be completed before the race meeting begins.
- Inspection of backstretch worker housing has been requested and will be completed before the race meeting begins.

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

1. Horsemen's agreement.

Specific information which will need **updating** during the proposed race dates:

1. Fire Clearance (expires February 3, 2010).
2. Workers Compensation (expires January 1, 2010).

RECOMMENDATION:

Staff recommends that the application for license not be heard until the Horsemen's agreement is received.

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

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 Alamitos Quarter Horse Racing Association
4961 Katella Ave.
Los Alamitos, CA 90720 714-820-2800 main 714-820-2820 fax
- B. Breed of horse: TB QH H
- C. Racetrack name: Los Alamitos Race Course
- 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: December 26, 2009 through December 19, 2010.
- B. Actual dates racing will be held:
December 26-27, (2)
January 1-3, 7-10, 14-17, 21-24, 28-31 (19) July 1-4, 8-11, 15-18, 22-25, 29-31 (19)
February 4-6 11-14, 18-21, 25-28(15) August 1, 5-8, 12-15, 19-22, 26-29 (17)
March 4-7, 11-14, 18-21, 25-28 (16) September 2-5, 9-12, 16-19, 23-26, 30 (17)
April 1-4, 8-11, 15-18, 22-25, 29-30 (18) October 1-3, 7-10, 14-17, 21-24, 28-31 (19)
May 1-2, 6-9, 13-16, 20-23, 27-30 (18) November 4-7, 11-14, 18-21, 26-28 (15)
June 3-6, 10-13, 17-20, 24-27, (16) December 2-5, 9-12, 16-19 (12)
- C. Total number of days or nights of racing: 203
- D. Days or nights of the week races will be held:
 Wed - Sun Tues - Sat Other (specify) Thursday through Sunday
- E. Number of days or nights of racing per week: 4 nights, except February 7 and Thanksgiving, November 25, 2010.

3. RACING PROGRAM

CHRB CERTIFICATION	
Application received: 9-29-09	Hearing date: 11-17-09
Deposit received: \$10,000 9-29-09	Approved date:
Reviewed: <i>cdy</i>	License number:

- A. Total number of races: 2,087 live and 1,670 simulcast = 3,757
- B. Number of races for each day or night: 7-15 live, 6-12 incoming simulcast
- C. Total number of stakes races: 72
- 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.
- E. Will provisions be made for owners and trainers to use their own registered colors?
 Yes No If no, what racing colors are to be used:
- F. List all post times for the daily racing program:

Race	Thursday	Friday	Saturday	Sunday	Sunday-Del Mar/Fairplex
1	5:45	7:15	7:00	5:30	7:00/6:00
2	6:10	7:40	6:55	5:55	7:25/6:25
3	6:35	8:05	7:20	6:20	7:50/6:50
4	7:00	8:30	7:45	6:45	8:15/7:15
5	7:25	8:55	8:10	7:10	8:40/7:40
6	7:50	9:20	8:35	7:35	9:05/8:05
7	8:15	9:45	9:00	8:00	9:25/8:25
8	8:40	10:10	9:25	8:25	9:50/8:50
9	9:05	10:35	9:50	8:50	10:15/9:15
10	9:30	11:00	10:15	9:15	10:40/9:40
11	9:55	11:25	10:40	9:40	11:05/10:05
12			11:05	10:05	11:30/10:30
13			11:30	10:30	11:55/10:55
14				10:55	
15				11:20	

First live race Thursday 5:45, Friday scheduled for 7:15pm, Saturday 7:00pm and Sunday 5:30pm.

EXCEPTIONS: During Del Mar and Fairplex meets our Sunday first live post will be determined by the number of races run at Del Mar or Fairplex. It is the intention of LAQHRA to conduct simulcast wagering on no more than eight to sixteen out of state races per racing program, and to adjust our post times to avoid "triple overlap" situations.

At present LAQHRA proposes to begin its Thursday and Friday programs with simulcast races, while the Saturday and Sunday programs would be a blend of live and simulcast racing dependent on thoroughbred association scheduling throughout the year.

LAQHRA will attempt to schedule post times at least 10 minutes apart from any overlapping thoroughbred races conducted by California racing associations whenever possible.

Friday evenings when Hollywood Park is racing, LAQHRA will conduct its races between the Hollywood Park races until the conclusion of that program.

Incoming simulcast races will be scheduled before and during our live racing program.

LOS ALAMITOS QUARTER HORSE RACING ASSOCIATION

2010 STAKES SCHEDULE

To Be Run		EVENT	Purse & Distance
FRIDAY January 1, 2010	(1)	HOLIDAY HANDICAP THREE YEAR OLDS	\$20,000 350 YARDS
SATURDAY January 2, 2010	(2)	CYPRESS SOPHOMORE HANDICAP FOUR YEAR OLDS	\$25,000 350 YARDS
FRIDAY JANUARY 8, 2010	(3)	DENIM N DIAMONDS HANDICAP FILLIES, THREE YEARS OLD BRED IN CALIFORNIA	\$30,000 350 YARDS
SATURDAY JANUARY 9, 2010	(4)	CHARGER BAR HANDICAP MARES, FOUR YEARS OLD AND UPWARD	\$100,000 400 YARDS
SUNDAY JANUARY 17, 2010	(5)	MOONSHINER HANDICAP FOUR YEAR OLDS AND UPWARD	\$20,000 870 YARDS
SATURDAY JANUARY 30, 2010	(6)	SUPER BOWL HANDICAP THREE YEAR OLDS	\$20,000 550 YARDS
FRIDAY FEBRUARY 26, 2010	(7)	LOS ALAMITOS WINTER DERBY THREE YEAR OLDS TRIALS TO BE RUN, FRIDAY, FEBRUARY 5, 2010	\$100,000 Added \$200,000 400 YARDS
SATURDAY FEBRUARY 27, 2010	(8)	LOS ALAMITOS WINTER CHAMPIONSHIP FOUR YEAR OLDS AND UPWARD TRIALS TO BE RUN, SATURDAY, FEBRUARY 6, 2010	\$150,000 Added \$200,000 400 YARDS
SATURDAY MARCH 6, 2010	(9)	LOS ALAMITOS MAIDEN STAKES THREE YEAR OLDS TRIALS TO BE RUN, SATURDAY, FEBRUARY 13, 2010	\$30,000 Added \$125,000 350 YARDS
SATURDAY MARCH 20, 2010	(10)	IVAN ASHMENT HANDICAP MARES, FOUR YEARS OLD AND UPWARD BRED IN CALIFORNIA	\$30,000 400 YARDS
SUNDAY MARCH 21, 2010	(11)	NEWPORT BEACH HANDICAP FOUR YEARS OLD ANED UPWARD	\$20,000 870 YARDS
SUNDAY MARCH 28, 2010	(12)	KATELLA HANDICAP FOUR YEAR OLDS AND UPWARD	\$30,000 350 YARDS
FRIDAY APRIL 9, 2010	(13)	EL PRIMERO DEL ANO DERBY COLTS AND GELDINGS, THREE YEARS OLD TRIALS TO BE RUN, FRIDAY, MARCH 19, 2010	\$40,000 Added \$150,000 400 YARDS
SATURDAY APRIL 10, 2010	(14)	LA PRIMERA DEL ANO DERBY FILLIES, THREE YEARS OLD TRIALS TO BE RUN, SATURDAY, MARCH 20, 2010	\$40,000 Added \$150,000 400 YARDS
FRIDAY APRIL 16, 2010	(15)	MISS PRINCESS HANDICAP FILLIES AND MARES THREE YEARS OLD AND UPWARD	\$40,000 350 YARDS

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To Be Run		EVENT	Purse & Distance
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SATURDAY APRIL 17, 2010	(16)	KAWEAH BAR HANDICAP THREE YEAR OLDS AND UPWARD	\$25,000 350 YARDS
FRIDAY APRIL 23, 2010	(17)	LA PACIFICA HANDICAP FILLIES, THREE YEARS OLD	\$30,000 350 YARDS
SATURDAY APRIL 24, 2010	(18)	DILLINGHAM HANDICAP THREE YEAR OLDS	\$30,000 400 YARDS
SUNDAY MAY 9, 2010	(19)	JAMES S SMITH MEMORIAL HANDICAP THREE YEAR OLDS AND UPWARD	\$20,000 870 YARDS
SATURDAY MAY 15, 2010	(20)	KINDERGARTEN FUTURITY TWO YEAR OLDS TRIALS TO BE RUN, SATURDAY, MAY 1, 2010	\$35,000 Added \$325,000 Estimated
SATURDAY MAY 22, 2010	(21)	TOWN POLICY HANDICAP THREE YEAR OLDS	\$25,000 350 YARDS
FRIDAY JUNE 18, 2010	(22)	VESSELS MATURITY FOUR YEAR OLDS AND UPWARD TRIALS TO BE RUN, SATURDAY, MAY 29, 2010	\$75,000 Added \$125,000 400 YARDS
SATURDAY JUNE 19, 2010	(23)	ED BURKE MILLION FUTURITY TWO YEAR OLDS TRIALS TO BE RUN SATURDAY, JUNE 5, 2010	\$250,000 Added \$1,000,000 Estimated 350 YARDS
SATURDAY JUNE 19, 2010	(24)	ED BURKE JUVENILE TWO YEAR OLDS	\$30,000 350 YARDS
FRIDAY JUNE 25, 2010	(25)	BAYER LEGEND CALIFORNIA REGION CHALLENGE THREE YEAR OLDS TRIALS TO BE RUN, FRIDAY, JUNE 4, 2010	\$7,500 Added 400 YARDS
FRIDAY JULY 2, 2010	(26)	INDEPENDENCE DAY HANDICAP THREE YEAR OLDS AND UPWARD	\$30,000 300 YARDS
SATURDAY JULY 3, 2010	(27)	VANDYS FLASH HANDICAP THREE YEAR OLDS	\$30,000 400 YARDS
SATURDAY JULY 24, 2010	(28)	GOVERNOR'S CUP FUTURITY TWO YEAR OLDS BRED IN CALIFORNIA TRIALS TO BE RUN, FRIDAY, JULY 9, 2010	\$125,000 Added \$500,000 Estimated 350 YARDS
SATURDAY JULY 24, 2010	(29)	GOVERNOR'S CUP DERBY THREE YEAR OLDS BRED IN CALIFORNIA TRIALS TO BE RUN, SATURDAY, JULY 10, 2010	\$50,000 Added \$135,000 Estimated 400 YARDS
SATURDAY JULY 24, 2010	(30)	SPENCER L CHILDERS CALIFORNIA BREEDERS CHAMPIONSHIP HANDICAP THREE YEAR OLDS AND UPWARD BRED IN CALIFORNIA	\$100,000 400 YARDS
SATURDAY JULY 24, 2010	(31)	CALIFORNIA BREEDERS MATRON STAKES FILLIES AND MARES THREE EYARS OLD AND UPWARD BRED IN CALIFORNIA	\$50,000 400 YARDS

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To Be Run	EVENT	Purse & Distance
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SATURDAY JULY 24, 2010	(32)	CALIFORNIA BREEDERS MARATHON STAKES THREE YEAR OLDS AND UPWARD BRED IN CALIFORNIA	\$25,000 870 YARDS
SATURDAY JULY 24, 2010	(33)	JENS L LIST JR MEMORIAL CALIFORNIA BREEDERS STAKES THREE YEAR OLDS BRED IN CALIFORNIA	\$25,000 400 YARDS
SATURDAY JULY 24, 2010	(34)	CALIFORNIA BREEDERS 550 SOPHOMORE STAKES THREE YEAR OLDS BRED IN CALIFORNIA	\$25,000 550 YARDS
SATURDAY JULY 24, 2010	(35)	CALIFORNIA BREEDERS FRESHMAN STAKES TWO YEAR OLDS BRED IN CALIFORNIA	\$25,000 350 YARDS
SATURDAY JULY 24, 2010	(36)	CALIFORNIA BREEDERS SPRINT STAKES THREE YEAR OLDS AND UPWARD BRED IN CALIFORNIA	\$25,000 350 YARDS
SATURDAY JULY 24, 2010	(37)	\$10,000 SENIOR CLAIMING STAKES THREE YEAR OLDS AND UPWARD BRED IN CALIFORNIA CLAIMING PRICE \$10,000	\$17,500 400 YARDS
SATURDAY JULY 24, 2010	(38)	\$5,000 SENIOR CLAIMING STAKES THREE YEAR OLDS AND UPWARD BRED IN CALIFORNIA CLAIMING PRICE \$5,000	\$15,000 400 YARDS
SATURDAY JULY 24, 2010	(39)	\$5,000 SENIOR DISTANCE CLAIMING STAKES THREE YEAR OLDS AND UPWARD BRED IN CALIFORNIA CLAIMING PRICE \$5,000	\$15,000 870 YARDS
SATURDAY JULY 24, 2010	(40)	\$10,000 SENIOR DISTANCE CLAIMING STAKES THREE YEAR OLDS AND UPWARD BRED IN CALIFORNIA CLAIMING PRICE \$10,000	\$17,500 870 YARDS
SATURDAY JULY 24, 2010	(41)	\$10,000 SOPHOMORE CLAIMING STAKES THREE YEAR OLDS BRED IN CALIFORNIA CLAIMING PRICE \$10,000	\$17,500 350 YARDS
SATURDAY JULY 24, 2010	(42)	\$5,000 SOPHOMORE CLAIMING STAKES THREE YEAR OLDS BRED IN CALIFORNIA CLAIMING PRICE \$5,000	\$15,000 350 YARDS
SATURDAY JULY 24, 2010	(43)	CALIFORNIA BREEDERS DEBUTANTE STAKES FILLIES, THREE YEARS OLD BRED IN CALIFORNIA	\$25,000 350 YARDS

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<u>To Be Run</u>	<u>EVENT</u>	<u>Purse & Distance</u>
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FRIDAY AUGUST 20, 2010	(44)	JOHN DEERE CALIFORNIA REGION DISTAFF CHALLENGE FILLIES AND MARES THREE YEAR OLDS AND UPWARD TRIALS TO BE RUN, THURSDAY, AUGUST 8, 2010	\$7,500 Added 400 YARDS
SATURDAY AUGUST 21, 2010	(45)	BANK OF AMERICA CALIFORNIA REGION CHALLENGE THREE YEAR OLDS AND UPWARD TRIALS TO BE RUN, SATURDAY, AUGUST 9, 2010	\$15,000 Added 440 YARDS
FRIDAY AUGUST 27, 2010	(46)	FORT DODGE CALIFORNIA REGION CHALLENGE THREE YEAR OLDS AND UPWARD TRIALS TO BE RUN, THURSDAY, AUGUST 12, 2010	\$5,000 Added 350 YARDS
FRIDAY AUGUST 27, 2010	(47)	FORD JUVENILE CALIFORNIA REGION CHALLENGE TWO YEAR OLDS TRIALS TO BE RUN, FRIDAY, AUGUST 14, 2010	\$7,500 Added 350 YARDS
SATURDAY AUGUST 28, 2010	(48)	GOLDEN STATE DERBY THREE YEAR OLDS TRIALS TO BE RUN, SATURDAY, AUGUST 14, 2010	\$50,000 Added \$300,000 Estimated 400 YARDS
SUNDAY AUGUST 29, 2010	(49)	RED CELL CALIFORNIA REGION CHALLENGE THREE YEAR OLDS AND UPWARD TRIALS TO BE RUN, SUNDAY, AUGUST 15, 2010	\$5,000 Added 870 YARDS
SATURDAY SEPTEMBER 4, 2010	(50)	SGT PEPPER FEATURE HANDICAP THREE YEAR OLDS	\$25,000 350 YARDS
SATURDAY SEPTEMBER 18, 2010	(51)	MILDRED N VESSELS MEMORIAL HANDICAP FILLIES AND MARES THREE YEAR OLDS AND UPWARD	\$150,000 400 YARDS
SATURDAY SEPTEMBER 25, 2010	(52)	GO MAN GO HANDICAP THREE YEAR OLDS AND UPWARD	\$100,000 400 YARDS
SUNDAY SEPTEMBER 26, 2010	(53)	BULL RASTUS HANDICAP THREE YEAR OLDS AND UPWARD	\$20,000 870 YARDS
FRIDAY OCTOBER 1, 2010	(54)	PCQHRA BREEDERS DERBY THREE YEAR OLDS TRIALS TO BE RUN, FRIDAY, SEPTEMBER 17, 2010	\$50,000 Added \$125,000 Estimated 400 YARDS
FRIDAY OCTOBER 1, 2010	(55)	BLANE SCHVANEVELDT HANDICAP THREE YEAR OLDS AND UPWARD	\$40,000 400 YARDS
SATURDAY OCTOBER 4, 2010	(56)	PCQHRA BREEDERS FUTURITY TWO YEAR OLDS TRIALS TO BE RUN, SATURDAY, SEPTEMBER 11, 2010	\$50,000 Added \$550,000 Estimated 350 YARDS
SATURDAY OCTOBER 9, 2010	(57)	AUTUMN HANDICAP TWO YEAR OLDS	\$25,000 350 YARDS
SATURDAY OCTOBER 23, 2010	(58)	ROBERT L BONIFACE LOS ALAMITOS INVITATIONAL CHAMPIONSHIP THREE YEAR OLDS AND UPWARD	\$150,000 440 YARDS

To Be Run	EVENT	Purse & Distance
SATURDAY OCTOBER 29, 2010	(59) GOLDEN STATE MILLION FUTURITY TWO YEAR OLDS TRIALS TO BE RUN, SATURDAY, OCTOBER 16, 2010	\$100,000 Added \$1,000,000 400 YARDS
SATURDAY OCTOBER 29, 2010	(60) GOLDEN STATE JUVENILE TWO YEAR OLDS	\$35,000 400 YARDS
SATURDAY NOVEMBER 6, 2010	(61) LOS ALAMITOS SUPER DERBY THREE YEAR OLDS TRIALS TO BE RUN, FRIDAY, OCTOBER 15, 2010	\$300,000 Added \$1,250,000 Estimated 400 YARDS
SUNDAY NOVEMBER 7, 2010	(62) PAT HYLAND MEMORIAL HANDICAP THREE YEAR OLDS AND UPWARD	\$25,000 870 YARDS
SATURDAY NOVEMBER 12, 2010	(63) CORONA CHICK HANDICAP TWO YEAR OLDS	\$25,000 400 YARDS
FRIDAY NOVEMBER 19, 2010	(64) Z WAYNE GRIFFIN DIRECTORS TRIALS THREE YEAR OLDS AND UPWARD TRIALS FOR THE CHAMPION OF CHAMPIONS	\$18,000 per trial 400 YARDS
SATURDAY NOVEMBER 27, 2010	(65) LAS DAMAS HANDICAP FILLIES AND MARES THREE YEAR OLDS AND UPWARD	\$35,000 400 YARDS
FRIDAY DECEMBER 10, 2010	(66) LOS ALAMITOS 2 MILLION FUTURITY TWO YEAR OLDS TRIALS TO BE RUN, SATURDAY, NOVEMBER 20, 2010	\$300,000 Added \$2,000,000 400 YARDS
FRIDAY DECEMBER 10, 2010	(67) LOS ALAMITOS JUVENILE INVITATIONAL TWO YEAR OLDS	\$35,000 400 YARDS
SATURDAY DECEMBER 11, 2010	(68) CHAMPION OF CHAMPIONS THREE YEAR OLDS AND UPWARD TRIALS TO BE RUN FRIDAY, NOVEMBER 19, 2010 (Z WAYNE GRIFFIN DIRECTORS TRIALS - 400 YARDS)	\$750,000 440 YARDS
SUNDAY DECEMBER 12, 2010	(69) SOUTHERN CALIFORNIA DERBY THREE YEAR OLDS TRIALS TO BE RUN, FRIDAY, NOVEMBER 26, 2010	\$35,000 Added 4200,000 Estimated 400 YARDS
FRIDAY DECEMBER 17, 2010	(70) PAUL B FORD MEMORIAL HANDICAP THREE YEAR OLDS	\$20,000 550 YARDS
SATURDAY DECEMBER 18, 2010	(71) FIRST DOWN DASH HANDICAP THREE YEAR OLDS AND UPWARD	\$35,000 400 YARDS
SUNDAY DECEMBER 19, 2010	(72) MARATHON NATIONAL THREE YEAR OLDS AND UPWARD	\$40,000 870 YARDS

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

4. RACING ASSOCIATION

A. Association is a: Corporation (complete subsection C)

LLC (complete subsection D)

Other (specify, and complete subsection E)

B. Complete the applicable subsection and attached Addendum, Background Information and Ownership. ON FILE

C. CORPORATION

1. Registered name of the corporation: Horsemen's Quarter Horse Racing Association
2. State where incorporated: California
3. Registry or file number for the corporation: 3019242
4. Names of all officers and directors, titles, and the number of shares of the corporation held by each:

Ed Allred	Chairman & Chief Executive Officer
John Seibly	Vice President/Director
Cathy Monji	Vice President/Special Assistant to the Chairman
Robert Passero	Chief Financial Officer
G. Michael Lyon	Secretary
Virginia Hyland	Director Emeritus
Daniel Castronova	Director
R. D. Hubbard	Director
Anthony Zidich	Director
Brad McKinzie	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:
QUARTER HORSE RACING, INC. 100%
6. Number of outstanding shares in the corporation: 0
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: Wagner, Kirkman, and Blaine
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:
QUARTER HORSE RACING, INC
10. Attach the most recent audited annual financial statement for the licensee, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the corporation and/or the Securities and Exchange Commission and/or the California Corporations Commission. The licensee may submit the audited consolidated annual financial statements of its parent owner if the parent owner is a publicly traded company and guarantees the obligations of the licensee. **On file**

D. LLC

1. Registered name of the LLC:
2. State where articles of organization are filed:
3. Registry or file number for the LLC:
4. Names of all officers and directors, titles, and the number of shares of the LLC held by each:
5. Names (true names) of all members, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the LLC and the number of shares held by each:
6. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
7. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
8. Attach the most recent audited annual financial statement for the licensee, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the LLC and/or the Securities and Exchange Commission and/or the California Corporations Commission.

E. OTHER

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

F. Management and Staff

1. Name and title of the managing officer and/or general manager of the association and the name and title of all department managers and staff, other than those listed in 10B, who will be listed in the official program:

Edward C Allred	Chairman/Chief Executive Officer
Cathy Monji	Vice President/Special Assistant to the Chairman
Huy Nguyen	Treasurer
Robert Passero	Chief Financial Officer
Robert Snyder	Controller
Michael Monji	Assistant General Manager
Frank Sherren	Plant Superintendent
Rick Castaneda	Director of Security
Howard Knuchell	Director of Operations
Robert DiGiovanni	Director of Mutuels
Ed Burgart	Track Announcer
Melodie Knuchell	Director Simulcasting/Nominations
Sherry Ray	Paymaster of Purses
Ken Walker	Director of Labor Relations
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:
EDWARD C. ALLRED

5. PURSE PROGRAM

A. Purse distribution:

1.	All races other than stakes:		
	Current meet estimate:	2010	\$12,370,000
	Prior meet actual:	2009	\$12,311,152
	Average Daily Purse (5A1 ÷ number of days):		
	Current meet estimate:	203	60,936
	Prior meet estimate:	200	61,556
2.	Overnight stakes:		
	Current meet estimate:	2010	N/A
	Prior meet actual:	2009	N/A
	Average Daily Purse (5A2 ÷ number of days):		
	Current meet estimate:	203	N/A
	Prior meet estimate:	202	N/A
3.	Non-overnight stakes:		
	Current meet estimate:	2010	\$ 4,308,000
	Prior meet actual:	2009	\$ 4,004,577
	Average Daily Purse (5A3 ÷ number of days):		
	Current meet estimate:	203	\$ 21,222
	Prior meet estimate:	200	\$ 20,023

B. Stakes races:

1.	Purse distribution for all stakes races:		
	Current meet estimate:	2010	\$ 4,308,000
	Prior meet actual:	2009	\$ 4,004,577
	Average Daily Purse (5B1 ÷ number of days):		
	Current meet estimate:	203	\$ 19,704
	Prior meet estimate:	200	\$ 19,825
2.	Percentage of the purse distribution for all stakes races that will be distributed for California-bred stakes races:		
	Current meet estimate:	2010	15%
	Prior meet actual:	2009	18.0%
	Average Daily Purse (5B2 ÷ number of days):		
	Current meet estimate:	203	.07%
	Prior meet estimate:	200	.09%

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

Current meet estimate:	2010	\$ 875,000
Prior meet actual:	2009	\$ 866,785

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:	2010	Prior meet actual:	2009
Total	\$470,000	Total	\$467,867

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

Current meet estimate:	2010	\$18,023,000
Prior meet actual:	2009	\$17,650,381

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

Current meet estimate:	203	\$ 88,783
Prior meet estimate:	200	\$ 88,252

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

Current meet estimate:	2010	\$15,000,000
Prior meet actual:	2009	\$14,950,000

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

Current meet estimate:	203	\$ 73,892
Prior meet estimate:	200	\$ 74,750

G. Purse funds to be generated from interstate handle:

Current meet estimate:	2010	\$ 1,900,000
Prior meet actual:	2009	\$ 1,800,000

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

Current meet estimate:	203	\$ 9,360
Prior meet estimate:	200	\$ 9,000

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

Bank of the West Account #On File

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

Ed Roland, 1755 N. Community Dr. #208, Anaheim, CA 92806 714-986-9183

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: 1428, growing to 1575-1625.
- B. Minimum number of stalls believed necessary for the meeting: 1428
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: 0
- 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 association 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 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: N/A
- 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, 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, \$1DD, \$1PNP, \$1 TRI, \$1SF,\$1PPN	CHRB 1959, 1957, 1976.9, 1979, 1979.1,1976.8

Race #2	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #3	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #4	\$1E, \$1PK3, \$1TRI, \$1SF, \$1DD	CHRB 1959, 1977, 1979, 1979.1, 1957
Race #5	\$1E, \$1PK3, \$1TRI, \$1SF, \$2PNP6, \$1DD	CHRB 1959, 1977, 1979, 1979.1, 1976.9, 1957
Race #6	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #7	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #8	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #9	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #10	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #11	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #12	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #13	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #14	\$1E, \$1TRI, \$1SF, \$1DD	CHRB 1959, 1979, 1979.1, 1957
Race #15	\$1E, \$1TRI, \$1SF, \$1 SUPER HIGH FIVE	CHRB 1959, 1979, 1979.1, ARCI 004-105 pic(n)position (x) Pool method 3 (no minor pool with carryover)

1. Late daily double will always occur in the last two races of the race card.
2. If there are not enough horses carded in a race to offer a trifecta, we will offer a \$1 quinella, CHRB1958.
3. Late pick four will always be offered on the last four races of the race card, CHRB 1976.9.
4. Rolling pick three begins in the second race of each card and continues through the 3rd to last race of the card.

- B. Maximum carryover pool to be allowed to accumulate before its distribution OR the date(s) designated for distribution of the carryover pool: December 19, 2010
- 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:
Thursday, Friday, Saturday, Sunday at 9:30am.
- 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 Racing Games, contact person: Terry McWilliams, contract expires 09/24/12

8. ADVANCE DEPOSIT WAGERING (ADW)

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

9. SIMULCAST WAGERING PROGRAM

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

<u>Northern California</u>	<u>Southern California</u>
Alameda County Fair, Pleasanton	Barona Casino, Lakeside
Bay Meadows	San Bernardino County Fair, Victorville
Big Fresno Fair, Fresno	Fantasy Springs Casino, (Cabazon), Indio

California State Fair \$ Expo, Sacramento
 Club One, Fresno
 Golden Gate Fields, Albany
 Kern County Fair, Bakersfield
 Monterey County Fair, Monterey
 San Joaquin County Fair, Stockton
 Santa Clara County Fair, San Jose
 Solano County Fair, Vallejo
 Sonoma County Fair, Santa Rosa
 Stanislaus County Fair, Turlock
 Tulare County Fair, Tulare

Del Mar Thoroughbred Club, Del Mar
 Hollywood Park, Inglewood
 Desert Expo Centre, Indio
 The Farmers Fair, Perris
 Antelope Valley Fair, Lancaster
 Santa Barbara County Fair, Santa Maria
 National Orange Show, San Bernardino
 Fairplex Park, Pomona
 Santa Anita, Arcadia
 Viejas Casino & Turf Club, Alpine
 Earl Warren Showgrounds, Santa Barbara
 Sycuan Gaming Center, El Cajon
 Ventura County Fair, Ventura
 Commerce Casino, City of Commerce

- D. Out-of-state wagering systems the association proposes to offer its live audiovisual signal: Mexico (including Agua Caliente and related books, Juarez and related books, and Hipodromo de las Americas and related books); and those included in E.
- E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the association: The Caribbean Basin (Las Caymanas Park and various books on St. Marten, Jamaica, Barbados, and Trinidad); Dominican Republic (Hipodromo V. Centenario); Canada (Assiniboia Downs, Barrie Downs, Cloverdale Raceway, Dawartja Downs. Elmira Raceway, Flamboro Downs, Kawartha Dwons, Marquis Downs, Queensbury Downs, Rideau Carlton, Hippodromo l'Hippodrome de Montreal, Calgary Stampede, Hastings Park, Northland Park, Ontario Jockey Club, Stampede Park, Western Fair, Windsor Raceway, and others); Argentina (La Plata, San Ysidro, Pallermo, and related books); Brazil (Jockey Club and related books); Columbia, (LosComuneros); Panama (Codere-PresidenteRemon); Sol Mutuel, Grenada, Uruguay (Maronas Racetrack); Venezuela (La Rinconada and related books); U.S. Virgin Islands (books); Puerto Rico (El Commandante), South Korea, South Africa.

America Tab-OR
 AmWest Entertainment-KY
 Arapahoe Park-CO
 Arima Race Club, Trinidad
 Arlington International Race Course-IL
 Atlantic City Casino Assn.-NJ
 Atlantis Paradise, LVDC
 Avatar Ventures, LVDC
 Balmoral Park-IL
 BetPad, OR
 Beulah Park-OH
 Birmingham Race Course-AL
 Blue Ribbon Downs-OK
 Buffalo Trotting Association-NY
 Calder Race Course-FL
 Capital Sports Pty-Australia
 Canterbury Park-MN
 Capital District OTB-NY
 Catskill Off-Track, NY
 Choctaw Racing Services, OK
 Churchill Downs-KY
 Churchill Downs Sports Spectrum-KY
 Cities of Gold, LVDC
 Citizen Band Potawatomi Indian Tribe (LVDC)
 Colonial Downs-VA
 Columbus Races-NE

Connecticut OTB-CT
 Corpus Christi Greyhound Track-TX
 Dairyland Greyhound Park-WI
 Day At The Track,
 Delaware Park-DE
 Delta Downs-LA
 DGS Systems Corp, LVDC
 Dover Downs-DE
 Downs at Albuquerque-NM
 Downs at Santa Fe
 Ebet
 Ellis Park-KY
 Elite Turf Club, LVDC
 Emerald Downs, WA
 Eureka Downs, KS
 Euro Off-Track, Isle of Man
 Evangeline Downs-LA
 Fair Grounds Racecourse-LA
 Fair Meadows, IA
 Fairmount Park-IL
 Finger Lakes Race Track-NY
 Firelake Entertainment(LVDC) OK
 Fonner Park-NE
 Foxwoods Casino (LVDC)-CT
 Freehold Raceway-NJ
 Garden State Park-NJ

Geneva Lakes Kennel Club-WI
 Great Lakes Downs-MI
 Greentrack-AL
 Gulfstream Park-FL
 Harrington Raceway & Simulcast Facility-DE
 Hawthorne Race Course-IL
 Hazel Park-MI
 Hialeah Park-FL
 Hinsdale Greyhound Park, NH
 Hipica De Panama-MIR
 Holiday Beach Hotel (LVDC)-NV
 Hoosier Park-IN
 Indiana Downs, IN
 International All Sports, Australia
 International Racing Group, (IRG)
 Jackson Harness Raceway-MI
 Keeneland-KY
 Ladbroke at the Meadows-PA
 Lebanon Trotting Club-OH
 Lewiston OTB-ME
 Les Bois Park-ID
 Lien Games, ND
 Lone Star Race Park-TX
 Louisiana Downs-LA
 Manor Downs-TX
 Maryland Jockey Club-MD
 Maywood Park-IL
 Meadowlands, NJ
 Meskwaki Casino (LVDC)-NV
 Mobile Greyhound Park-AL
 Monmouth Park-NJ
 Montana Simulcast Partners (IMS)
 Monticello Raceway-NY
 Mountaineer Park-WV
 Mt. Pleasant Meadows-MI
 Multnomah Greyhound Park-OR
 Nassau Downs OTB-NY
 Nebraska State Fair Park-NE
 New Jersey Sports & Exposition
 New Mexico State Fair-NM
 New York City Off-Track Betting-NY
 New York Racing Association-NY
 Northfield Park-OH
 Northville Downs-MI
 Northville Racing Corp.-MI
 Northwest Racing Associates Ltd.(Emerald)
 Oaklawn Park-AR
 Ocean Downs-MD
 Penn National Race Course-PA
 Philadelphia Park-PA
 Phumelela Gold, South Africa
 Plainridge Racecourse-MA
 Playfair Race Course-WA
 Pojoaque Pueblo Gaming, Inc. (LVDC)-OK
 Portland Meadows-OR
 Potawatomi Indian Tribe, WI
 Prairie Meadows-IA
 Prescott Downs-AZ
 Premier Turf Club-ND
 Raceway Park-OH
 Racing & Gaming Services, St Kitts
 Remington Park-OK
 Retama Park-TX
 Rillito Park-AZ
 River Downs-OH
 Rockingham Park-NH
 Ruidoso Downs-NM
 Running Aces Harness Park, MN
 Sam Houston Park-TX
 Saratoga Raceway-NY
 Schenectady OTB-NY
 Scioto Downs-OH
 Silks Corporation, N. Dakota Horse Park, ND
 Sol Mutuel Ltd, S. America
 Southland Greyhound Park-AR
 Spirit Mountain Casino (LVDC)-OR
 Sports Creek Raceway-MI
 Sportsman's Park-IL
 Suffolk Downs-MA
 Suffolk OTB, NY
 Sunland Park Racetrack-NM
 SunRay Park and Casino-NM
 Tampa Bay Downs-FL
 Television Games Network-CA
 The Downs @ Albuquerque
 The Lodge at Belmont, NH
 The Racing Channel,
 The Red Mile, KY
 The Stables (LVDC)-OK
 Thistledown Racing Club-OH
 TP Racing, LLLP (Turf Paradise)-AZ
 TRN International, PA
 Tucson Greyhound Park-AZ
 Turning Stone Casino-NY
 US Off-Track-OR
 Valley Race Park, TX
 Vernon Downs-NY
 Western Regional OTB-NY
 Wichita Greyhound Park-KS
 Will Rogers Downs-OK
 Wonderland Greyhound Park
 Woodlands-KS
 Wyoming OTB-WY
 Yavapai Downs, AZ
 Yonkers Raceway-NY
 Youbet-Tote Tasmania, Australia

- 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
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- 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
Delta Downs	April –July	Selected races
Sam Houston	June-September	Selected races
Prairie Meadows	July-September	Selected races
Remington Park	March-June	Selected races
Ruidoso Downs	May-September	Selected races
Fair Meadows/Tulsa	May-July	Selected races
Hoosier Park	September-November	Selected races
Red Mile	July	Selected races
Evangeline Downs	September-December	Selected races
Lone Star Park	October-December	Selected races
Canterbury Park	May-September	Selected races
Indiana Downs	May-July	Selected races
Portland Meadows	TBA	Selected races
Zia Park	TBA	Selected races

- H. For **STANDARD BRED** racing associations, list the host tracks from which the association proposes to import out-of-state and/or out-of-country harness races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races":

HARNESS SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
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- I. For **ALL** racing associations, list imported simulcast races the association plans to receive which use breeds other than the breed of the majority of horses racing at its live horse racing meeting. Include the name of the host track, the dates imported races will be held, and how many races will be imported:

OTHER BREED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Breed of Horse	Race Dates	Number of Races to be Imported
Balmoral	Standardbred	January-December	Selected races
Maywood	Standardbred	January-December	Selected races
Meadowlands	Standardbred	January - August; November - December	Selected races
Hawthorne	Standardbred	TBA	Selected races
Red Mile	Standardbred	September	Selected races
Scioto Downs	Standardbred	August	Selected races
Pompano Downs	Standardbred	October	Selected races

Dover Downs	Standardbred	TBA	Selected races
The Meadows	Standardbred	TBA	Selected races
Northfield Park	Standardbred	TBA	Selected races
Vernon Downs	Standardbred	TBA	Selected races
Mohawk Raceway	Standardbred	TBA	Selected races
Windsor Raceway	Standardbred	TBA	Selected races
Penn National	Standardbred	TBA	Selected races
Remington Park	Paint	TBA	Selected races
Hastings	Tb, 4 ¼ furlong, \$5000 claimers or less TBA		Selected races
Delta Downs	Tb, 4 ¼ furlong, \$5000 claimers or less TBA		Selected races

- 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). Agreements forwarded as needed.

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 vaning deductions. Every association shall pay to its Paymaster of Purses' account within 3 calendar days following the closing of wagering for each day or night racing program, or upon receipt of the proceeds, such amounts that are retained or obligated from off-track simulcast wagering, interstate and out-of-state wagering for purses, breeders' awards or other benefits to horsemen. (See Notice to Applicant, Section 5.)

10 . CHARITY RACING DAYS

- A. Name and address of the distributing agent (charity foundation) for the net proceeds from charity racing days held by the association:
Los Alamitos Quarter Horse Charity Foundation, 4961 Katella Ave., Los Alamitos, CA 90720
- B. Names and addresses of the trustees or directors of the distributing agent:
Robert Main 4961 Katella Ave., Los Alamitos, CA 90720
Althea Miller 4961 Katella Ave., Los Alamitos, CA 90720
Charles Brain 4961 Katella Ave., Los Alamitos, CA 90720
- C. Dates the association will conduct races as charity racing days OR:
September 16, September 23, September 30, October 7, October 14, 2010
- 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)	Thomas A. Hackathorn, DVM
Clerk of Scales	Glen Miki
Clerk of the Course	Linda Sherren
Film Specialist	Stewards
Horse Identifier	Juan Garcia
Horseshoe Inspector	James Stump
Paddock Judge	Louie Cacioppo
Patrol Judges	Louie Cacioppo
Placing Judges	Ed Reese, Geoff Waxler
Starter	John Baker
Timer	Geoff Waxler

B. Management officials in the racing department:

Director of Racing	Ron Church
Racing Secretary	Ron Church
Assistant Racing Secretary	Ed Reese
Paymaster of Purses	Sherry Ray
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:

Barbara Weinstein, 9582 Hamilton Ave, STE 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 09/15/10

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 - Jim Porep 12/26/10

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 - Jim Porep 12/26/10

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.

Rick Castaneda-Director of Security 714-713-7728 cell
714-820-2663 office

B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis: 30

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. Not used at this time.

For CHRB license application:

11 F

1. Pan camera located on 5th floor, press box
2. camera 4th floor, east end of Vessels club
3. camera head on back stretch view on tower at ¼ pole
4. camera head on stretch view on tower at clubhouse turn
5. camera on light pole at 1/8 for equibase stretch call
6. camera on overhead boom in paddock
7. hand held camera in paddock
8. camera on boom in winners' circle
9. camera hand held at starting gate
10. camera hand held occasionally at finish line
11. camera mounted on roof for 1/16 equibase stretch call
12. camera on TVG set

Organizational Chart 2009 / 2010

Los Alamitos Race Course

Security Dept.

Captain of Security	Rick Castaneda	Office (714) 820-2663 Cell (714) 713-7728
Day Shift Sergeant	Keith Hicks	Office (714) 820-2664 Cell (714) 366-0579
Night Shift Sergeant	Charles Gonzalez	Office (714) 820-2661
Day Shift Security Officers	Bill Chavez Edgardo Castillo Gerardo Angel Deril Montgomery Bunthoeun Sos	Mainline Club House Pk Lot Desk Mezz
Night Shift Officers	Louie Reid Jackie Dixon Jose Murillo Gabriel Castellanos Henry Chambers Faatoulaina Tiatia Robert Edison	Desk Part Time 2 days a week Mainline Mezz PK Lot Paddock Club House Breaks
Stable Area Officers	Alex Pacheco Jorge Avina Jose Alvarez Ruben Silva Fernando Gomez	Day stable Night stable Split Shift Night Receiving Barn Graveyard
Off Hour Officers	Albert Cruz Sr. Luis Rivas Frank Wozniak	Grave Yard Split Shift Days

There are **20** security officers on staff during the racing season, and **3** supervisors.

Stable Gate Attendants

April Dudone	Swing Gate
Ron White	Day East Gate
Mario Martinez	Spilt Shift
Dennis Nuon	Night East Gate
Marco Avina	Grave yard Gate
Robert Garcia	Day Gate
Cheri Willett	Part Time 1 day Sunday Swing / Monday Grave

6 Stable Gate Attendants / **1** Part Time

2. Detention Barns: Not used at this time.
 - A. Attach a plan for use of graded stakes or overnight races.
 - B. Number of security guards in the detention barn area during a 24-hour period.
 - C. Describe number and location of surveillance cameras in detention barn area.
3. TCO2 Testing:
 - A. Number of races to be tested, and number of horses entered in each race to be tested.
 - B. Plan for enhanced surveillance for trainers with high-test results.
 - C. Plan for detention barns for repeat offenders.
 - D. Number of security personnel assigned to the TCO2 program.
- C. Describe the electronic security system: Not used at this time.
 1. Location and number of video surveillance cameras for the detention barn and stable gate.
- D. For night racing associations. Describe emergency lighting system: See attached.

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, PO Box 145, Sunset Beach, CA 90742 562-904-1550,
 714-325-0363 cell -Stacy O'Brien
- B. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites: N/A
- C. Describe the on-track first aid facility, including equipment and medical staffing: Open during live racing hours with basic first aid supplies including an Automated External Defibrillator (AED), manned by two EMT's.
- D. Name and emergency telephone number of the licensed physician on duty during the race meeting:
(If quarter horse racing association see D(1):
 1. Name address and emergency telephone number of hospital located within 1.5 miles of the racetrack, which whom an agreement is in place to provide emergency medical services:

Los Alamitos Medical Center	West Anaheim Medical Center
3751 Katella Ave	3033 West Orange Ave
Los Alamitos, CA	Anaheim, CA 92804
562-799-3212	714-827-3000

Emergency Track Lighting System
Los Alamitos Race Course

The main race track lighting system is comprised of (970) 1000 watt 277 volt metal halogen light fixtures. The emergency lighting system is comprised of (305) 1500 watt quartz light fixtures. If the main system experiences a brief loss or interruption of power the metal halogen lights will fail. Due to the type of fixture they may take up to 20 minuets to reach full illumination. In the event of an interruption of this type the back-up emergency quartz lighting system automatically comes. This happens instantly and the back-up emergency system can remain on for up to 90 minutes.

In case of a major accident/head injury they are routed to:

Long Beach Memorial
2801 Atlantic Ave
Long Beach, CA 90802
562-933-2000

- 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:
Same as D 1.
- 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):
Allie Rodriguez/FLSIG-safety manager
Frank Sherren-safety program director LARC
- H. Attach a fire clearance from the fire authority having jurisdiction over the premises.
- I. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details):
Self Insured-Finish Line Self Insurance Group, certificate # On File
Administrator: Sig Solutions
PO Box 905
Seal Beach, Ca 90740
- J. Attach a Certificate of Insurance for workers' compensation coverage. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of insurance that secures the liability of the association for payment of workers' compensation.

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

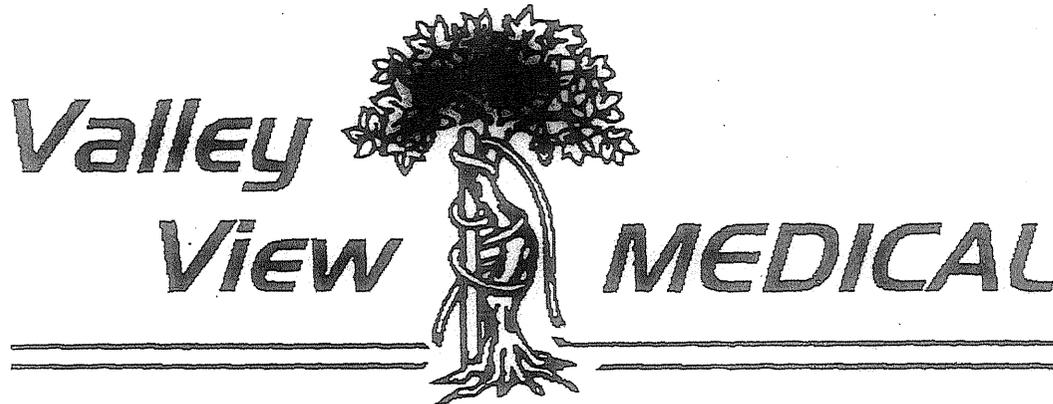
14. CONCESSIONAIRES AND SERVICE CONTRACTORS

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:
Centaur Hot Walkers, Inc., 5761 Ridgeview Ave., Mira Loma, CA 91752

In Case Of

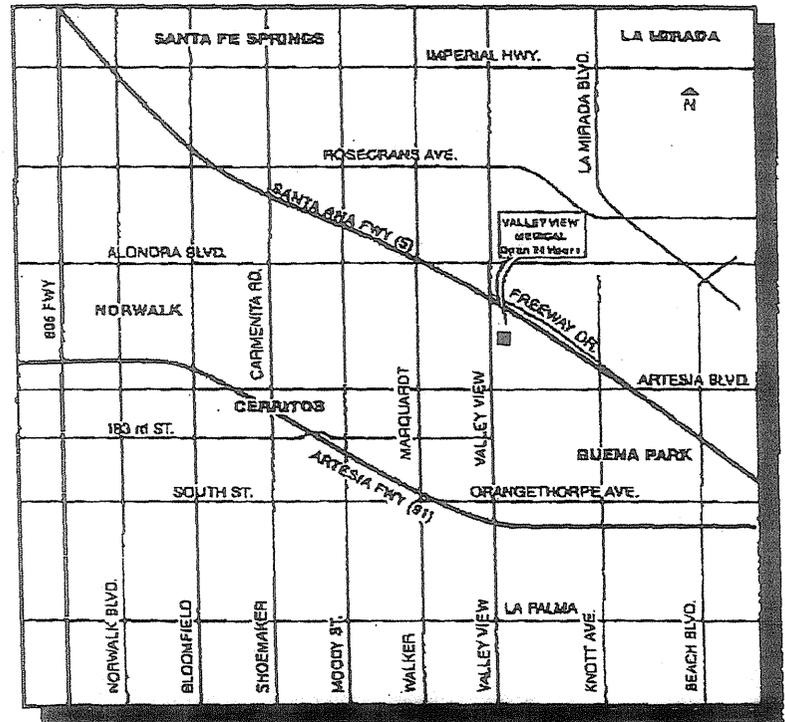
✚ ACCIDENT ✚

(714) 562-8638 • (562) 926-8332



16700 Valley View Ave., Suite 180
La Mirada, CA 90638

Located on Valley View Avenue between the
Santa Ana Fwy. (5) and Artesia Blvd.
Ground Floor of 4-Story Building. Next to Winchell's.



OPEN 24 HOURS • 7 DAYS

En Caso De

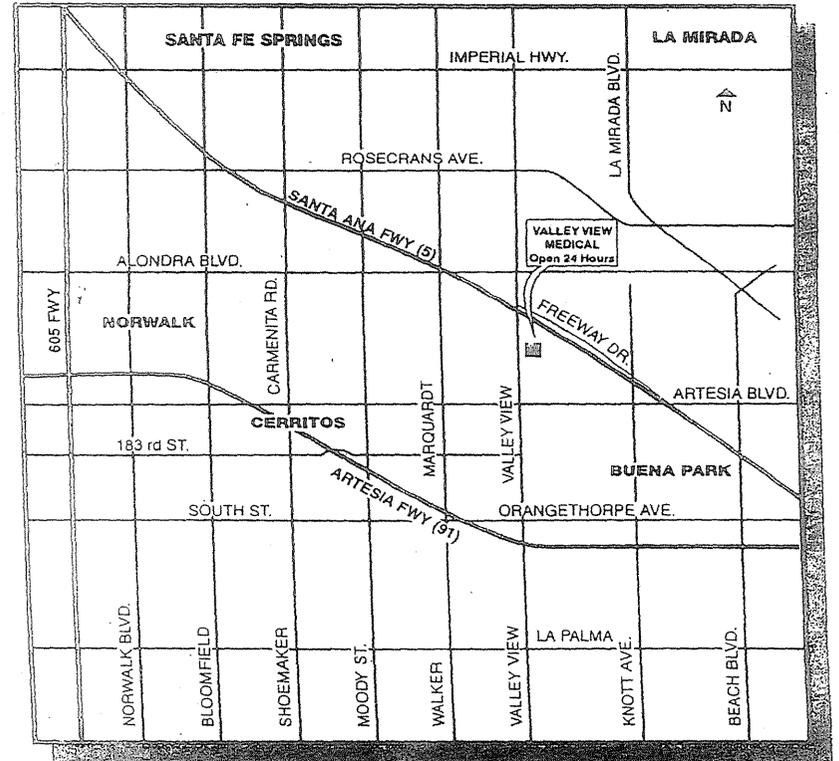
ACCIDENTE

(714) 562-8638 • (562) 926-8332



16700 Valley View Ave., Suite 180
La Mirada, CA 90638

Sobre La Valley View Avenue Entre El
Santa Ana Fwy. (5) y Artesia Blvd.
Primer Piso Del Edificio Adjunto a Winchell's.



ABIERTO 7 DIAS • LAS 24 HORAS

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

12/22/2008

PRODUCER

 Alliant Insurance Services, Inc.
 100 Pine Street
 11th Floor
 San Francisco CA 94111

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
INSURERS AFFORDING COVERAGE

NAIC #

 INSURER A: Finish Line SIG, Inc.

0

INSURER B:

INSURER C:

INSURER D:

INSURER E:

INSURED

 Los Alamitos Race Course
 4961 Katella Avenue
 Los Alamitos CA 90720

COVERAGES

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

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS								
		GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$								
		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$								
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$								
		EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$								
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <u>Yes</u> If yes, describe under SPECIAL PROVISIONS below	WC001	1/1/2009	1/1/2010	<table border="1"> <tr> <td>WC STATU-TORY LIMITS</td> <td>OTH-ER</td> </tr> <tr> <td>E.L. EACH ACCIDENT</td> <td>\$ 1,000,000</td> </tr> <tr> <td>E.L. DISEASE - EA EMPLOYEE</td> <td>\$ 1,000,000</td> </tr> <tr> <td>E.L. DISEASE - POLICY LIMIT</td> <td>\$ 1,000,000</td> </tr> </table>	WC STATU-TORY LIMITS	OTH-ER	E.L. EACH ACCIDENT	\$ 1,000,000	E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000	E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
WC STATU-TORY LIMITS	OTH-ER													
E.L. EACH ACCIDENT	\$ 1,000,000													
E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000													
E.L. DISEASE - POLICY LIMIT	\$ 1,000,000													
		OTHER												

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

Certificate issued as evidence of coverage only - Los Alamitos Race Course

CERTIFICATE HOLDER

 California Horse Racing Board
 c/o Los Alamitos Race Course
 4961 Katella Avenue
 Los Alamitos CA 90720

CANCELLATION 30

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

AUTHORIZED REPRESENTATIVE



15. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

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

16. SCHEDULE OF CHARGES

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

Admission (general)	3.00
Admission (clubhouse)	5.00/10.00 (Vessels club)
Reserved seating (general)	N/A
Reserved seating (clubhouse)	N/A
Parking (general)	Free
Parking (preferred)	3.00
Parking (premium)	8.00
Programs (on-track)	3.50
(off-track)	4.00
- B. Describe any "Season Boxes" and "Turf Club Membership" fees:
See attached
- 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	70
<input checked="" type="checkbox"/> Showers	<input checked="" type="checkbox"/> Steam room, sauna or steam cabinets	<input checked="" type="checkbox"/> Lounge area
<input checked="" type="checkbox"/> Masseur	<input checked="" type="checkbox"/> Food/beverage service	<input checked="" type="checkbox"/> Certified platform scale

We have added a spa therapy tub, new lounge/rec area, more lockers, and a new sleep room as part of a 1600 sq ft addition to the jockeys quarters.
- B. Describe the quarters to be used for female jockeys/drivers:
Separate quarters with cubicles, showers, steam box.

18. BACKSTRETCH EMPLOYEE HOUSING

- A. Inspection of backstretch housing was completed by (name) CHRB Investigator on (date) TBD.
- B. Number of rooms used for housing on the backstretch of the racetrack:
220 out of 344

CHRB LICENSE APPLICATION

ON TRACK ATTENDANCE/FAN DEVELOPMENT

A. Describe any promotional plans:

1. Los Alamitos conducts weekly Saturday handicapping contests, which are free to all patrons. Prizes ranging from \$100 to \$150 are presented to the top weekly handicappers. More than 120 patrons play the weekly contests.
2. Los Alamitos guarantees pools in the early Pick Four every racing night. Currently, Pick Four pools are guaranteed at \$50,000 on Thursdays and \$75,000 on Friday through Sunday.
 3. Los Alamitos employs a full time on-air satellite broadcaster in Chris Wade, who handicaps the nightly racing card. The show is beamed nationwide through the Los Alamitos satellite network.
4. Los Alamitos employs two part-time employees to assist patrons with their Racing Rewards card, which serves as the track's loyalty program. This program rewards its members with cash vouchers for playing the nighttime Los Alamitos racing program with a 1 percent return on their money wagered.
5. Los Alamitos' senior citizen admission prices are \$2 every single day. Los Alamitos also offers free grandstand admission and free general parking every Thursday night. More than 60% of the Los Alamitos parking lot is available at no charge as part of its free general parking area.
6. Los Alamitos provides Ed Burgart's tipsheet free on its website at www.losalamitos.com.
7. Los Alamitos offers a free nighttime pocket program, which can be downloaded at www.losalamitos.com.
8. Los Alamitos offers a free past performance lines for major Grade 1 races, which can be downloaded at www.losalamitos.com.
9. Los Alamitos markets its night program via the Mike Willman weekly radio shows.
10. Los Alamitos markets the night program on TVG with a 36-week advertising campaign throughout the year. Los Alamitos works closely with TVG to promote and encourage viewers to visit the racetrack. Vessels Club and general concession menu items are often promoted on TVG to show fans what's available at the racetrack. Los

Alamitos sponsors trivia and handicapping contest on TVGs with "Night At The Track" packages offered as prizes.

11. The Replay Show is available on TVG mornings on a Friday through Monday basis.

12. Los Alamitos has made available online video of morning workouts of 2-year-olds. Horseplayers find this a useful tool, as they're able to dissect workouts of horses that have yet to make an official start.

13. Los Alamitos will conduct two statewide mailers featuring mystery mutuel vouchers. Each voucher is worth at least \$5. Vouchers in denominations of \$10, \$20, \$50, \$100, \$500, and \$1,000 are also mailed. In addition \$5,000 vouchers are mailed. The mailers are held on California Breeders Champions Night and Champions of Champions weekend. In 2009, Los Alamitos had a \$10,000 mystery voucher cashed at the Pleasanton satellite. It is believed to be the biggest MMV cashed at a satellite through such a mailer.

14. Los Alamitos host Thursday Night Live in the Vessels Club every Thursday night. TNL features live music with an assortment of musical live acts, free admission, special dining prices and a handicapping contest for Vessels Club patrons of \$150 each week.

15. Family days at Los Alamitos will be held in mid-July with the running of the popular Wienerschnitzel Wiener National. One-hundred dachshunds compete for prize money and trophies. The annual event receives great pre and post event publicity on the television newscasts. The event annually attracts over 12,000 people, most of which get exposed to the excitement of horseracing for the first time. This event is now imitated by all of the fairs conducting live racing as well as Golden Gate Fields, which is now conducting about 3-4 of these events per year.

16. The Los Alamitos annual Halloween Carnival will be conducted in late fall. This event benefits a local charity, as well as the Los Alamitos Race Track Chaplaincy. A costume contest for kids and adults as well as a ton of carnival games are held in a safe, fun, and family oriented environment. This event provided first-time exposure of horseracing to thousands of families each year.

17. Three premium item giveaway nights will be held in March, October, and December including a backpack giveaway in the spring, blanket giveaway in November and calendar giveaway in December of 2010.

18. Three video replay kiosks are available throughout the plant for the benefit of horsemen and fans. The touch-tone kiosks offer replays of the Los Alamitos races, plus selected tracks from around the nation, just minutes after the race has occurred.

19. Los Alamitos will continue its DVD Scrapbook program designed to reward racehorse owners at Los Alamitos. Every time a horse wins a race at Los Alamitos, the owner will receive one DVD - completely free - featuring the horse's winning performance. The DVD includes the post parade, warm-ups, race analysis, actual race,

and winner's circle. This has received rave reviews across the board from owners and Los Alamitos Race Course sees it a nice goodwill gesture.

20. In addition to the on-track marketing, Los Alamitos is conducting the strongest marketing program of any southern California track for the benefit of its simulcast facilities. In 2009, Los Alamitos is scheduled to conduct nearly 50 handicapping contest for cash prizes worth approximately \$20,000 – our biggest figure yet. Most handicapping contest are held in conjunction with a premium item giveaway, such as cap, t-shirt, long sleeve polo, or sweatshirt. Racing personality Les Onaka is on hand at each of the contests promoting the nighttime Quarter Horse signal via handicapping seminars and question and answer sessions. Los Alamitos is also actively pursuing similar promotional opportunities as the Commerce Casino. Other sites to host multiple events this year include Hollywood Park, Santa Anita, Surfside, Monterey, Santa Maria, Santa Barbara, Victorville, Lancaster, San Bernardino, Santa Clara and Ventura. Fan data is gathered at each location for future marketing use.

B. Number of hosts and hostesses employed for meeting:

Chris Wade serves as the racing analyst on the Los Alamitos racing broadcast. Wade provides expert handicapping information prior to each race. He provides racing fans with his Pick 4 suggestions, plus tips and hints on how to play the races at Los Alamitos. Several group directors work closely with parties to ensure a fun night at the races. Group parties have race named in their honor and the opportunity to visit the winner's circle for their race.

One information window is open day and night at Los Alamitos Race Course to answer any questions or inquiries about the track or horseracing in general. Fans can also pick up general information and pamphlets at the Racing Rewards Center and Vessels Club absolutely free.

C. Describe facilities set aside for new fans:

1. The Finish Line Grill offers casual dining with Mexican food and Hamburgers cooked on an outdoor grill facing the finish line. New picnic tables have been set up outdoors, which are nightly advertised as the perfect place for new fans.
2. On October 31, 2009, Los Alamitos will open a new gift shop that will provide new fans access to merchandise and handicapping books and materials.
3. Los Alamitos has also set up two new terraces – one on the mezzanine level and another one on the Vessels Club level- that now bring fans closer to the racing action than ever before in those areas, while providing added comfort to these racing fans' overall experience at the track.

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

1. Los Alamitos is undergoing a continued barn improvement project, which has already seen the renovation of several barns. This project is expected to continue through 2010.
2. Horsemen and fans will take advantage of a brand new gift shop featuring an expanded and improved catalog of merchandise that brings Los Alamitos closer to the level of the shops at Hollywood Park and Santa Anita.
3. Los Alamitos is now capable of broadcasting HD signals. The Kentucky Derby was shown in HD at several locations throughout the plant. The HD signal from the Fair Grounds will also be broadcast in November.
4. Permanent message boards continue to operate; one in the infield, which is a full color 8 feet tall by 20 feet wide Daktronics board featuring the broadcast of the Los Alamitos races, prices, pools, and marketing billboards; and one on the main entrance to the track, a two-color board featuring the latest messages and track news to the 1,000s of motorists that make their way up and down Katella Avenue.
5. Brand new HD monitors have been installed in the Vessels Club Vista Terrace.
6. New photo finish camera is set to be installed in November of 2009. This will be the first of its kind in California and will provide the best picture possible for the fans to view the photo finish.

Membership Form

Live Racing: Quarterhorse – December 26, 2009 to December 19, 2010

Satellite Racing: Year Round

Membership in the Vessels Club includes all live and satellite racing conducted at Los Alamitos from December 26, 2009 through December 19, 2010, depending on the specific membership you choose. No outside food or beverages will be allowed in the

Vessels Club. Rude, loud, unseemly behavior or profanity is not acceptable in the Vessels Club. Your signature below acknowledges that you have read, understood, and will abide by the rules of the Club including dress rules.

Date _____

Signature of Member _____

Please issue membership card(s) as follows: (PLEASE PRINT OR TYPE)

- | | |
|------------------|----------------|
| | relation to me |
| 1. My name _____ | _____ |
| 2. _____ | _____ |
| 3. _____ | _____ |
| 4. _____ | _____ |

THIS SPACE FOR OFFICE USE ONLY	
Parking Sticker Number	Membership Card Number
_____	_____
_____	_____
_____	_____
Box # _____	_____

Residence _____ Street _____ City _____ State, Zip _____

Business _____ Street _____ City _____ State, Zip _____

Residence telephone _____ Business telephone _____

Mail credentials to: Res. _____ Bus. _____

MEMBERSHIP FEES:

- | |
|--|
| <p>A. Vessels Executive \$3,000.00
December 26, 2009 – December 19, 2010
Four membership cards - each valid for one admission, two preferred parking stickers and guaranteed four seat table in the dining room.
Certain Limitations & Restrictions apply to this membership.
LARC has the right to use your reserved table if you have not contacted the Maitre d' by the running of the 2nd live race. It is the responsibility of the Vessels Club member to contact the Maitre'd @714-820-2861. LARC also reserves the right to utilize any tables for special events. LARC will provide you with written notice one week prior to the special event.</p> <p>B. Vessels Private \$1,500.00
December 26, 2009 - December 19, 2010
One membership card valid for one admission, one preferred parking sticker, guaranteed four-seat table in the dining room, and option to purchase one additional membership card for \$500.00.</p> <p>C. Vessels Annual \$500.00
One membership card valid for one admission to the Vessels Club during the 2010 Quarter Horse Meet</p> <p>D. Vessels Annual (Must have valid CHRB License). \$300.00
One membership card valid for one admission to the Vessels Club during the 2010 Quarter Horse Meet</p> |
|--|

Membership Selection (circle one): A B C D

MAKE CHECK PAYABLE TO LOS ALAMITOS RACE COURSE

THIS SPACE FOR OFFICE USE ONLY

VESSELS PARKING	PAYMENT RECEIVED	CREDENTIALS ISSUED
Date _____	Date _____	Date _____
Amount _____	CHECK _____ CASH _____	MAIL _____
Card # _____	Amount _____ Rec. On _____	By _____

- C. Number of restrooms available on the backstretch of the racetrack:
13
- D. Estimated ratio of restroom facilities to the number of backstretch personnel:
18/1

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:

3300

 feet.
- B. Describe the type(s) of materials used for the inner and outer railings of the race course, the type of inner railing supports (i.e., metal gooseneck, wood 4" x 4" uprights, offset wood 4" x 4" supports, etc.), the coverings, if any, on the top of the inner railing, and the approximate height of the top of the inner railing from the level of the race course.
Inner rail is a metal slant rail with metal safety cover, 40" in height from track to top of rail.
Outer rail is a metal gooseneck with 6" X 4" metal tubing.
- C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474:
Rick Hughes/Dennis Moore
- D. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474.
See Attached-last inspected by Marty Hamilton December 2008.
- 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.

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.
Pending, to be completed by 10/15/09.
- C. Attach a lease agreement permitting the association to occupy the racing facility during the entire term of the meeting. (In the absence of either a lease agreement or a horsemen's agreement, a request for an extension pursuant to CHRB Rule 1407 shall be made). On file
- D. All service contractors and concessionaires have valid state, county or city licenses authorizing each to engage in the type of service to be provided and have valid labor agreements, when applicable, which remain in effect for the entire term of the meeting except as follows (if no exceptions, so state):
No exceptions
- E. Absent natural disasters or causes beyond the control of the association, its service contractors, concessionaires or horsemen participating at the meeting, no reasons are believed to exist that may result in a stoppage to racing at the meeting or the withholding of any vital service to the association except as follows (if no exceptions, so state): No exceptions

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

21. CERTIFICATION BY APPLICANT

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

Edward C Alfred
Print Name

Edward C. Alfred
Signature

Chairman
Print Title

9/25/09
Date

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

Regular Board Meeting
November 17, 2009

BACKGROUND

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

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

At its October 15, 2009 Regular Meeting the Board approved the 2010 Southern California racing calendar, subject to modification. The Board also approved the 2010 Northern California race dates for Pacific Racing Association (PRA) at Golden Gate Fields (GGF), and the early season harness race meeting at California Exposition and State Fair (Cal-Expo) (December 26, 2010 through June 19, 2010). However, action on the 2010 Northern California racing fair calendar was delayed due to uncertainties involving the summer fair racing programs. The Board instructed the industry to meet and arrive at a consensus regarding the remaining 2010 Northern California race dates.

ANALYSIS

Thoroughbred Owners of California (TOC), PRA and California Thoroughbred Trainers (CTT) have jointly submitted a 2010 Northern California proposed race dates calendar.

California Authority of Racing Fairs (CARF) has also submitted a 2010 Northern California proposed race dates calendar.

In addition, TOC has submitted its recommendation for the Southern California 2010 race dates calendar, which is identical to the calendar approved by the Board at its October 15, 2009 Regular Meeting, with the exception of the month of September and October. In September 2010, TOC proposes the Fairplex Pomona opening on September 10 instead of September 9. TOC also proposes that Oak Tree Racing Association would be dark on October 13, 2010.

The difference between the CARF 2010 Northern California proposed race dates calendar and the TOC/PRA/CTT 2010 Northern California proposed race dates calendar is the assignment of dates

from August 18, 2010 through Labor Day, September 6, 2010. For the last 100 years these dates have been run at Cal Expo in Sacramento. Until recently the dates have been overlapped by Bay Meadows. Cal Expo also ran harness horses during the state fair for three years. In 2010, Cal Expo is moving the State Fair to July 14, 2010 through July 25, 2010. CARF is requesting that the August to Labor Day dates be run as a combined fair meet at the Alameda County Fair at Pleasanton. TOC, CTT and PRA are requesting the dates be run at GGF as a private association.

CARF ran a combined fair race meeting at GGF in 2009 – CARF 1 and CARF 2. The CHRB has requested Paymaster records to corroborate that there was an overpayment of purses at these two meetings of approximately \$300,000. There has been a complaint filed by a horseman that the 2008 Cal Expo Fair race meeting had an underpayment of purses of \$190,000 and a 2009 underpayment of purses of over \$200,000. The CHRB has investigated the 2008 underpayment and found that the \$190,000 is accurate and that this amount was not returned to the horsemen within 14 days after the race meeting ended, as required by the horsemen's agreement, but has been carried over until present. The decision on payment of the 2009 State Fair race meeting underpayment has not been made as to whether it should be returned to the horsemen or carried over until next year. Is it the intent of CARF, the participating fairs and TOC to use this underpayment on the State Fair to pay back the overpayment on the CARF 1 and CARF 2 meetings in 2009, or are CARF and TOC going to carry forward this overpayment to the proposed 2010 race meeting at Pleasanton? These are obvious questions that need to be resolved before race dates are granted.

The Alameda County Fair at Pleasanton also seems to have some conflicts with permits from the city and the reimbursement of the golf course operator to secure additional dates in 2010.

Cal Expo has conducted two very successful State Fair race meetings in 2008 and 2009. These meetings were mixed breed meetings. The CARF meetings at GGF were for thoroughbreds only. Future combined fair meetings should not be exclusive to thoroughbreds.

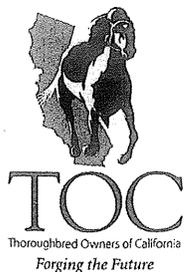
The CARF proposal does not include any dates for the Solano County Fair at Vallejo. It has been represented to this Board, from the Solano County Board of Supervisors, their desire to request dates for 2010. These are dates historically run during the new proposed State Fair race dates of July 14, 2010 through July 25, 2010. If the Solano County Fair is giving up these dates are they expecting any reimbursement from the State Fair?

RECOMMENDATION:

Staff recommends: that race dates not be granted to Cal Expo until the 2008 – 2009 underpayments of purses to the horsemen is resolved; that once this is resolved, the July 2010 dates, if not used by the Solano County Fair, be run as a combined race meeting at Cal Expo; that the historical dates for the State Fair (August 18, 2010 through September 6, 2010) be run at Cal Expo; and in the event Cal Expo does not want to run these dates, that the dates be granted to GGF.

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

1. 2010 Northern California Proposed Race Dates and supporting documents submitted by PRA, TOC and CTT.
2. 2010 Northern California Proposed Race Dates and supporting documents submitted by CARF.
3. 2010 Southern California Proposed Race Dates and supporting documents submitted by TOC
4. 2010 Southern California Race Dates (approved October 15, 2009)
5. 2010 Pacific Racing Association Race Dates (approved October 15, 2009)
6. 2010 California Exposition/ Harness Race Dates (approved October 15, 2009)
7. 2010 Los Alamitos Approved Race Dates (approved October 15, 2009)

**BOARD CHAIR**

MARSHA NAIFY

OFFICERSMADELINE AUERBACH
VICE CHAIR, SOUTHERN CALIF.MARTIN BACH
TREASURERBILLY KOCH
SECRETARY**CHAIRS EMERITUS**ED FRIENDLY (1996-97)
ROBERT B. LEWIS (1997-2001)
GARY BURKE (2001)
JACK B. OWENS (2001-03)
RON CHARLES (2003-04)
JACK B. OWENS (2004-05)
ALAN LANDSBURG (2005-07)**DIRECTORS**MADELINE AUERBACH
MARTIN BACH
BOB BAFFERT
DAVID BLOOM
BRIAN BOUDREAU
RON ELLIS
BILLY KOCH
KIM KUHLMANN
MARSHA NAIFY
PHILIP OVIEDO
PETE PARRELLA
PABLO SUAREZ
DONALD VALPREDO
ARNOLD ZETCHER**EXECUTIVE STAFF**STEVE SCHWARTZ
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GUY LAMOTHE
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CHIEF FINANCIAL OFFICER
MARY FORNEY
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OPERATIONS
WAYNE ATWELL
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OPERATIONS**CORPORATE OFFICE**285 W. HUNTINGTON DRIVE
ARCADIA, CA 91007
(626) 574-6620 Phone
(800) 994-9909 Toll Free
(626) 821-1515 Fax
www.toconline.com

November 6, 2009

California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, California 95825**Re: 2010 Northern California Racing Calendar**

Dear Directors:

Please find attached a 2010 Northern California racing calendar recommendation jointly submitted by the Thoroughbred Owners of California (TOC), California Thoroughbred Trainers (CTT), and Golden Gate Fields (GGF). Given the current economic climate, the calendar is designed to maximum purse generation for owners and trainers while limiting expenses. Many Northern California horsemen are struggling to survive and this calendar will best position the industry to stay competitive.

It was only a few years ago when there were only six weeks of Fair racing that was not overlapped with racing at a major race track -- 2 weeks at Pleasanton, 2 weeks at Vallejo and 2 weeks at Santa Rosa. During the remainder of the year, racing was offered at either Bay Meadows or Golden Gate Fields.

However, given the reduction in horse population and the closure of Bay Meadows, all Fairs now race unoverlapped, with the exception of Ferndale. While the reduction in overall racing days was a positive, racing a four-month "Fair Block" (mid-June to mid-October) would be a negative. Given the purses are lower on the Fair circuit and horsemen also have to incur the additional cost of shipping, both the CTT and TOC feel a four-month Fair block will hurt Northern California racing. Several trainers have expressed concerns to the CTT that a 4-month block of fair dates might force them to leave the area during that time period and, consequently, some may not return.

<u>2009 Average Daily Purse Generation</u>	<u>Difference from GGF Purses</u>
Golden Gate Fields \$145,704	n/a
Sonoma County Fair \$138,221	-5%
Alameda County Fair \$123,097	-16%
California State Fair \$117,201	-20%
Solano County Fair \$112,998	-22%
Fresno District Fair \$111,644	-23%
San Joaquin Fair \$103,650	-29%
Humboldt County Fair \$26,650	-82%

Stabling & Vanning Fund

The Stabling & Vanning Fund is also negatively impacted during the Summer Fair Circuit. Both Golden Gate Fields and Pleasanton serve as stabling facilities in the North with 1,425 and 684 stalls respectively. Each facility receives funding when they are not racing live. The Stabling & Vanning fund operates "in the black" when live racing is conducted at either Golden Gate Fields or Pleasanton as only one of the two off-site stabling facilities receive funding. However, during the time that any other Fair is running, the Stabling & Vanning Fund pays for both Pleasanton and Golden Gate Fields to operate. The cost to keep both training facilities in operation is over \$120,000 per week, which effectively comes out of track commissions and purses at a time when the industry can least afford it.

Horse Racing & Fairs Activities

The synergy between the Fair activities and horse racing is critical. Fair attendees who attend the carnival and livestock events are introduced to horse racing and this exposure can lead to a generation of new fans. However, it has been shown that when horse racing is conducted at Fairs without the accompanying entertainment component, results have been disappointing. For example, in 2007 the Santa Rosa Fair added a third week of horse racing without traditional Fair activities. Santa Rosa, normally one of the strongest Fairs on the circuit, experienced a 30% decline in business from Week 2 to Week 3. In addition, the 2009 Stockton Fair was granted two weeks of horse racing, however they ran a one-week Fair. The results were a 15% decline in purse revenue for horsemen from Week 1 to Week 2.

Lack of Allowance and Maiden Allowance Races

A few Fairs have a difficult time running races for better horses. In fact, no allowance races were run during the Stockton, Cal Expo and Fresno meets. That represents a six-week time period where not a single allowance race was run in Northern California. In addition, Stockton and Cal Expo didn't run any Maiden Allowance races. The fact is, it is tough to keep the better horses in training in Northern California when there aren't opportunities for them to compete, and there are no other turf courses on the fair circuit other than Santa Rosa. It is also difficult to put together a strong two-year-old program as shipping is difficult on younger horses along with the lack of Maiden Allowance races.

Capital Expenditures

The reinvestment in racing is a critical component that has been lacking at a few Fairs. Rather than using a portion of the racing income to support racing, some Fairs have instead chosen to support their other Fair activities such as free big-name concerts. Understandably, budgets are tight everywhere, however, horse racing is no longer in a position to subsidize Fair events.

On the other hand, many Fairs have done a tremendous job supporting racing – these include Santa Rosa with the installation of a turf course and Fresno with the upgrade of the grandstand amenities. Pleasanton has also stepped up with a variety of improvements including major upgrades to the barn area.

Golden Gate Fields has spent over \$14,000,000 in capital improvements from 2005-2008, including the installation of a synthetic racing surface, which has received positive reviews from horsemen. Other notable expenditure during this period includes:

- \$1,570,000 in Barn Area Improvements
- \$ 760,000 in Grandstand Building Repairs
- \$ 656,000 in Fan Amenity Improvements
- \$ 337,000 in Track Safety Improvements

Outstanding Issues with the Calendar

The TOC, CTT and Golden Gate Fields have worked with all parties in an attempt to reach a viable 2010 calendar for the good of horse racing – first and foremost – in Northern California. Notwithstanding compromises made to achieve the attached calendar, we believe there are outstanding issues which may give cause for concern, including:

- **Pleasanton Meet August 18 – 29:** It is our understanding that CARF and Pleasanton Fair officials have given their commitment to conduct live racing during this time period. Nevertheless, we are concerned there may be additional approvals required from other community and county authorities that are not yet secured and, consequently, may disrupt live racing next summer. As a contingency plan, we would support moving the live race meet to Golden Gate Fields to ensure continuous live racing, higher purse generation, reduced stabling & vanning expenditures, and minimal disruption to the horsemen.
- **Santa Rosa Meet July 28 – August 15:** This meet has added a third week compared to last year. As noted above, we are concerned when live racing does not coincide with fair dates, as will be the case with this third week. That said, we will make our best efforts to support a strong meet at Santa Rosa.

California Horse Racing Board
November 6, 2009
Page 4

Summary

In closing, the racing industry is now confronted with some tough decisions. Revenues are declining, expenses are increasing, purses are lower, the foal crop is down and horses are leaving the state. The industry must do everything possible to keep owners and trainers in the game. The Northern California racing calendar is one of the most critical components that can help stabilize the sport. Three elements that should be taken into strong consideration are purse generation, limiting additional expenses to horsemen, and capital expenditures. The TOC, CTT and GGF strongly urge the Board to approve the attached calendar.

Thank you in advance for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Marsha Naify" followed by a stylized flourish.

Marsha Naify, Chair
Thoroughbred Owners of California

Charlie Dougherty, Deputy Director
California Thoroughbred Trainers

Robert Hartman, General Manager
Golden Gate Fields

/Attachment

California Horse Racing Board
November 6, 2009
Page 4

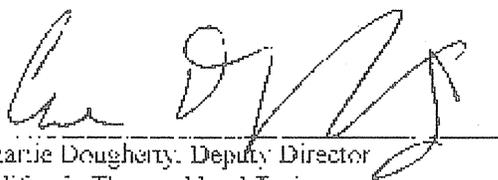
Summary

In closing, the racing industry is now confronted with some tough decisions. Revenues are declining, expenses are increasing, purses are lower, the foal crop is down and horses are leaving the state. The industry must do everything possible to keep owners and trainers in the game. The Northern California racing calendar is one of the most critical components that can help stabilize the sport. Three elements that should be taken into strong consideration are purse generation, limiting additional expenses to horsemen, and capital expenditures. The IOC, CTT and GGF strongly urge the Board to approve the attached calendar.

Thank you in advance for your consideration.

Sincerely,

Marsha Neify, Chair
Thoroughbred Owners of California



Charlie Dougherty, Deputy Director
California Thoroughbred Trainers



Robert Hartman, General Manager
Golden Gate Fields

/Attachment:

2010 NORTHERN CALIFORNIA RACE MEETS CALENDAR - TOC-CTT-GGF

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

GGF Winter-Fall	83
GGF Spring	77
GGF Summer	22
GGF Total	182

CARF Meets	65
Ferndale Overlap	8
Total Fairs	73

Simulcast Only	12
Total Race Days	255

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

February						
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21	22	23	24	25	26	27
28						

March						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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28	29	30	31			

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

June						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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27	28	29	30			

July						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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11	12	13	14	15	16	17
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25	26	27	28	29	30	31

August						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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	9	10				
	16	17	18	19	20	21
22	23	24	25	26	27	28
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September						
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October						
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	18	19	20	21	22	23
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31						

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

Stockton	5
Ferndale	3

Sacramento	19
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Pleasanton	10
Ferndale	8

Golden Gate	22
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Golden Gate beginning of year December 26 - June 13

Stockton June 16-20

Santa Rosa July 28 - August 15

Golden Gate Summer September 1 - October 3

Pleasanton June 23 - July 11

Ferndale (overlap) August 13-22

Golden Gate end of year October 20 - December 19

Cal Expo July 14-25

Pleasanton August 18-29

Fresno October 6-17



a California joint powers agency

1776 Tribute Road, Suite 205
 Sacramento, CA 95815
 Office: 916.927.7223 Fax: 916.263.3341
www.calfairs.com

To: Members of the California Horse Racing Board
 From: Christopher Korby
 Date: November 5, 2009
 Re: CARF Recommendations for 2010 Northern California Racing Calendar

Please find attached a calendar which shows recommendations for 2010 Northern California racing dates proposed by the California Authority of Racing Fairs (CARF).

We believe that the recommendations shown on our proposed calendar provide a solid foundation for Northern California racing in 2010. Our proposed calendar also looks toward the future, with sensible and realistic planning intended to keep the region's racing strong and healthy. Here are some highlights.

- Provides a regional anchor for racing in Northern California with 37 weeks (178 racing days) at Golden Gate Fields
- Reflects consolidation of Fair dates into fewer venues
- Moves summer racing dates to Alameda County Fair (Pleasanton) with three weeks proposed during the Fair in June/July and three weeks operated by CARF in August/September
- Expands use of Turf Course at Santa Rosa by with additional week at that venue in August

We respectfully submit that the calendar we are proposing serves the best interest of racing insofar as it continues the orderly re-structuring of the calendar and transition to the future which began when Bay Meadows departed from racing in Northern California. Our proposed calendar preserves Golden Gate Fields as a strong anchor for the region, with a significant allocation of dates, and begins a transition to more racing dates at fewer Fair venues.

Fairs have a great tradition of racing and have an important role to play in its future. We're a major stakeholder in the industry: Fairs own nine race tracks and operate twenty-plus satellite wagering facilities in California. The longevity and stability of Fairs, which sit on publicly-owned property, is especially important as our industry looks at the uncertainties facing privately-owned racing associations, all of which sit on increasingly valuable land, attractive for development into purposes other than racing.

Our calendar also reflects the hard reality that it is becoming more difficult to maintain safe and attractive Fair racing venues with limited racing dates. Our calendar shows a consolidation of Fair dates into fewer venues.

Here are a few important points we would like to emphasize about Fairs:

- Fairs are California-based and publicly owned by Californians, with a mission to use their profits right here in our state.
- Fairs already have a major investment in the racing industry.
- Fairs can issue bonds, secured by future revenues from pari-mutuel wagering, in order to finance facility expansion and improvements.
- As publicly-owned facilities, Fairs are less susceptible to the impact of changing real estate valuations.
- Fairs are already diversified entertainment and commercial enterprises, landmarks in their communities, with year-round attendance measured in the millions.
- Profits from racing at Fairs stay in California and are re-invested at California Fairs.
- Fairs can be a good political ally with deep roots in the state's agricultural community and a major presence in the Legislature.

The significant capital investment and the history of racing at California Fairs is evidence of the long-standing, mutually-beneficial relationship between horse racing and Fairs. Racing has been conducted at Fairs in this state since the 1850's. Fairs were instrumental in securing passage of the initiative that created modern pari-mutuel wagering. In fact, the first racing of the modern pari-mutuel era was conducted at Fairs in 1933 because Fairs had the facilities already in place to accommodate it. Fairs went on to build and rebuild grandstands and stable facilities at nine venues around the state, from Humboldt County in the north to Del Mar in the south. Fair operate approximately two-thirds of the satellite wagering facilities in the California simulcast network. Fairs are part of the DNA of California racing.

There is another hard reality facing California racing: the economic model that underpins ownership of privately-owned tracks in California is under strain. Real estate on which privately-owned, commercial race tracks sit has appreciated to valuations that may no longer justify horse racing as the highest and best use of the asset. Corporate owners, with responsibilities to their shareholders, are compelled to consider development of their property for uses other than racing. As privately-owned, commercial race tracks are developed for purposes other than racing, Fairs, which sit on publicly-owned property, will likely find a new and expanded role in the future of California racing

Fairs represent stability in a time when our industry is facing uncertainty and change. Fairs have a long history of commitment to racing; we are in it for the long run. We ask that the Board consider those time-tested commitments, past, present and future, as it deliberates on the 2010 racing calendar for Northern California.

Respectfully submitted,

Christopher Korby
Executive Director

RECOMMENDATION FOR 2010 NORTHERN CALIFORNIA RACING DATES- November 5, 2009

6-12

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

4

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

23

May						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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16	17	18	19	20	21	22
23	24	25	26	27	28	29
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23

September						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
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19	20	21	22	23	24	25
26	27	28	29	30		

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16

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GGF Winter-Fall 103

GGF Spring 75

GGF Total 178

Simulcast Only 11

Stockton	5
Pleasanton	15
Cal Expo	10
Santa Rosa	15

Humboldt			9
CARF at Pleasanton			16
Fresno			10
CARF Fairs Total			80

February						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
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21	22	23	24	25	26	27
28						

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June						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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October						
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March						
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July						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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November						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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April						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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August						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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December						
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12

3

**BOARD CHAIR**

MARSHA NAIFY

OFFICERSMADELINE AUERBACH
VICE CHAIR, SOUTHERN CALIF.MARTIN BACH
TREASURERBILLY KOCH
SECRETARY**CHAIRS EMERITUS**ED FRIENDLY (1996-97)
ROBERT B. LEWIS (1997-2001)
GARY BURKE (2001)
JACK B. OWENS (2001-03)
RON CHARLES (2003-04)
JACK B. OWENS (2004-05)
ALAN LANDSBURG (2005-07)**DIRECTORS**MADELINE AUERBACH
MARTIN BACH
BOB BAFFERT
DAVID BLOOM
BRIAN BOUDREAU
RON ELLIS
BILLY KOCH
KIM KUHLMANN
MARSHA NAIFY
PHILIP OVIEDO
PETE PARRELLA
PABLO SUAREZ
DONALD VALPREDO
ARNOLD ZETCHER**EXECUTIVE STAFF**STEVE SCHWARTZ
PRESIDENT
GUY LAMOTHE
EXECUTIVE VICE PRESIDENT
KELLEE BREEN
CHIEF FINANCIAL OFFICER
MARY FORNEY
DIRECTOR OF OPERATIONS
LUCINDA MANDELLA
DIRECTOR OF OWNER SERVICES
RICHARD SCHEIDT
NO. CA. DIRECTOR OF
OPERATIONS
WAYNE ATWELL
ASST. NO. CA. DIR. OF
OPERATIONS**CORPORATE OFFICE**285 W. HUNTINGTON DRIVE
ARCADIA, CA 91007
(626) 574-6620 Phone
(800) 994-9909 Toll Free
(626) 821-1515 Fax
www.toconline.com

November 6, 2009

California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, California 95825**Re: 2010 Southern California Racing Calendar**

Dear Directors:

The Thoroughbred Owners of California is pleased to recommend the attached 2010 Southern California racing calendar. Given the current economic climate and declining horse inventory, we have been prudent to avoid six-day race weeks throughout the year, with the exception of opening week during the LATC meet, and the final Monday, September 27th at the Fairplex meet, which is still in question in our view.

It is important to note that the TOC is extremely mindful of the continued declining trends in racing, namely horse inventory, on-track attendance, handle, and purse generation. There are no assurances that the industry has seen the end of significant declines over the past 12 – 24 months.

Consequently, we are reiterating our position expressed during the CHRB Racing Dates meetings conducted in Fresno on October 14-15: **It is critical for the California Thoroughbred industry to maintain flexibility and retain the right to adjust dates from 5-day race weeks to 4-day race weeks throughout the year, as conditions warrant.**

Thank you for your consideration.

Sincerely,

Marsha Naify
Chair

/Attachment

Total Southern Cal 259

Santa Anita	83
Hollywood Spring-Summer	65
Del Mar	37

Fairplex Park	14
Oak Tree	25
Hollywood Park Fall	35

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

5

January						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
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17	18	19	20	21	22	23
24	25	26	27	28	29	30
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February						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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March						
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April						
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May						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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23

June						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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27	28	29	30			

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July						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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August						
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21

September						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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14 2 7

October						
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November						
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December						
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Santa Anita Dec. 26 - Apr. 18
 Hollywood Park Spr/Sum Apr. 21 - July. 18

Del Mar Jul. 21 - Sept. 8
 Fairplex Sept. 10 - Sept. 27 * ==>

* NOTE: Mon, 9/27 would create a 6-day race week, and is still in question.

Oak Tree Sept. 29 - Oct. 31
 Hollywood Park Fall Nov. 3 - Dec. 19

2010 SOUTHERN CALIFORNIA RACE DATES

Item 6(4) 6-15

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

5

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

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May						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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23

September						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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19	20	21	22	23	24	25
26	27	28	29	30		

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Legend:

LATC 83

HP - Spring 65

Del Mar 37

HP Fall 35

Fairplex 15

Oak Tree 26

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

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

24

March						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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July						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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11	12	13	14	15	16	17
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November						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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April						
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11	12	13	14	15	16	17
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14

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August						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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21

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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19	20	21	22	23	24	25
26	27	28	29	30	31	

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2010 PACIFIC RACING ASSOCIATION RACE DATES

Item 6(5) 6-16

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

5

PRA Winter-Fall	83
PRA Spring	77
PRA Total	160

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

19

April						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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4	5	6	7	8	9	10
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22

May						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

23

June						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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July						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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August						
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22	23	24	25	26	27	28
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September						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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October						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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10

November						
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December						
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15

2010 CAL EXPO HARNESS RACE DATES

Item 6(6) 6-17

Cal Expo Harness 89 (First Meet)

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

January						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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February						
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March						
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April						
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May						
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30	31					

June						
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July						
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August						
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September						
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October						
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November						
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December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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2010 LOS ALAMITOS RACE DATES

6-18

Item 6(7)

Los Alamitos 203

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

2

January						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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19

May						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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18

September						
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17

February						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
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June						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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16

October						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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March						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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16

July						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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19

November						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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April						
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18

August						
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17

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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STAFF ANALYSIS
PUBLIC HEARING AND ACTION BY THE BOARD REGARDING THE
PROPOSED AMENDMENT OF CHRB RULE
1843.6. TOTAL CARBON DIOXIDE TESTING
TO AUTHORIZE THE EQUINE MEDICAL DIRECTOR AND THE STEWARDS
AS WELL AS THE OFFICIAL VETERINARIAN TO DIRECT THAT BLOOD
SAMPLES BE TAKEN FROM A HORSE FOR THE PURPOSES OF TCO₂ TESTING

Regular Board Meeting
November 17, 2009

BACKGROUND

Business and Professions Code section 19580 provides that the Board shall adopt regulations relating to equine medication to preserve and enhance the integrity of horse racing. Business and Professions Code section 19581 states that no substance of any kind shall be administered by any means to a horse after it has been entered to race unless the Board has, by regulation, specifically authorized the use of the substance and the quantity and composition thereof.

Board Rule 1843.6, Total Carbon Dioxide Testing, provides that the official veterinarian may direct a veterinarian licensed by the Board or a registered veterinary technician licensed by the Board to collect blood sample(s) from a horse for the purpose of testing for total carbon dioxide (TCO₂) concentrations.

At the July 24, 2009, Medication Committee (committee) meeting a proposed amendment to Rule 1843.6 was discussed. The proposed amendment would add the Equine Medical Director as one who may direct the collection of blood and urine samples for the purposes of TCO₂ testing. At the August 27, 2009, Regular Board meeting the committee recommended that the Board direct staff to initiate a 45-day public comment period regarding the proposed amendment.

ANALYSIS

The proposed amendment to Board Rule 1843.6 will allow the Equine Medical Director or the stewards – in addition to the official veterinarian – to direct a veterinarian licensed by the Board or a registered veterinary technician licensed by the Board to collect blood sample(s) from a horse for the purpose of testing for total carbon dioxide (TCO₂) concentrations. In addition, the proposed amendment would allow the Equine Medical Director to designate a horse or horses for TCO₂ testing. This expands the list of Board officials who may select horses for TCO₂ testing, and who may direct that samples be collected for TCO₂ testing.

RECOMMENDATION

Staff recommends the Board adopt the proposed amendment to Rule 1843.6 as presented. No comments were received during the 45-day public comment period.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 15. VETERINARY PRACTICES
PROPOSED AMENDMENT OF
RULE 1843.6. TOTAL CARBON DIOXIDE TESTING

Regular Board Meeting
November 17, 2009

1843.6. Total Carbon Dioxide Testing.

(a) At the direction of the Equine Medical Director, the stewards or the official veterinarian, a veterinarian licensed by the Board or a registered veterinary technician licensed by the Board may collect blood sample(s) from a horse for the purpose of testing for total carbon dioxide (TCO₂) concentrations. Such blood sample(s) shall be collected under the provision of Rule 1859 of this article, and may be collected pre-race or post-race.

(1) The owner or trainer of a horse selected for testing may request that a duplicate sample be taken. Such request shall be made prior to the collection of the official sample. The costs related to obtaining, handling, shipping and analyzing the duplicate sample shall be the responsibility of the owner or trainer who requested such sample.

(2) If the Board in its discretion determines the duplicate sample cannot be analyzed within five days after the sample is collected, the findings of the official sample shall be final.

(b) Any horse on a facility under the jurisdiction of the Board may be selected by the Equine Medical Director, the stewards or the official veterinarian for TCO₂ testing.

(c) Any owner, trainer, or other person responsible for a horse, who refuses or fails to permit the taking of test sample(s) from such horse shall be deemed in violation of Rule 1930 of this division and shall have the horse declared ineligible to race by the stewards.

(d) TCO₂ levels in the blood serum or plasma shall not exceed:

(1) 37.0 millimoles per liter of serum or plasma.

(2) TCO₂ levels in excess of 37.0 millimoles shall be considered a Class three-medication violation for administrative purposes.

(e) The provisions of Rule 1859.25 of this article shall not apply to blood sample(s) collected for TCO₂ testing.

Authority: Sections 19420, 19440, 19580 and 19582.5,
Business and Professions Code.

Reference: Sections 19581 and 19582,
Business and Professions Code.

STAFF ANALYSIS
PUBLIC HEARING AND ACTION BY THE BOARD REGARDING THE
PROPOSED AMENDMENT OF
CHRB RULE 1858. TEST SAMPLE REQUIRED
TO AUTHORIZE THE EQUINE MEDICAL DIRECTOR TO DESIGNATE HORSES FOR
TESTING AS WELL AS THE STEWARDS AND OFFICIAL VETERINARIAN

Regular Board Meeting
November 17, 2009

BACKGROUND

Business and Professions Code section 19440 provides that the California Horse Racing Board shall have all powers necessary and proper to enable it to carry out the purposes of this Chapter. Business and Professions Code section 19562 states that the Board may prescribe rules, regulations, and conditions under which all horse races with wagering on their results shall be conducted in California. Business and Professions Code section 19580 provides that the Board shall adopt regulations to establish policies, guidelines, and penalties relating to equine medication in order to preserve and enhance the integrity of horseracing in California.

Board Rule 1858, Test Sample Required, currently requires blood and urine samples to be collected from the winner of every race, horses placing second or third in a stakes race with a gross purse of \$75,000 or more, and not less than six or more than nine other horses selected by the stewards or the official veterinarian. Additionally, Rule 1858 provides that every horse within the inclosure or entered to race is subject to testing, and no person having care of a horse shall refuse to submit it for testing when directed by the stewards or official veterinarian.

At the July 24, 2009, Medication Committee (committee) meeting a proposed amendment to Rule 1858 was discussed. The proposed amendment would add the Equine Medical Director to the list of officials who may designate horses for testing. At the August 27, 2009, Regular Board Meeting the committee recommended that the Board direct staff to initiate a 45-day public comment period regarding the proposed amendment.

ANALYSIS

The proposed amendment to Board Rule 1858 provides that the Equine Medical Director – in addition to the stewards and official veterinarian - may designate for testing between six and nine other horse or horses. The proposed amendment provides for more flexibility, as the Equine Medical Director currently has to work through the stewards if he wishes to designate a horse for testing.

RECOMMENDATION

Staff recommends the Board adopt the proposed amendment to Rule 1858 as presented. No comments were received during the 45 day public comment period.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 15. VETERINARY PRACTICES
PROPOSED AMENDMENT OF
RULE 1858. TEST SAMPLE REQUIRED

Regular Board Meeting
November 17, 2009

1858. Test Sample Required.

Blood and urine test samples shall be taken daily from the winner of every race, from horses finishing second and third in any stakes race with a gross purse of \$75,000 or more, and from not less than six or more than nine other horses designated for testing by the Equine Medical Director, the stewards or the official veterinarian. Every horse within the inclosure or entered in any race is subject to testing and no owner, trainer or other person having the care of a horse shall refuse to submit it for testing when directed by the Equine Medical Director, the stewards or the official veterinarian.

Authority: Sections 19440, 19562 and 19580,
Business and Professions Code.

Reference: Section 19580(b),
Business and Professions Code; and
Sections 337f, 337g and 337h,
Penal Code.

STAFF ANALYSIS
PUBLIC HEARING AND ACTION BY THE BOARD
REGARDING THE PROPOSED AMENDMENT OF
CHRB RULE 1859. TAKING, TESTING AND REPORTING OF SAMPLES
TO PROVIDE THAT URINE, BLOOD OR OTHER OFFICIAL TEST SAMPLES MAY BE
TAKEN UNDER THE DIRECTION OF THE EQUINE MEDICAL DIRECTOR
AS WELL AS THE OFFICIAL VETERINARIAN

Regular Board Meeting
November 17, 2009

BACKGROUND

Business and Professions Code section 19420 states jurisdiction and supervision over meetings in California where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings, is vested in the California Horse Racing Board. Business and Professions Code section 19440 provides that the Board shall have all powers necessary and proper to enable it to carry out the purposes of this Chapter. Business and Professions Code section 19562 states that the Board may prescribe rules, regulations, and conditions under which all horse races with wagering on their results shall be conducted in California.

Board Rule 1859, Taking, Testing and Reporting of Samples, provides that urine, blood or other official test samples shall be taken under the direction of the official veterinarian or his or her designee. The regulation also mandates the destruction of test samples if the official laboratory fails to find a prohibited drug substance.

At the July 24, 2009, Medication Committee (committee) meeting a proposed amendment to Rule 1859 was discussed. The proposed amendment would add the Equine Medical Director as one who may direct the taking of an official test sample, and as one who may approve the taking of a sample in an area other than a detention area approved by the Board. The amendment also eliminated the requirement that the official laboratory immediately destroy official test samples. At the August 27, 2009, Regular Board Meeting the committee recommended that the Board direct staff to initiate a 45-day public comment period regarding the proposed amendment to Rule 1859.

ANALYSIS

The proposed amendment to Board Rule 1859 provides that urine, blood or other official test samples may be taken under the direction of the Equine Medical Director, in addition to the official veterinarian or a designee. The proposed amendment also eliminates subsection 1859(b), which requires discarding an official test sample when the laboratory fails to detect a prohibited drug substance. The Board currently does not discard such test samples; instead, they are frozen for possible future testing as determined by the Board.

RECOMMENDATION

Staff recommends the Board adopt the proposed amendment to Rule 1859 as presented. No comments were received during the 45-day public comment period.

CALIFORNIA HORSE RACING BOARD
 TITLE 4. CALIFORNIA CODE OF REGULATIONS
 ARTICLE 15. VETERINARY PRACTICES
 PROPOSED AMENDMENT OF
 RULE 1859. TAKING, TESTING AND REPORTING OF SAMPLES

Regular Board Meeting
 November 17, 2009

1859. Taking, Testing and Reporting of Samples.

(a) Urine, blood or other official test samples shall be taken under the direction of the official veterinarian, the Equine Medical Director or ~~their~~ a person designated by the official veterinarian designee. All samples shall be taken in a detention area approved by the Board, unless the official veterinarian or the Equine Medical Director approves otherwise. The taking of any test sample shall be witnessed, confirmed or acknowledged by the trainer of the horse being tested or ~~their~~ his or her agent or employee, and may be witnessed by the owner, trainer or other person designated by them. All official test samples shall be sent to the official laboratory approved and designated by the Board, in such manner as the Board may direct. All required samples shall be in the custody of the official veterinarian, ~~their~~ his or her assistants or other persons approved by ~~them~~ the official veterinarian, from the time they are taken until they are delivered to the custody of the official laboratory.

~~(b) If the official laboratory fails to detect in the official test samples, a prohibited drug substance, as defined in this article, the official sample shall be discarded immediately.~~

~~(e)~~(b) The Executive Director and the Equine Medical Director shall immediately be notified by the official laboratory of each finding that an official test sample contains a prohibited drug substance, as defined in this article. The official laboratory shall further provide all information and data on which the finding is based to the Equine Medical Director, and shall

transmit its official report of the finding to the Executive Director within five ~~(5)~~ working days after the initial notification is made.

~~(d)~~(c) The Board has the authority to direct the official laboratory to retain and preserve by freezing samples for future analysis.

~~(e)~~(d) The fact that purse money has been distributed prior to the issuance of a laboratory report shall not be deemed a finding that no drug substance prohibited by this article has been administered, in violation of these rules, to the horse earning such purse money.

Authority: Sections 19420, 19440, 19562 and 19577,
Business and Professions Code.

Reference: Sections 19401, 19440 and 19577,
Business and Professions Code.

STAFF ANALYSIS
PUBLIC HEARING AND ACTION BY THE BOARD REGARDING THE
PROPOSED AMENDMENT OF
CHRB RULE 1866. VETERINARIAN'S LIST
TO PROHIBIT A HORSE PLACED ON THE VETERINARIAN'S LIST
AS INJURED, UNSOUND OR LAME, FROM WORKING OUT WITHIN 72 HOURS
OF BEING PLACED ON THE LIST WITHOUT PERMISSION OF THE
OFFICIAL VETERINARIAN

Regular Board Meeting
November 17, 2009

BACKGROUND

Business and Professions Code section 19440 provides that the Board shall have all powers necessary and proper for it to carry out fully and effectually 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 that the Board may prescribe rules, regulations and conditions under which all horse races with wagering on their results shall be conducted in this State.

Board Rule 1866, Veterinarians List, states the official veterinarian shall maintain a Veterinarian's List of those horses determined to be unfit to compete in a race due to physical distress, unsoundness, or infirmity.

An amendment to Rule 1866 was discussed at the July 24, 2009, Medication Committee (committee) meeting. The proposed amendment placed restrictions on how soon a horse may workout without permission of the official veterinarian, and it defined the term "workout" for the purposes of the regulation. At the August 27, 2009, Regular Board Meeting, the committee recommended that the Board direct staff to initiate a 45-day public comment period for the proposed amendment to Rule 1866.

ANALYSIS

The proposed amendment to Rule 1866 adds a new subsection 1866(b), which provides that a horse placed on the Veterinarian's List as injured, unsound or lame may not work out for 72 hours after being placed on the list without permission of the official veterinarian. A new subsection 1866(b)(1) states the official veterinarian may require any horse placed on the Veterinarian's List to undergo a veterinary examination prior to training at any facility under the jurisdiction of the Board. For the purpose of the regulation "workout" is defined in a new subsection 1866(e) as an exercise session at near or close to full speed.

RECOMMENDATION

Staff recommends the Board adopt the proposed amendment to Rule 1866 as presented. No comments were received during the 45-day public comment period.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 15. VETERINARY PRACTICES
PROPOSED AMENDMENT OF
RULE 1866. VETERINARIAN'S LIST

Regular Board Meeting
November 17, 2009

1866. Veterinarian's List.

(a) ~~The Official Veterinarian~~ official veterinarian shall maintain a Veterinarian's List of those horses determined to be unfit to compete in a race due to veterinary treatment, physical distress, injury, lameness, unsoundness or infirmity.

(1) When a horse is placed on the Veterinarian's List, the trainer of such horse shall be notified within 72 hours.

(b) A horse placed on the Veterinarian's List as injured, unsound or lame may not workout for 72 hours after being placed on the list without the permission of the official veterinarian.

(1) The official veterinarian may require any horse placed on the Veterinarian's List to undergo a veterinary examination prior to resuming training at any facility under the jurisdiction of the Board.

(c) A horse placed on the Veterinarian's List shall be removed from the ~~List~~ list only after having established or demonstrated to the satisfaction of the ~~Official Veterinarian or the Racing Veterinarian~~ official veterinarian or the racing veterinarian that the horse is then raceably sound and in fit physical condition to exert its best effort in a race.

(d) A horse may be required to perform satisfactorily in a ~~work-out~~ workout or qualifying race to demonstrate its physical fitness, and if so a blood and/or urine post-work test sample shall

be taken from the horse and the provisions of this article shall apply to such official ~~work-out~~
workout in the same manner as to a scheduled race.

(e) For the purpose of this regulation, "workout" means an exercise session at near or close to
full speed.

Authority: Sections 19440 and 19562,
Business and Professions Code.

Reference: Sections 19440 and 19562,
Business and Professions Code.

STAFF ANALYSIS
PUBLIC HEARING AND ACTION BY THE BOARD REGARDING THE
PROPOSED AMENDMENT OF
CHRB RULE 1867. PROHIBITED VETERINARY PRACTICES
TO PROVIDE THAT THE PRESENCE OF ANY DRUG SUBSTANCE PROHIBITED
UNDER THIS RULE FOUND IN A TEST SAMPLE OBTAINED CONSISTENT
WITH THE BOARD'S RULES SHALL APPLY IN THE SAME MANNER AS
TO A HORSE ENTERED TO RACE

Regular Board Meeting
November 17, 2009

BACKGROUND

Business and Professions Code section 19440 provides that the Board shall adopt regulations for the control of horse racing. Business and Professions Code section 19562 states the Board may prescribe rules and regulations under which all horse races with wagering on their results shall be conducted in California. Business and Professions Code section 19580 requires the Board to adopt regulations to establish policies, guidelines, and penalties relating to equine medication in order to preserve and enhance the integrity of horse racing in California.

Board Rule 1867, Prohibited Veterinary Practices, lists specific drugs, substances and medications that are prohibited, and states the possession or use on the premises of a facility under the jurisdiction of the Board of any drug, substance or medication, the use of which may endanger the health and welfare of the horse, or the safety of the rider or driver, is a prohibited veterinary practice.

At the July 24, 2009, Medication Committee (committee) meeting a proposed amendment to Rule 1867 was discussed. The proposed amendment would add growth hormone to the list of prohibited drug substances, and provide that the presence of any drug substance prohibited under the rule that was found in a test sample obtained consistent with the Board's rules shall apply in the same manner as to a horse entered to race. At the August 27, 2009, Regular Board Meeting the committee recommended that the Board direct staff to initiate a 45-day public comment period regarding the proposed amendment.

ANALYSIS

The proposed amendment to Rule 1867 enhances the list of prohibited drug substances by adding "analogs" to certain drugs. In addition, growth hormone and analogs were added to the list of prohibited drug substances. The proposed amendment also adds a new subsection "(c)" to provide that the presence of any drug, substance or medication described in article 15 in any test sample obtained consistent with the Board's rules shall apply to the sample in the same manner as to a scheduled race. This will allow the Board to take action if a prohibited drug substance were found in an out-of-competition test sample.

RECOMMENDATION

Staff recommends the Board adopt the proposed amendment to Rule 1867 as presented. No comments were received during the 45-day public comment period.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 15. VETERINARY PRACTICES
PROPOSED AMENDMENT OF
RULE 1867. PROHIBITED VETERINARY PRACTICES.

Regular Board Meeting
November 17, 2009

1867. Prohibited Veterinary Practices.

For purposes of this division, prohibited veterinary practices means:

(a) ~~The~~ the possession and/or use on the premises of a facility under the jurisdiction of the Board of any drug, substance or medication specified below, for which a recognized analytical method has not been developed to detect and confirm its administration; or the use of which may endanger the health and welfare of the horse, or the safety of the rider or driver, or alter equine performance.

(1) Erythropoietin (EPO) and analogs

(2) Darbepoietin and analogs

(3) Snake venom

(4) Snail venom

(5) Growth hormone and analogs

(b) ~~The~~ the possession and/or use on the premises of a facility under the jurisdiction of the Board of any drug, substance or medication that has not been approved by the United States Food and Drug Administration (FDA) for use in the United States.

(c) The presence of any drug, substance or medication described in subsections (a)(1) through (a)(5), and subsection (b) of this regulation in any test sample obtained consistent with Rules 1858, 1859 and 1859.25 of this article, and the provisions of this article, shall apply to such

sample in the same manner as to a scheduled race. The Board may grant an exception to this subsection if the person or persons seeking the exemption submits written documentation that demonstrates an FDA exemption has been obtained pursuant to Guide 1240.3025 of the FDA Center for Veterinary Medicine (CVM) Program Policy and Procedures Manual, which is hereby incorporated by reference. Guide 1240.3025 of the FDA CVM Program Policy and Procedures Manual may be obtained at the California Horse Racing Board's headquarters office.

Authority: Sections 19440, 19562 and 19580,
Business and Professions Code.

Reference: Sections 19580 and 19581,
Business and Professions Code.

STAFF ANALYSIS
 PUBLIC HEARING AND ACTION BY THE BOARD REGARDING THE
 PROPOSED AMENDMENT OF
 CHRB RULE 1890. POSSESSION OF CONTRABAND
 TO PROHIBIT THE POSSESSION AT A FACILITY UNDER THE JURISDICTION OF THE
 BOARD OF ANY VETERINARY TREATMENT OR
 MEDICATION, WHICH HAS NOT BEEN PRESCRIBED OR LABELED IN ACCORDANCE
 WITH RULE 1840, VETERINARY PRACTICES AND TREATMENTS
 RESTRICTED, AND RULE 1864, LABELING OF MEDICATIONS

Regular Board Meeting
 November 17, 2009

BACKGROUND

Business and Professions Code section 19420 provides that jurisdiction and supervision over meetings in California where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings, is vested in the California Horse Racing Board (Board). 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 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 19460 provides that all licenses granted under this chapter are subject to all rules, regulations, and conditions from time to time prescribed by the Board. Business and Professions Code section 19580 states the Board shall adopt regulations to establish policies, guidelines and penalties relating to equine medication to preserve and enhance the integrity of horse racing in California. Business and Professions Code section 19581 provides that no substance of any kind shall be administered by any means to a horse after it has been entered to race in a horse race, unless the Board has, by regulation, specifically authorized the use of the substance and the quantity and composition thereof.

Board Rule 1890, Possession of Contraband, states no person other than a veterinarian licensed by the Board, shall have in his possession on the premises during any recognized race meeting any drug which is a narcotic, stimulant, or depressant, or any hypodermic syringe or hypodermic needle or similar device which may be used for injection.

At the July 24, 2009, Medication Committee (committee) meeting a proposed amendment to Rule 1890 was discussed. The proposed amendment would prohibit the possession by certain persons of prepared or packaged substances or medications, and veterinary treatments and medications that have not been prescribed and labeled in accordance with the Board's regulations. At the August 27, 2009, Regular Board Meeting the recommend that the Board direct staff to initiate a 45-day public comment period regarding the proposed amendment.

ANALYSIS

The proposed amendment to Board Rule 1890 prohibits the possession by any person other than a veterinarian licensed by the Board of narcotic, stimulant or depressant drugs to include any

other drug substance or medication that may be injected. In addition, a new subsection (b) prohibits any person other than a veterinarian licensed by the Board from having in his possession any veterinary treatment or any medicine, medication or other substance recognized as a medication, which has not been prescribed and labeled in accordance with the provisions of Rule 1840, Veterinary Practices and Treatments Restricted, and Rule 1864, Labeling of Medications. Under the proposed amendment, the prohibited substances may not be in the possession of any person other than a licensed veterinarian at any facility under the jurisdiction of the Board. This expands the scope of the regulation to include recognized training facilities, in addition to the premises of during any recognized race meeting.

RECOMMENDATION

Staff recommends the Board adopt the proposed amendment to Rule 1890 as presented. No comments were received during the 45-day public comment period.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 16. GENERAL CONDUCT
RULE 1890. POSSESSION OF CONTRABAND

Regular board meeting
November 17, 2009

1890. Possession of Contraband.

(a) No person other than a veterinarian licensed by the Board, shall have in his possession ~~on the premises during any recognized meeting~~ at a facility under the jurisdiction of the Board any drug which is a narcotic, stimulant, or depressant, or any other substance or medication that has been prepared or packaged for injection by a hypodermic syringe or hypodermic needle, or any hypodermic syringe or hypodermic needle or similar instrument which may be used for injection.

(b) No person other than a veterinarian licensed by the Board, shall have in his possession at a facility under the jurisdiction of the Board any veterinary treatment or any medicine, medication, or other substance recognized as a medication, which has not been prescribed in accordance with Rule 1840 of this division and labeled in accordance with Rule 1864 of this division.

(c) No person shall have in his possession on the premises during any recognized meeting any electrical stimulating or shocking device commonly known as a battery, or any mechanical stimulating device, or any other appliance, which might affect the speed or actions of a horse.

(d) The stewards may permit the possession of drugs or appliances by a licensee for personal medical needs under such conditions as the stewards may impose.

Authority: Sections 19420, 19440 and 19580,
Business and Professions Code.

Reference: Sections 19460, 19580 and 19581,
Business and Professions Code.

STAFF ANALYSIS
PROPOSED AMENDMENT OF
RULE 1632. JOCKEY'S RIDING FEE

Regular Board Meeting
November 17, 2009

BACKGROUND

Business and Professions Code section 19420 states jurisdiction and supervision over meetings in California where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings, is vested in the California Horse Racing Board (Board). Business and Professions Code section 19440 provides that the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. 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 that the Board may prescribe rules, regulations, and conditions, consistent with the provisions of this chapter, under which all horse races with wagering on their results shall be conducted in California. Assembly Bill (AB) 649, Chapter 605, Statutes of 2007, added section 19501 to the Business and Professions Code. *Section 19501(b)(1) provides that effective January 1, 2010, the scale of minimum jockey riding fees for losing mounts shall be increased by ten dollars. Section 19501(b)(2) provides that effective January 1, 2010, the minimum amount awarded to the jockey who finishes second or third in a race shall be increased by ten dollars over the amount required to be paid on December 31, 2009 in races in which the purse is nine thousand nine hundred ninety-nine dollars or less.* Board Rule 1632, Jockey's Riding Fee, provides a scale of jockey riding fees to be used in the absence of a contract or special agreement.

ANALYSIS

As required under Business and Professions Code section 19501(b)(1), the proposed amendment to Board Rule 1632 increases jockey riding fees for losing mounts by ten dollars. For jockeys who ride in races with a gross purse of \$1,500 to \$9,999 the fee for second and third place mounts was also increased by ten dollars as required under Business and Professions Code section 19501(b)(2). The proposed amendment to Rule 1632 also eliminates the gross purse categories of \$599 to \$1,499, as it appears gross purses no longer fall as low as \$1,499. Staff surveyed condition books for Santa Anita; Hollywood Park; Golden Gate Fields; Humboldt County Fair; The Big Fresno Fair; San Joaquin County Fair; and the CARF II meeting at Golden Gate Fields and found the lowest gross purse was \$3,100 for mule maiden and mule claiming races at Humboldt County Fair. The 2009 Big Fresno Fair offered \$3,200 mule maiden and mule claiming races, and a \$3,300 Arabian maiden race. The lowest gross purse at the 2009 Los Alamitos quarter horse meeting appeared to be a two and three year old maiden purse of \$4,500.

RECOMMENDATION

Staff recommends the Board direct staff to initiate a 45-day public comment period regarding the proposed amendment to Board Rule 1632.

CALIFORNIA HORSE RACING BOARD
 TITLE 4. CALIFORNIA CODE OF REGULATIONS
 ARTICLE 6. ENTRIES AND DECLARATIONS
 PROPOSED AMENDMENT OF RULE
 RULE 1632. JOCKEY'S RIDING FEE

Regular Board Meeting
 November 17, 2009

1632. Jockey's Riding Fee.

(a) Winning jockey riding fees in the absence of a contract or special agreement are:

GROSS PURSE	Winning Mount
\$100,000 and up:	10% of Win Purse
50,000-99,999:	10% of Win Purse
25,000-49,999:	10% of Win Purse
15,000-24,999:	10% of Win Purse
10,000-14,999:	10% of Win Purse
5,000-9,999:	10% of Win Purse
3,500-4,999:	10% of Win Purse
2,000-3,499:	10% of Win Purse
1,500-1,999:	10% of Win Purse
700-1,499:	10% of Win Purse
600-699:	\$36.00
599 and under:	33.00

(1) The purpose of ~~Subdivision~~ subsection (a) is not to set a minimum or maximum fee. It provides a fee if the parties have not made a written agreement to the contrary.

(2) All fees pursuant to ~~Subdivision~~ subsection (a) are payable in the lower purse range until the next higher purse range is reached, unless there is a written agreement to the contrary.

(b) Non-winning jockey riding fees are:

GROSS PURSE	2nd Mount	3rd Mount	Losing Mount
\$100,000 and up:	5% of Place Purse, plus \$10.00	5% of Show Purse, plus \$10.00	\$115.00 <u>\$125.00</u>
50,000-99,999:	5% of Place Purse, plus \$10.00	5% of Show Purse, plus \$10.00	90.00 <u>100.00</u>
25,000-49,999:	5% of Place Purse, plus \$10.00	5% of Show Purse, plus \$10.00	75.00 <u>85.00</u>
15,000-24,999:	5% of Place Purse, plus \$10.00	5% of Show Purse, plus \$10.00	65.00 <u>75.00</u>
10,000-14,999:	5% of Place Purse, plus \$10.00	5% of Show Purse, plus \$10.00	60.00 <u>70.00</u>
5,000-9,999:	\$75.00 <u>85.00</u>	\$60.00 <u>\$70.00</u>	55.00 <u>65.00</u>

3,500-4,999:	65.00 <u>75.00</u>	55.00 <u>65.00</u>	50.00 <u>60.00</u>
2,000-3,499:	55.00 <u>65.00</u>	50.00 <u>60.00</u>	48.00 <u>58.00</u>
1,500-1,999:	45.00 <u>55.00</u>	43.00 <u>53.00</u>	43.00 <u>53.00</u>
700-1,499:	43.00	43.00	43.00
600-699:	43.00	43.00	43.00
599 and under:	43.00	43.00	43.00

(1) The purpose of ~~Subdivision~~ subsection (b) is to set a minimum, but not a maximum riding fee. No non-winning jockey shall be paid less than the riding fee set forth in ~~Subdivision~~ subsection (b).

(2) All fees pursuant to ~~Subdivision~~ subsection (b) are payable in the lower purse range until the next higher purse range is reached unless there is a written agreement to the contrary. However, no such written agreement shall reduce the minimum required by ~~Subsection~~ subsection (b).

(c) A jockey's fee is considered earned when the jockey is weighed out by the clerk of scales. The fee shall not be considered earned if the jockey elects to take himself off of his mount. If there is a substitution of jockeys, no additional jockey fee or double jockey fee need be paid except when ordered by the stewards.

(d) In this rule "Win Purse" means the amount paid the winning horse less the fees paid by the owner to enter the horse in the race.

(e) If the parties agree on the fee to be paid the jockey, a contract or agreement in writing signed by the jockey or his agent and the owner or his authorized agent specifying the agreed upon fee if a winning mount, second place mount, third place mount and losing mount shall be delivered to the paymaster of purses before the running of the race in question. The paymaster of purses shall debit the owner's purse account under the contract or written agreement. If no contract or written agreement is submitted before the running of the race in question, the paymaster of purses shall debit the owner's purse account under the fee scale set forth in this

rule.

(f) A jockey may not share in the fees of another jockey.

Authority: Sections 19440, 19501 and 19562,
Business and Professions Code.

Reference: Sections 19401 (a) and (e), 19420, 19440 and 19501,
Business and Professions Code.

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

Regular Board Meeting
November 17, 2009

BACKGROUND

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

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

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

At its October 15, 2009 Regular Meeting, the Board determined it would add assistant starters and harness drivers to the list of those required by Rule 1689 to wear safety vests. Additionally, the Board included any person handling a horse on the racetrack to the proposed amendment to CHRB Rule 1689.1. Staff was directed to initiate a 45-day comment period regarding the proposed amendments to Rules 1689 and 1689.1. The 45-day public comment period will begin in November 2009 and the public hearing will be held in January 2010.

ANALYSIS

The proposed amendment to Rule 1689 adds any person handling a horse on the racetrack to the listing of those who must wear a safety helmet. The amendment also establishes new standards requiring that safety helmets comply with at least one of the following four product standards: American Society for Testing Materials (ASTM) standard F1163-04a, European Norms (EN) standard 1384, Australian and New Zealand Racing Boards (AS/ZN) standard 3838, and Snell Memorial Foundation (Snell) standard H2000.

The proposed amendment to Rule 1689.1 amends subsection 1689.1 to include harness drivers and assistant starters to the list of those who must wear a safety vest. It also changes the outdated British Equestrian Trade Association (BETA) standard of level five to level one under the BETA 2009 standard for horse rider's safety vests. In addition, the Shoe and Allied Trade Association (SATRA) Jockey Vest product standard and the ASTM F2681-08 standard are incorporated in the regulation. These standards were recommended by the CHSA and Jockeys' Guild. To ensure that jockeys, drivers and assistant starters do not modify safety vests so they are more comfortable or so they may gain a weight advantage, the proposed regulation prohibits the alteration of a safety vest from its original manufactured design.

RECOMMENDATION

This item is presented for Board discussion and action. To date, no comments have been received.

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

Regular Board Meeting
November 17, 2009

1689. Safety Helmets Required.

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

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

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

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

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

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

Regular Board Meeting
 November 17, 2009

1689.1. Safety Vest Required.

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

(b) No driver shall be mounted in or riding on a sulky, nor shall an assistant starter handle any horse on the grounds of a racing association, racing fair, or authorized training facility unless wearing a safety vest.

(c) Safety vests required to be worn in accordance with this regulation shall:

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

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

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

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

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

(3) Weigh no more than 2 pounds.

(4) No vest shall be altered from its original manufactured design. This includes,

but is not limited to:

(A) Cutting the vest to customize fit.

(B) Removal of manufacturer's labels.

(C) Removal of protective padding.

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

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

Reference: Section 19481
Business and Professions Code

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD ON THE PENDING AMENDMENT
TO
CHRB RULE 1685, EQUIPMENT REQUIREMENT

Regular Board Meeting
November 17, 2009

BACKGROUND

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

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

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

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

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

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

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

At its October 15, 2009, Regular Meeting the Board directed staff to initiate a 45-day public comment period regarding the proposed amendment to Board Rule 1685. The 45-day public notice period will begin in November 2009, and the public hearing will be held in January 2010.

ANALYSIS

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

RECOMMENDATION

This item is presented for Board discussion and action. To date, no comments have been received.

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

Regular Board Meeting
November 17, 2009

1685. Equipment Requirement.

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

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

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

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

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

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

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

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

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

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD ON THE PENDING AMENDMENT
TO
CHRB RULE 1658, VESTING OF TITLE TO CLAIMED HORSE

Regular Board Meeting
November 17, 2009

BACKGROUND

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

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

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

At its December 2009 meeting in Tucson, Arizona, The Association of Racing Commissioners International (ARCI) will contemplate proposed changes to its Model Rules governing claiming. The proposed changes will require the stewards to void a

claim in certain cases where a claimed horse exhibits distress or is injured, unless the claimant informs the stewards he still wants the claimed horse.

At its October 15, 2009 Regular Meeting the Board discussed a proposal to amend Rule 1658 to conform to a proposed ARCI Model Rule that would require the stewards to void a claim in cases where a claimed horse fails to return to the designated unsaddling area due to distress or injury, unless the claimant informs the stewards – prior to the start of the race – that he would still accept the claimed horse. (The ARCI has not adopted its Model Rule.)

During the discussion regarding Rule 1658 the Board was informed that the State of New York was considering a similar change to its claiming rule; however, Dr. Rick Arthur, CHRB Equine Medical Director, has reported that the New York proposal has not been adopted and has received considerable opposition. Dr. Arthur also reported that several years ago a committee consisting of industry representatives met to examine a similar change in the Board's claiming rules. The committee determined a change was "unworkable."

At the October 15, 2009 Regular Board Meeting staff was directed to initiate a 45-day public comment period regarding an amendment to Rule 1658 that would require the stewards to void a claim in cases where a claimed horse fails to return to the designated unsaddling area due to distress or injury, unless the claimant informs the stewards – prior to the start of the race – that he would still accept the claimed horse.

Subsequent to the October 15, 2009 Regular Board Meeting staff received two letters in opposition to the proposed amendment. The California Thoroughbred Trainers (CTT) stated its representative reported in error that the CTT supported the proposed amendment. The CTT letter stated, instead, that it found the proposed amendment to Rule 1658 "problematic." A second letter from Mr. Jon Lindo, a thoroughbred horse owner, syndicated handicapper and radio personality, expressed strong opposition to the proposed amendment of rule 1658.

RECOMMENDATION

This item is presented for Board discussion and action.

Copies of the proposed text of Board Rule 1658, the ARCI proposed model rule, and comments received to date, are attached.

DRAFT

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

(Draft of Amendment as Proposed at the October 15, 2009 Regular Board Meeting)

Regular Board Meeting
November 17, 2009

1658. Vesting of Title to Claimed Horse.

(a) Title to a horse which is claimed shall be vested in the successful claimant from the time the field has been dispatched from the starting gate and the horse becomes a starter; ~~and said successful claimant becomes the owner of the horse whether it be alive or dead, sound or unsound, or injured during the race or after it.~~ Only a horse which is officially a starter in the race may be claimed.

(1) A subsequent disqualification of the horse by order of the stewards or the Board shall have no effect upon the claim.

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

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

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

Reference: Section 19562,
Business and Professions Code.

DRAFT

PROPOSED AMENDMENTS TO
ASSOCIATION OF RACING COMMISSIONERS INTERNATIONAL
MODEL RULES

ARCI-009-010 General Provisions

(2) Title to a claimed horse shall be vested in the successful claimant at the time the horse leaves the paddock. ~~The successful claimant shall then become the owner of the horse whether it be alive or dead, sound or unsound or injured at any time after leaving the paddock, during the race or after. However,~~

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

(b) The successful claimant may request on the claim blank at the time he/she makes the claim that the horse be tested for the presence of prohibited substances, or other tests as approved by the official veterinarian equine infectious anemia via a Coggins test. ~~Should this test prove positive, it shall be cause for voiding the claim.~~ Should this test prove positive, the stewards shall void the claim unless the claimant notifies the stewards that he still wants the claimed horse within 72 hours of the reporting of the test results. The expense of the test and the maintenance of the horse during the period requested for the test, shall be the responsibility of the successful claimant, unless the test proves positive, wherein the owner(s) of the horse at the time of entry shall be responsible.

ARCI-009-015 Claiming Of Horses

(1) Any horse starting in a claiming race is subject to be claimed for its entered price by any:

- (a) licensed owner;
- (b) holder of a valid claim certificate; or
- (c) licensed authorized agent acting on behalf of an eligible claimant.

(2) Every horse claimed shall race for the account of the original owner, but title to the horse shall be transferred to the claimant at the time the horse leaves the paddock

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



October 21, 2009

PRESIDENT

JAMES M. CASSIDY

NO CAL VICE PRESIDENT

ED MOGER, JR.

SO CAL VICE PRESIDENT

CLIFFORD W. SISE, JR.

SECRETARY/TREASURER

JACK CARAVA

PRESIDENT EMERITUS

NOBLE THREEWITT

BOARD OF DIRECTORS

WILLIAM ANTON

TIM BELLASIS

JACK CARAVA

JAMES CASSIDY

GLORIA HALEY

DAN HENDRICKS

ED MOGER, JR.

JOHN SHIRREFFS

CLIFFORD W. SISE, JR.

EXECUTIVE STAFF

EDWARD I. HALPERN

Executive Director

& General Counsel

CHARLES E. DOUGHERTY, JR.

Deputy Director

ANGIE CARMONA

Deputy Director

SD. CALIFORNIA - MAIN OFFICE

Santa Anita Racetrack

285 W. Huntington Drive

Arcadia, CA 91007

P.O. Box 660099

Arcadia, CA 91066-0099

(626) 447-2145

(626) 446-0270 Fax

E-Mail: caltrns@pacbell.net

NO. CALIFORNIA - FIELD OFFICE

Golden Gate Fields

1100 Eastshore Highway

Berkeley, CA 94710

P.O. Box 6027

Berkeley, CA 94706

(510) 524-3081

(510) 524-5280 Fax

E-Mail: nocactl@aol.com

www.caltrainers.org

VIA Mail & Fax (559) 884-2267

The Honorable John C. Harris
 Chairman - California Horse Racing Board
 c/o Harris Farms
 23300 West Oakland Avenue
 Coalinga, CA 93210

Dear Commissioner Harris:

Please take note that the California Thoroughbred Trainers (CTT) does not support the proposed amendments to CHRB Rules 1651 and 1658.

At the CHRB meeting held on October 15, the Board was informed in error that the CTT supported the rule changes. In fact, a representative of the CTT merely intended to inform the Board that the rule changes, as proposed, were problematic.

We apologize for any misunderstanding.

Sincerely,

EDWARD I. HALPERN
 Executive Director & General Counsel

EIH:ac

From: Jon Lindo
Sent: Thursday, October 22, 2009 8:30 AM
To: Coburn, Harold
Cc: Marten, Mike; Mike Willman
Subject: Claiming Rule changes from the CHRB
 Mr. Harold Coburn

I was told by Wendy Voss and Mike Marten you are the contact regarding comments to the proposed amendments by the California Horse Racing Board regarding changes in the claiming rules. I have some strong feelings about the following proposed change:

2. Rule 1658 deals with voiding a claim if a horse is unable to return after a race to be unsaddled. Specifically, the proposed rule change, based on a national model rule recommended by the Association of Racing Commissioners International (RCI), would void the claim if the horse due to injury or distress fails to return to the unsaddling area unless the person submitting the claim chooses to purchase the horse regardless. Currently a claim submitted by a potential purchaser takes effect when the horse leaves the gate regardless of whether the horse finishes the race. Commissioner Derek and Dr. Rick Arthur, the CHRB equine medical director, spoke in favor of this concept. Dr. Arthur reminded the Board that in 2006 the Jockey Club Welfare and Safety Summit identified the need to remove the incentive to run unfit horses in claiming races as a problem that racing needed to address, which led to the RCI model rule. Response to the proposal was mixed with some public support but others indicating that modifications to the proposed rule are necessary for the rule to be workable. Chairman Harris invited all parties to provide their comments to the CHRB during the 45-day public comment period.

As a licensed California thoroughbred owner for 25 years (CHRB License 089694) and someone who works in the horse racing industry for Daily Racing Form and owns a thoroughbred horse racing radio show (Thoroughbred Los Angeles heard from 9-10 am on am 830 KLAA in the Los Angeles area), I cannot stress enough the can of worms the CHRB will open if you make the proposed change in the claiming rule.

The CHRB has already tightened up the vetting process the morning each horse is scheduled to run. If the state vet passes the horses the morning of the race, there is no need for this type of "void" rule. Athletes get hurt in competition - it doesn't matter if it is horse racing, football, baseball, or basketball. And, the claiming business is basically a High Stakes poker game that is played better by some than others. Here are some bullet points that must be considered:

1) Perception. What happens the first time a horse that has claims dropped in for him gets scratched going to the gate? Did the current owner/trainers know and tell the jockey to scratch the horse going to the gate because they didn't want to lose the horse? You are asking for all kinds of trouble regarding perception. What happens when a horse that has been claimed gets pulled up down the backstretch? Did the connections tell the jockey not to finish to scare off the people trying to claim the horse? How does that protect the wagering public?

2) Intent. Claiming is a risky business. Like I said before, it is High Stakes Poker at its best. As an owner who has claimed hundreds of horses through the years, I am sure there have been times I wish the claim ticket could have been voided. That said, it would not be right. Once the gates open, the transaction takes place. I cannot "give back" the purchase simply because I didn't want it! Sharp owners and trainers must be allowed to maneuver up and down the class ladder and use claiming races as part of their strategy to maximize the earning potential of each horse and to PAY THEIR BILLS in a state where their are little incentives to remain and race. If an owner thinks another group is taking too much of an

edge - claim the horse!

3) Incentive - Your rule change tries to remove the incentive to run an unfit horse. THAT IS WHAT THE STATE VET IS LOOKING FOR IN THE MORNING. If the state vet gives the OK, the CHRB has done its due diligence.

4) Business - Owners like myself understand this is a risk/reward business. If there is no risk for the owner to claim another's horse, those trainers with huge stables and unlimited funds from big owners will simply take out all of the little owner/trainers by claiming what little they have left. If a guy with 100 horses doesn't like the claim - so what, they'll get another. The little guy is the one who can't replace his inventory, especially in a down economy. You WILL PUT the little barns out of business and the large stables will control the entry box EVEN MORE than they do now. The races will have little wagering value, handle will continue to decrease, purses will drop even more, and the negative spiral will continue. Competitive balance keeps this an interesting and entertaining business.

5) Result - The more the CHRB tries to micro-manage the business of horse racing, the less fun it has become for owners like me paying huge monthly sums to race for downgraded purses. I try to support this business in many ways, promoting our sport on the radio, buying yearlings and claiming horses, handicapping in the newspapers, doing seminars to teach people how to handicap, and being a sounding board for the industry. If you lose support from guys like me, how is California racing going to survive? Believe me, I am thinking long and hard about either getting out or racing in another state - something I never thought I would have to consider as a life-long Californian. I have brought MANY new owners into the game via claiming partnerships, but I cannot in good conscience recommend to ANYONE they get involved right now. Changing rules like this will just compound the problem.

I hope you can understand how strongly I feel about this.

Sincerely;

Jon Lindo
 Thoroughbred Owner
 Daily Racing Form
 Thoroughbred LA Radio show
 Syndicated Handicapper San Diego Union-Tribune
 Syndicated Handicapper North County Times
 Syndicated Handicapper Coast Hotels Las Vegas
 office
 cell
 e-mail:

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD REGARDING
THE REQUEST TO RECOGNIZE THE
PERMANENTLY DISABLED JOCKEYS FUND
AS THE NONPROFIT ORGANIZATION DESIGNATED
TO RECEIVE CHARITABLE DONATIONS BENEFITING
DISABLED JOCKEYS PURSUANT TO
BUSINESS AND PROFESSIONS CODE SECTION 19556(C)

Regular Board Meeting
November 17, 2009

BACKGROUND

Business and Professions Code section 19556(c) provides that in addition to the 20 percent distribution made to charities associated with the horse racing industry, a separate 20 percent of the distribution shall be made to a nonprofit corporation or trust, the directors or trustees of which shall serve without compensation except for reimbursement for reasonable expenses, and which has as its sole purpose the accumulation of endowment funds, the income on which shall be distributed to qualified disabled jockeys. To receive a distribution under this subdivision, a corporation or trust must establish objective qualifications for disabled jockeys, and provide an annual accounting and report to the board on its activities indicating compliance with the requirements of this subdivision. The nonprofit corporation or trust shall, in an amount proportional to the contributions received pursuant to this subdivision as a percentage of the total contributions received by the corporation or trust, give preference in assisting qualified disabled jockeys to the following: (A) Jockeys who were disabled while participating in the racing or training of horses at licensed racing associations or approved training facilities in California. (B) Jockeys licensed by the board who were disabled while participating in the racing or training of horses in a state other than California. When the nonprofit corporation or trust described in subdivision (c) has received distributions in an amount equal to two million dollars (\$2,000,000), the distribution mandated by subdivision (c) shall cease.

The organization designated to receive charity race day funds under Business and Professions Code section 19556(c) is the Disabled Jockey Endowment (DJE), which is sponsored by the Jockeys' Guild. The DJE was incorporated in the State of Nevada in 2001 and it seeks to raise funds for its endowment goal of \$10 million, at which time it would provide aid to permanently disabled jockeys through annual income provided by principal.

On October 27, 2009, Barry Broad, acting on behalf of the Jockeys' Guild and as the DJE General Counsel, submitted a letter to the CHRB requesting that the CHRB direct future charity race day funds to the Permanently Disabled Jockey's Fund (PDJF). Mr. Broad stated that the DJE was in the process of merging with the PDJF. He wrote that the merger was the result of a determination that it was unnecessary to have two entities

performing the same function, and that the board of directors of the PDJF would include several representatives of the California horse racing industry, including Commissioner Derek who has agreed to serve on the board of the merged entity.

The PDJF is a 501(c)(3) public charity. The PDJF was established in May of 2006 by the National Thoroughbred Racing Association (NTRA) as a special division of the NTRA's subsidiary NTRA Charities. However, in 2009 the NTRA PDJF was closed and the PDJF began operating as a public charity. The PDJF receives and distributes contributions to aid the nation's permanently disabled jockeys with their health care and daily living expenses. The funds are paid to jockeys who are permanently disabled as a result of catastrophic injuries sustained while competing at racetracks in the United States. The PDJF helps permanently disabled jockeys with needs that may include assisted living, on-site nursing care, rehabilitation, or modifications to a home and automobile.

RECOMMENDATION

This item is presented for Board discussion and action. Letter of support for the proposed merger from the Jockeys' Guild; Del Mar Thoroughbred Club; Santa Anita Park Race Track; Oak Tree Racing Association; Hollywood Park Racing Charities, Inc.; Golden Gate Fields; and Mr. Frank Calabrese are attached.

BROAD & GUSMAN, LLP
ATTORNEYS AT LAW

October 27, 2009

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

Re: Request for Matter to Be Placed on CHRB Agenda

Dear Chairperson Harris and Members of the Board,

I am writing on behalf of the Jockeys' Guild and in my capacity as the General Counsel of the Disabled Jockeys Endowment to request that the CHRB direct future charitable donations required by California law that are now made to the Endowment henceforth be sent to the Permanently Disabled Jockeys Fund. The reason for this request is that the Disabled Jockeys Endowment and the Permanently Disabled Jockeys Fund are merging.

The background for this request is as follows. Business and Professions Code section 19556(c) requires that 20% of the proceeds of charitable racing be donated to a nonprofit entity that benefits disabled jockeys and specifies certain statutory requirements that the entity must meet. Currently, the CHRB has designated the Disabled Jockeys Endowment as that entity.

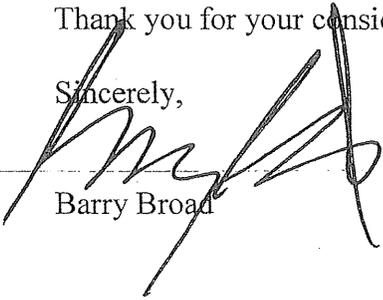
As noted above, the Disabled Jockeys Endowment is in the process of being merged with the Permanently Disabled Jockeys Fund. Its Board of Directors will include several representatives of the California Horse Racing Industry. Commissioner Derrick has agreed to serve on the Board of Directors of the merged entity.

The merger of the Disabled Jockeys Endowment and the Permanently Disabled Jockeys Fund is the result of a determination that it was unnecessary to have two separate entities performing the same function and that it would be more efficient to have one entity.

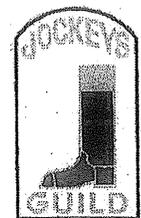
I would request that this matter be placed on the agenda for consideration by the Board.

Thank you for your consideration.

Sincerely,



Barry Broad



November 4, 2009

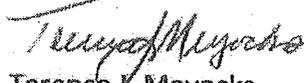
Disabled Jockeys Endowment
c/o Nancy LaSala
Broad & Guzman LLP
1127 11th Street Suite 501
Sacramento California 95804

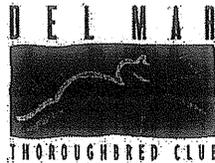
Dear Ms. LaSala:

As National Manager of the Jockeys' Guild and the Secretary of the Disabled Jockeys Endowment (DJE) the Jockeys' Guild fully supports the merger of the DJE into the Permanently Disabled Jockeys Fund ("PDJF"). The Guild contributed \$250,000 to the DJE when it was formed in 2002. We understand that this money and the other money that has been raised as part of the DJE will be transferred from the DJE to the PDJF as a result of this merger. We believe this merger will strengthen the ability of the PDJF to provide meaningful income and support to our permanently disabled jockeys.

Please advise the California Horse Racing Board that we are in support of this merger.

Sincerely,


Terence J. Meyocks
National Manager
Jockeys' Guild, Inc.



Craig R. Fravel
Executive Vice President

November 4, 2009

Ms. Nancy LaSala
Board Chairman
Disabled Jockeys' Endowment
c/o Broad & Gusman, LLP
1127 11th Street, Suite 501
Sacramento, CA 95814

Dear Ms. LaSala:

This is in response to your request regarding the anticipated merger of the Disabled Jockeys' Endowment (DJE) with the Permanently Disabled Jockey Endowment (PDJE).

It is our understanding that the accounting procedures now in place with the California law requiring that funds contributed by California racing associations be preferentially distributed for the benefit of California jockeys will also be in place with the new PDJE. With that understanding, Del Mar Thoroughbred club will contribute to the PDJE, when it is formed, as long as both entities are in full compliance with the California statutes and subject to required California Horse Racing Board approvals.

We look forward to our continued relationship and are glad that we can be a part of such a worthy endeavor.

Very truly yours,

A handwritten signature in black ink that reads "Craig R. Fravel". The signature is written in a cursive style with a horizontal line underneath the name.

Craig R. Fravel



Frank De Marco, Jr., Esq.
Vice President - General Counsel

September 30, 2009

Ms. Nancy LaSala
Board Chairman
Disabled Jockeys' Endowment
c/o Broad & Gusman, LLP
1127 11th Street, Suite 501
Sacramento, CA 95814

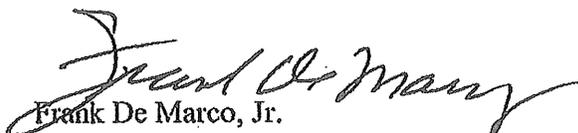
Dear Ms. LaSala:

This is in response to your request regarding the anticipated merger of the Disabled Jockeys' Endowment (DJE) with the Permanently Disabled Jockey Endowment (PDJE).

It is our understanding that the accounting procedures now in place within the DJE that accommodate compliance with the California law requiring that funds contributed by California racing associations be preferentially distributed for the benefit of California jockeys will also be in place with the new PDJE. With that understanding, Los Angeles Turf Club, Incorporated will contribute to the PDJE, when it is formed, as long as both entities are in full compliance with the California statutes and the necessary California Horse Racing Board approvals are in place.

We look forward to our continued relationship and are glad that we can be a part of such a worthy endeavor.

Very truly yours,


Frank De Marco, Jr.

FDM:sm



September 11, 2009

Ms. Nancy LaSala – Board Chairman
Disabled Jockeys' Endowment
c/o Broad & Gusman, LLP
1127 11th Street, Suite 501
Sacramento, CA 95814

Dear Ms. LaSala:

I have been advised that the Board of the Disabled Jockey's Endowment is planning to merge with the Permanently Disabled Jockey's Fund and have no objection to this merger.

Sincerely,

A handwritten signature in black ink, appearing to read "Sherwood C. Chillingworth". The signature is fluid and cursive, with a long, sweeping tail that extends to the right.

Sherwood C. Chillingworth
Executive Vice-President

**Hollywood Park Racing
Charities, Inc.**

1050 South Prairie Avenue
Inglewood, California 90301

Mailing Address:
P.O. Box 369
Inglewood, California 90306

(310) 419-1500

President and Chairman:
Tirso Del Junco, M.D.

Secretary:
Barbara Richardson Knight

Treasurer:
Angie Dickinson

Vice Presidents:
Wille D. Davis
Alvin Segel, Esq.

September 9, 2009

Ms. Nancy LaSala, Board Chairman
Disabled jockeys' Endowment
c/o Broad & Gusman, LLP
1127 - 11th Street, Suite 501
Sacramento, CA 95814

Dear Ms. LaSala:

This is in response to your letter to Eual Wyatt regarding the anticipated merger involving the Disabled Jockey Endowment (DJE) with the creation of a new Permanently Disabled Jockey Endowment (PDJE).

It is our understanding that the accounting procedures now in place within the DJE that accommodate compliance with the California law requiring that funds contributed by California racing associations be preferentially distributed for the benefit of California jockeys will also be in place with the new PDJE. With that understanding Hollywood Park Charities will contribute to the PDJE, when it is formed, as long as both entities are in full compliance with the California statute and the necessary California Horse Racing Board approvals are in place.

We look forward to our continued relationship and are glad that we can be a part of such a worthy endeavor

Sincerely,

Tirso del Junco, (by SLR)

Tirso del Junco, M. D.
Chairman
Hollywood Park Racing Charities

TDJ:slr

cc: F. Jack Liebau
Eual G. Wyatt, Jr.

Golden Gate Fields

November 5, 2009

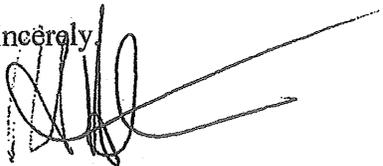
Ms. Nancy LaSala, Board Chairman
Disabled Jockeys' Endowment
c/o Broad & Gusman, LLP
1127 11th Street, Suite 501
Sacramento, CA 95814

Dear Ms. LaSala:

This letter will serve as Golden Gate Fields support to the anticipated merger involving the Disabled Jockey Endowment (DJE) with the Permanently Disabled Jockey Endowment (PDJE).

We wish you much success on the formation of this new organization.

Sincerely,

A handwritten signature in black ink, appearing to read 'RH', with a long horizontal line extending to the right.

Robert Hartman
General Manager

RH:mls

May 8, 2009

Nancy LaSala – Board Chairman
Disabled Jockeys' Endowment
c/o Broad & Gusman, LLP
1127 11th Street, Suite 501
Sacramento, CA 95814

Dear Nancy:

I have been a substantial contributor to the Disabled Jockeys Endowment (“DJE”). I have been advised that the Board of the DJE is contemplating a merger of the DJE and the Permanently Disabled Jockeys Fund (“PDJF”). I support efforts to make the horse racing industry’s efforts to assist its permanently disabled jockeys more efficient.

I also understand that while the DJE has prudently safeguarded its assets, including my contribution, it has yet been able to expend any funds in support of disabled jockeys because of the DJE bylaws requiring that its endowment first reach \$10 million before any earnings can be used to benefit jockeys. In contrast, the PDJF has expended almost \$2 million directly for permanently disabled jockeys since it’s founding in 2006 and has current assets of approximately \$600,000. I support the proposed merger of the DJE and the PDJF and the use of earnings from the DJE endowment to support the ongoing programs of the PDJF.

I believe that the intent of the donors to the DJE will be achieved by realizing a merger between the PDJF and the DJE and the use of the DJE endowment to establish a meaningful endowment for the PDJF.

Sincerely,



Frank Calabrese

REPORT AND PRESENTATION FROM REPRESENTATIVES OF
ODS TECHNOLOGIES LP, D/B/A TVG
REGARDING TVG'S ON AIR PROMOTIONAL PRACTICES, AND
TVG'S OPERATING RELATIONSHIP WITH
CALIFORNIA RACING ASSOCIATIONS
IN PARTICULAR
OAK TREE RACING ASSOCIATION AND PACIFIC RACING ASSOCIATION
AND
TVG'S COVERAGE OF RACES DURING THE RESPECTIVE RACE MEETINGS

Regular Board Meeting
November 17, 2009

BACKGROUND

This item was placed on the agenda at the request of Commissioners who have asked that representatives of TVG make a presentation to the Board regarding its on air promotional practices, and its operating relationship with California racing associations, in particular, TVG television coverage during the Oak Tree Racing Association and Pacific Racing Association race meetings.

RECOMMENDATION

A representative of TVG is prepared to make a presentation.

STAFF ANALYSIS
November 17, 2009

ISSUE: APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING OF ODS TECHNOLOGIES, L.P. DBA TVG FOR AN OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB, FOR A PERIOD OF UP TO BUT NOT EXCEEDING TWO YEARS.

TVG filed its application as an out-of-state multi-jurisdictional wagering hub to provide Advance Deposit Wagering (ADW). It is currently licensed through December 31, 2009 as an out-of-state multi-jurisdictional wagering hub.

A bond or other form of financial security in the amount of \$500,000 is required to be submitted with an application for license to conduct advance deposit wagering. TVG, as a current ADW provider, has a \$500,000 bond on file that will expire October 12, 2010. The bond will expire prior to the term of the proposed license renewal. The Board may consider requiring TVG to extend their bond to coincide with the term of the license renewal, reassuring a financial guarantee through the duration of the ADW license.

This application provides for:

TVG has applied for a two-year license beginning January 1, 2010 through December 31, 2011. CHRB Rule 2072, Approval to Conduct Advance Deposit Wagering by an out-of-state Applicant, allows for a two year license term.

TVG Network was acquired by Betfair Group Limited a British company in January 2009. According to their Directors Report and Consolidated Financial Statements of April 30, 2009. *"The group acquired 100% of the share capital in ODS Holdings LLC which owns 94.5% of its subsidiaries (TVG)."*

- Business and Profession Code section 19604 includes specific provisions that must be met before an ADW provider can accept wagers. These include:

19604 (b)(1) and (2)

No ADW provider may accept wagers on races conducted in California from a resident of California unless all of the following conditions are met:

1. The ADW provider must be licensed by the Board.
2. A written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made.
3. The agreement referenced in subparagraph (2) shall have been approved in writing by the horsemen's organization responsible for negotiating purse agreements for the breed on

which the wagers are made in accordance with the Interstate Horseracing Act (15 U.S.C. Sec. 3001, et seq.), regardless of the location of the ADW provider, whether in California or otherwise, including, without limitation, any and all requirements contained therein with respect to written consents and required written agreements of horsemen's groups to the terms and conditions of the acceptance of those wagers and any arrangements as to the exclusivity between the host racing association or fair and the ADW provider. For purposes of this subdivision, the substantive provisions of the Interstate Horseracing Act shall be taken into account without regard to whether, by its own terms, that act is applicable to advance deposit wagering on races conducted in California accepted from residents of California.

No ADW provider may accept wagers on races conducted outside of California from a resident of California unless all of the following conditions are met:

1. The ADW provider must be licensed by the Board.
2. There is a hub agreement between the ADW provider and one or both of (i) one or more racing associations or fairs that together conduct no fewer than five weeks of live racing on the breed on which wagering is conducted during the calendar year during which the wager is placed, and (ii) the horsemen's organization responsible for negotiating purse agreements for the breed on which wagering is conducted.

19604 (a)(7)

“Hub agreement” as a written agreement providing for contractual compensation paid with respect to advance deposit wagers placed by California residents on a particular breed of racing conducted outside of California. In the event a hub agreement exceeds a term of two years, then an ADW provider, one or more racing associations or fairs that together conduct no fewer than five weeks of live racing for the breed covered by the hub agreement, and the horsemen's organization responsible for negotiating purse agreements for the breed covered by the hub agreement shall be signatories to the hub agreement. A hub agreement is required for an ADW provider to receive contractual compensation for races conducted outside of California.”

19604 (d)(1) (B)

“The board shall not approve an application for an original or renewal license as an ADW provider unless the entity, if requested in writing by a bona fide labor organization no later than ninety days prior to licensing, has entered into a contractual agreement with that labor organization . . .”

Documents received in compliance with Business and Professions code 19604:

- TVG’s application provides they have a valid and binding contract with Hollywood Park and Los Alamitos, copies of the contracts were not provided to CHRB.

TVG has supplied the Board with a copy of their agreement with Pari-mutuel Employees Guild Local 280 (labor organization) dated November 28, 2007. The labor agreement does not include an expiration date however TVG represents that the agreement “remains in full force and effect”.

TVG recently provided the following summary of their negotiations with Oak Tree Racing Association. . . . *“we have attempted to negotiate an appropriate commercial deal with Oak Tree Association that includes a television commitment. Unfortunately we were unsuccessful in achieving an outcome that makes economic sense to us. We will obviously continue to televise Oak Tree however we propose to commit precedential coverage to those tracks that have exclusive arrangements with TVG. This will mean that there will be a number of Oak Tree races that are not televised live on TVG.*

This is not in our opinion the optimal outcome for Oak Tree, TVG and indeed Californian racing however our commitment to our exclusive partners necessitates we undertake this course of action.”

The pertinent contracts and/or agreements required pursuant to Business and Professions Code section 19604 that allows ADW providers to accept wagers on races conducted in and outside of California for the applied license term have not been received.

The following items are **outstanding** and will need to be submitted and/or resolved before ADW wagers can be accepted:

1. Horsemen’s Agreement
2. Track Agreement
3. Hub Agreement
4. Business Plan

RECOMMENDATION:

Staff recommends that the Board hear from the applicant concerning the status of unresolved matters.

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

STATE OF CALIFORNIA
 CALIFORNIA HORSE RACING BOARD (CHRB)
 APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING
 CHRB-133 (New 9/01)

Application is made to the CHRB for approval to conduct Advance Deposit Wagering in accordance with the California Business and Professions (B&P) Code and CHRB Rules and Regulations (Rule) and the provisions of the Interstate Horseracing Act, 15 U.S.C. 3001 to 3007.

NOTICE – By submitting the Application the out-of-state Applicant consents to the jurisdiction of California courts and the application of California law as to all California wagers and operations.

Application must be filed not later than 90 days in advance of the date scheduled to conduct Advance Deposit Wagering and must be accompanied by a bond from a surety company admitted in the state of California or other form of financial security in the amount of \$500,000.

1. OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB (out-of-state Hub)

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

ODS Technologies, L.P. d/b/a TVG
 19545 N.W. Von Neumann Drive, Suite 210
 Beaverton, OR 97006
 Tel: (503) 748-3800
 Fax: (503) 748-3838

B. Name, title, license number and racing jurisdiction where licensed for all management personnel:

BJ Cosson, Vice President, Operations & Customer Relations, Oregon License # 20730
 Dean Kokko, Manager, Wager Operations, Oregon License # 20705
 Scott Pakel, Manager, Financial Services, Oregon License # 24465
 Grace Kenworthy, Manager, Customer Relations, Oregon License # 14605

C. Name, title and mailing address of the California agent for receipt of service of process:

John Hindman
 General Counsel
 TVG
 6701 Center Drive West, Suite 160
 Los Angeles, CA 90045

D. Attach the contract with the California racing association or fair and the required horsemen's approval under the Interstate Horseracing Act that permits you to provide Advance Deposit Wagering services and identify the amount of the market access fee to be paid to the California racing association or fair for access to the California market for wagering purposes.

APPENDIX 1 to this document contains an abstract of valid and binding contracts with the following licensed California racing associations: Hollywood Park and Los Alamitos that identifies the amount of the market access fee to be paid to the California racing association or fair for access to the California market for wagering purposes.

CHRB CERTIFICATION

Application received: 9/25/09
 Reviewed: *CP*

Hearing date: 11/17/09
 Approval date:

2. DATES OF OPERATION

- A. Dates Advance Deposit Wagering will be conducted:
- B. Hours Advance Deposit Wagering will be conducted:

3. BUSINESS STRUCTURE

- A. Corporation (complete subsection B)
- LLC (complete subsection C)
- Other (specify, and complete subsection D)

Complete the applicable subsection

B. CORPORATION

1. Registered name of the corporation:
2. State where incorporated:
3. Registry or file number for the corporation:
4. Name of all officers and directors, titles, and number of shares of the corporation held by each:
5. Names (true names) of all persons, **other than the officers and directors listed above**, that hold 5% or more of the outstanding shares in the corporation and the number of shares held by each:
6. Number of outstanding shares in the corporation:
7. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation:
9. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
10. Attach the most recent annual financial statement for the corporation, 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 corresponding state where you registered your corporation.
11. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval.

C. LLC

1. Registered name of the LLC:
2. State where articles of organization are filed:
3. Registry or file number for the LLC:
4. Names of all officers and directors, titles, and the number of shares of the LLC held by each:
5. Names (true names) of all members, **other than the officers and directors listed above**, that hold 5% or more of the outstanding shares in the LLC and the number of shares held by each:
6. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
7. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
8. Attach the most recent annual financial statement for the LLC, 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 corresponding state where you registered your corporation.
9. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval.

D. OTHER

1. Name(s) of partners/sole proprietor:

ODS Holding LLC
6701 Center Drive West, Suite 160
Los Angeles, CA 90045

Limited Partners: Churchill Downs Incorporated and Pinnacle Entertainment, Inc.

2. If a partnership, attach partnership agreement.

APPENDIX 2 to this document is a copy of the Limited Partnership Agreement for ODS Technologies, L.P.

Pursuant to California Horse Racing Board Rule 1497 and the California Public Records Act, APPENDIX 2 to this document contains personal financial data used to establish TVG's qualifications for licensure/approval and is not subject to public disclosure.

3. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval.

APPENDIX 3 contains the most recent Director's Report and Consolidated Financial

Statements for Betfair Group Limited demonstrating TVG's financial fitness to conduct advance deposit wagering.

4. **ESTABLISHING ADVANCE DEPOSIT WAGERING ACCOUNTS** – must comply with Rule 2074.

A. List the procedures to establish an Account:

1. Customers must be at least 21 years of age to establish an advance deposit wagering account.
2. Customers can establish an account by telephone by calling 1-888-PLAY TVG, on the Internet at www.tvg.com, by mail, or in person at a TVG retail outlet or racetrack partner by providing the following information:
 - Name
 - Social Security Number
 - Date of Birth
 - Principal Residence Address Including Postal ZIP Code
 - Telephone Number
3. Each application submitted to TVG is subject to electronic verification by a nationally recognized third party information services provider with respect to name, principal residence address including postal zip code, date of birth and Social Security Number. If there is a discrepancy between the application information submitted to TVG and the information provided by the electronic verification described above, or if no information on the applicant is available from such electronic verification, the applicant will be required to provide identification issued by a recognized government agency (driver's license or government ID) showing his or her date of birth and residence address to complete the application process.
4. Provided that the account applicant's information has been positively identified, each applicant is assigned his or her TVG Personal Wagering Account Number and is asked to establish a Personal Identification Number consisting of four (4) numeric characters.
5. To activate the account for wagering purposes, a minimum initial deposit of \$50.00 is required.

TVG provides each new wagering accountholder with a "Guide to Interactive Wagering" containing standard terms and conditions, deposit and withdrawal information (including customized deposit and withdrawal slips and a direct deposit/withdrawal authorization form) as well as comprehensive information about accessing account information, placing wagers and maintaining the account. APPENDIX 4 contains a TVG "Guide to Interactive Wagering."

B. If an application form is used to establish an Account attach a copy of the form.

A copy of the application form available on www.tvg.com is provided as APPENDIX 5 to this document.

C. Name and address of the third party you will use to verify identity, residence and age verification:

Equifax Credit Information Services
P.O. Box 4472
Atlanta, GA 30302

5. **OPERATION OF ADVANCE DEPOSIT WAGERING ACCOUNTS** – must comply with Rule 2073.

A. Submit a copy of your plan for operation.

The Plan of Operation is contained in APPENDIX 6 to this document.

B. List the type of deposits you will accept:

Deposits will be accepted in the form of:

1. Check, money order or negotiable order of withdrawal;
2. Cash (at designated financial/retail outlets);
3. Charges made to an account holder's credit card or debit card upon the direct and personal instruction of the account holder, which may be given by telephone or other secure electronic means;
4. Transfer by means of an electronic funds or ACH (Automated Clearing House) transfer from a monetary account controlled by an account holder to his/her account, said account holder may be liable for any charges imposed by the transmitting or receiving entity with such charges to be deducted from the account;
5. Stored value cards; and
6. Wire transfers.

C. Identify any fees or transaction-related charges and the amount that will be assessed:

TVG account holders have the choice of two fee plans.

1. A transaction fee of \$0.25 per wagering transaction (capped at \$19.95 a month) or
2. A monthly subscription fee of \$19.95.

6. SECURITY ACCESS

A. Attach your security access policy and safeguards pursuant to B&P Section 19604 (c) (2). Policy must include the following:

1. Description of the technology to ensure identity, residence, and age verification when an Account is established:

All of the necessary information is contained in the Plan of Operation (APPENDIX 6)

2. Description of the technology to ensure confidentiality of the Means of Personal Identification:

All of the necessary information is contained in the Plan of Operation (APPENDIX 6)

3. Methods and locations available for Account Holders to withdraw funds from their Account:

All of the necessary information is contained in the Plan of Operation (APPENDIX 6)

4. If the Advance Deposit Wagering records will be maintained at a site other than the out-of-state

Hub provide the name, address, telephone and fax numbers and the hours of operation:

All of the necessary information is contained in the Plan of Operation (APPENDIX 6)

7. PARI-MUTUEL

A. Name, address and telephone number of the pari-mutuel audit firm:

Oregon Racing Commission
Suite 310
800 N.E. Oregon Street, #11
Portland, OR 97232
(503) 731-4052

B. Type(s) of pari-mutuel or totalizator equipment to be used and the simulcast organization, name of the entity supplying equipment, and expiration date of the service contract:

Totalizator services are provided by contract with Scientific Games Racing, LLC. The contract expires December 31, 2009 with provision for an automatic extension of two years. Please refer to the Plan of Operation in APPENDIX 6 for more details.

C. List the locations of the racing venues on which Advance Deposit Wagering will be accepted:

Aqueduct Racetrack, Floral Park, NY	Hastings Racecourse, Vancouver, BC
Arapahoe Park, Aurora, Colorado	Hawthorne Racecourse, Stickney-Cicero, IL
Arlington Park, Arlington Heights, IL	Hollywood Park, Inglewood, CA
Assiniboia Downs, Winnipeg, Canada	Hoosier Park, Anderson IN
Atlantic City Race Course, Mays Landing, NJ	Indianapolis Downs, Shelbyville, IN
Australian, Australia	Ireland, Ireland
Balmoral Park, Crete, IL	Japan Racing, Japan
Belmont Park, Elmont, NY	Keeneland, Lexington, KY
Beulah Park, Grove City, OH	Kentucky Downs, Franklin, KY
Buffalo Raceway, Hamburg, NY	Los Alamitos, Los Alamitos, CA
Cal Expo, Sacramento, CA	Louisiana Downs, Shreveport, LA
California Authority of Racing Fairs (CARF)	Meadowlands, East Rutherford, NJ
Canterbury Park, Shakopee, MN	Monmouth Park, Oceanport, NJ
Colonial Downs, New Kent, VA	Monticello Raceway, Monticello, NY
Del Mar, Del Mar, CA	Mountaineer Park, Chester, WV
Delta Downs, Vinton, LA	Northfield Park, Northfield, OH
Dover Downs, Dover, DE	Oak Tree @ Santa Anita, Arcadia, CA
Dubai, Dubai, UAE	Ocean Downs, Berlin, MD
Ellis Park, Henderson, KY	Philadelphia Park, Bensalem, PA
Emerald Downs, Auburn, WA	Phumelela Gold International (South Africa & Singapore (Kranji))
Evangeline Downs, Opelousas, LA	Pompano Park, Pompano Beach, FL
Fair Meadows, Tulsa, OK	Prairie Meadows Racetrack, Altoona, IA
Fairmount Park, East St. Louis, IL	Presque Isle Downs, Erie, PA
Fairplex Park, Pomona, CA	River Downs, Cincinnati, OH
Finger Lakes, Farmington, NY	Ruidoso Downs, Ruidoso, NM
Fort Erie Race Track, Fort Erie, Canada	Running Aces, Columbus, MN
Freehold Park, Freehold, NJ	Santa Anita Park, Arcadia, CA
Golden Gate Fields, Berkeley, CA	Saratoga Race Course, Saratoga Springs, NY
Great Britain (ATR/TRNI), Great Britain	Scioto Downs, Columbus, OH
Harrington Raceway, Harrington, DE	

Suffolk Downs, East Boston, MA
 Sunland Park, Sunland Park, NM
 Tampa Bay Downs, Tampa, FL
 Tioga Downs, Nichols, NY
 Turf Paradise, Phoenix, AZ
 Turfway Park, Florence, KY

UK Racing, UK
 Vernon Downs, Vernon, NY
 Woodbine, Ontario, Canada
 Yavapai Downs, Prescott, AZ
 Yonkers Raceway, Yonkers, NY
 Zia Park, Hobbs, NM

NOTICE – The pari-mutuel system used must use a device or combination of devices authorized and operated exclusively for placing, receiving, or otherwise making a wager and by which a person must subscribe to in order to place, receive or otherwise make a wager; an effective customer and age verification system and the appropriate data security standards to prevent unauthorized access by any person who has not subscribed or who is under the age of 18.

8. CONTRACTS AND AGREEMENTS

- A. List name and address of all organizations you will contract with to facilitate Advance Deposit Wagering that are not provided in other sections of this application:

Scientific Games Racing, LLC
 1500 Bluegrass Lakes Parkway
 Alpharetta, GA 30004
 770.664.3700

Equibase Company LLC
 821 Corporate Drive
 Lexington KY 40503-2794
 (859) 296-3079

Trackmaster, an Equibase Company
 851 Fremont Ave. #109
 Los Altos, CA 94024
 (650) 947-9020

- B. List each contract or agreement to facilitate Advance Deposit Wagering that is not finalized and signed:

9. ADVERTISING

Name and address of the advertising agency you will use:

Bailey Gardiner
 3785 Sixth Avenue, Suite 200
 San Diego, CA 92103
 (619) 295-8232

NOTICE – Pursuant to Rule 2072 (h) all advertisements shall contain a statement that persons under 18 are not allowed to open or have access to Accounts. All advertisements shall contain contact information for a recognized problem-gambling support organization. Additionally, pursuant to B&P Section 19604 (D) (3) advertisements shall not be deceptive to the public.

10. CERTIFICATION

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 to attest to this Application.

John Hayden

Print Name

John Hayden

Signature

General Counsel

Print Title

9/30/09

Date

STAFF ANALYSIS

November 17, 2009

ISSUE: APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING OF CHURCHILL DOWNS TECHNOLOGY INITIATIVES COMPANY DBA TWINSPIRES FOR AN OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB, FOR A PERIOD OF UP TO BUT NOT EXCEEDING TWO YEARS.

Twinspires filed its application as an out-of-state multi-jurisdictional wagering hub to provide Advance Deposit Wagering (ADW). It is currently licensed through December 31, 2009 as an out-of-state multi-jurisdictional wagering hub.

A bond or other form of financial security in the amount of \$500,000 must be submitted with an application for license to conduct advance deposit wagering. Twinspires, as a current ADW provider, has on file a \$500,000 bond that is continuous until cancelled.

This application provides for:

- Operation everyday, except December 25th, twenty-four hours a day. CHRB Rule 2072, Approval to Conduct Advance Deposit Wagering by an out-of-state Applicant, allows for approval of license with terms of up to two years.
- Business and Profession Code section 19604 includes specific provisions that must be met before an ADW provider can accept wagers. These include:

19604 (b)(1) and (2)

No ADW provider may accept wagers on races conducted in California from a resident of California unless all of the following conditions are met:

1. The ADW provider must be licensed by the Board.
2. A written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made.
3. The agreement referenced in subparagraph (2) shall have been approved in writing by the horsemen's organization responsible for negotiating purse agreements for the breed on which the wagers are made in accordance with the Interstate Horseracing Act (15 U.S.C. Sec. 3001, et seq.), regardless of the location of the ADW provider, whether in California or otherwise, including, without limitation, any and all requirements contained therein with respect to written consents and required written agreements of horsemen's groups to the terms and conditions of the acceptance of those wagers and any arrangements as to the exclusivity between the host racing association or fair and the ADW provider. For purposes of this subdivision, the substantive provisions of the Interstate Horseracing Act shall be taken into account without regard to whether, by its own terms, that act is applicable to advance deposit wagering on races conducted in California accepted from residents of California.

No ADW provider may accept wagers on races conducted outside of California from a resident of California unless all of the following conditions are met:

1. The ADW provider must be licensed by the Board.
2. There is a hub agreement between the ADW provider and one or both of (i) one or more racing associations or fairs that together conduct no fewer than five weeks of live racing on the breed on which wagering is conducted during the calendar year during which the wager is placed, and (ii) the horsemen's organization responsible for negotiating purse agreements for the breed on which wagering is conducted.

19604 (a)(7)

“Hub agreement” as a written agreement providing for contractual compensation paid with respect to advance deposit wagers placed by California residents on a particular breed of racing conducted outside of California. In the event a hub agreement exceeds a term of two years, then an ADW provider, one or more racing associations or fairs that together conduct no fewer than five weeks of live racing for the breed covered by the hub agreement, and the horsemen's organization responsible for negotiating purse agreements for the breed covered by the hub agreement shall be signatories to the hub agreement. A hub agreement is required for an ADW provider to receive contractual compensation for races conducted outside of California.”

19604 (d)(1) (B)

“The board shall not approve an application for an original or renewal license as an ADW provider unless the entity, if requested in writing by a bona fide labor organization no later than ninety days prior to licensing, has entered into a contractual agreement with that labor organization . . .”

Documents received in compliance with Business and Professions code 19604:

TwinSpires stated on November 3, 2009, that they have not received a request in writing from a bona fide labor organization to enter into a contractual agreement. Business and Professions code section 19604 (d)(1) (B) provides a labor organization has ninety days prior to licensing in which to contact an entity to enter into a contractual agreement. TwinSpires current labor agreement with Local 280 expires December 31, 2009.

TwinSpires additionally provided that TrackNet Media will supply a hub agreement on their behalf, which will address the track and horsemen agreement as well. These documents have not been received by CHR.B.

The pertinent contracts and/or agreements required pursuant to Business and Professions Code section 19604 that allows ADW providers to accept wagers on races conducted in and outside of California for the applied license term have not been received.

The following items are outstanding and will need to be submitted and/or resolved before ADW wagers can be accepted:

1. Horsemen's Agreement
2. Track Agreement
3. Hub Agreement

RECOMMENDATION:

Staff recommends that the Board hear from the applicant concerning the status of unresolved matters.

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

Application is made to the CHRB for approval to conduct Advance Deposit Wagering in accordance with the California Business and Professions (B&P) Code and CHRB Rules and Regulations (Rule) and the provisions of the Interstate Horseracing Act, 15 U.S.C. 3001 to 3007.

NOTICE – By submitting the Application the out-of-state Applicant consents to the jurisdiction of California courts and the application of California law as to all California wagers and operations.

Application must be filed not later than 90 days in advance of the date scheduled to conduct Advance Deposit Wagering and must be accompanied by a bond from a surety company admitted in the state of California or other form of financial security in the amount of \$500,000.

1. OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB (out-of-state Hub)

- A. Name, mailing address, telephone and fax numbers: **Churchill Downs Technology Initiatives Company, 800 W. El Camino Real, Mountain View, CA 94040. Phone: (650)-429-2900; Fax: (650)-967-3201**
- B. Name, title, license number and racing jurisdiction where licensed for all management personnel:
Rohit Thukral, President
Mike Cody, Vice President
Brad Blackwell, Vice President
Richard Broadbent, Vice President
Jeremy Clemons, Vice President
- C. Name, title and mailing address of the California agent for receipt of service of process:
CT Corporation System
818 West Seventh St.
Los Angeles, CA 90017
- D. Attach the contract with the California racing association or fair and the required horsemen's approval under the Interstate Horseracing Act that permits you to provide Advance Deposit Wagering services and identify the amount of the market access fee to be paid to the California racing association or fair for access to the California market for wagering purposes. **To be submitted and inserted as Tab 1**

2. DATES OF OPERATION

- A. Dates Advance Deposit Wagering will be conducted: **Every day except December 25**
- B. Hours Advance Deposit Wagering will be conducted: **24 hours a day**

3. BUSINESS STRUCTURE

- A. Corporation (complete subsection B)

CHRB CERTIFICATION

Application received: *10/1/09*
Reviewed: *[Signature]*

Hearing date: *11/17/09*
Approval date:

LLC (complete subsection C)

Other (specify, and complete subsection D)

Complete the applicable subsection

B. CORPORATION

1. Registered name of the corporation: **Churchill Downs Technology Initiatives Company**
2. State where incorporated: **Delaware**
3. Registry or file number for the corporation: **428473**
4. Name of all officers and directors, titles, and number of shares of the corporation held by each:
Rohit Thukral, President
Mike Cody, Vice President
Brad Blackwell, Vice President

Robert Evans, Director
William Carstanjen, Director
Rebecca Reed, Director
Rohit Thukral, Director

No officer or director holds any shares of Churchill Downs Technology Initiatives Company

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: **N/A**
6. Number of outstanding shares in the corporation: **100**
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: **Bradley K. Blackwell**
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:
Churchill Downs Incorporated holds 100% of the shares
10. Attach the most recent annual financial statement for the corporation, 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 corresponding state where you registered your corporation. **Attached at TAB 2 is the most recent Annual Report on Form 10-K for Churchill Downs Incorporated**
11. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval. **Attached at TAB 3**

C. LLC

1. Registered name of the LLC:
2. State where articles of organization are filed:
3. Registry or file number for the LLC:
4. Names of all officers and directors, titles, and the number of shares of the LLC held by each:
5. Names (true names) of all members, **other than the officers and directors listed above**, that hold 5% or more of the outstanding shares in the LLC and the number of shares held by each:
6. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
7. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
8. Attach the most recent annual financial statement for the LLC, 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 corresponding state where you registered your corporation.
9. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval.

D. OTHER

1. Name(s) of partners/sole proprietor:
2. If a partnership, attach partnership agreement.
3. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval.

4. ESTABLISHING ADVANCE DEPOSIT WAGERING ACCOUNTS – must comply with Rule 2074.

- A. List the procedures to establish an Account: **See Section 2.1 of the Plan of Operations attached at TAB 5, which complies with Rule 2074**
- B. If an application form is used to establish an Account attach a copy of the form. **Attached at TAB 4 is the form of application available online at www.twinspires.com.**
- C. Name and address of the third party you will use to verify identity, residence and age verification: **Equifax Secure, Inc., 1550 Peachtree St., NW, Atlanta, GA 30309**

5. **OPERATION OF ADVANCE DEPOSIT WAGERING ACCOUNTS** – must comply with Rule 2073.
- A. Submit a copy of your plan for operation. **Attached at TAB 5.**
 - B. List the type of deposits you will accept: **ACH, credit card, debit card, Green Dot Money Pack, cash at specified locations, check and money order by mail.**
 - C. Identify any fees or transaction-related charges and the amount that will be assessed: **3.98% is applied to credit/debit card transactions and 4.5% is charged for credit card cash advance transaction processed over the phone. \$25 fee for returned checks.**
6. **SECURITY ACCESS**
- A. Attach your security access policy and safeguards pursuant to B&P Section 19604 (c) (2). Policy must include the following:
 1. Description of the technology to ensure identity, residence, and age verification when an Account is established: **Applicant uses Equifax, an independent third party, to provide comprehensive verification of the account information provided by customers. For a more detailed description on verification see Section 2.1.1.1 of the Plan of Operations attached at TAB 5.**
 2. Description of the technology to ensure confidentiality of the Means of Personal Identification: **See Section 2.1.5 of the Plan of Operations attached at TAB 5.**
 3. Methods and locations available for Account Holders to withdraw funds from their Account: **Requests for withdrawal may be made online or by phone. Checks are mailed to the address on record within five (5) business days. For more details, see the Plan of Operations attached at TAB 5.**
 4. If the Advance Deposit Wagering records will be maintained at a site other than the out-of-state Hub provide the name, address, telephone and fax numbers and the hours of operation: **Records are maintained at: U.S. Off-Track, 6130 NE 78th Court, Suite C4, Portland, OR (phone: (503) 253-0234; fax: (503) 253-0140) with hours of operation of 8:30 a.m. to 10:30 p.m. – 12:00 a.m. PST, depending on the time of the last race for the day. Records are also maintained at 801 Corporate Drive, Lexington, Kentucky (phone: (877)-774-7371) with hours of operation of 9:00 a.m. to 1:00 a.m. EST.**

7. PARI-MUTUEL

- A. Name, address and telephone number of the pari-mutuel audit firm: **PricewaterhouseCoopers LLP, 500 W. Main St., Suite 1800, Louisville, KY 40202.**
- B. Type(s) of pari-mutuel or totalizator equipment to be used and the simulcast organization, name of the entity supplying equipment, and expiration date of the service contract: **Totalizator services are provided by AmTote International, Inc. The contract expires November, 2012.**
- C. List the locations of the racing venues on which Advance Deposit Wagering will be accepted: **See the tracks listed at TAB 6 which are subject to annual simulcast agreements.**

NOTICE – The pari-mutuel system used must use a device or combination of devices authorized and operated exclusively for placing, receiving, or otherwise making a wager and by which a person must subscribe to in order to place, receive or otherwise make a wager; an effective customer and age verification system and the appropriate data security standards to prevent unauthorized access by any person who has not subscribed or who is under the age of 18.

8. CONTRACTS AND AGREEMENTS

- A. List name and address of all organizations you will contract with to facilitate Advance Deposit Wagering that are not provided in other sections of this application:
Paymentech, 1601 Elm St., Dallas, TX 75201
Global Cash Access, 3525 E. Post Rd., Suite 120, Las Vegas, NV 89120
Green Dot Corporation, 605 E. Huntington Dr., Suite 205, Monrovia, CA 91016
Roberts Communications Network, Inc., 4175 Cameron St., Suite B-10, Las Vegas, NV 89103
- B. List each contract or agreement to facilitate Advance Deposit Wagering that is not finalized and signed: **N/A**

9. ADVERTISING

Name and address of the advertising agency you will use: **Hoffman York, 142 East Ontario, Suite 13, Chicago, IL 60611.**

NOTICE – Pursuant to Rule 2072 (h) all advertisements shall contain a statement that persons under 18 are not allowed to open or have access to Accounts. All advertisements shall contain contact information for a recognized problem-gambling support organization. Additionally, pursuant to B&P Section 19604 (D) (3) advertisements shall not be deceptive to the public.

10. CERTIFICATION

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 to attest to this Application.

Brad Blackwell
 Print Name
Vice President
 Print Title

Brad Blackwell
 Signature
9/25/09
 Date

STAFF ANALYSIS
November 17, 2009

ISSUE: APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING OF YOBET.COM, INC., FOR A CALIFORNIA MULTI-JURISDICTIONAL WAGERING HUB AND APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING OF YOBET.COM, INC., FOR AN OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB.

Yobet.com, Inc. (Yobet) filed its application as a California multi-jurisdiction wagering hub and an out-of-state multi-jurisdictional wagering hub to provide Advance Deposit Wagering (ADW). It is currently licensed through December 31, 2009 as a California multi-jurisdiction wager hub and an out-of-state multi-jurisdictional wagering hub.

A bond or other form of financial security in the amount of \$500,000 must be submitted with an application for license to conduct ADW. Youbet, as a current ADW provider, has on file a \$500,000 bond that is continuous until cancelled.

This application provides for:

- Operation normally 16.5 hours a day, 7 days a week. Hours are 5:00 am – 9:30 pm (Pacific Standard Time). Youbet has applied for a one-year license. CHRB Rule 2071 and 2072 allows for a two-year license term.

Change in Management Personal:

David Goldberg, CEO

19604 (b)(1) and (2)

No ADW provider may accept wagers on races conducted in California from a resident of California unless all of the following conditions are met:

1. The ADW provider must be licensed by the Board.
2. A written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made.
3. The agreement referenced in subparagraph (2) shall have been approved in writing by the horsemen's organization responsible for negotiating purse agreements for the breed on which the wagers are made in accordance with the Interstate Horseracing Act (15 U.S.C. Sec. 3001, et seq.), regardless of the location of the ADW provider, whether in California or otherwise, including, without limitation, any and all requirements contained therein with respect to written consents and required written agreements of horsemen's groups to the terms and conditions of the acceptance of those wagers and any arrangements as to the exclusivity between the host racing association or fair and the ADW provider. For purposes of this subdivision, the substantive provisions of the Interstate Horseracing Act shall be taken into account without regard to whether, by its own terms, that act is applicable to advance deposit wagering on races conducted in California accepted from residents of California.

No ADW provider may accept wagers on races conducted outside of California from a resident of California unless all of the following conditions are met:

1. The ADW provider must be licensed by the Board.
2. There is a hub agreement between the ADW provider and one or both of (i) one or more racing associations or fairs that together conduct no fewer than five weeks of live racing on the breed on which wagering is conducted during the calendar year during which the wager is placed, and (ii) the horsemen's organization responsible for negotiating purse agreements for the breed on which wagering is conducted.

19604 (a)(7)

““Hub agreement" as a written agreement providing for contractual compensation paid with respect to advance deposit wagers placed by California residents on a particular breed of racing conducted outside of California. In the event a hub agreement exceeds a term of two years, then an ADW provider, one or more racing associations or fairs that together conduct no fewer than five weeks of live racing for the breed covered by the hub agreement, and the horsemen's organization responsible for negotiating purse agreements for the breed covered by the hub agreement shall be signatories to the hub agreement. A hub agreement is required for an ADW provider to receive contractual compensation for races conducted outside of California.”

19604 (d)(1) (B)

“The board shall not approve an application for an original or renewal license as an ADW provider unless the entity, if requested in writing by a bona fide labor organization no later than ninety days prior to licensing, has entered into a contractual agreement with that labor organization . . .”

Documents received in compliance with Business and Professions code 19604:

Youbet stated on November 3, 2009, that they have not received a request in writing from a bona fide labor organization to enter into a contractual agreement. Business and Professions code section 19604 (d)(1) (B) provides a labor organization has ninety days prior to licensing in which to contact an entity to enter into a contractual agreement. Youbets current labor agreement with Local 280 expires December 31, 2009.

The pertinent contracts and/or agreements required pursuant to Business and Professions Code section 19604 that allows ADW providers to accept wagers on races conducted in and outside of California for the applied license term have not been received.

The following items are outstanding and will need to be submitted and/or resolved before ADW wagers can be accepted:

1. Track Agreement
2. Horsemen's Agreement
3. Hub Agreement

RECOMMENDATION:

Staff recommends that the Board hear from the applicant concerning the status of unresolved matters.

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

STATE OF CALIFORNIA
CALIFORNIA HORSE RACING BOARD (CHRB)
APPLICATION FOR LICENSE TO CONDUCT ADVANCE DEPOSIT WAGERING
IN-STATE CHRB-132 (New 9/01)

Application is made to the CHRB for a license to conduct Advance Deposit Wagering in accordance with the California Business and Professions (B&P) Code and CHRB Rules and Regulations (Rule) and the provisions of the Interstate Horseracing Act, 15 U.S.C. 3001 to 3007.

Application must be filed not later than 90 days in advance of the date scheduled to conduct Advance Deposit Wagering and must be accompanied by a bond from a surety company admitted in the state of California or other form of financial security in the amount of \$500,000.

1. APPLICANT

- A. Racing Association (Licensee) Racing Fair (Licensee)
- Betting System CA Multi-jurisdictional Wagering Hub (CA Hub)

B. Name, mailing address, telephone and fax numbers:

Youbet.com, Inc.
5901 De Soto Avenue
Woodland Hills, California 91367
(818) 668-2100 Telephone
(818) 668-2101 Fax

C. Names and titles of all management personnel:

David Goldberg, CEO, To be licensed
Michael Brodsky, Director, CHRB 295233
James Edgar, Director, CHRB 284545
Frederick Jack Liebau, Director, CHRB 222157
Michael Sands, Director, CHRB 294796
Michael Soenen, Director, To Be Licensed
Ray Anderson, Director, To be Licensed
Gary Adelson, Director, CHRB 284547

NOTICE – All management personnel must be CHRB licensed.

- D. Racing Fairs are not required to complete Section 3, Business Structure.
- E. Betting Systems and CA Hubs - attach the contract with the Licensee and the required horsemen's approval under the Interstate Horseracing Act that permits you to provide Advance Deposit Wagering services and identify the amount of the market access fee to be paid to the Licensee for access to the California market for wagering purposes.

CHRB CERTIFICATION		Approval date:
Application received: 10/2/09		License number:
Reviewed: <i>(signature)</i>		
Hearing date: 11/17/09		

In May 2001 Youbet entered into a License and Content Agreement with TVG, a copy of which can be found under ATTACHMENT 1. Under this agreement, as of the date of this application, Youbet receives the rights to accept pari-mutuel wagers on horse races conducted at Los Alamitos, as well as a number of tracks outside of California.

Recent ADW horsemen's approvals can be found under ATTACHMENT 2.

Recent simulcast agreements with California tracks (other than those tracks for which Youbet receives rights pursuant to the License and Content Agreement with TVG) can be found under ATTACHMENT 4.

Recent simulcast agreements with Cal Expo and California Harness Horsemen's Association can be found under ATTACHMENT 5.

2. DATES OF OPERATION

A. Dates Advance Deposit Wagering will be conducted:

January 1, 2010 – December 31, 2010

B. Hours Advance Deposit Wagering will be conducted:

The Youbet service is normally available 16.5 hours a day 7 days a week with hours of operation being approximately 5:00 a.m. – 9:30 p.m. PT

3. BUSINESS STRUCTURE

- A. Corporation (complete subsection B)
 LLC (complete subsection C)
 Other (specify, and complete subsection D)

Complete the applicable subsection

CORPORATION

1. Registered name of the corporation:

Youbet.com, Inc.

2. State where incorporated:

Delaware

3. Registry or file number for the corporation:

95-4627253 – Federal ID Number

4. Name of all officers and directors, titles, and number of shares of the corporation held by each:

Name	Title	# of Shares Owned
Michael Sands	Director	22,500
Michael Soenen	Director	0
James Edgar	Director	10,000
Gary Adelson	Director	37,500
Ray Anderson	Director	0
Michael Brodsky	Director	2,000
F. Jack Liebau	Director	165,000
David Goldberg	Chief Executive Officer	0

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:

Lloyd I. Miller, III
 Jay R. Pritzker
 PNC Financial Services Group I LLC
 New World Opportunity Partners I LLC

6. Number of outstanding shares in the corporation:

41,519,024

7. Are the shares listed for public trading? Yes No
 If yes, on what exchange and how is the stock listed:

NASDAQ

8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation:

American Stock Transfer and Trust Company

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 annual financial statement for the corporation, 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.

ATTACHMENT 7

Quarterly Report Ending June 30, 2009 (SEC Form 10Q)

11. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the license.

ATTACHMENT 8

Statement of Operations

C. LLC

1. Registered name of the LLC:
2. State where articles of organization are filed:
3. Registry or file number for the LLC:
4. Names of all officers and directors, titles, and the number of shares of the LLC held by each:
5. Names (true names) of all members, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the LLC and the number of shares held by each:
6. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
7. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
8. Attach the most recent annual financial statement for the LLC, 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.
9. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the license.

D. OTHER

1. Name(s) of partners/sole proprietor:
2. If a partnership, attach partnership agreement.
3. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the license.

4. ESTABLISHING ADVANCE DEPOSIT WAGERING ACCOUNTS – must comply with Rule 2074.

A. List the procedures to establish an Account:

An interested individual must complete several steps in order to become a Youbet.com customer and to open a wagering account.

To become a Youbet ADW customer, an applicant must be resident in one of the jurisdictions in which Youbet provides service and must meet the applicable minimum age requirement. Youbet may elect to accept wagers and/or open new wagering accounts for residents of the jurisdictions listed in ATTACHMENT 9. As part of the sign-up process, among other information, we obtain:

- Name;
- Residential jurisdiction; and
- Date of Birth

Currently, an applicant must contact us either via the Youbet.com website or telephonically to open an account. When the necessary information is provided, Youbet uses a third party electronic verification service to verify the customer's state of residence and age. Once verified, that customer becomes an ADW customer. Until that time, a customer may participate in other non-wagering activities with us (*e.g.*, subscribe to watch races, download racing information, and so forth), but may not wager. In the event the third party electronic verification service is unable to verify the information provided by the customer, Youbet may secure additional documentation (*e.g.*, government identification, utility bills) from the applicant to verify the information provided. Depending on the type of services used, various subscription fees may be charged to the customer.

For more operational details see our Operation Plan as ATTACHMENT 10.

B. If an application form is used to establish an Account attach a copy of the form.

ATTACHMENT 11

C. Name and address of the third party you will use to verify identity, residence and age verification:

Equifax Credit Information Systems, Inc.
P.O. Box 740006
Atlanta, GA 3037

5. OPERATION OF ADVANCE DEPOSIT WAGERING ACCOUNTS – must comply with Rule 2073.

A. Submit a copy of your plan for operation.

See ATTACHMENT 10

B. List the type of deposits you will accept:

Credit card, electronic check, check, money order, wire transfer. See Operation Plan for details regarding depositing funds into a wagering account (ATTACHMENT 10).

- C. Identify any fees or transaction-related charges and the amount that will be assessed:

Certain customers currently are charged \$10.95 per month for up to ten hours of live video per month or \$17.95 for unlimited video per month. Monthly subscription fees currently are waived for customers wagering a monthly average of at least \$350.00.

Also, customers currently are charged a service fee of \$2.50 for an account withdrawal in an amount equal to or less than \$25.00, in which case the service fee is automatically withdrawn from the subscriber's wagering account. If the subscriber's withdrawal is equal to or less than \$2.50, the amount of the withdrawal generally will be applied to the service fee.

6. SECURITY ACCESS

- A. Attach your security access policy and safeguards pursuant to B&P Section 19604 (c) (2). Policy must include the following:

1. Description of the technology to ensure identity, residence, and age verification when an Account is established:

Prior to establishing a wagering account, an interested individual must complete several steps in order to become a Youbet.com customer and to open a wagering account. As part of the sign-up process, among other information obtained, we obtain:

- Residential jurisdiction; and
- Date of Birth

Currently, an applicant must contact us either via the Youbet.com website or telephonically to open an account. When the necessary information is provided, Youbet uses a third party credit and identity verification service (currently Equifax Credit Information Services, Inc.) to verify the customer's state of residence and age. In the event the information provided by the customer does not match the information from the electronic verification, Youbet may seek other documentation (e.g., government identification, utility bills) from the applicant to verify the information provided.

For more operational details see our Operation Plan as ATTACHMENT 10.

2. Description of the technology to ensure confidentiality of the Means of Personal Identification:

All sensitive data is stored in an encrypted state in Youbet's database. The data is only decrypted when used by internal secure applications. The customer's Social Security Number and password/PIN are encrypted and cannot be viewed by non-authorized Youbet personnel.

The following data is encrypted:

- Password
- Social Security Number
- Credit Card Numbers

- Checking Account Number

In addition these other steps are taken to insure security of the PIN:

- The customer's PIN must differ from their Handle or User ID
- The customer's PIN must be four (4) digits in length
- The customer's account is locked on the consecutive third unsuccessful attempt to log in. The customer must contact Youbet customer support and provide appropriate identification to have the account unlocked.
- If the customer forgets their password, they must supply their Handle/User ID, date of birth and registered email address to obtain the password.

The password memory feature of Microsoft's operating system and browser are disabled for all Youbet products and web sites.

3. Methods and locations available for Account Holders to withdraw funds from their Account:

Youbet customers can request a withdrawal on-line or by mail or fax a signed withdrawal slip to Youbet's office. A check in the amount of the withdrawal is mailed to the mailing address listed on file for the customer.

4. If the Advance Deposit Wagering records will be maintained at a site other than the out-of-state Hub provide the name, address, telephone and fax numbers and the hours of operation:

Records are maintained at Youbet's headquarters located at 5901 De Soto Avenue, Woodland Hills, California, 91367, as well as Warner Center Self Storage located at 21051 Oxnard Street, Woodland Hills, California, 91367. Certain records are also stored by United Tote Company at the same address.

7. PARI-MUTUEL

- A. Name, address and telephone number of the pari-mutuel audit firm:

Piercy Bowler Taylor & Kern
 Certified Public Accountants & Business Advisors
 6100 Elton Avenue, Suite 1000
 Las Vegas, Nevada 89107
 Phone: (702)384-1120
 Fax: (702) 870-2474

- B. Type(s) of pari-mutuel or totalizer equipment to be used and the simulcast organization, name of the entity supplying equipment, and expiration date of the service contract:

Totalizer equipment: United Tote Company - a subsidiary of Youbet.com, Inc.

Expiration Date: December 31, 2014

Simulcast organization: Yobet Inter-Tote Systems Protocol ("ITSP") is provided by Robertson Communication, term is December 31, 2009.

- C. List the locations of the racing venues on which Advance Deposit Wagering will be accepted:

See ATTACHMENT 12

NOTICE – The pari-mutuel system used must use a device or combination of devices authorized and operated exclusively for placing, receiving, or otherwise making a wager and by which a person must subscribe to in order to place, receive or otherwise make a wager; an effective customer and age verification system and the appropriate data security standards to prevent unauthorized access by any person who has not subscribed or who is under the age of 18.

8. CONTRACTS AND AGREEMENTS

- A. List name and address of all organizations you will contract with to facilitate Advance Deposit Wagering that are not provided in other sections of this application:

Robertson Communications Network, Inc., 4175 Cameron Street, Suite B-10, Las Vegas, NV 89103

Comerica Bank-California, 250 Lytton Avenue, 3rd Floor, Palo Alto, CA 94301

US Off-Track, LLC, P.O. Box 22099, St. Petersburg, FL 33742

Local 280 of the SEIU, 1838 E. Huntington Drive, Duarte, CA 91010

- B. List each contract or agreement to facilitate Advance Deposit Wagering that is not finalized and signed:

N/A

NOTICE – Pursuant to B&P Section 19604 (c) (1) you must contract with the bona fide labor organization that has historically represented the same or similar classifications of employees at the nearest horse racing meeting.

9. ADVERTISING

Name and address of the advertising agency you will use:

Yobet.com has an internal advertising group.

NOTICE – Pursuant to Rule 2071 (h) all advertisements shall contain a statement that persons under 18 are not allowed to open or have access to Accounts. All advertisements shall contain contact information for a recognized problem-gambling support organization. Additionally, pursuant to B&P Section 19604 (D) (3) advertisements shall not be deceptive to the public.

10. CERTIFICATION

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 to attest to this Application.

Joseph Hasson
Print Name


Signature

V.P. Online Operations
Print Title

September 30, 2009
Date

Application is made to the CHRB for approval to conduct Advance Deposit Wagering in accordance with the California Business and Professions (B&P) Code and CHRB Rules and Regulations (Rule) and the provisions of the Interstate Horseracing Act, 15 U.S.C. 3001 to 3007.

Application must be filed not later than 90 days in advance of the date scheduled to conduct Advance Deposit Wagering and must be accompanied by a bond from a surety company admitted in the state of California or other form of financial security in the amount of \$500,000.

1. OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB (out-of-state Hub)

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

Youbet.com, Inc.
5901 De Soto Avenue
Woodland Hills, California 91367
(818) 668-2100 Telephone
(818) 668-2101 Fax

B. Name, title, license number and racing jurisdiction where licensed for all management personnel:

David Goldberg, CEO, To be licensed
Michael Brodsky, Director, CHRB 295233
James Edgar, Director, CHRB 284545
Frederick Jack Liebau, Director, CHRB 222157
Michael Sands, Director, CHRB 294796
Michael Soenen, Director, To Be Licensed
Ray Anderson, Director, To be Licensed

Gary Adelson, Director, CHRB 284547

NOTICE – All management personnel must be CHRB licensed.

C. Name, title and mailing address of the California agent for receipt of service of process:

Dan Perini, General Counsel
Legal Department
Youbet.com, Inc.
5190 De Soto Avenue
Woodland Hills, California 91367

D. Attach the contract with the California racing association or fair and the required horsemen's approval under the Interstate Horseracing Act that permits you to provide Advance Deposit

CHRB CERTIFICATION

Application received: 11/2/09
Reviewed: *apw*

Hearing date: 11/17/09
Approval date:

Wagering services and identify the amount of the market access fee to be paid to the California racing association or fair for access to the California market for wagering purposes.

In May 2001 Youbet entered into a License and Content Agreement with TVG, a copy of which can be found under ATTACHMENT 1. Under this agreement, as of the date of this application, Youbet receives the rights to accept pari-mutuel wagers on horse races conducted at Los Alamitos, as well as a number of tracks outside of California.

Recent ADW horsemen's approvals can be found under ATTACHMENT 2.

Recent simulcast agreements with California tracks (other than those tracks for which Youbet receives rights pursuant to the License and Content Agreement with TVG) can be found under ATTACHMENT 4.

Recent simulcast agreements with Cal Expo and California Harness Horsemen's Association can be found under ATTACHMENT 5.

2. DATES OF OPERATION

A. Dates Advance Deposit Wagering will be conducted:

January 1, 2010 – December 31, 2010

B. Hours Advance Deposit Wagering will be conducted:

The Youbet service is normally available 16.5 hours a day 7 days a week with hours of operation being approximately 5:00 a.m. – 9:30 p.m. PT

3. BUSINESS STRUCTURE

- A. Corporation (complete subsection B)
 LLC (complete subsection C)
 Other (specify, and complete subsection D)

Complete the applicable subsection

B. CORPORATION

1. Registered name of the corporation:

Youbet.com, Inc.

2. State where incorporated:

Delaware

3. Registry or file number for the corporation:

95-4627253 – Federal ID Number

4. Name of all officers and directors, titles, and number of shares of the corporation held by each:

Name	Title	# of Shares Owned
Michael Sands	Director	22,500
Michael Soenen	Director	0
James Edgar	Director	10,000
Gary Adelson	Director	37,500
Ray Anderson	Director	0
Michael Brodsky	Director	2,000
F. Jack Liebau	Director	165,000
David Goldberg	Chief Executive Officer	0

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:

Lloyd I. Miller, III
 Jay R. Pritzker
 PNC Financial Services Group I LLC
 New World Opportunity Partners I LLC

6. Number of outstanding shares in the corporation:

41,519,024

7. Are the shares listed for public trading? Yes No
 If yes, on what exchange and how is the stock listed:

NASDAQ

8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation:

American Stock Transfer and Trust Company

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 annual financial statement for the corporation, 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 corresponding state where you registered your corporation.

ATTACHMENT 7

Quarterly Report Ending June 30, 2009 (SEC Form 10Q)

11. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval.

ATTACHMENT 8

Statement of Operations

C. LLC

1. Registered name of the LLC:
2. State where articles of organization are filed:
3. Registry or file number for the LLC:
4. Names of all officers and directors, titles, and the number of shares of the LLC held by each:
5. Names (true names) of all members, **other than the officers and directors listed above**, that hold 5% or more of the outstanding shares in the LLC and the number of shares held by each:
6. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
7. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
8. Attach the most recent annual financial statement for the LLC, 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 corresponding state where you registered your corporation.
9. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval.

D. OTHER

1. Name(s) of partners/sole proprietor:
2. If a partnership, attach partnership agreement.
3. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval.

4. ESTABLISHING ADVANCE DEPOSIT WAGERING ACCOUNTS – must comply with Rule 2074.

A. List the procedures to establish an Account:

An interested individual must complete several steps in order to become a Youbet.com customer and to open a wagering account.

To become a Youbet ADW customer, an applicant must be resident in one of the jurisdictions in which Youbet provides service and must meet the applicable minimum age requirement. Youbet may elect to accept wagers and/or open new wagering accounts for residents of the jurisdictions listed in ATTACHMENT 9. As part of the sign-up process, among other information, we obtain:

- Name;
- Residential jurisdiction; and
- Date of Birth

Currently, an applicant must contact us either via the Youbet.com website or telephonically to open an account. When the necessary information is provided, Youbet uses a third party electronic verification service to verify the customer's state of residence and age. Once verified, that customer becomes an ADW customer. Until that time, a customer may participate in other non-wagering activities with us (e.g., subscribe to watch races, download racing information, and so forth), but may not wager. In the event the third party electronic verification service is unable to verify the information provided by the customer, Youbet may secure additional documentation (e.g., government identification, utility bills) from the applicant to verify the information provided. Depending on the type of services used, various subscription fees may be charged to the customer.

For more operational details see our Operation Plan as ATTACHMENT 10.

B. If an application form is used to establish an Account attach a copy of the form.

ATTACHMENT 11

C. Name and address of the third party you will use to verify identity, residence and age verification:

Equifax Credit Information Systems, Inc.
P.O. Box 740006
Atlanta, GA 30374

5. OPERATION OF ADVANCE DEPOSIT WAGERING ACCOUNTS – must comply with Rule 2073.

A. Submit a copy of your plan for operation.

See ATTACHMENT 10

B. List the type of deposits you will accept:

Credit card, electronic check, check, money order, wire transfer. See Operation Plan for detail regarding depositing funds into a wagering account (ATTACHMENT 10).

- C. Identify any fees or transaction-related charges and the amount that will be assessed:

Certain customers are charged \$10.95 per month for up to ten hours of live video per month or \$17.95 for unlimited video per month. Monthly subscription fees are waived for customers wagering a monthly average of at least \$350.00.

Also, customers will be charged a service fee of \$2.50 for an account withdrawal in an amount equal to or less than \$25.00. The service fee will be automatically withdrawn from the subscriber's wagering account. If the subscriber's withdrawal is equal to or less than \$2.50, the amount of the withdrawal will be applied to the service fee.

6. SECURITY ACCESS

- A. Attach your security access policy and safeguards pursuant to B&P Section 19604 (c) (2). Policy must include the following:

1. Description of the technology to ensure identity, residence, and age verification when an Account is established:

Prior to establishing a wagering account, an interested individual must complete several steps in order to become a Youbet.com customer and to open a wagering account. As part of the sign-up process, among other information obtained, we obtain:

- Residential jurisdiction; and
- Date of Birth

Currently, an applicant must contact us either via the Youbet.com website or telephonically to open an account. When the necessary information is provided, Youbet uses a third party credit and identity verification service (currently Equifax Credit Information Services, Inc.) to verify the customer's state of residence and age. In the event the information provided by the customer does not match the information from the electronic verification, Youbet may seek other documentation (*e.g.*, government identification, utility bills) from the applicant to verify the information provided.

For more operational details see our Operation Plan as ATTACHMENT 10.

2. Description of the technology to ensure confidentiality of the Means of Personal Identification:

All sensitive data is stored in an encrypted state in Youbet's database. The data is only decrypted when used by internal secure applications. The customer's Social Security Number and password/PIN are encrypted and cannot be viewed by non-authorized Youbet personnel.

The following data is encrypted:

- Password
- Social Security Number
- Credit Card Numbers
- Checking Account Number

In addition these other steps are taken to insure security of the PIN:

- The customer's PIN must differ from their Handle or User ID
- The customer's PIN must be four (4) digits in length
- The customer's account is locked on the consecutive third unsuccessful attempt to log in. The customer must contact Youbet customer support and provide appropriate identification to have the account unlocked.
- If the customer forgets their password, they must supply their Handle/User ID, date of birth and registered email address to obtain the password.

The password memory feature of Microsoft's operating system and browser are disabled for all Youbet products and web sites.

3. Methods and locations available for Account Holders to withdraw funds from their Account:

Youbet customers can request a withdrawal on-line or by mail or fax a signed withdrawal slip to Youbet's office. A check in the amount of the withdrawal is mailed to the mailing address listed on file for the customer.

4. If the Advance Deposit Wagering records will be maintained at a site other than the out-of-state Hub provide the name, address, telephone and fax numbers and the hours of operation:

Records are maintained at Youbet's headquarters located at 5901 De Soto Avenue, Woodland Hills, California, 91367, as well as Warner Center Self Storage located at 21051 Oxnard Street, Woodland Hills, California, 91367. Certain records are also stored by United Tote Company at the same address.

7. PARI-MUTUEL

A. Name, address and telephone number of the pari-mutuel audit firm:

Piercy Bowler Taylor & Kern
 Certified Public Accountants & Business Advisors
 6100 Elton Avenue, Suite 1000
 Las Vegas, Nevada 89107
 Phone: (702)384-1120
 Fax: (702) 870-2474

B. Type(s) of pari-mutuel or totalizator equipment to be used and the simulcast organization, name of the entity supplying equipment, and expiration date of the service contract:

Totalizer equipment: United Tote Company – a subsidiary of Youbet.com
 Expiration Date: December 31, 2014

Simulcast organization: Youbet Inter-Tote Systems Protocol ("ITSP") is provided by Robertson Communication, term is December 31, 2009.

C. List the locations of the racing venues on which Advance Deposit Wagering will be accepted:

See ATTACHMENT 12

NOTICE – The pari-mutuel system used must use a device or combination of devices authorized and operated exclusively for placing, receiving, or otherwise making a wager and by which a person must subscribe to in order to place, receive or otherwise make a wager; an effective customer and age verification system and the appropriate data security standards to prevent unauthorized access by any person who has not subscribed or who is under the age of 18.

8. CONTRACTS AND AGREEMENTS

A. List name and address of all organizations you will contract with to facilitate Advance Deposit Wagering that are not provided in other sections of this application:

Robertson Communications Network, Inc., 4175 Cameron Street, Suite B-10, Las Vegas, NV 89103

Comerica Bank-California, 250 Lytton Avenue, 3rd Floor, Palo Alto, CA 94301

US Off-Track, LLC, P.O. Box 22099, St. Petersburg, FL 33742

Local 280 of the SEIU, 1838 E. Huntington Drive, Duarte, CA 91010

B. List each contract or agreement to facilitate Advance Deposit Wagering that is not finalized and signed:

N/A

9. ADVERTISING

Name and address of the advertising agency you will use:

Youbet.com has an internal advertising group.

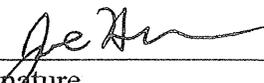
NOTICE – Pursuant to Rule 2072 (h) all advertisements shall contain a statement that persons under 18 are not allowed to open or have access to Accounts. All advertisements shall contain contact information for a recognized problem-gambling support organization. Additionally, pursuant to B&P Section 19604 (D) (3) advertisements shall not be deceptive to the public.

10. CERTIFICATION

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 to attest to this Application.

Joseph Hasson

Print Name



Signature

V.P. Online Operations

Print Title

September 30, 2009

Date

STAFF ANALYSIS
November 17, 2009

ISSUE: APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING OF XPRESSBET, INC., FOR A CALIFORNIA MULTI-JURISDICTIONAL WAGERING HUB, FOR A PERIOD OF UP TO BUT NOT EXCEEDING TWO YEARS.

XpressBet, Inc. (XpressBet) filed its application as an out-of-state multi-jurisdictional wagering hub to provide Advance Deposit Wagering (ADW). It is currently licensed through December 31, 2009 as an out-of-state multi-jurisdictional wagering hub.

A bond or other form of financial security in the amount of \$500,000 is required to be submitted with an application for license to conduct advance deposit wagering. XpressBet, as a current ADW provider, has a \$500,000 bond on file that will expire January 1, 2010. A new bond or an extension of the current bond will need to be submitted to cover the term of the renewal license.

This application provides for:

- Operation 365 days of the year, during all times races are run which could be up to twenty-four hours a day. They have applied for a one-year license. CHRB Rule 2072, Approval to Conduct Advance Deposit Wagering by an out-of-state Applicant, allows for a two-year license.

Change in Management Personnel:

Scott Fischer, Vice President, Finance

XpressBet is a subsidiary of Magna Entertainment Corporation (MEC). On March 5, 2009, MEC filed voluntary petitions for relief under Chapter 11 of the US Bankruptcy Code. In an April 28, 2009, press release "*MEC announced that it would not be filing its Annual Report on Form 10-K for the fiscal year ended December 31, 2008, nor would it file filing quarterly reports on Form 10-Q, with the U.S. Securities and Exchange Commission or the Canadian securities regulators during the period it continues to operate its business as a debtor-in-possession under the United States Bankruptcy Code. .*" MEC was additionally delisted from the Nasdaq Stock Market effective March 16, 2009.

At the August 27, 2009, Regular Board Meeting a MEC representative reported that MID, MEC's principal creditor, filed a proposed modified credit agreement with the Ontario, Canada, Securities Commission. The agreement contained milestones that pertained to some of MEC's California operations. One of the milestones noted that by October 31, 2009, MEC would obtain bankruptcy court orders approving the sale of various assets, including XpressBet and AmTote. Subsequently, at the October 15, 2009, Regular Meeting the MEC representative reported that the bankruptcy court had not yet dealt with the sale of MEC's West Coast assets. Rule 2072 (l) provides that changes or amendments to information or operating procedures contained in an ADW Application are required to be submitted to the Board in writing by the Applicant for approval.

- Business and Profession Code section 19604 includes specific provisions that must be met before an ADW provider can accept wagers. These include:

19604 (b)(1) and (2)

No ADW provider may accept wagers on races conducted in California from a resident of California unless all of the following conditions are met:

1. The ADW provider must be licensed by the Board.
2. A written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made.
3. The agreement referenced in subparagraph (2) shall have been approved in writing by the horsemen's organization responsible for negotiating purse agreements for the breed on which the wagers are made in accordance with the Interstate Horseracing Act (15 U.S.C. Sec. 3001, et seq.), regardless of the location of the ADW provider, whether in California or otherwise, including, without limitation, any and all requirements contained therein with respect to written consents and required written agreements of horsemen's groups to the terms and conditions of the acceptance of those wagers and any arrangements as to the exclusivity between the host racing association or fair and the ADW provider. For purposes of this subdivision, the substantive provisions of the Interstate Horseracing Act shall be taken into account without regard to whether, by its own terms, that act is applicable to advance deposit wagering on races conducted in California accepted from residents of California.

No ADW provider may accept wagers on races conducted outside of California from a resident of California unless all of the following conditions are met:

1. The ADW provider must be licensed by the Board.
2. There is a hub agreement between the ADW provider and one or both of (i) one or more racing associations or fairs that together conduct no fewer than five weeks of live racing on the breed on which wagering is conducted during the calendar year during which the wager is placed, and (ii) the horsemen's organization responsible for negotiating purse agreements for the breed on which wagering is conducted.

19604 (a)(7)

““Hub agreement” as a written agreement providing for contractual compensation paid with respect to advance deposit wagers placed by California residents on a particular breed of racing conducted outside of California. In the event a hub agreement exceeds a term of two years, then an ADW provider, one or more racing associations or fairs that together conduct no fewer than five weeks of live racing for the breed covered by the hub agreement, and the horsemen's organization responsible for negotiating purse agreements for the breed covered by the hub agreement shall be signatories to the hub agreement. A hub agreement is required for an ADW provider to receive contractual compensation for races conducted outside of California.”

19604 (d)(1) (B)

“The board shall not approve an application for an original or renewal license as an ADW provider unless the entity, if requested in writing by a bona fide labor organization no later than ninety days prior to licensing, has entered into a contractual agreement with that labor organization . . .”

Documents received in compliance with Business and Professions code section 19604:

XpressBet has provided a copy of their hub agreement to the Board.

XpressBet's application as submitted under section (1)(d) states it has contracted or is in the process of contracting with the following racetracks and/or associations:

California Authority of Racing Fairs
Del Mar Thoroughbred Club at Del Mar
Golden Gate Fields

Hollywood Park
Los Angeles Turf Club
Oak Tree Racing Association at Santa Anita Park

XpressBet has shared they have a verbal agreement with the Local 280 (Labor Organization) to extend their current agreement expiring December 31, 2009, an additional two years.

The pertinent contracts and/or agreements required pursuant to Business and Professions Code section 19604 that allows ADW providers to accept wagers on races conducted in and outside of California for the applied license term have not been received.

The following items are **outstanding** and will need to be submitted and/or resolved before ADW wagers can be accepted:

1. \$500,000 bond on file expires January 1, 2010 (renewal required at expiration)
2. Horsemen's Agreement
3. Track Agreement
4. Contractual Agreement with Labor Organization
5. Financial Documents
6. Licensing of Management Personnel

RECOMMENDATION:

Staff recommends that the Board hear from the applicant concerning the status of unresolved matters.

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

STATE OF CALIFORNIA
 CALIFORNIA HORSE RACING BOARD (CHRB)
 APPLICATION FOR LICENSE TO CONDUCT ADVANCE DEPOSIT WAGERING
 CHRB-133 (New 9/01)

Application is made to the CHRB for a license to conduct Advance Deposit Wagering in accordance with the California Business and Professions (B&P) Code and CHRB Rules and Regulations (Rule) and comply with the provisions of the Interstate Horseracing Act, 15 U.S.C. 3001 to 3007.

NOTICE – By submitting the Application the out-of-state Applicant consents to the jurisdiction of California courts and the application of California law as to all California wagers and operations.

Application must be filed not later than 90 days in advance of the date scheduled to conduct advance deposit wagering and must be accompanied by a bond or other form of financial security in the amount of \$500,000.

1. OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB (out-of-state Hub)

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

XpressBet, Inc.
 200 Race Track Road
 Washington, PA 15301
 Telephone: (412) 232-6916
 Facsimile: (412) 232-6917

B. Name, title, license number and racing jurisdiction where licensed for all management personnel:

Please note that under Oregon law, the following individuals are not required to hold a license issued by the Oregon Racing Commission, but each individual does hold a license issued by the CHRB.

<u>Name</u>	<u>Title</u>	<u>CHRB License No.</u>
Ronald W. Luniewski	President	275875
Stephen McCasey	Chief Operating Officer - East	*
Blake S. Tohana	Executive Vice-President and Chief Financial Officer	278963
William G. Ford	Executive Vice-President, General Counsel and Secretary	287893
Mary Lyn Seymour	Vice-President and Controller	281811
Scott Fischer	Vice-President, Finance	*

* Newly appointed officer – application pending

C. Name, title and mailing address of the California agent for receipt of service of process:

CT Corporation System
 818 West Seventh Street
 Los Angeles, CA 90017

CHRB CERTIFICATION

Application received: 10/2/09
 Reviewed: *ap*

Hearing date: 11/17/09
 Approval date:

- D. Attach the contract with the California racing association or fair and the required horsemen's approval under the Interstate Horseracing Act that permits you to provide Advance Deposit Wagering services and identify the amount of the market access fee to be paid to the California racing association or fair for access to the California market for wagering purposes.

Below is a list of the Race Track licensees with which XpressBet either has contracted or is in the process of contracting for the purpose of offering such licensees' content through XpressBet's advance deposit wagering service. Please find attached as Exhibit 1 a copy of various Race Track licensee agreement, along with a copy of XpressBet's agreement with the Thoroughbred Owners of California.

<u>Race Track</u>	<u>Licensee</u>
Santa Anita Park	Los Angeles Turf Club, Incorporated
Golden Gate Fields	Pacific Racing Association/ Cal Fair
California Expo	Sacramento Harness Association
Sacramento	California State Fair
Stockton	San Joaquin Fair
Fresno	Fresno County Fair
Pleasanton	Alameda County Fair
Vallejo	Solano County Fair
Santa Rosa	Sonoma County Fair
Del Mar	Del Mar Thoroughbred Club
Fairplex Park	Los Angeles County Fair Association
Humboldt	Humboldt County Fair
Los Alamitos Race Course	Los Alamitos
Los Angeles Turf Club	Oak Tree Racing Association
Hollywood Park	Hollywood Park Racing Association, LLC

2. DATES OF OPERATION

- A. Dates Advance Deposit Wagering will be conducted:
XpressBet, Inc. will conduct advance deposit wagering as of January 1, 2010 up to and including December 31, 2010.
- B. Hours Advance Deposit Wagering will be conducted:
While races are run, up to twenty-four (24) hours per day

3. BUSINESS STRUCTURE

- A. Corporation (complete subsection B)
 LLC (complete subsection C)
 Other (specify, and complete subsection D)

Complete the applicable subsection

B. CORPORATION

1. Registered name of the corporation:

XpressBet, Inc.

2. State where incorporated:
Delaware
3. Registry or file number for the corporation:
3373240
4. Name of all officers and directors, titles, and number of shares of the corporation held by each;

<u>Name</u>	<u>Title</u>	<u>Number of Shares Owned</u>
Ronald W. Luniewski	President	None
Stephen McCassey	Chief Operating Officer - East	None
Blake S. Tohana	Executive Vice-President and Chief Financial Officer	None
William G. Ford	Executive Vice-President, General Counsel and Secretary	None
Mary Lyn Seymour	Vice-President and Controller	None
Scott Fischer	Vice-President, Finance	None

5. Names (true names) of all entities and 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:
Magna Entertainment Corp. – 100 Shares
6. Number of outstanding shares in the corporation:
100 common shares
7. Are the shares listed for public trading? Yes No X
If yes, on what exchange and how is the stock listed:
XpressBet which is wholly-owned by Magna Entertainment Corp. (“MEC”), a Delaware corporation, incorporated on March 4, 1999. On March 5, 2009 MEC filed for bankruptcy protection under Chapter 11 and its shares have since been delisted from both the TSX and NASDAQ with the result that there is no market for the securities. MEC has issued press releases in connection with these matters.
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 Corp.
10. Attach the most recent annual audited financial statements for the corporation, 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.

Magna Entertainment Corp. reports its financial results on a consolidated basis and therefore separate financials of the Applicant are not available. As announced in its press release dated April 28, 2009 Magna Entertainment Corp. will not be filing its 2008 audited 10K annual report publicly.

11. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the license.

XpressBet business plan for 2010 is being provided under separate confidential cover, and it is requested that such business plan remain confidential at all times to the CHRB.

C. LLC - Not Applicable

1. Registered name of the LLC:
2. State where articles of organization are filed:
3. Registry or file number for the LLC:
4. Names of all officers and directors, titles, and the number of shares of the LLC held by each:
5. Names (true names) of all members, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the LLC and the number of shares held by each:
6. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
7. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
8. Attach the most recent annual audited financial statements for the LLC, 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.
9. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the license.

D. OTHER - Not Applicable

1. Name(s) of partners/sole proprietor:
2. If a partnership, attach partnership agreement.
3. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the license.

4. ESTABLISHING ADVANCE DEPOSIT WAGERING ACCOUNTS – must comply with Rule 2075

- A. List the procedures to establish an Account:

CHRB-133 (New 9/01)

Included in the attached Exhibit 2, Plan of Operation, is the Applicant's *Account Opening Procedures*.

- B. If an application form is used to establish an Account, attach a copy of the form. Attached as Exhibit 3 is a copy of the application form. Similar forms are used for on-site or in-person applications.
- C. Name and address of the third party you will use to confirm identity, residence and age verification:
In respect of wagers placed through the Applicant's internet and telephone account wagering products, the Applicant will utilize the services of Equifax Information Services LLC to provide identity, residence and age verification services. The address of Equifax Information Services LLC is set forth below:

Equifax Information Services LLC
1550 Peachtree N.W.
Atlanta, Georgia 30348

Attached hereto as Exhibit 4 is information about Equifax and a copy of its most recent Form 10-K as filed with the United States Securities and Exchange Commission

5. OPERATION OF ADVANCE DEPOSIT WAGERING ACCOUNTS – must comply with Rule 2073.

- A. Submit a copy of your plan for operation.
Attached as Exhibit 2 is Applicant's *Plan of Operation*.
- B. List the type of deposits you will accept:
In respect of internet and telephone account wagering, the Applicant will accept the following types of deposits: cash deposits made directly, personal checks, cashier's checks, money orders made directly or mailed, debits to an Account Holder's credit card or debit card, and wire and other electronic transfers from a monetary account controlled by Account Holder.
- C. Identify any fees or transaction-related charges and the amount that will be assessed:
For purposes of internet and telephone account wagering, customers will not be charged a monthly membership or wagering fee or a per-call or wager transaction fee. However, customers may be charged a value added transaction fee of \$0.25 per telephone call when dealing with a live teller. Processing fees may be charged in respect of deposits made pursuant to Item 5B above, via credit card cash advance or wire transfers.

To the extent credit cards are used/permitted to be used in connection with internet and telephone account wagering, processing fees for credit card cash advances will be no greater than 6%. High value customers may not be subject to credit card cash advance processing fees.

A wire transfer of less than \$250.00 is subject to a \$5 processing fee. A wire transfer of greater than \$250.00 is not subject to any charge.

CHRB-133 (New 9/01)

Customers requesting special delivery (e.g. courier) may be charged the cost of those services.

As the distribution platforms evolve and future enhancements deliver increased functionality to customers, monthly fees or surcharges may be implemented for added value services.

6. SECURITY ACCESS

- A. Attach your security access policy and safeguards pursuant to B&P Section 19604 (c) (2). Policy must include the following:
Please refer to Exhibit 5 for Items 1 – 4.
1. Description of the technology to ensure identity, residence, and age verification when an Account is established.
 2. Description of the technology to ensure confidentiality of the Means of Personal Identification.
 3. Methods and locations available for Account Holders to withdraw funds from their Account.
 4. If the Account Deposit Wagering records will be maintained at a site other than the out-of-state Hub provide the name, address, telephone and fax numbers and the hours of operation.

7. PARI-MUTUEL

- A. Name, address and telephone number of the pari-mutuel audit firm:

Bowen & McBeth
10722 Arrow Route, Suite 110
Rancho Cucamonga, California 91730
Telephone: 909-944-6465
Facsimile: 909-980-4788

- B. Type(s) of pari-mutuel or totalizator equipment to be used and the simulcast organization, name of the entity supplying equipment, and expiration date of the service contract:
- (i) Types of pari-mutuel or totalizator equipment to be used.
Totalizator equipment and services will be provided to Applicant by AmTote International, Inc. In addition to standard totalizator equipment and services, Applicant will be utilizing (a) IVR – “interactive voice response technology” (an automated touch-tone betting system), provided by AmTote International, Inc. (b) on-line computer wagering technology (c) IVR – natural language voice recognition system provided by AmTote International, Inc. and
Applicant is currently operating under an agreement with AmTote International, Inc. which expires on October 31, 2012.

CHRE-133 (New 9/01)

- (ii) Simulcast Organization
Roberts Communications Network, Inc., and AmTote International, Inc.
- (iii) Name of entity supplying equipment, and expiration date of the service contract.
Equipment to be supplied by:

AmTote International, Inc.
11200 Pepper Road
Hunt Valley, MD 21031-1324

Expiration date: October 31, 2012

- C. List the locations of the racing venues on which Advance Deposit Wagering will be accepted:
Attached as Exhibit 6 is the list of racing venues from which the Applicant currently intends to accept Advance Deposit Wagering. We will update you as racing venues are confirmed or added.

NOTICE – The pari-mutuel system used must use a device or combination of devices authorized and operated exclusively for placing, receiving, or otherwise making a wager and by which a person must subscribe to in order to place, receive or otherwise make a wager; an effective customer and age verification system and the appropriate data security standards to prevent unauthorized access by any person who has not subscribed or who is under the age of 21.

8. CONTRACTS AND AGREEMENTS

- A. List name and address of all organizations you contracted with to facilitate Advance Deposit Wagering:

AmTote International, Inc.
11200 Pepper Road
Hunt Valley, MD 21031-1324

Magna Entertainment Corp.
337 Magna Drive
Aurora, ON L4G 7K1
Canada

- B. List each contract or agreement to facilitate Advance Deposit Wagering that is not finalized and signed: N/A

9. ADVERTISING

Name and address of the advertising agency you will use:

CHRB-133 (New 9/01)

Candelaria Advertising
1545 Idlewood Rd.
Glendale, California 91202

NOTICE – Pursuant to Rule 2072 (h) all advertisements shall contain a statement that persons under 18 are not allowed to open or have access to Accounts. All advertisements shall contain contact information for a recognized problem-gambling support organization. Additionally, pursuant to B&P Section 19604 (D) (3), advertisements shall not be deceptive to the public.

10. CERTIFICATION

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 to attest to this application.

Ron Luniewski
Print Name:


Signature:

President
Print Title:

9-30-09
Date:

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

Regular Board Meeting
November 17, 2009

BACKGROUND

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

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

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

At the August 27, 2009, Regular Board Meeting an MEC representative reported that Mi Developments, Inc. (MID), MEC's principal creditor, filed a proposed modified credit agreement

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

At the October 15, 2009, Regular Board Meeting an MEC representative stated that on October 14, 2009, a bankruptcy court hearing was held in Delaware. The court heard a motion regarding a \$26 million credit agreement between MID and MEC, which would provide funds to allow MEC to operate through April 2010. One of the creditors had some questions, so the court granted an additional three weeks to confirm that there were no issues. The motion would be reheard on October 28, 2009. In the interim, the court granted MEC \$2 million under the MID credit agreement to allow MEC to meet its obligations through the balance of October 2009. The court did not deal with auction deadlines for Golden Gate Fields and Santa Anita Park Race Track. In addition, the MEC representative reported MEC paid its tax obligations to the State of California. The payment satisfied all outstanding pre-petition tax obligations.

RECOMMENDATION

This item is presented for Board discussion and action

CALIFORNIA HORSE RACING BOARD

NOVEMBER 17, 2009
REGULAR BOARD MEETING

There is no board package material for Item 22