

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



REGULAR MEETING

of the California Horse Racing Board will be held on Thursday, April 27, 2006, commencing at 9:00 a.m., at the Hollywood Park Sunset Room, 1050 S. Prairie Avenue, Inglewood, California. The meeting will open at 9:00 a.m., then the Board will adjourn into Executive Session with the regular meeting commencing at approximately 9:30 a.m.

AGENDA

Action Items:

1. Discussion and action by the Board on the **approval of the minutes of the regular meeting on March 23, 2006.**
2. Discussion and action by the Board on the **Application to Conduct a Horse Race Meeting of the San Joaquin County Fair (F) at Stockton** from June 14 through June 25, 2006, inclusive.
3. Discussion and action by the Board on the **Application to Conduct a Horse Race Meeting of the Alameda County Fair (F) at Pleasanton** from June 28 through July 9, 2006, inclusive.
4. Discussion and action by the Board on the **regulatory amendment of CHRB Rule 1544 – Calling Off Race and CHRB Rule 1658 – Vesting of Title to Claimed Horse.**
5. Discussion and action by the Board on the **regulatory amendment of CHRB Rule 1969 – Wagering Prohibited.**
6. Public hearing by the Board on the adoption of the follow actions:
 - A. **Repeal** of CHRB Rule 1606 – Coupling of Horses and CHRB Rule 1974 – Wagering Interest.
 - B. **Regulatory amendment** of CHRB Rule 1420 – Definitions; Rule 1954.1 – Parlay Wagering on Win, Place or Show; Rule 1957 – Daily Double; Rule 1959 – Special Quinella (Exacta); Rule 1976 – Unlimited Sweepstakes; Rule 1976.8 – Place Pick (n); Rule 1976.9 – Pick (n) Pool; Rule 1977 – Pick Three; Rule 1978 – Select Four; Rule 1979 – Trifecta; and Rule 1979.1 – Superfecta.

7. Public hearing by the Board on the **adoption of the regulatory amendment of CHRB Rule 1472 – Rail Construction and Track Specifications**, to provide an exemption for synthetic and polymer or wax-coated sand track surfaces from the cross-slope requirements for straight-aways and turns as required in Rule 1472.
8. Discussion and action by the Board on the **report from Los Angeles Turf Club on improvement plans for the barn and stable areas.**
9. Discussion and action by the Board on the matter of: (1) **licensing and setting of ADW hub rates and the obligations of ADW companies and or racing associations to have agreements with horsemen’s or owner’s organizations;** (2) **TVG and TOC hub fee rate dispute relating to imported TB races and the propriety of an ADW company to import races without a contract** in place with a racing association or horsemen’s organization of the same breed as the imported races; (3) **method of determining, calculating and reserving for rates in dispute;** (4) any other related matter considered part of the dispute between any **ADW company and any racing association or horsemen’s or owner’s organization.**
10. Discussion and action by the Board on a **report of the mold problem at the Surfside Race Place (simulcast facility) at Del Mar.**
11. Discussion and action by the Board on the **feasibility of sponsoring legislation to direct fines collected by the Board to racing related organizations or programs.**
12. Discussion and action by the Board on the **drug testing program, including a review of the program costs and benefits.**
13. Discussion and action by the Board on **CHRB Rule 1876 – Financial Responsibility.**
14. Discussion and action by the Board on the **matter of setting Board meeting days and locations.**

Committee Reports

15. Report of the **Race Dates and Strategic Planning Committee**
Chairman Richard Shapiro, Chairman
Vice Chairman Marie Moretti, Member

Other Business

16. **General Business:** Communications, reports, requests for future action of the Board.
Note: Persons addressing the Board under this item will be restricted to **five (5) minutes** for their presentation.

17. **Old Business:** Issues that may be raised for discussion purposes only, which have already been brought before the Board. **Note:** Persons addressing the Board under this item will be restricted to **five (5) minutes** for their presentation.
18. **Executive 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. Personnel.
 - B. Board may convene an Executive Session to consider any of the attached pending litigation.
 - C. The Board may also convene an Executive Session to consider any of the attached pending administrative licensing and disciplinary hearings.

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 requires aids or services in order to participate in this public meeting, should contact Roy Minami.

CALIFORNIA HORSE RACING BOARD

Richard B. Shapiro, Chairman
Marie G. Moretti, Vice Chairman
John Andreini, Member
William A. Bianco, Member
John C. Harris, Member
Jerry Moss, Member
Ingrid Fermin, Executive Director

PROCEEDINGS of the Regular Meeting of the **California Horse Racing Board** held at the **Bayside Lounge (Turf Club) at Golden Gate Fields**, 1100 Eastshore Freeway, Albany, California, on **March 23, 2006**.

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

MINUTES

Chairman Shapiro asked for approval of the minutes of the Regular Meeting of February 16, 2006. Vice-Chairman Moretti **motioned** to approve the minutes. Commissioner Moss **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION TO CONDUCT A HORSE RACING MEETING OF THE HOLLYWOOD PARK RACING ASSOCIATION (T) AT HOLLYWOOD PARK FROM APRIL 26 THROUGH JULY 16, 2006, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the Hollywood Park Racing Association (HPRA) proposed to run 61 days for a total of 525 races. The first post time would be 1:20 p.m., daily, and 7:05 p.m. Fridays. Ms. Wagner stated the wagering program would use CHRB regulations. She added staff received correspondence indicating the condition of the turf course had improved greatly. The horsemen's agreement and stakes schedule were missing from the application. Ms. Wagner said staff recommended the Board approve the application conditioned on receipt of the missing items. Chairman Shapiro stated the Board received a

Proceedings of the Regular Board Meeting of March 23, 2006

2

request to intercede in negotiations regarding the stakes schedule. He asked the parties to discuss the status of the negotiations. Eual Wyatt of HPRA said there was consensus on the language of the horsemen's agreement, but not the stakes schedule. He stated the parties were making a good faith effort and he was optimistic the dispute would be resolved. Chairman Shapiro said he would like assurance the matter would be decided between the parties without a special meeting of the Board. He stated he did not think the Board should be asked to approve incomplete applications, or be deluged with information or calls for help at the last minute. Mr. Wyatt said he understood, and the parties were working on a compromise. He said he was confident the issues would be resolved, but he could not make any guarantees. Chairman Shapiro commented that perhaps the Board should require that agreements should be in place when an application is submitted, or any issues would be decided at regularly scheduled Board meetings. Jack Liebau of HPRA said past horsemen's agreements had been decided after Board approval of license applications. He stated he did not believe the Board should require an agreement, as the associations would lose leverage. In addition, the Board's rules stated either party could request a hearing before the Board to settle disputes on such matters. Chairman Shapiro said requiring a completed application did not cause either party to lose leverage; it simply made the parties negotiate sooner. He asked if Mr. Liebau thought the association should have a horsemen's agreement in place as a condition of license. Mr. Liebau said the Board could require a horsemen's agreement prior to the opening of a meeting. In the current instance the Board could state there would be a hearing and decide the issues. He stated HPRA would not have a problem with that scenario. Chairman Shapiro asked how HPRA could advertise if it did not have a stakes schedule. He added if the Board

Proceedings of the Regular Board Meeting of March 23, 2006

3

was being asked to approve a license application, it should understand all the facts pertaining to that license, which would include the horsemen's agreement. Mr. Liebau said he was faced with cutting the stakes schedule by \$450,000 and he was not willing to do that. He stated the parties were only asking the Board to notice a meeting under its regulations, and if an agreement could not be reached, a hearing would be held. Chairman Shapiro said he understood. He simply wished that horsemen's agreements could be completed in time to be heard at a regular meeting. Drew Couto of Thoroughbred Owners of California (TOC) stated he believed an agreement was forthcoming. He said TOC required the associations to provide stakes schedules 90 days before they submit an application. However, not every track submitted stakes schedules in a timely manner, and that contributed to such delays. The difficulty between the parties had to do with a cut in HPRA's race stakes, and the way monies were shifted. Mr. Couto said there was some disagreement between the parties, but he was optimistic it would soon be resolved. Chairman Shapiro said the Board would give notice it would hear the matter if it were not resolved. He asked if the advance deposit wagering (ADW) agreements were in place. Mr. Liebau said HPRA had an agreement with TVG. Mr. Couto stated TOC agreed with the fee rate charged by TVG for wagers placed on Bay Meadows races; however, he did not know how the discussions regarding HPRA would end. ADW was an unresolved matter, and so was the interstate transmission of the HPRA signal. Churchill Downs Simulcast Network (CDSN) was licensed by HPRA to negotiate its out-of-state contracts. TOC encouraged CDSN to begin negotiations in January 2006, which was the beginning of California's racing year, but CDSN viewed the start of its racing year as the start of the Churchill Downs meeting and refused to negotiate. Mr. Couto stated TOC contacted

Proceedings of the Regular Board Meeting of March 23, 2006

4

CDSN recently, but was still unsure of the status of negotiations, so ADW and interstate simulcast were unresolved. Mr. Liebau said HPRA advised CDSN that its signal should be negotiated separately and not impacted by bundling, and he was sure CDSN would carry out its contractual obligations. Commissioner Harris asked if the hub fee for wagers made by California residents on races conducted out-of-state were set. Mr. Liebau said HPRA was not party to such negotiations. That was a matter between the ADW provider and the host. Mr. Couto stated the hub fee had always been addressed by TOC, and the contracts between the racetracks and ADW providers were silent on the issue. Chairman Shapiro said the issue was assurance that the matter would be handled in a way that did not interfere with the progress and success of the HPRA meeting. Jerry Jamgotchian, a horse owner, asked if there would be enough video cameras to monitor 40 horses. Mr. Wyatt said HPRA would provide as many video cameras as were needed. Chairman Shapiro asked if there would be a doctor on the premises. Mr. Wyatt said a doctor would be present. Chairman Shapiro asked if the out-of-country sites that received the signal went through the pari-mutuel approval process. Mr. Wyatt stated all the sites went through the approval process. Chairman Shapiro asked how the Board would know if the sites listed under separate pools were legal entities. Mr. Couto said any illegal entities would go through the commingled pools, not separate pools. Illegal companies typically acquired accounts at legal sites and wagered as individuals. Chairman Shapiro asked if HPRA had a 5/16-pole camera. Mr. Liebau said he understood one was purchased, and would be in operation by the opening of the meeting. He stated the 5/16 camera at Bay Meadows would be raised. Chairman Shapiro commented he reviewed HPRA's marketing plan and thought the new area called "Ascot Terrace" looked terrific. Mr. Liebau

Proceedings of the Regular Board Meeting of March 23, 2006

5

said the purpose of the new area was to bring the concert area into the racing operation so patrons could see and be part of the racing. Commissioner Harris asked if there were any concerns from the fairs if HPRA would be dark July 5 and 6. Rick Pickering of the Alameda County Fair (ACF) said ACF hoped HPRA would run on July 6. Mr. Wyatt said HPRA would be open to take wagers on the fairs, but did not always match fair dates. He added HPRA would consider exchanging May 15 with July 6 to coincide with ACF, but HPRA was trying to accommodate the July 4 weekend. Within that timeframe, HPRA would run its three largest days of the meeting. A two-day break during that week would allow HPRA to maximize its fields. Chairman Shapiro said he understood, but he believed Commissioner Harris was asking if the dates presented in the application were in concert with the dates previously approved by the Board. Mr. Liebau said the deviation was June 28. If HPRA ran from June 28 through July 4, it would run a seven-day week. He stated if there was some objection to a six-day week, it was clear HPRA could not run a seven-day week. The other date was July 6, and HPRA would rather not run on that day so it could maximize the fields on its three biggest days. Vice-Chairman Moretti **motioned** to approve the application for license to conduct a horse racing meeting of HPRA contingent on receipt of the horsemen's agreement, ADW and noting that a special meeting of the Board would be called if the parties were unable to come to an agreement. Commissioner Harris **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION TO CONDUCT A HORSE RACE MEETING OF THE BAY MEADOWS RACING ASSOCIATION (T) AT BAY MEADOWS FROM MAY 10 THROUGH JUNE 18, 2006, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said Bay Meadows Racing Association (BMRA) proposed to run 28 days for a total of 241 races. She stated the first post time would be 1:05 p.m., daily, and 7:20 p.m. Fridays. Ms. Wagner said the application was complete and staff recommended the Board approve the application as presented. Chairman Shapiro asked if the requested race dates deviated from those previously approved. Jack Liebau of BMRA said he believed there were no differences in the dates. Chairman Shapiro asked if any of the issues with Hollywood Park Racing Association (HPRA) existed for BMRA. Mr. Liebau said BMRA was non-exclusive and its signal was being handled by all three advance deposit wagering (ADW) entities. Drew Couto of Thoroughbred Owners of California (TOC) said the hub fee for handling BMRA's signal was not in dispute. Chairman Shapiro said the parties were in negotiations and his intent was to receive assurances the discussions would continue without interrupting ADW. Mr. Liebau said for clarification it should be noted that HPRA and BMRA were not involved in the negotiations; the parties involved were the ADW providers and TOC. Mr. Liebau said because his organization was not involved in the negotiations, he could not provide assurances that BMRA's ADW would be unaffected by a delay in dealing with the issues. Chairman Shapiro asked if Mr. Liebau could recall BMRA's average number of starters in 2005. Mr. Liebau said the number was probably 6.8 or 6.9 starters. Chairman Shapiro stated he noted BMRA asked for 8.6 races a day if the horse inventory supported that number. He said he would be in favor of the request, but only if a certain number of starters could be maintained on a consistent basis. He did not think it was good for the industry to be

running five or six-horse fields. Mr. Liebau said if the horse population were not sufficient, the number of races would be reduced. He added horse owners needed opportunities to run and if they wished to run in a race with only five or six horses, they deserved that right. If opportunities were taken away, the horse population would shrink because owners would take horses elsewhere. Commissioner Harris said tracks should be given latitude, within reason. He added it was a business decision. Chairman Shapiro said he agreed, but he was concerned that ten races could be run on a weekend, which would deplete the horse population during the week. Mr. Liebau said BMRA was working with the fairs to bring horses from out of state. BMRA realized there was a problem and was trying to deal with it. Commissioner Harris **motioned** to approve the application for license to conduct a horse racing meeting of BMRA. Commissioner Moss **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE TEMPORARY SUSPENSION OF CHRB RULE 1582 – FORM OF ENTRIES AND DECLARATIONS.

Jacqueline Wagner said Rule 1406, Suspension of Rule, allowed the Board to temporarily suspend the application of any of its rules. Rule 1582, Form of Entries and Declarations, provided that entries and declarations should be made in writing on forms provided by the association. Entries could be made by telephone, but were valid only if properly confirmed in writing. Ms. Wagner stated a directive temporarily waiving the written entry confirmation requirement of Rule 1582 was issued on March 1, 2006. She added the item was presented to the Board for discussion and action. Executive Director Ingrid Fermin said the racing office had not required written entry confirmation for many years. On March 1, 2006, it appeared there may be a challenge to the rule, so after consulting with the Deputy Attorney General and

Proceedings of the Regular Board Meeting of March 23, 2006

8

Chairman Shapiro, a directive temporarily waiving the requirement was issued. Executive Director Fermin stated the Board needed to approve the directive and decide if it wished to enforce Rule 1582, or amend the regulation. Commissioner Harris said temporarily suspending the regulation was a practical idea, but the entire system needed to be analyzed to determine if new technology could be used. Commissioner Harris stated trainers were not entering a lot of horses; instead jockey agents were entering horses. That could be practical, but it was not the best for documentation. Chairman Shapiro said he agreed. He stated a system that was verifiable and documented properly needed to be put into place. Chairman Shapiro **motioned** to ratify the temporary suspension of Rule 1582 and require that a proposal for a refined system be presented within 90 days. Commissioner Moss **seconded** the motion, which was **unanimously carried**. Ronald Caswell, representing Jerry Jamgotchian, spoke about his concerns regarding the waiver of Rule 1582. Mr. Jamgotchian spoke about the waiver of Rule 1582. Ed Halpern of California Thoroughbred Trainers spoke in favor of waiving the regulation.

DISCUSSION AND ACTION BY THE BOARD ON THE REGULATORY AMENDMENT OF CHRB RULE 1969 – WAGERING PROHIBITED.

Jacqueline Wagner, CHRB staff, said Rule 1969, Wagering Prohibited, precluded certain classes of licensees and Board employees from wagering while on duty. She stated the proposed amendment to Rule 1969 would incorporate additional classes of licensees and would provide that no class of persons listed under the regulation could wager at a facility at which they were employed while on or off duty. Ms. Wagner said staff recommended the Board direct staff to initiate a 45-day public comment period. Commissioner Harris said he agreed

that certain classes of licensee and Board staff should not wager while on duty, but he was concerned with prohibiting wagering while off duty. He stated the Board should not involve itself in what such persons were doing off duty, as long as it was a legal activity. In addition, the Board did not have enforcement capability, which could lead to selective enforcement, or the use of surrogates for wagering. Executive Director Fermin said “on duty” and “off duty” was interpreted in different ways. She stated she agreed that if someone were not working on a particular day, wagering would be ok. However, there had been complaints that licensees responsible for taking urine samples were placing wagers. Such persons had a vested interest and could determine if a horse took a test. In addition, some official veterinarians had indicated that “off duty” meant they could wager before the first race. When persons were working with horses that were part of the official order of finish, it would be inappropriate if they had a vested interest due to wagering. Commissioner Harris said a better definition of “on duty” and “off duty” was needed. He stated perhaps it could include the whole day a person worked. Chairman Shapiro said the matter would be held over until new language could be developed.

DISCUSSION AND ACTION BY THE BOARD ON THE REQUEST OF THE BAY MEADOWS FOUNDATION TO DISTRIBUTE \$11,564 TO THE DISABLED JOCKEYS ENDOWMENT FUND.

John Reagan, CHRB staff, said when the Bay Meadows Foundation (BMF) requested permission to distribute its charity race day proceeds in January 2006 some concern was expressed over control of the Disabled Jockeys Endowment Fund (DJEF). BMF agreed to withhold distribution of its contribution to DJEF until the concerns could be answered. Mr.

Reagan said the issues had been resolved, and staff recommended the Board authorize the distribution of \$11,564 to the DJEF. Commissioner Harris **motioned** to approve the distribution of charity race day proceeds of BMF and Hollywood Park Racing Charities to the DJEF. Commissioner Moss **seconded** the motion, which was **carried** with Chairman Shapiro recused.

DISCUSSION AND ACTION BY THE BOARD ON THE REQUEST OF THE HOLLYWOOD PARK RACING CHARITIES, INC. TO DISTRIBUTE \$38,875 TO THE DISABLED JOCKEYS ENDOWMENT FUND.

This item was approved under item 6 on the agenda.

DISCUSSION AND ACTION ON THE APPROVAL OF THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CHRB AND THE JOCKEY'S GUILD.

John Reagan, CHRB staff, said under Section 19612.9 of the Business and Professions Code uncashed refunds were used to provide a health and welfare program to California Jockeys through the Jockey's Guild (Guild). In past years the monies were paid to the Guild after receipt and approval of audited expenditures for the previous year. That meant the Guild would wait between 9 and 18 months before being reimbursed for the health and welfare expenses of California jockeys. Mr. Reagan said the Memorandum of Understanding (MOU) would allow reimbursement to the Guild on a current basis. The reimbursement would be 85 percent of the previous year's expenditures. Chairman Shapiro said the MOU would alleviate the Guild's having to front health and welfare payments while adhering to the intent of the California health and welfare plan. He stated he indorsed the MOU, which was in the best

interest of the Guild. Barry Broad, representing the Guild, explained the financial dilemma caused by the Guild having to wait long periods of time for reimbursement. In addition, he explained how the MOU would work, and would smooth the Guild's cash flow problems. Mr. Broad stated Board staff would have access to a third party administrator and could look at records at any time. That would provide a current view of the program, and avoid any problems caused by the traditional yearlong view. Chairman Shapiro **motioned** to approve the MOU between the Guild and the Board. Commissioner Harris **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE REQUEST TO APPROVE AN OUT-OF-COUNTRY SIMULCAST AGREEMENT PURSUANT TO THE PROVISIONS OF THE BUSINESS AND PROFESSIONS CODE SECTIONS 19596.3(D) AND 19614.3.

Chairman Shapiro said the item was deferred.

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

Chairman Shapiro said the item was deferred.

**DISCUSSION AND ACTION BY THE BOARD ON VIDEO CAMERA “BLIND SPOTS”
AND CAMERA ANGLES AT CALIFORNIA RACE TRACKS.**

Commissioner Harris said the Board needed to work with the tracks to resolve the problem of racetrack blind spots, as the stewards needed to see any incident that occurred in a race. Executive Director Ingrid Fermin said there was a blind spot on racetracks between the three eights and one quarter poles, and the stewards indicated a camera at 5/16ths would be helpful. She stated some tracks installed at 5/16th camera, while others were in the process, or had not installed such a camera. Executive Director Fermin stated she hoped the Board would support the need for the cameras, as at the 5/16th point on the track it was difficult to see if a horse had dropped in or drifted out. Chairman Shapiro said he agreed that the Board should ask each racing association to install a 5/16ths camera to avoid blind spots. He stated the industry would be advised that in the future a 5/16ths camera would be required.

**REPORT FROM THE RACING ASSOCIATIONS ON THE ADEQUACY AND
PERFORMANCE OF THE EXISTING CALIFORNIA TOTALIZATOR SYSTEM
(INCLUDING A DISCUSSION OF THE FEBRUARY 18TH COMMUNICATION
NETWORK FAILURE) AND THEIR PLANS FOR FUTURE TECHNOLOGICAL
IMPROVEMENTS AND UPGRADES.**

John Reagan, CHRB staff, said the California totalizator contract was extended for a year, and the new contract was still a draft document. He added Scientific Games (SG) had established a data center on the East Coast and a similar data center would be established in Sacramento. The Sacramento data center would be operational by July 2006. The data center would be state-of-the-art and would also act as a backup for the East Coast facility. Chairman Shapiro asked if the industry or the state would receive any financial relief as a result of the February

Proceedings of the Regular Board Meeting of March 23, 2006

13

communication network failure. Mr. Reagan said he was not aware of any payments, and based on prior experience, such payments were difficult to obtain. Commissioner Harris asked if the Board licensed any of the Telecommunication companies. Mr. Reagan said the companies were not licensed. Jenny Lind of California Horse Racing Information Management System said she spoke with the BellSouth Corporation representative who was following up on the issue of compensation. Chairman Shapiro stated the industry suffered loss of revenue due to the February incident, and he was disappointed the Telecommunication companies were not held responsible. He said he hoped a considered effort was made to get compensation. Chairman Shapiro said he noted there were other totalizator problems and he was not happy to learn that instillation of new equipment had been put off one year. He stated he thought the tracks should move forward as new totalizator equipment would improve customer convenience and make the tracks more competitive with advance deposit wagering entities. Mr. Reagan said the delay in the contracts was not associated with the equipment. He stated the new data center in Sacramento was an improvement the industry had been looking for. Mr. Reagan added that although the appearance of the totalizator equipment had remained the same, the software was the newest and the best, so the equipment was not 20 years old. Doug Kempt of Pari-Mutuel Employee's Guild (Guild) said there was no contract with the totalizator companies, and the mutuel clerks could suffer losses due to totalizator and communication equipment malfunctions. He stated pari-mutuel clerks should not be held responsible for shortages during the transition period. Mr. Kempt commented the totalizator companies were working with the Guild to test new equipment and were responsive to suggestions for modifying equipment to help mutuel employees. Mr. Reagan stated he had the

Proceedings of the Regular Board Meeting of March 23, 2006

14

ability – if given enough information – to demonstrate any shortfalls were not the mutual clerk's fault. Sherwood Chillingworth of Oak Tree Racing Association (OTRA) said his organization was in talks with SG and within a few months was ready to move forward. He stated if Santa Anita did not wish to bear any financial obligations, OTRA would experiment with SG equipment at its own expense. Dan Kelliher of SG said the total technology perspective was more than just creative devices to engage the patron. The data centers, as well as new terminal devices and more fan-friendly devices would, in six months, cause California to leapfrog other racing jurisdictions that were currently seen as cutting-edge. Ron Charles of Magna Entertainment said the Board was right to be frustrated over the current totalizator picture. He stated the one-year extension of the totalizator contract gave the industry time to look at the issues and make decisions that would cause significant changes. It did not mean new equipment would be in place in one year, but it did buy time to study the issue. Bill Huntley of SG said he believed it was a misconception that new products and personal devices were not currently available. SG had a full line of such devices, and it did not take a new contract for them to be used. In addition, SG was working with third party providers to develop, and bring to fans, new products. Mr. Huntley stated a full array of products would be made available to California and other racing jurisdictions. Chairman Shapiro asked if SG felt California racetracks and fans were being treated properly at the tote window. Mr. Huntley said the SG contract dated from the early 90s, and the equipment was revolutionary when it was installed. However, installing new equipment would cause additional capital to be invested, and that was probably one reason the equipment stayed in place so long. SG realized it had not done an adequate job, but with changes in management, the level of service had

Proceedings of the Regular Board Meeting of March 23, 2006

15

improved dramatically, and SG was doing everything it could to ensure the best possible experience for California's horse racing fans.

STAFF REPORT ON THE FOLLOWING CONCLUDED RACE MEETS:

- A. LOS ALAMITOS QUARTER HORSE RACING ASSOCIATION AT LOS ALAMITOS FROM DECEMBER 26, 2004 THROUGH DECEMBER 18, 2005.**
 - B. PACIFIC RACING ASSOCIATION AT GOLDEN GATE FIELDS FROM DECEMBER 26, 2004 THROUGH DECEMBER 19, 2005.**
 - C. BAY MEADOWS RACING ASSOCIATION AT BAY MEADOWS FROM APRIL 2, 2005 THROUGH OCTOBER 16, 2005.**
-

John Reagan, CHRB staff, said the three reports had one thing in common: they were all long meetings. Chairman Shapiro said he would like to complement the end-of-race meet report from Los Alamitos, as it was complete and informative. He stated he would encourage the same format for other race meetings.

REPORT OF THE MEDICATION COMMITTEE

Chairman Shapiro said the Medication Committee (committee) met on March 22, 2006, and discussed an incident wherein the racehorse Intercontinental received its Lasix late on a race day. The committee heard a report from steward Scott Chaney who reviewed the incident. The report was made as an oral presentation, as the committee purposely did not receive a written report because of the potential for hearing the matter. Chairman Shapiro said Mr. Chaney concluded there was no cover-up, but there were mistakes made related to Intercontinental receiving a late administration of Lasix. He stated in the future the committee would look at ways to prevent such situations. The committee believed the 72-hour rule regarding protests should be waived to allow owners who participated in the race to file

protests. Chairman Shapiro said the committee recommended the Board allow the owners 72-hours notice so protests can be filed. Drew Couto of Thoroughbred Owners of California (TOC) said TOC requested that the Board notify each owner who ran a horse in the race in question be given 72-hours to file a protest. Chairman Shapiro **motioned** to give owners who participated in the Intercontinental race 72 hours from the date on which they were notified to file a protest, and that staff immediately notify such owners. Commissioner Moss **seconded** the motion, which was **unanimously carried**.

REPORT OF THE PARI-MUTUEL/ADW & SIMULCAST COMMITTEE

Commissioner Moss said the Pari-Mutuel/ADW & Simulcast Committee (committee) met on March 22, 2006, and discussed the statutory 20-mile restriction on satellite locations. He stated staff would prepare a report regarding a legislative initiative to add five new locations, each connected with five different racetracks. Commissioner Moss said the committee believed it would be relatively easy to add five locations to the existing 35 off-track wagering sites statewide. In addition, the committee heard a presentation by Scientific Games. The committee also discussed an amendment to Rule 1976.8, Place Pick (n) to allow for surface changes. A similar amendment was recently made to Rule 1976.9, Pick (n) Pool. Finally, the committee discussed ways to limit gambling with illegal offshore entities.

GENERAL BUSINESS

Ron Caswell, representing Jerry Jamgotchian, spoke about his concerns regarding the temporary waiver of Rule 1582, Form of Entries and Declarations, as well as issues

Proceedings of the Regular Board Meeting of March 23, 2006

17

concerning security at Hollywood Park Race Track. Jerry Jamgotchian, a horse owner, spoke about his concerns regarding security at racetracks. Chairman Shapiro thanked Mr. Jamgotchian for his comments.

MEETING ADJOURNED AT 12:52 P.M.

Proceedings of the Regular Board Meeting of March 23, 2006

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

April 27, 2006

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE SAN JOAQUIN FAIR AT STOCKTON JUNE 14-25, 2006.

San Joaquin Fair filed its application to conduct a horse racing meeting at Stockton:

- June 14-25, 2006, or 10 days, the same as 2005. The fair proposes to race a total of 104 races, two more than 2005.
- The proposed race dates are the approved dates allocated to the fair

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

- Racing 5 days per week, Wednesday through Sunday, with 10 races per day the first week. Second week will have 10 races Wednesday through Friday and 12 Saturday and Sunday.
 - Number of horses available determines the number of daily races programmed by breed.
 - 2005 Race Meeting: Average number of runners per race (TB): 7.5
 - 2005 Race Meeting: Average number of runners per race (Arabian): 6.5
 - 2005 Race Meeting: Average number of runners per race (Appaloosa): 7.0
 - 2005 Race Meeting: Average number of runners per race (Quarterhorse): 7.6
 - 2005 Race Meeting: Average number of runners per race (Mules): 7.2
- June 16, 17 and 18 the fair will race concurrently with Bay Meadows, the last three days of Bay Meadow's race meeting.
- The fair's 10-day race meeting will run concurrently with the Hollywood Park.
- First post 12:45 p.m. with a 3:15 p.m. post on Fridays.
 - During overlap with Bay Meadows the post times will move up seven minutes and/or be adjusted to accommodate multiple signals.
- Request Darrell Sparks be appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety requirements have been fulfilled.
- Wagering program will use CHRB rules.
 - Request the option of a \$1.00 wager on all exactas and trifectas.

- \$1 pick 4 on the first 4 and last 4 races and \$2 pick 6 on last 6 races.
- Early wagering will not be offered.
- Simulcasting conducted with other out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- Inspection of backstretch worker housing completed.

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

FROM CARF:

1. All horsemen's agreements.

RECOMMENDATION:

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

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

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

1. APPLICANT FAIR ASSOCIATION

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

San Joaquin Fair
1658 S. Airport Way Phone: **209-466-5041**
Stockton, CA 95206 Fax: **209-466-5739**

B. Fair association is a: District Fair County Fair Citrus Fruit Fair
 California Exposition and State Fair Other qualified fair

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

2. DATES OF RACE MEETING

A. Inclusive dates of race meeting: **June 14-25, 2006**
 B. Dates racing will NOT be held: **June 19-20, 2006**
 C. Total number of racing days: **10 days**

3. RACING PROGRAM

A. Total number of races: **104**
 B. Number of races by breed:

Thoroughbreds Quarter Horses Appaloosas
 Arabians Paints Mules

C. Number of races daily:
Week #1 - 10 Races a day
Week #2 - 10 Races a day Wednesday thru Friday, and 12 Races a day Sat and Sun

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Thoroughbred	7 / 8			7	7	7	7 / 8
Other Breeds	3 / 4			3	3	3	3 / 4
Total	10 / 12			10	10	10	10 / 12

CHRB CERTIFICATION	
Application received: <i>3/16/06</i>	Hearing date: <i>4/27/06</i>
Reviewed: <i>PN</i>	Approved date:
	License number:

D. Total number of stakes races by breed:

<input type="text" value="0"/>	Thoroughbreds	<input type="text" value="1"/>	Quarter Horses	<input type="text" value="0"/>	Appaloosas
<input type="text" value="0"/>	Arabians	<input type="text" value="0"/>	Paints	<input type="text" value="0"/>	Mules

E. Attach a listing of all stakes races and indicate the date to be run and the added money or guaranteed purse for each. **Saturday, June 18, 2006. Stockton Derby - Quarter Horse (11th running) \$10,000 guaranteed for Three Year Olds; 350 yards.**

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

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

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

	Wed - Sun	Friday
Race #1.....	12:45 p.m.	3:15 p.m.
Race #2.....	1:15 p.m.	3:45 p.m.
Race #3.....	1:45 p.m.	4:15 p.m.
Race #4.....	2:15 p.m.	4:45 p.m.
Race #5.....	2:45 p.m.	5:12 p.m.
Race #6.....	3:15 p.m.	5:39 p.m.
Race #7.....	3:45 p.m.	6:06 p.m.
Race #8.....	4:15 p.m.	6:33 p.m.
Race #9.....	4:45 p.m.	7:00 p.m.
Race #10.....	5:15 p.m.	7:30 p.m.
Race #11.....	5:45 p.m.	
Race #12.....	6:15 p.m.	

Note: Post times are for days when no overlap is in place. During overlap with Bay Meadows, times will be moved earlier by seven (7) minutes and/or adjusted to accommodate multiple 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.

4. FAIR ASSOCIATION

A. Names of the fair directors: **Wayne Watanabe, President; Arthur Perry, Vice President; Karylene Mann, Nanette Martin, Gregory O'Leary, Eddie Rishwain, Mitch Slater, Dr. Thomas Streeter, Floyd Weaver.**

B. Names of the directors serving on the Racing Committee or otherwise responsible for the conduct of the racing program: **Karylene Mann and Dr. Thomas Streeter**

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

Forrest J. White	Chief Executive Officer
Debbie Cook	Deputy Manager
Annette Snezek	Pari-Mutuel Coordinator
John McGary	Announcer and Morning Line Maker
Mike Chapman	Maintenance Supervisor
Jack Hatch	Stable Superintendent
Tammy McDuffie	Stewards' Aide
Steve McCollum	Satellite Supervisor

5. PURSE PROGRAM**A. Purse distribution:**

1. All races other than stakes:

Current meet estimate:	\$900,000
Prior meet actual:	\$866,750

2. Overnight stakes:

Current meet estimate:	\$40,000
Prior meet actual:	-0-

3. Non-overnight stakes:

Current meet estimate:	\$10,000
Prior meet actual:	\$10,000

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

Current meet estimate:	\$80,000
Prior meet actual:	\$78,566

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

Current meet estimate:		Prior meet actual:
CTT	\$2,500	\$2,422
TOC	5,000	4,844
NTRA	7,100	7,051
PCQHRA	1,500	1,534
CWAR	900	856
ARAC	4,000	3,982
AMRA	5,000	5,334
CHBPAPEN	7,500	7,266
CTHF	7,500	7,266
Total	\$41,000	Total: \$40,555

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

Current meet estimate:	\$950,000 + 80,000 + 41,000 = \$1,071,000
Prior meet actual:	\$876,750 + 78,566 + 40,555 = \$ 995,871

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

Current meet estimate:	\$865,000
Prior meet actual:	\$854,847

F. Purse funds to be generated from interstate handle:

Current meet estimate:	\$85,000
Prior meet actual:	\$82,117

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

West American Bank – Account #601064512

H. Name, address and telephone number of the pari-mutuel audit firm engaged for the meeting:
Disher Accountancy Corp., 1816 Maryal Drive, Sacramento, CA 95864, Phone: 916-482-4224

NOTICE TO APPLICANT: All funds generated and retained from on-track pari-mutuel handle which are obligated by law for distribution in the form of purses, breeders' awards or other benefits to horsemen, shall not be deemed as income to the fair and shall, within 3 calendar days following receipt, be deposited in a segregated and separate liability account in a depository approved by the CHRB and shall be at the disposition of the Paymaster of Purses, who shall pay or distribute such funds to the persons entitled thereto. All funds generated from off-track simulcast wagering, interstate wagering, and out-of-state wagering which are obligated by law for distribution in the form of purses and breeders' awards, shall also be deposited within 3 calendar days following receipt into such liability account. In the event the fair is obligated to the payment of purses prior to those obligated amounts being retained from pari-mutuel wagering for such purpose, or as a result of overpayment of earned purses at the conclusion of the meeting, the fair shall transfer from its own funds such amounts as are necessary for the Paymaster of Purses to distribute to the horse owners statutorily or contractually entitled thereto. The fair is entitled thereafter to recover such transferred funds from the Paymaster of Purses' account; and if insufficient funds remain in the account at the conclusion of the meeting, the fair is entitled to carry forward the deficit to its next succeeding meeting as provided by B&P Code Section 19615(c) or (d). In the event of **underpayment** of purses which results in a balance remaining in the Paymaster of Purses' account at the conclusion of the meeting after distribution of amounts due to horsemen and breeders and horsemen's organizations, the fair may carry forward the surplus amount to its next succeeding meeting; provided, however, that the amount so retained does not exceed an amount equivalent to the average daily distribution of purses and breeders' awards during the meeting. All amounts in excess shall be distributed retroactively and proportionally in the form of purses and breeders' awards to the horse owners and breeders having earned purses or awards during the conduct of the meeting.

6. STABLE ACCOMMODATIONS

- A. Number of usable stalls available for racehorses at the track where the meeting is held:
695 permanent stalls plus portable stalls as needed
- B. Minimum number of stalls believed necessary for the meeting: **1,795**
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: **2,084**
- D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site:
Alameda County Fair: 684 Golden Gate Fields: 1,400
- E. Attach each contract or agreement between the fair and the person(s) furnishing off-site stabling accommodations for eligible racehorses that cannot be provided stabling on-site.
Northern California Stabling and Vanning Fund

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

- F. Total number of usable stalls made available on-site for the **1986** meeting:
695 permanent stalls plus 200 portable stalls
- G. Estimated cost to provide off-site stalls for this meeting. Show cost per-day per stall:
Northern California Stabling and Vanning Fund
- H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse: **-0-**

7. PARI-MUTUEL WAGERING PROGRAM

A. Pursuant to B&P Code Section 19599, and with the approval of the CHRB, fairs may elect to offer wagering programs using CHRB Pari-mutuel Rules, the Association of Racing Commissioners

International (RCI) Uniform Rules of Racing, Chapter 9, Pari-mutuel Wagering, or a combination of both. Please complete the following schedule for the types of wagering other than WPS and the minimum wager amount for each:

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

	TYPE OF WAGERS	APPLICABLE RULES
Example Race	\$1 E; \$1 Double	CHRB #1959; RCI #VE
Race #1	\$1E, \$1PK3, \$1TRI, \$2Q, \$2DD, \$.10SF, \$1PK4**	CHRB# 1959, 1977, 1979, 1958, 1957, 1979.1, 1978
Race #2	\$1E, \$1PK3, \$1TRI, \$2Q, \$2DD, \$.10SF	CHRB# 1959, 1977, 1979, 1958, 1957, 1979.1
Race #3	\$1E, \$1PK3, \$1TRI, \$2Q, \$2DD, \$.10SF	CHRB# 1959, 1977, 1979, 1958, 1957, 1979.1
Race #4	\$1E, \$1PK3, \$1TRI, \$2Q, \$2DD, \$.10SF, \$2PNP*	CHRB# 1959, 1977, 1979, 1958, 1957, 1979.1, 1976.9
Race #5	\$1E, \$1PK3, \$1TRI, \$2Q, \$2DD, \$.10SF, \$2PNP*	CHRB# 1959, 1977, 1979, 1958, 1957, 1979.1, 1976.9
Race #6	\$1E, \$1PK3, \$1TRI, \$2Q, \$2DD, \$.10SF, \$2PNP*	CHRB# 1959, 1977, 1979, 1958, 1957, 1979.1, 1976.9
Race #7	\$1E, \$1PK3, \$1PK4**, \$1TRI, \$2Q, \$2DD, \$.10SF, \$2PNP*	CHRB# 1959, 1977, 1978, 1979, 1958, 1957, 1979.1, 1976.9
Race #8	\$1E, \$1PK3, \$1TRI, \$2Q, \$2DD, \$.10SF, \$2PNP*	CHRB# 1959, 1977, 1979, 1958, 1957, 1979.1, 1976.9
Race #9	\$1E, \$1PK3, \$1PK4**, \$1TRI, \$2Q, \$2DD, \$.10SF, \$2PNP*	CHRB# 1959, 1977, 1979, 1958, 1957, 1979.1, 1976.9
Race #10	\$1E, \$1PK3, \$1TRI, \$2Q, \$2DD, \$.10SF	CHRB# 1959, 1977, 1979, 1958, 1957, 1979.1
Race #11	\$1E, \$1TRI, \$2Q, \$2DD, \$.10SF	CHRB#1959, 1979, 1958, 1957, 1979.1
Race #12	\$1E, \$1TRI, \$2Q, \$2DD, \$.10SF	CHRB#1959, 1979, 1958, 1957, 1979.1

* \$2PNP Pick 6 on last 6 races

** \$1PK4 on first 4 and last 4 races

- B. Maximum carryover pool to be allowed to accumulate before its distribution OR the date(s) designated for distribution of the carryover pool: **Last day of Meet – June 25, 2006**
- C. List any options requested with regard to exotic wagering:
Request the option of \$1.00 wager on all exactas and trifectas.
- D. Will "advance" or "early bird" wagering be offered? Yes No
If yes, when will such wagering begin:
- E. Type(s) of pari-mutuel or totalizator equipment to be used by the fair and the simulcast organization, the name of the person(s) supplying equipment, and expiration date of the service contract:
Scientific Games Racing / Autotote, David Payton Contract Expires: September 30, 2006
Equipment description on file with the Board.

8. SIMULCAST WAGERING PROGRAM

- A. Simulcast organization engaged by the fair to conduct simulcast wagering:
California Authority of Racing Fairs, Northern California Off-Track Wagering, Inc. (NOTWINC)
- B. Attach the agreement between the fair and simulcast organization permitting the organization to use the fair's live audiovisual signal for wagering purposes and providing access to its totalizator for the purpose of combining on-track and off-track pari-mutuel pools. **On file.**
- C. California simulcast facilities the fair proposes to offer its live audiovisual signal:
All California facilities authorized to accept the signal.
- D. Out-of-state wagering systems the fair proposes to offer its live audiovisual signal: **Attached**

- E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the fair:
Attached
- F. List the host tracks from which the fair proposes to import out-of-state and/or out-of-country thoroughbred races. Include the dates imported races will be held and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races":
Attached

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

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

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

- G. List imported simulcast races the fair plans to receive during the racing meeting which use breeds other than the breed of the majority of horses racing at its live horse racing meeting. Include the name of the host track, the dates imported races will be held, and how many races will be imported:
N/A

OTHER BREED SIMULCAST RACES TO BE IMPORTED

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

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

NOTICE TO APPLICANT: All interstate wagering to be conducted by a fair is subject to the provisions of Title 15, United States Codes, which require specific **written** approval of the CHRB and of the racing commission having jurisdiction in the out-of-state venue. All international wagering to be conducted by a fair is subject to the provisions of B&P Code Sections 19596, 19596.1, 19596.2, 19596.3, 19601, 19602, and 19616.1, and will require specific written approval of the CHRB.

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

9. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

- A. Racing officials nominated:

Association Veterinarian(s)	Henry Cook, DVM
Clerk of Scales	Gary Lawless
Assistant Clerk of Scales	Cheryl White
Clerk of the Course	Dawn Schmid – Thoroughbreds
	Dolores Collins – Emerging Breeds
Film Specialist	Danny Winick
Horse Identifier	Darrel Sparks
Horseshoe Inspector	Jack Hammonds

2006 Northern California Racing Fairs – Simulcast

8 Simulcast Wagering Program

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

Prepared 3/29/06

Separate:

Arima Race Club	TRINI
Caliente (MIR)	CA
Caymanas Park	JAM
Flamboro Downs	CAN
Fraser Downs	CAN
Hastings Entertainment Inc.	CAN
Hippodromo Presidente Remon (MIR)	MEX
IWS/International Wagering Systems, Inc.	CA
Las Vegas Dissemination Co.	NV
Stevenson & Associates, Inc.	MD
Teletheatre BC	CAN
Woodbine Entertainment Group	CAN

Commingled:

Acoma Pueblo	NM
AmericaTab	OH
AmWest Entertainment	SD
Arapahoe Park	CO
Arlington International Racecourse	IL
Atlantic City Casino Assn.	NJ
Atlantic City Race Course	NJ
Atlantis Paradise Island Casino	FL
Atokad Downs	NE
Balmoral Park / Maywood	IL
Bettor Racing OTB/Royal River	SD
Beulah Park	OH
Birmingham Race Course	AL
Blue Ribbon Downs	OK
Bluffs Run Greyhound Park & Casino	IA
Boyd Gaming, d/b/a Delta Downs	LA
Buffalo Trotting Association	NY
Calder Race Course	FL
Canterbury Park	MN
Capital Regional District OTB	NY
Capitol Racing at Western Idaho Fair	ID
Capitol Sports Pty Ltd.	AUS
Catskill Regional OTB	NY
Charles Town Race Course	WV
Choctaw Racing Services, LLC	OK
Churchill Downs	KY
Coeur d' Alene Casino	ID
Coeur d' Alene Casino Phone	ID
Coeur d' Alene Greyhound Park	ID
Comanche Nation Games	OK
Connecticut OTB	CT
Corpus Christi Greyhound Race Track	TX
Crystal Palace Casino	BA
Crystal Palace Casino	BAH
Dairyland Greyhound Park	WI
Darwin (International) All-Sports	AUS
Delaware Park	DE
Delta Downs (Boyd Gaming)	LA
Dover Downs	DE

Downs at Albuquerque	NM
Dubuque Greyhound	IA
Elite Turf Club	
Ellis Park	KY
Emerald Downs	WA
Equus St Thomas Racing	VI
Euro Off-Track	FL
European Simulco AKA MEC Sport & Entertainment	CA
Evangeline Downs	LA
Excelsior Casino (Via Suffolk)	AR
Fair Grounds Race Course	LA
Fair Meadows at Tulsa	OK
Fairmount Park	IL
Finger Lakes Race Track	NY
Fire Lakes Casino	OK
Fonner Park	NE
Freehold Raceway	NJ
Geneva Lakes Kennel Club	WI
Gillespie County Fair Race Meet	TX
Great Lakes Downs	MI
Gulf Greyhound Park	TX
Gulf Greyhound Park @ Post Falls	ID
Gulfstream Park	FL
Harrington Raceway AKA Midway Slots	DE
Hawthorne National LLC	IL
Hazel Park	MI
Hinsdale Greyhound Park	NH
Holiday Beach	
Hoosier Park	IN
Horsemen's Park	NE
Indiana Downs	IN
International All Sports	OH
International Wagering Systems, Inc.	CA
Jackson Harness Raceway	MI
Keeneland Association	KY
Kentucky OTB's	KY
Lebanon Raceway	OH
Les Bois Park Simulcast Network	ID
Lewiston Raceways, Inc.	ME
Lien Games, Inc.	ND
Lincoln Greyhound Park	RI
Lone Star Race Park Ltd.	TX
Louisiana Downs (Harrah's)	LA
LVDC/Atlantis Paradise Island Casino, Bahamas	NV
LVDC/Cities of Gold Sports Bar (Pojoaque), NM	NV
LVDC/Comanche Nation Games, OK	NV
LVDC/Elite Turf Club, Curacao	NV
LVDC/Fire Lakes Entertainment	NV
LVDC/Foxwoods Resorts Casino, CT	NV
LVDC/Holiday Beach, Curacao	NV
LVDC/Meskwaki Bingo & Casino, IA	NV
LVDC/Red River Casino, OK	NV
LVDC/Spirit Mountain Casino, OR	NV
LVDC/The Stables, OK	NV
LVDC/Tonkawa Bingo, OK	NV

Manor Downs	TX
Maryland Jockey Club	MD
Meadowlands (NJSEA)	NJ
Midway Slots & Simulcast/Harrington Raceway	DE
Montana Simulcast Partners	MT
Monticello Raceway	NY
Mount Pleasant Meadows	MI
Mountaineer Park	WV
Nassau/Suffolk OTB	NY
Nevada Pari-Mutuel Association	NV
New Jersey Sports & Exposition Authority	NJ
New York City Off-Track Betting	NY
New York Racing Association	NY
Newport Jai-Alai	RH
Northfield Park	OH
Northville Downs	MI
Northville Downs Corp.	MI
Oaklawn Park	AR
Ocean Downs	MD
Penn National Race Course	PA
Philadelphia Park	PA
Plainridge Race Course	MA
Pocono Downs	PA
Portland Meadows	OR
Prairie Meadows	IA
Raceway Park	OH
Racing & Gaming Services, Inc.	WI
Randall James Racetrack	
Raynham-Taunton Greyhound Park	
Remington Park	OK
Retama Park	TX
River Downs	OH
Rockingham Park	NH
Rosecroft Raceway	MD
Royal Beach Casino	
Royal River Racing (Bettor Racing OTB)	ID
Ruidoso Downs	NM
Saginaw Harness Raceway	MI
Sam Houston Race Park, LTD	TX
Saratoga Raceway	NY
Scarborough Downs	ME
Scioto Downs	OH
Seabrook Greyhound	NH
Southland Greyhound Park	AR
Sports Creek Raceway	MI
State Fair Park	NE
Stevenson & Associates, Inc. (Common)	MD
Stevenson & Associates, Inc., (Books)	MD
Suffolk Downs	MA
Suffolk Downs OTB	MA
Suffolk Regional OTB	NY
Sunland Park	NM
SunRay Park	NM
Tampa Bay Downs	FL
The Greyhound Park at Post Falls	ID
The Meadows	PA
The Racing Channel, Inc. (Domestic)	OR
The Racing Network International, Inc.	OR
The Texas Hub at Gulf Greyhound	TX
Thistledown Racing	OH
Tote Investment Group	
Tri-State Racetrack & Gaming Center	WV
Turf de Venezuela	VEN
Turf Paradise	AZ
Turfway Park	KY
TVG Network	CA

U.S. Off Track, LLC	FL
Valley Greyhound Park (Via Sam Houston)	TX
Vernon Downs	NY
Western Regional OTB	NY
Wheeling Downs	WV
Wichita Greyhound Park	KS
Wonderland Greyhound Park	MA
Woodlands	KS
Wyoming OTB	WY
XpressBet, Inc	CA
Yavapai	AZ
Yonkers Raceway	NY
Youbet	CA
Zia Park Racetrack	NM

2006 Northern California Racing Fairs – Simulcast

8 Simulcast Wagering Program

F. List the host tracks from which the fair proposed 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”:

<i>Arlington Park</i>	<i>6/15-9/18/06</i>	<i>Full or Partial Cards</i>
<i>Assiniboia Downs</i>	<i>6/15-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Australia</i>	<i>6/15-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Calder</i>	<i>6/15-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Canterbury Park</i>	<i>6/15-9/5/06</i>	<i>Full or Partial Cards</i>
<i>Churchill Downs</i>	<i>6/15-7/10/06</i>	<i>Full or Partial Cards</i>
<i>Delaware Park</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Ellis Park</i>	<i>7/13-9/5/06</i>	<i>Full or Partial Cards</i>
<i>Fort Erie</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Hastings Park</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Hawthorne</i>	<i>9/23-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Hoosier Park</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Laurel Park</i>	<i>8/10-8/26/06</i>	<i>Full or Partial Cards</i>
<i>Lone Star</i>	<i>6/14-7/17/06</i>	<i>Full or Partial Cards</i>
<i>Louisiana Downs</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Meadowlands</i>	<i>9/30-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Monmouth Park</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Northlands Park</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>NYRA</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Penn National</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Philadelphia Park</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Pimlico</i>	<i>9/8-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Prairie Meadows</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Remington Park</i>	<i>8/5-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Suffolk Downs</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Thistledown</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Timonium</i>	<i>8/27-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Turfway Park</i>	<i>9/7-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Woodbine</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>

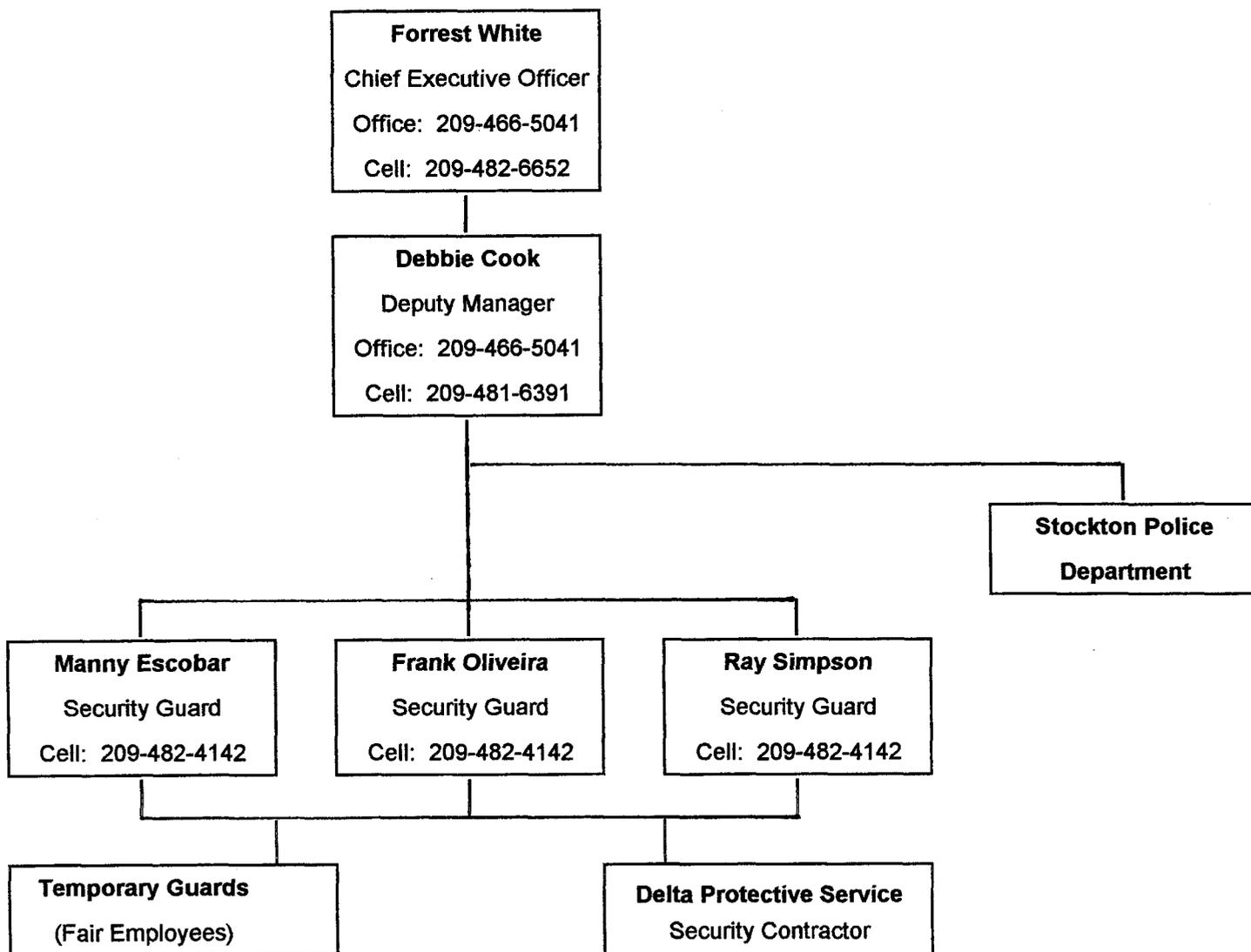
Paddock Judge	Joe Gibson
Patrol Judges	Joe Gibson, Danny Winick
Placing Judges	Matthew Nichols, James Dreyer
Starter	Robert Mooneyhan
Timer	Melody Truitt

- B. Management officials in the racing department:
- | | |
|-----------------------------------|-------------------------|
| Director of Racing | Forrest J. White |
| Racing Secretary | Bob Moreno |
| Assistant Racing Secretary | Robert Latzo |
| Paymaster of Purses | Vicki Layne |
- Others (identify by name and title)
- C. Name, address and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards:
Kelly Girl, 723 N. Main Street, Manteca, CA 95336. Phone: 209-823-9356
- 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. Contract Expires: December 7, 2007
- E. Photopatrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract. Specify the number and location of cameras for dirt and turf tracks.
Pegasus Communications, Inc. - Jim Porep Contract Expires: April 30, 2008
Equipment description on file with the Board. 5 cameras, (3 tower, 1 pan, 1 hand-held)
- F. Type of electronic timing device to be used for the timing of all races, name of the person supplying the service, and expiration date of the service contract:
Pegasus Communications, Inc. - Jim Porep Contract Expires: April 30, 2008

10. 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. **Organizational Chart and List of Security Personnel attached.**
Forrest J. White, CEO - Office: 209-466-5041; Cell: 209-482-6652
Debbie Cook, Deputy Manager - Office: 209-466-5041; Cell: 209-481-6391
- B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis: **Stable area gate persons - 7; Stable area patrol – 2;**
Grandstand security guards – 8.
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 applicable.**
 2. Detention Barns: **Not applicable.**
 - 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.

San Joaquin Fair
Racing Security Controls
Organizational Chart
2006



10.A. Security Controls**Security Personnel and Telephone Numbers**

Name	Title	Office Phone	Cell Phone
Forrest J. White	CEO	209-466-5041	209-482-6652
Debbie Cook	Deputy Manager	209-466-5041	209-481-6391
Manny Escobar	Security Guard		209-482-4142
Frank Oliveira	Security Guard		209-482-4142
Ray Simpson	Security Guard		209-482-4142

San Joaquin Fair
Proposed Backstretch Security Measures
2006

In 2006, the San Joaquin Fair will work with CHRB and California Authority of Racing Fairs (CARF) to achieve a dispersed presence of uniformed track security personnel in the backstretch throughout the day, in addition to the normal complement of CHRB investigative staff. The Fair proposes to proceed as follows:

1. Work with CARF and CHRB staff to train designated track security supervisors and personnel prior to each Fair meeting. CARF will coordinate this training between the Fair and CHRB staff.
2. Coordinate track backstretch security oversight on a daily basis with CHRB investigative staff.
3. Deploy uniformed track security personnel on random security patrols through backstretch area from 7:00 a.m. until the last race.
4. Provide radio communication between track security personnel and CHRB investigative staff.

3. TCO2 Testing:

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

B. Plan for enhanced surveillance for trainers with high-test results.
Trainer with high test results will be moved to the Detention Area.

C. Plan for detention barns for repeat offenders.
Ten (10) stalls adjacent to Test Barn, which are under 24-hour video surveillance.

D. Number of security personnel assigned to the TCO2 program.
One (1) 24-hour security guard when Detention Stalls are occupied.

C. Describe the electronic security system. **Grandstand has a complete electronic system including cameras, motion and contact security measure.**

1. Location and number of video surveillance cameras for the detention barn and stable gate.
Four (4) video cameras installed on TC02 Testing Trailer, which cover the entire Detention Barn area.

11. 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 Phone: 209-948-5136
888 E. Lindsay Street, Stockton, CA 95202

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

Alameda County Fair: American Medical Response Phone: 510-895-7600
640 – 143rd Ave., San Leandro, CA 94577

Golden Gate Fields: Turf Rescue, LLC Phone: 510-581-8470
19615 Barclay Rd., Castro Valley, CA 94546

C. Attach a fire clearance from the fire authority having jurisdiction over the premises.
Inspection scheduled for the week of May 22, 2006.

D. Attach a Certificate of Insurance for workers' compensation coverage. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of insurance that secures the liability of the fair for payment of workers' compensation. **Attached.**

12. 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:

Ovations/FanFare LP
4501 Pleasanton Avenue, Pleasanton, CA 94566

Food, Alcoholic and Non-alcoholic beverage vendor

Patricia Visco, Photos by Frank
5016 Royal Drive, Las Vegas, NV 89103

Winner's Circle Photos

February 23, 2006

To: California Horse Racing Board (CHRB)
Attn: Pat Noble
1010 Hurley Way, Suite 300
Sacramento, CA 95825

Re: San Joaquin Fair/2nd DAA
1658 S. Airport Way
Stockton, CA 95206

Please be advised that the San Joaquin Fair/2nd DAA is a member of the California Fair Services Authority (CFSA), and participates in the following self-insurance and loss pooling programs which are administered by CFSA:

I. COMPREHENSIVE GENERAL LIABILITY PROGRAM

- A. Primary Coverage \$1,000,000 self-insured retention California Fair Services Authority
Coverage continuous until cancelled
- B. Excess Coverage \$9,000,000 in excess of \$1,000,000
Coverage provided by Insurance Company of the State of Pennsylvania
Term: 01/01/2006 to 01/01/2007

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: \$149,500,000 in excess of \$500,000
(b) Employers' Liability: \$4,500,000 in excess of \$500,000
Coverage provided by California Public Entity Insurance Authority
Term: 07/01/2005 to 07/01/2006

CFSA represents to CHRB 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 San Joaquin Fair/2nd DAA as set forth in CHRB'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,



Charles A. Mitchell
Risk Manager

Speeda Sound 5717 W. San Madele, Fresno, CA 93722	Racing Grandstand Sound System
Lorene Dutton 1129 Avenida Sevilla, #7B, Walnut Creek, CA 94595	Jockey's Laundry
NOTWINC 11875 Dublin Blvd, Dublin, CA 94568	Armored Car Service
Daily Racing Form 100 Broadway, 7 th Floor, New York, NY 10005	Program Printing and Delivery
United Puett Starting Gate Co. - Michael Costello 224 Tater Hill Road, East Haddam, CT 06423	Starting Gate
Nikki's Secrets, Jan Reed P.O. Box 70207, Point Richmond, CA 94807-0207	Tip Sheets

13. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

- A. Describe any promotional plans: **Hispanic Announcer on both Sundays; Big Screen TV (24' x 18') on main grounds which carries the daily racing program.**
- B. Number of hosts and hostesses employed for meeting: **10**
- C. Describe facilities set aside for new fans: **Fan Education Kiosk with attendants & educational giveaways.**
- D. Describe any improvements to the physical facility in advance of the meeting that directly benefits:
1. Horsemen **Resurfaced barn roadways**
 2. Fans **Resurfaced Paddock/Jocks Room Entry Gate**
 3. Facilities in the restricted areas **Re-wire phone system**

14. SCHEDULE OF CHARGES

- A. Proposed charges, note any changes from previous year:
- | | | |
|------------------------------|---------------------|---------------------|
| Admission (general) | \$8.00 Adult | \$5.00 Child |
| Admission (clubhouse) | N/A | |
| Reserved seating (general) | N/A | |
| Reserved seating (clubhouse) | N/A | |
| Parking (general) | \$5.00 | |
| Parking (preferred) | \$7.00 | |
| Parking (valet) | N/A | |
| Programs (on-track) | \$1.00 | |
| (off-track) | \$2.00 | |
- B. Describe any "Season Boxes" or other special accommodation fees:
All Box Seats are sold out in advance.
- C. Describe any "package" plans such as combined parking, admission and program: **None**

15. JOCKEYS' QUARTERS

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

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

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

14' x 30' Modular facility with three dressing stalls, three showers, two toilets, lounge area, one steam bath and three sinks.

16. BACKSTRETCH EMPLOYEE HOUSING

- A. Inspection of backstretch housing was completed by **CHRB Investigator Martin Snezek 3/29/06.**
- B. Number of rooms used for housing on the backstretch of the racetrack: **82**
- C. Number of restrooms available on the backstretch of the racetrack:
5 Restroom facilities containing toilets and showers
- D. Estimated ratio of restrooms to the number of backstretch personnel:
One (1) restroom facility per 100 people (each restroom contains 4 toilets)

17. TRACK SAFETY

- A. Total distance of the racecourse - measured from the finish line counterclockwise (3' from the inner railing) back to the finish line: feet.
- B. Describe the type(s) of materials used for the inner and outer railings of the race course, the type of inner railing supports (i.e., metal gooseneck, wood 4" x 4" uprights, offset wood 4" x 4" supports, etc.), the coverings, if any, on the top of the inner railing, and the approximate height of the top of the inner railing from the level of the race course.
Outer rail comprised of 3" aluminum posts with 3" aluminum railing on top at a height of 40" (a portion of outside rail is chain link fence). A Sterline inner rail is made up of off-set galvanized posts with extended aluminum railing on top at a height of 42" with an overhang of 24".
- C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474: **Track Masters (Steve Wood)**
- D. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474. **On file**
- E. If the fair is requesting approval to implement alternate methodologies to the provisions of Article 3.5, Track Safety Standards, pursuant to CHRB Rule 1471, attach a Certificate of Insurance for liability insurance which will be in force for the duration of the meeting specified in Section 2. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of liability insurance. Additionally, the CHRB must be listed as additionally insured on the liability policy at a minimum amount of \$3 million per incident. The liability insurance certificate must be on file in the CHRB headquarters office prior to the conduct of any racing. **N/A**

18. DECLARATIONS

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

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

19. CERTIFICATION BY APPLICANT

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

FORREST J. WHITE
Print Name

F. J. White
Signature

C.E.O.
Print Title

3-13-06
Date

STAFF ANALYSIS
April 27, 2006

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE ALAMEDA COUNTY FAIR AT PLEASANTON JUNE 28, 2006 THROUGH JULY 9, 2006.

Alameda County Fair (ACF) filed its application to conduct a horse racing meeting at Pleasanton:

- June 28 through July 9, 2006, or 11 days, the same as 2005. The fair proposes to race a total of 122 races, two more than 2005.
- The race dates proposed are the approved dates allocated to the fair.

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

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

- Racing Wednesday through Tuesday the first week and Thursday through Sunday the second week. 10 races per day Wednesday, Thursday and Friday and 12 races Monday, Tuesday, Saturday and Sunday.
 - Number of horses available determines the number of daily races programmed by breed.
 - 2005 Race Meeting: Average number of runners per race (TB): 7.6
2005 Race Meeting: Average number of runners per race (Arabian): 7.2
2005 Race Meeting: Average number of runners per race (Appaloosa): 6.0
2005 Race Meeting: Average number of runners per race (Quarterhorse): 6.6
2005 Race Meeting: Average number of runners per race (Mules): 6.5

Hollywood Park (HP) and ACF are not racing concurrently on ACF's opening day, June 28, 2006 and on July 6, 2006. HP's application was approved at the March 2006 meeting of the Board. Their racing dates are shown below:

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

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

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

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

- First post 12:15 p.m.
- Specific changes from the 2005 license application:
 - Offering a 30% discount for on-line advance sale tickets.
- Request Patrick Kealy be appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety requirements have been fulfilled.
- Wagering program will use CHRB rules.
 - \$1 pick 4 on the first 4 and last 4 races and \$2 pick 6 on the last 6 races.
 - \$1 place pick all on all races carded.
 - Early wagering will not be offered.
- Simulcasting conducted with other out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- Inspection of backstretch worker housing completed.

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

FROM THE FAIR:

1. Name of the announcer.

FROM CARF:

1. All horsemen's agreements.

RECOMMENDATION:

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

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

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

1. APPLICANT FAIR ASSOCIATION

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

Alameda County Agricultural Fair Association
4501 Pleasanton Avenue, Pleasanton, CA 94566
925-426-7600 925-426-7699 (Fax)

B. Fair association is a: District Fair County Fair Citrus Fruit Fair
 California Exposition and State Fair Other qualified fair

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

2. DATES OF RACE MEETING

A. Inclusive dates of race meeting: **June 28, 2006– July 9, 2006**

B. Dates racing will NOT be held: **July 5, 2006**

C. Total number of racing days: **11**

3. RACING PROGRAM

A. Total number of races: **122**

B. Number of races by breed:

Thoroughbreds Quarter Horses Appaloosas
 Arabians Paints Mules

C. Number of races daily: **Running Tuesday, July 4 and Dark on Wednesday, July 5**

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Thoroughbred	9	9	9	7	7	7	9
Other Breeds	3	3	3	3	3	3	3
Total	12	12	12	10	10	10	12

CHRB CERTIFICATION	
Application received: <i>3/27/06</i>	Hearing date: <i>4/27/06</i>
Reviewed: <i>PN</i>	Approved date:
	License number:

CHRB-18 (Rev. 7/05)

D. Total number of stakes races by breed:

<input type="text" value="5"/>	Thoroughbreds	<input type="text" value="2"/>	Quarter Horses	<input type="text" value="0"/>	Appaloosas
<input type="text" value="2"/>	Arabians	<input type="text" value="0"/>	Paints	<input type="text" value="0"/>	Mules

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

ALAMEDA COUNTY FAIR ASSOCIATION PROPOSED 2006 STAKES SCHEDULE
2006 ALAMEDA COUNTY FAIR STAKES RACES PROPOSED

THOROUGHBRED:

Alameda County Fillies and Mares Handicap – 38th Running \$50,000 Guar. Tues. July 4
Fillies and Mares 3 years old and upward – 1 1/16 Miles

Sam J. Whiting Memorial Handicap – 44th Running \$50,000 Guar. Sat. July 8
3-year olds and upward – 6 Furlongs

Alamedan Handicap – 41th Running \$50,000 Guar. Sun. July 9
3-year olds and upward 1 1/16 Miles

The rest of the proposed stakes will be overnight stakes.

QUARTER HORSE:

P.C.Q.H.R.A. Handicap – 37th Running \$10,000 Guar. Sat. July 1
3-year olds and upward, 350 yards

Jack Robinson Handicap – 33rd Running \$10,000 Guar. Sun. July 9
3-year olds and upward, 870 yards

ARABIAN:

Pleasanton Arabian Distaff – 7th Running \$10,000 Guar. Tues. July 4
Fillies and Mares 3- years old and upward – 5 ½ Furlongs

Pleasanton Arabian Handicap – 11th Running \$10,000 Guar. Sat. July 8
3-years old and upward – 5 ½ Furlongs

THOROUGHBRED OVERNIGHT STAKES

Juan Gonzalez Memorial Stakes – 28th Running \$40,000 Added Sat. July 1
Fillies 2-years old – 5 Furlongs (Plus up to \$12,000 for Cal-Breds)

Everett Nevin Alameda County Futurity – 45th Running \$50,000 Added Sun. July 2
2-year olds bred in California – 5 Furlongs (Inc. \$10,000 from Cal-Bred Race Fund)

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

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

Race Number	Weekdays	Weekends & July 3& 4
Race # 1	12:15 p.m.	12:15 p.m.
Race # 2	12:47 p.m.	12:47 p.m.
Race # 3	1:20 p.m.	1:17 p.m.
Race # 4	1:52 p.m.	1:49 p.m.
Race # 5	2:24 p.m.	2:20 p.m.
Race # 6	2:56 p.m.	2:50 p.m.
Race # 7	3:35 p.m.	3:22 p.m.
Race # 8	4:04 p.m.	3:52 p.m.
Race # 9	4:32 p.m.	4:22 p.m.
Race # 10	5:02 p.m.	4:52 p.m.
Race # 11		5:25 p.m.
Race # 12		5:48 p.m.

** As much as possible, we intend to align our post times to compliment the Hollywood Park post times*

NOTICE TO APPLICANT Every licensee conducting a horse racing meeting shall each racing day provide for the running of at least one race limited to California-bred horses, to be known as the "California-bred race" pursuant to CHRB Rule 1813.

4. FAIR ASSOCIATION

A. Names of the fair directors:

Lil Arnerich	Jackie Courtright	Tim Koopmann	Anthony Pegram	Richard Sealana
Sherman Balch	Patsy Gilbert	Janet Lockhart	John Penna	Billie Sherwood
Nell Barnett	Frank Imhof	Tony Macchiano	Pete Ruggeri	Anthony Varni
Keith Boyer	Patricia Ising	Michael Nieto	Tracy Saia	Naomi Wallace
Jim Coelho	Jack Kavanagh	Patrick O'Brien	Arthur Scott	Ario Ysit

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

Keith Boyer	Jim Coelho	Jack Kavanagh	Tracy Saia	Billie Sherwood
Naomi Wallace	Ario Ysit			

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

Name	Title
Rick K. Pickering	C.E.O. and Director of Racing
Randy Magee	C.F.O.
Tony Macchiano	President, Board of Directors
Bob Moreno	Racing Secretary
Billie Sherwood	Chairman, Satellite/Racing Committee
Jeanne Wasserman	Satellite Manager
Jim Burns	Racetrack Superintendent/Maintenance
Bryan Wayne	Mutual Manager
T.B.A.	Announcer

5. PURSE PROGRAM

A. Purse distribution:

1. All races other than stakes:

CHRB-18 (Rev. 7/05)

1. All races other than stakes:
 - Current meet estimate: **\$1,277,500**
 - Prior meet actual: **\$1,317,466**

 2. Overnight stakes:
 - Current meet estimate: **\$ 130,000 (Includes \$10,000 from C.T.B.A.)**
 - Prior meet actual: **\$ 130,000**

 3. Non-overnight stakes:
 - Current meet estimate: **\$ 150,000**
 - Prior meet actual: **\$ 150,000**
- B. Funds to be generated for all California-bred incentive awards:
- Current meet estimate: **\$ 155,564**
 - Prior meet actual: **\$ 155,564**
- C. Payment to each recognized horsemen's organization contracting with the fair:
- | | Current Meet Estimate | Prior Meet Actual |
|-----------------|-----------------------|-------------------|
| CTT | \$ 5,422 | \$ 5,422 |
| TOC | \$ 10,844 | \$ 10,844 |
| NTRA | \$ 21,230 | \$ 21,230 |
| PCQHRA | \$ 1,147 | \$ 1,147 |
| CWAR | \$ 184 | \$ 184 |
| ARAC | \$ 3,705 | \$ 3,705 |
| AMRA | \$ 4,118 | \$ 4,118 |
| CHBPAPEN | \$ 16,267 | \$ 16,267 |
| CTHF | \$ 16,267 | \$ 16,267 |
| TOTAL | \$ 79,184 | \$ 79,184 |
- D. Amount from **all sources** to be distributed at the meeting in the form of purses or other benefits to horsemen (5A+5B+5C):
- Current meet estimate: **\$ 1,792,248**
 - Prior meet actual: **\$1,832,214 (Does not include \$84,160 paid in starter purses)**
- E. Purse funds to be generated from on-track handle and intrastate off-track handle:
- Current meet estimate: **\$1,644,821**
 - Prior meet actual: **\$1,644,821**
- F. Purse funds to be generated from interstate handle:
- Current meet estimate: **\$187,393**
 - Prior meet actual: **\$187,393**
- G. Bank and account number for the Paymaster of Purses' purse account:
West America Bank (C.A.R.F.) Account No: 0601064512
- H. Name, address and telephone number of the pari-mutuel audit firm engaged for the meeting:
Disher Accountancy Corp., 1816 Maryal Dr., Sacramento, CA 95864 (916-482,4224)

NOTICE TO APPLICANT All funds generated and retained from on-track pari-mutuel handle which are obligated by law for distribution in the form of purses, breeders' awards or other benefits to horsemen, **shall not** be deemed as income to the fair and **shall**, within 3 calendar days

CHRB-18 (Rev. 7/05)

following receipt, be deposited in a segregated and separate liability account in a depository approved by the CHRB and shall be at the disposition of the Paymaster of Purses, who shall pay or distribute such funds to the persons entitled thereto. All funds generated from off-track simulcast wagering, interstate wagering, and out-of-state wagering which are obligated by law for distribution in the form of purses and breeders' awards, shall also be deposited within 3 calendar days following receipt into such liability account. In the event the fair is obligated to the payment of purses prior to those obligated amounts being retained from pari-mutuel wagering for such purpose, or as a result of overpayment of earned purses at the conclusion of the meeting, the fair shall transfer from its own funds such amounts as are necessary for the Paymaster of Purses to distribute to the horse owners statutorily or contractually entitled thereto. The fair is entitled thereafter to recover such transferred funds from the Paymaster of Purses' account; and if insufficient funds remain in the account at the conclusion of the meeting, the fair is entitled to carry forward the deficit to its next succeeding meeting as provided by B&P Code Section 19615(c) or (d). In the event of **underpayment** of purses which results in a balance remaining in the Paymaster of Purses' account at the conclusion of the meeting after distribution of amounts due to horsemen and breeders and horsemen's organizations, the fair may carry forward the surplus amount to its next succeeding meeting; provided, however, that the amount so retained does not exceed an amount equivalent to the average daily distribution of purses and breeders' awards during the meeting. All amounts in excess shall be distributed retroactively and proportionally in the form of purses and breeders' awards to the horse owners and breeders having earned purses or awards during the conduct of the meeting.

6. STABLE ACCOMMODATIONS

- A. Number of usable stalls available for racehorses at the track where the meeting is held:
684 - (Portables also available if needed)
- B. Minimum number of stalls believed necessary for the meeting: **3,500**
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: **3,000**
- D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site:

Bay Meadows, San Mateo, California	700 stalls
Golden Gate Fields, Albany, California	1,400 stalls
Solano County Fair, Vallejo, California	900 stalls

- E. Attach each contract or agreement between the fair and the person(s) furnishing off-site stabling accommodations for eligible racehorses that cannot be provided stabling on-site.
Northern California Stabling and Vanning Fund

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

- F. Total number of usable stalls made available **on-site** for the **1986** meeting: **884**
- G. Estimated cost to provide **off-site** stalls for this meeting. Show cost per-day per stall:
Northern California Stabling and Vanning Fund
- H. Estimated cost to provide **vanning** from off-site stalls for this meeting. Show fees to be paid for vanning **per-horse**: **None**

7. PARI-MUTUEL WAGERING PROGRAM

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

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

	<u>TYPE OF WAGERS</u>	<u>APPLICABLE RULES</u>
Example	\$1 E; \$1 Double	CHRB #1959; RCI #VE
Race #1	\$1E, \$1PK3, \$1TRI, \$2Q, \$2DD \$.10SF, \$1PPN%, \$1PK4	1959, 1977, 1979, 1958, 1957, 1979.1, 1976.8, 1978
Race #2	\$1E, \$1PK3, \$1TRI, \$2Q, \$2DD \$.10SF, \$1PPN%	1959, 1977, 1979, 1958, 1957, 1979.1, 1976.8
Race #3	\$1E, \$1PK3, \$1TRI, \$2Q, \$2DD \$.10SF, \$1PPN%	1959, 1977, 1979, 1958, 1957, 1979.1, 1976.8
Race #4	\$1E, \$1PK3, \$1TRI, \$2Q, \$2DD \$.10SF, \$1PPN%	1959, 1977, 1979, 1958, 1957, 1979.1, 1976.8
Race #5	\$1E, \$1PK3, \$1TRI, \$2Q, \$2DD, \$.10SF \$2PNP@, \$1PPN%	1959, 1977, 1979, 1958, 1957, 1979.1, 1976.9, 1976.8
Race #6	\$1E, \$1PK3, \$1TRI, \$2Q, \$2DD, \$.10SF \$2PNP@, \$1PPN%	1959, 1977, 1979, 1958, 1957, 1979.1, 1976.9, 1976.8
Race #7	\$1E, \$1PK3, \$1PK4*, \$1TRI, \$2Q, \$2DD \$.10SF, \$2PNP@, \$1PPN%	1959, 1977, 1978, 1979, 1958, 1957, 1979.1, 1976.9, 1976.8
Race #8	\$1E, \$1PK3, \$1TRI, \$2Q, \$2DD, \$.10SF, \$2PNP@, \$1PPN%	1959, 1977, 1979, 1958, 1957, 1979.1, 1976.9, 1976.8
Race #9	\$1E, \$1PK3, \$1PK4*, \$1TRI, \$2Q, \$2DD \$.10SF, \$2PNP@, \$1PPN%	1959, 1977, 1978, 1979, 1958, 1957, 1979.1, 1976.9, 1976.8
Race #10	\$1E, \$1PK3, \$1TRI, \$2Q, \$2DD, \$.10SF, \$2PNP@, \$1PPN%	1959, 1977, 1979, 1958, 1957, 1979.1, 1976.9, 1976.8
Race #11	\$1E, \$1TRI, \$2Q, \$2DD, \$.10SF, \$2PNP@, \$1PPN%	1959, 1979, 1958, 1957, 1979.1, 1976.9, 1976.8
Race #12	\$1E, \$1TRI, \$2Q, \$2DD, \$.10SF, \$2PNP@, \$1PPN%	1959, 1979, 1958, 1957, 1979.1, 1976.9, 1976.8

B. Maximum carryover pool to be allowed to accumulate before its distribution OR the date(s) designated for distribution of the carryover pool: **July 9, 2006 (Closing Day)**

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

\$1PK4* on first 4 and last 4 races
@\$2Pick 6 on last 6 races
% \$1 Place Pick All on all races carded

D. Will "advance" or "early bird" wagering be offered? Yes No
 If yes, when will such wagering begin:

E. Type(s) of pari-mutuel or totalizator equipment to be used by the fair and the simulcast organization, the name of the person(s) supplying equipment, and expiration date of the service contract: **Scientific Games Racing (David Payton) Expiration: September 30, 2006.**

Equipment description on file with Board.**8. SIMULCAST WAGERING PROGRAM**

- A. Simulcast organization engaged by the fair to conduct simulcast wagering:
California Authority of Racing Fairs (Northern California Off-Track Wagering, Inc.)
- B. Attach the agreement between the fair and simulcast organization permitting the organization to use the fair's live audiovisual signal for wagering purposes and providing access to its totalizator for the purpose of combining on-track and off-track pari-mutuel pools. **On file.**
- C. California simulcast facilities the fair proposes to offer its live audiovisual signal:
All California Facilities authorized to accept the signal.
- D. Out-of-state wagering systems the fair proposes to offer its live audiovisual signal: **Attached**
- E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the fair:
Attached
- F. List the host tracks from which the fair proposes to import out-of-state and/or out-of-country thoroughbred races. Include the dates imported races will be held and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races":
Attached

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

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

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

- G. List imported simulcast races the fair plans to receive during the racing meeting which use breeds other than the breed of the majority of horses racing at its live horse racing meeting. Include the name of the host track, the dates imported races will be held, and how many races will be imported:

N/A

OTHER BREED SIMULCAST RACES TO BE IMPORTED

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

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

NOTICE TO APPLICANT All interstate wagering to be conducted by a fair is subject to the provisions of Title 15, United States Codes, which require specific **written** approval of the CHRB and of the racing commission having jurisdiction in the out-of-state venue. All international wagering to be conducted by a fair is subject to the provisions of B&P Code Sections 19596, 19596.1, 19596.2, 19596.3, 19601, 19602, and 19616.1, and will require specific written approval of the CHRB.

Every fair shall pay to the simulcast organization within 3 calendar days following the closing of wagering for each racing program, or upon receipt of the proceeds, such amounts that are retained from off-track simulcast wagering, interstate and out-of-state wagering and which are obligated by statute for guest commissions, simulcast operator's expenses and promotions, equine research, local government

2006 Northern California Racing Fairs – Simulcast

8 Simulcast Wagering Program

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

Prepared 3/29/06

Separate:

Arima Race Club	TRINI
Caliente (MIR)	CA
Caymanas Park	JAM
Flamboro Downs	CAN
Fraser Downs	CAN
Hastings Entertainment Inc.	CAN
Hippodromo Presidente Remon (MIR)	MEX
IWS/International Wagering Sytems, Inc.	CA
Las Vegas Dissemination Co.	NV
Stevenson & Associates, Inc.	MD
Teletheatre BC	CAN
Woodbine Entertainment Group	CAN

Commingled:

Acoma Pueblo	NM
AmericaTab	OH
AmWest Entertainment	SD
Arapahoe Park	CO
Arlington International Racecourse	IL
Atlantic City Casino Assn.	NJ
Atlantic City Race Course	NJ
Atlantis Paradise Island Casino	FL
Atokad Downs	NE
Balmoral Park / Maywood	IL
Bettor Racing OTB/Royal River	SD
Beulah Park	OH
Birmingham Race Course	AL
Blue Ribbon Downs	OK
Bluffs Run Greyhound Park & Casino	IA
Boyd Gaming, d/b/a Delta Downs	LA
Buffalo Trotting Association	NY
Calder Race Course	FL
Canterbury Park	MN
Capital Regional District OTB	NY
Capitol Racing at Western Idaho Fair	ID
Capitol Sports Pty Ltd.	AUS
Catskill Regional OTB	NY
Charles Town Race Course	WV
Choctaw Racing Services, LLC	OK
Churchill Downs	KY
Coeur d' Alene Casino	ID
Coeur d' Alene Casino Phone	ID
Coeur d' Alene Greyhound Park	ID
Comanche Nation Games	OK
Connecticut OTB	CT
Corpus Christi Greyhound Race Track	TX
Crystal Palace Casino	BA
Crystal Palace Casino	BAH
Dairyland Greyhound Park	WI
Darwin (International) All-Sports	AUS
Delaware Park	DE
Delta Downs (Boyd Gaming)	LA
Dover Downs	DE

Downs at Albuquerque	NM
Dubuque Greyhound	IA
Elite Turf Club	
Ellis Park	KY
Emerald Downs	WA
Equus St Thomas Racing	VI
Euro Off-Track	FL
European Simulco AKA MEC Sport & Entertainment	CA
Evangeline Downs	LA
Excelsior Casino (Via Suffolk)	AR
Fair Grounds Race Course	LA
Fair Meadows at Tulsa	OK
Fairmount Park	IL
Finger Lakes Race Track	NY
Fire Lakes Casino	OK
Fonner Park	NE
Freehold Raceway	NJ
Geneva Lakes Kennel Club	WI
Gillespie County Fair Race Meet	TX
Great Lakes Downs	MI
Gulf Greyhound Park	TX
Gulf Greyhound Park @ Post Falls	ID
Gulfstream Park	FL
Harrington Raceway AKA Midway Slots	DE
Hawthorne National LLC	IL
Hazel Park	MI
Hinsdale Greyhound Park	NH
Holiday Beach	
Hoosier Park	IN
Horsemen's Park	NE
Indiana Downs	IN
International All Sports	OH
International Wagering Sytems, Inc.	CA
Jackson Harness Raceway	MI
Keeneland Association	KY
Kentucky OTB's	KY
Lebanon Raceway	OH
Les Bois Park Simulcast Network	ID
Lewiston Raceways, Inc.	ME
Lien Games, Inc.	ND
Lincoln Greyhound Park	RI
Lone Star Race Park Ltd.	TX
Louisiana Downs (Harrah's)	LA
LVDC/Atlantis Paradise Island Casino, Bahamas	NV
LVDC/Cities of Gold Sports Bar (Pojoaque), NM	NV
LVDC/Comanche Nation Games, OK	NV
LVDC/Elite Turf Club, Curacao	NV
LVDC/Fire Lakes Entertainment	NV
LVDC/Foxwoods Resorts Casino, CT	NV
LVDC/Holiday Beach, Cuaraco	NV
LVDC/Meskwiki Bingo & Casino, IA	NV
LVDC/Red River Casino, OK	NV
LVDC/Spirit Mountain Casino, OR	NV
LVDC/The Stables, OK	NV
LVDC/Tonkawa Bingo, OK	NV

Manor Downs	TX
Maryland Jockey Club	MD
Meadowlands (NJSEA)	NJ
Midway Slots & Simulcast/Harrington Raceway	DE
Montana Simulcast Partners	MT
Monticello Raceway	NY
Mount Pleasant Meadows	MI
Mountaineer Park	WV
Nassau/Suffolk OTB	NY
Nevada Pari-Mutuel Association	NV
New Jersey Sports & Exposition Authority	NJ
New York City Off-Track Betting	NY
New York Racing Association	NY
Newport Jai-Alai	RH
Northfield Park	OH
Northville Downs	MI
Northville Downs Corp.	MI
Oaklawn Park	AR
Ocean Downs	MD
Penn National Race Course	PA
Philadelphia Park	PA
Plainridge Race Course	MA
Pocono Downs	PA
Portland Meadows	OR
Prairie Meadows	IA
Raceway Park	OH
Racing & Gaming Services, Inc.	WI
Randall James Racetrack	
Raynham-Taunton Greyhound Park	
Remington Park	OK
Retama Park	TX
River Downs	OH
Rockingham Park	NH
Rosecroft Raceway	MD
Royal Beach Casino	
Royal River Racing (Bettor Racing OTB)	ID
Ruidoso Downs	NM
Saginaw Harness Raceway	MI
Sam Houston Race Park, LTD	TX
Saratoga Raceway	NY
Scarborough Downs	ME
Scioto Downs	OH
Seabrook Greyhound	NH
Southland Greyhound Park	AR
Sports Creek Raceway	MI
State Fair Park	NE
Stevenson & Associates, Inc. (Common)	MD
Stevenson & Associates, Inc., (Books)	MD
Suffolk Downs	MA
Suffolk Downs OTB	MA
Suffolk Regional OTB	NY
Sunland Park	NM
SunRay Park	NM
Tampa Bay Downs	FL
The Greyhound Park at Post Falls	ID
The Meadows	PA
The Racing Channel, Inc. (Domestic)	OR
The Racing Network International, Inc.	OR
The Texas Hub at Gulf Greyhound	TX
Thistledown Racing	OH
Tote Investment Group	
Tri-State Racetrack & Gaming Center	WV
Turf de Venezuela	VEN
Turf Paradise	AZ
Turfway Park	KY
TVG Network	CA

U.S. Off Track, LLC	FL
Valley Greyhound Park (Via Sam Houston)	TX
Vernon Downs	NY
Western Regional OTB	NY
Wheeling Downs	WV
Wichita Greyhound Park	KS
Wonderland Greyhound Park	MA
Woodlands	KS
Wyoming OTB	WY
XpressBet, Inc	CA
Yavapai	AZ
Yonkers Raceway	NY
Youbet	CA
Zia Park Racetrack	NM

2006 Northern California Racing Fairs – Simulcast

8 Simulcast Wagering Program

F. List the host tracks from which the fair proposed 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”:

<i>Arlington Park</i>	<i>6/15-9/18/06</i>	<i>Full or Partial Cards</i>
<i>Assiniboia Downs</i>	<i>6/15-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Australia</i>	<i>6/15-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Calder</i>	<i>6/15-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Canterbury Park</i>	<i>6/15-9/5/06</i>	<i>Full or Partial Cards</i>
<i>Churchill Downs</i>	<i>6/15-7/10/06</i>	<i>Full or Partial Cards</i>
<i>Delaware Park</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Ellis Park</i>	<i>7/13-9/5/06</i>	<i>Full or Partial Cards</i>
<i>Fort Erie</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Hastings Park</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Hawthorne</i>	<i>9/23-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Hoosier Park</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Laurel Park</i>	<i>8/10-8/26/06</i>	<i>Full or Partial Cards</i>
<i>Lone Star</i>	<i>6/14-7/17/06</i>	<i>Full or Partial Cards</i>
<i>Louisiana Downs</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Meadowlands</i>	<i>9/30-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Monmouth Park</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Northlands Park</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>NYRA</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Penn National</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Philadelphia Park</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Pimlico</i>	<i>9/8-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Prairie Meadows</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Remington Park</i>	<i>8/5-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Suffolk Downs</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Thistledown</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Timonium</i>	<i>8/27-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Turfway Park</i>	<i>9/7-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Woodbine</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>

CHRB-18 (Rev. 7/05)

8

following the closing of wagering for each racing program, or upon receipt of the proceeds, such amounts that are retained or obligated from off-track simulcast wagering, interstate and out-of-state wagering for purses, breeders' awards or other benefits to horsemen. (See Notice to Applicant, Section 5.)

9. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

A. Racing officials nominated:

Association Veterinarian(s)	Dr. Robert Connolly (Track) & (Fitness)
Clerk of Scales	Gary Lawless
Assistant Clerk of Scales	Danny Winick
Clerk of the Course	Dolores Collins (E-Breeds) & Anne Daftary (Thoroughbreds)
Assistant Clerk of the Course	Tina Walker & Lisa Jones
Film Specialist	James Dreyer
Horse Identifier	Patrick Kealy
Horseshoe Inspector	Jack Hammonds
Paddock Judge	Joe Gibson
Patrol Judges	James Dreyer & Kenneth Sjoldal
Placing Judges	Greg Brent & Ella Robinson
Starter	Robert Mooneyhan
Timer	Melody Trutt

B. Management officials in the racing department:

Director of Racing	Rick K. Pickering
Racing Secretary	Bob Moreno
Assistant Racing Secretary	Linda Anderson
Paymaster of Purses	Vicki Layne (C.A.R.F.)
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:

**Secretary, Alameda County Agricultural Fair Association
4501 Pleasanton Avenue, Pleasanton, CA 94566, 925-426-7600**

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 12/7/07)

E. Photopatrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract. Specify the number and location of cameras for dirt and turf tracks.

Pegasus Communication, Inc. (Jim Porep) (Expires April 30, 2008)

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 Communication, Inc. (Jim Porep) (Expires April 30, 2008)

10. 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. **Organizational chart attached.**

contact telephone numbers. **Organizational chart attached.**
Racetrack/Grandstand: Alameda County Sheriff Chief in Charge
Barn Area: David Rezendes, President, Security Eye Patrol, Inc.

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

Racetrack/Grandstand: 8 Sheriff's Deputies

Barn Area: 5 Security Officers, 2 Security Rovers, 3 Licensed Gatemen based on 8/hour shifts

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: *(The Fair is not running graded stakes)*
 - A. Attach a plan for use of graded stakes or overnight races. **N/A**
 - B. Number of security guards in the detention barn area during a 24-hour period. **N/A**
 - C. Describe number and location of surveillance cameras in detention barn area. **N/A**
3. TCO2 Testing:
 - A. Number of races to be tested, and number of horses entered in each race to be tested.
All thoroughbred races and all horses
 - B. Plan for enhanced surveillance for trainers with high-test results.
Trainer with high test results will be moved to the detention area
 - C. Plan for detention barns for repeat offenders.
Ten (10) stalls adjacent to Test Barn, which are under 24-hour video surveillance
 - D. Number of security personnel assigned to the TCO2 program.
One (1) 24-hour security guard when detention stalls are occupied.

- C. Describe the electronic security system.

Monitored electronic surveillance of key areas by the Sheriff's Department

1. Location and number of video surveillance cameras for the detention barn and stable gate.
4 surveillance cameras monitoring this area

11. 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 (A.M.R.), 640 143rd Avenue, San Leandro, CA 94577, 510-895-7600

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

**Solano County Fair
 Medic Ambulance
 506 Couch
 Vallejo, CA 94590
 707-644-8989**

**Bay Meadows
 Bayshore Ambulance
 P.O. Box 4622
 Foster City, CA 94404
 650-525-9700**

**Golden Gate Fields
 Turf Rescue LLC
 19615 Barclay Road
 Castro Valley, CA 94546
 510-581-8470**

- C. Attach a fire clearance from the fire authority having jurisdiction over the premises.
Inspection scheduled June 14, 2006.

Item 10 A:

Security Organizational Chart

Security during the Live Race Meet is coordinated by a number of groups. Day-to-day security items are handled the Stable Manager in concert with Security Eye personnel assigned to the Guard Shacks and Barn Area. As issues escalate, Fair Management, Security Eye Management, and the Sheriff's Department become involved as necessary.

Alameda County Agricultural Fair Association

Rick K. Pickering, CEO	925-426-7501
Ed Johnson, Manager of Maintenance Operations	925-426-7500
Judy Carrico, Fair Operations Manager	925-426-7500

Security Eye

Dave Rezendes, President	925-455-6585
Dave Graber, Vice President	925-455-6585
Barn Area Guard Shack, various personnel	925-426-7519
Roadway 12 Guard Shack, various personnel	925-426-7519

Alameda County Sheriff Department

Fairgrounds Command Center	925-426-7525
Lt. Jim Knudsen, Sheriff Liaison Officer	510-272-6901

Note: Confidential cell phone numbers are made available to CHRB staff. Additional security related personnel are available by direct radio contact.

- D. Attach a Certificate of Insurance for workers' compensation coverage. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of insurance that secures the liability of the fair for payment of workers' compensation. **Attached**

12. 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:

CONCESSIN/SERVICE	COMPANY	OWNER	ADDRESS
Food & Beverage (Non-Alcoholic)	Stroud Enterprises	Tom Stroud	5119 North Archerdale, Linden, CA 95236
Food Service	Ovations Fanfare	Charlie Neary Nick Nicora	4501 Pleasanton Avenue, Pleasanton, CA 94566
Food & Beverage (Alcoholic & Non)	Ovations Fanfare	Charlie Neary Nick Nicora	4501 Pleasanton Avenue, Pleasanton, CA 94566
Tip Sheets	Nikki's Secrets	Jan Reed	P.O. Box 70207, Point Richmond, CA 94807
Tip Sheets	Jack's Blue Card	Lisa Wasserman	127 Sun Avenue, San Leandro, CA 94544
Race Program Printing Daily Racing Form	Daily Racing Form		100 Broadway, New York, NY 10005
Winners Circle Pictures	Photos by Frank	Patricia Visco	3015 E. Bayshore Rd., #422, Redwood City, CA 94063
Jockey Laundry Service	Bailey Mobile	Lorene Dutton	3263 Vineyard venue, #35, Pleasanton, CA 94566
Starting Gate	United/Puett Start Gate	Michael Costello	1 Soundview Loop, S. Salem, N.Y. 10590
Sound System	Speeda Sound	Mike King	5617 W. San Madele, Freson, CA 93722
Armor Car Service	NOTWINC		11875 Dublin Blvd., #D275, Dublin, CA 94568

13. ON-TRACK ATTENDANCE/FAN DEVELOPMENT - Attached

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

14. SCHEDULE OF CHARGES

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

General Admission/Grand Stand	Free with Fair Admission
Fair Admission/Adults (13 & older)	\$ 9.00
Advanced Sale Tickets (On-line)	30% discount
Fair Admission/Children (6-12)	\$ 6.00 (Free on Fridays)
Fair Admission/Seniors	\$ 7.00 (Free on Wednesdays)
Fair Admission/V.I.P. Discount	\$ 5.00
Admission (clubhouse)	N/A
Reserved Seating (general)	\$ 3.00
Reserved Seating (clubhouse)	N/A
Parking (general)	\$ 8.00
Parking/Western Pacific Lot	\$13.00
Parking (preferred)	\$13.00



February 23, 2006

To: California Horse Racing Board (CHRB)
Attn: Pat Noble
1010 Hurley Way, Suite 300
Sacramento, CA 95825

Re: Alameda County Fair Association
4501 Pleasanton Avenue
Pleasanton, CA 94566

Please be advised that the Alameda County Fair Association is a member of the California Fair Services Authority (CFSA), and participates in the following self-insurance and loss pooling programs which are administered by CFSA:

I. COMPREHENSIVE GENERAL LIABILITY PROGRAM

- A. Primary Coverage \$1,000,000 self-insured retention California Fair Services Authority
Coverage continuous until cancelled
- B. Excess Coverage \$9,000,000 in excess of \$1,000,000
Coverage provided by Insurance Company of the State of Pennsylvania
Term: 01/01/2006 to 01/01/2007

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: \$149,500,000 in excess of \$500,000
(b) Employers' Liability: \$4,500,000 in excess of \$500,000
Coverage provided by California Public Entity Insurance Authority
Term: 07/01/2005 to 07/01/2006

CFSA represents to CHRB 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 Alameda County Fair Association as set forth in CHRB'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,

Charles A. Mitchell

Risk Manager

A Joint Powers Authority comprised of the State of California, Department of Food & Agriculture, the counties of Humboldt, Lassen, Madera, Mendocino, Monterey, Placer, Plumas, San Benito, San Joaquin, San Mateo, Santa Clara, Solano, Sonoma and Trinity, and the California Exposition and State Fair.



"The Oldest One-mile Racetrack in America"

On-Track Attendance & Fan Development Plan 2006 Alameda County Fair Live Horse Race Meet

The 2006 Alameda County Fair will operate 17 days this summer from June 23 – July 9, with an estimated attendance in excess of 400,000 patrons. The Live Horse Race Meet will be conducted during 11 days of the Fair, June 28 – July 9 (dark on Wednesday, July 5.) More than \$1.9 million in cash and cash equivalents (in-kind advertising) will be spent to promote the 2006 Annual Fair and Race Meet. The majority of advertising for the Annual Fair includes advertising of the Race Meet.

Fair Horse Racing takes racing to the public in a very unique manner. The thrill and excitement of concerts, carnival rides, unique food items, exhibits, etc., all combine to provide a one-of-a-kind experience in a local community. Many first timers and casual players, who might never attend a private track, are exposed to Horse Racing in an exciting manner at California's Racing Fairs. Consequently, the Alameda County Fair utilizes a wide variety of methods to market, promote and advertise Live Horse Racing during its 17-day Annual Fair event.

Our Horse Racing Marketing is designed to enhance on-track attendance and develop fans through a variety of multifaceted marketing channels and on-site experiences. Each element is designed to interconnect into a successful and effective program, helping to create exposure for the Fair Race Meet and Horse Racing in general.

The 2005 Alameda County Fair Horse Racing Meet was successful in attaining many of its goals. The 2005 Live Horse Race Meet had the highest Handle in our history at \$38250,000, up 6.9% from 2004. Contributing to that record high amount was an approximately 19% increase in attendance at the track.

This success was attributed to the even greater inclusion of Horse Racing in the Fair's overall advertising campaigns, and additional promotion from the "Seabiscuit Goes to the Fair" coloring contest. Also contributing was the significant amount of publicity generated by the local media.

The Live Race Meet continues to gain new customers while retaining existing patrons. The continued and increased participation of the Fair patrons in the many Horse Racing promotions offered by the Fair further attests to the fact that our marketing campaigns are attaining many of their objectives.

Sponsorships and Partnerships:

The Marketing Department works year-round to develop strong relationships with local and national companies. Additionally, the Fair develops new advertising partnerships, and strengthens existing partnerships, in an effort to incorporate more "in-kind" trade and promotion into the advertising mix. For example, the Fair Staff will once again partner with the Oakland Coliseum to trade on-site booth presence in the Racing Grandstand for all 11 days of Racing, in exchange for **advertising on the Oakland Coliseum's highly visible electronic reader board (along side Highway 880.)** Additionally, the Valley Times, a local newspaper, will continue to sponsor the Live Race meet due to the great exposure and high subscription sign-up rates the paper received in prior years. Budweiser will once again sponsor the Grandstands. Cross-promotions with Budweiser are currently being planned to increase on-track attendance.

Paid Advertising:

Buying advertising on radio, television, and in print is necessary to encourage more people to come to the Fair and Race Meet. The Fair's general marketing strategy is to include the Race Meet in all advertising mediums whenever possible. For example, a portion of the Fair TV commercial focuses on shots of the horse races. Fair Staff targets sports-related and older generation-formatted radio stations to advertise the Live Race Meet. Print is especially important in advertising the Horse Races. Advertising for the Live Race Meet is included in all general Fair print ads. Additionally, racing-specific ads are created for the sports sections of the newspapers and for sports-focused print media.

Grassroots Marketing:

Poster placement is a grassroots marketing method employed by the Fair. Businesses and public organizations displaying posters, flyers, and brochures advertising the Fair and the Live Race Meet show their community support and enthusiasm for the Fair. Organizations in Alameda County continually support the Fair by allowing Fair information to be included in their internal and external communications, such as newsletters, email programs, direct mail pieces, etc.

Online Marketing:

The Alameda County Fair utilizes the Web to communicate and promote the Fair's message. The website is an informative and functional tool because of the number of ways it can be used. Email newsletters with Horse Racing information are sent via the Internet to the Fair's continually growing database of patrons. Additionally, the website lists the daily schedule and links to real-time race results each day of the Fair's Live Race Meet.

Box Seat Sales:

The Marketing Department is responsible for selling the over 200 Box Seats in the Race Track Grandstands. A number of methods are used to achieve the sale of Box Seats

including direct mail, print advertising and online banner ads at partner websites. Promotion of the Fair's Live Horse Race Meet is incorporated in the Box Seat Sales strategy.

Non-profit Outreach:

Each year the Marketing Department makes available on a daily basis a select number of Box Seats to various non-profit organizations. **The non-profits in turn raffle off "A Day at the Races."** This includes parking, Fair admission and box seat admission.

Publicity:

The Marketing Manager meets with area media prior to the Race Meet to disseminate information on the Race Meet and the many promotions occurring at the Race Track. Print, radio and television media are all used to promote the Race Meet. The Fair Association's Marketing Manager serves as the Racing Publicist and provides information and statistics to various media outlets daily during the Race Meet.

Educational Programs:

The Fair, in partnership with CARF, holds educational seminars every morning before the first Post Time to educate beginners on how to wager at the races. The panel consists of experienced and well-known personalities within the racing industry. Seminars have included such guests as owners, trainers, jockeys, handicappers, racing officials, racing reporters, "tipsters," and information on how to make various wagers. The Fair, CARF and the Daily Racing Form sponsor the daily racing seminars. The Racing Seminars have become quite popular, with attendance increasing year after year.

Promotions:

Many types of promotions have been developed for the 2006 Live Horse Race Meet. Some are designed to attract new patrons, while others cater to existing customers. A sampling includes:

- **"Seabiscuit Goes to the Fair" Coloring Contest** -in the Valley Times newspaper. Each youth who participates will receive a Free Admission ticket to the Fair.
- **Win, Place and Show Contest** -is a randomly drawn voucher giveaway to those who enter the correct Win, Place and Show horses in the ballot box. The prize amount is \$600 per day: \$300 Win, \$200 Place & \$100 Show. The winners are drawn every day after the 8th Race.
- **Horse Racing Themed T-shirt Giveaway** -to the first 1000 people who enter the Win, Place and Show contest on Wednesday, June 28th. Armando Delgado, a famous sports artist, is painting the racing mural. Armando Delgado is scheduled to sign autographs during the T-shirt giveaway.
- **"Jump Start Your Summer" Beach Towel Giveaway** -to the first 1000 people who enter the Win, Place, and Show contest on Thursday, June 29th.
- **\$10,000 Putting Contest** -was such a success in 2005 that the Fair will expand this contest. Each day randomly selected fairgoers will try to qualify for the chance to compete in a 40-yard, \$10,000 Putt on Saturday July 8th.
- **Jockey Photo Day** -Monday, July 3rd, where fairgoers can get their picture taken with a local jockey.
- **NTRA Racing Commercials** -will air on the Fairgrounds Public Address System periodically during the races to promote the Live Race Meet to all Fair patrons.

- **Chamber of Commerce Days at the Races** -where all Chambers within Alameda County are invited to attend the Race Meet on their own day. Chamber Presidents and Executives are hosted in the Fair Director's VIP Lounge for lunch. These honored guests in-turn present a basket in the Winner's Circle during their named race.
- **City Days at the Races** -each Mayor, City Council and City Manager in Alameda County are invited to attend the Race Meet in concert with their local Chamber of Commerce. City Officials are hosted as VIP's and participate in the Winner's Circle presentation.
- **VIP Director's Lounge** -each Director of the Fair Association Board has the opportunity to entertain dignitaries, VIPs, elected officials, business leaders, etc., daily in an air-conditioned lounge at the top of the Race Track Grandstand.
- **The Palm Pavilion** -will offer patrons the opportunity to enjoy full meal and bar services alongside the Rail of the Race Track. Patrons may also place their wagers in the Palm Pavilion.
- **Advertising of Local Businesses** -occurs on the Jumbotron during racing. Many of these businesses cannot afford to advertise at the private tracks.
- **Naming of Feature Races** -is another opportunity provided to businesses, families, local wineries, etc., to showcase their name and products in the Winner's Circle.
- **Public Service Announcements** -appear on the Jumbotron during racing.

Improvements to the Paddock:

The paddock area has been significantly opened up to accommodate more public viewing. The camera coverage of the paddock area has also been enhanced.

Improvements to the Grandstands:

Aesthetic improvements are scheduled to be made to the Grandstands including the painting of scenic murals behind the mutuel lines and other prominent locations. We will also be adding pictures, flags and banners.

Satellite Wagering Facility:

The Fair Association operates the most successful Fair Satellite Wagering Facility in Northern California. The Fair Association's Satellite Wagering Manager takes a very active role in the Live Race Meet and actively cross promotes with Satellite Wagering customers. In-turn the Fair Association also promotes its Satellite Wagering Facility to patrons of the Live Race Meet.



Advertising Plan for 2006 Fair Live Horse Racing

More than \$1.9 million in cash and cash equivalents (in-kind advertising) will be spent to promote the 2006 Alameda County Fair and Race Meet

1. Win Place and Show –Win Place and Show drawing after 7th race for 11 days of racing. (\$10,000)
 - a. Extra booth at Green Gate for signups
 - b. Information handed out at Info Booths to entice Fairgoers to sign up for WPS
2. Print
 - a. Racing Forum (\$3,000)
 - b. Valley Times (\$10,000)
 - i. Children's Drawing Contest for free admission to Fair in VT newspapers
 - c. Bay Meadows Program (trade for jumbotron advertising)
 - d. San Joaquin County Fair Racing Program (\$200)
 - e. Include Horse Racing in ANG ads (included in sponsorship)
 - f. Bingo Bugle ad (trade for Fair tickets)
3. Radio
 - a. Rotate tags on targeted stations i.e. traffic reports, sports channel, talk shows, Oakland A's games (\$3,000)
 - b. Promotion on Sam Spear's Racing Show on KNBR 680 AM (Interview with Fair CEO on June 24)
4. TV
 - a. Include horse racing in Fair commercial
 - b. Sam Spear's Show (KTSF channel 26)
 - i. Televis 10 Fair races (\$3,250)

5. Internet Promotions
 - a. E-newsletter to Satellite patrons on Live Racing promotions
 - b. Include Live Racing promotions in all e-newsletters
 - i. Email database include previous WPS entries
 - ii. Rent email list of those interested in sports and gambling (\$1,000)
6. Giveaways
 - a. 1200 Racing Themed t-shirts as giveaways (\$5,000)
 - b. 1200 beach towels as giveaways on second day of racing (\$6,000)
7. \$10,000 Golf Putting Contest (\$2,000)
 - a. Big Prize of car or cash at the finals
 - b. Runner up prizes
8. Jumbotron
 - a. Satellite Commercial
 - b. Racing seminars (\$1,000)
9. Satellite Facility
 - a. Include an incentive in the Racing Forum for attendance at the Satellite
10. Voice of Fair – All grounds public address system
 - a. Play Selected Race Calls
 - b. Promote Putting Contest
 - c. Promote WPS
 - d. Play NTRA Adds

Approximate hard cost not including portion of sponsorships, TV or radio = \$44,450

13. D. Improvements to the physical facility:

Horsemen, Fans & Restricted Area

The Palm Pavilion, located trackside, has been fully remodeled. This remodel included installing outdoor patio viewing of the track, indoor large screen TV's to broadcast racing, self-serve wagering terminals, etc... The Palm Pavilion also serves food and beverages & includes a full bar.

The Racing Paddock has been remodeled so that more fans can gather in the general area. The roof was elevated to enhance the safety of riders. A grass oval was installed to accommodate owners and trainers. Additional cameras were used to enhance the broadcasting of the Paddock area.

The VIP Directors Lounge has been refurbished with new carpet, air conditioning, paint, etc., to better accommodate VIP's. Every Mayor, City Council Member and Chambers of Commerce from throughout the County of Alameda, is extended an invitation to visit the VIP Directors Lounge. Racing VIP's, elected officials from the County, State and National level also attend the lounge.

The Jockey's Club House has been remodeled to open up the dining area, relocate the laundry facilities, add more sleeping areas, etc...

Restrooms & Showers in the barn area have been remodeled to provide upgraded facilities for employees.

Roadway #12 has been upgraded and widened to better accommodate horse trailers. Catch basins and a storm drain line have been installed to prevent flooding that previously occurred in this area.

Campgrounds have been upgraded and more spaces added to better house out-of-the-area trainers and racing employees during the Race Meet.

Barn Roofs & Solar Energy – All barns received new roofs in 2004, in advance of the Fair installing a 1 Megawatt Solar Energy System on the barns. According to PG&E, the Fair is the largest nonprofit generator of solar energy in the nation.

The Pole Barn Arena has been upgraded to better allow training under a covered roof during the winter.

The Breaking Arena will be covered with a roof by the end of summer, to better winterize its operations.

Upgrades to "cash management areas."

Parking (valet)	N/A
Programs/on track	\$ 1.00
Programs/off track	\$ 2.00

B. Describe any "Season Boxes" or other special accommodation fees:
Daily box seat sales - \$3.50 (if available). All box seats usually sell out 30-60 days in advance.

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

Family Pack

1-General Parking

2-Adult Admissions, 2-Child Admissions

Coupon-redeem for Carnival Rides, 2/1 drink coupons for Midway

15. JOCKEYS' QUARTERS

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

<input checked="" type="checkbox"/> Corners (lockers and cubicles)	How many	<input 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:
Separate area containing an office, lounge area, sauna, showers, restroom facilities, lockers, & bunks. Jockeys & Jockettes share the scale.

16. BACKSTRETCH EMPLOYEE HOUSING

A. Inspection of backstretch housing was completed by **CHRB Supervising Investigator Bob Gai 3/31/2006.**

B. Number of rooms used for housing on the backstretch of the racetrack: **60 Rooms**

C. Number of restrooms available on the backstretch of the racetrack: **7 Restrooms**

D. Estimated ratio of restrooms to the number of backstretch personnel: **11 to 1**

17. TRACK SAFETY

A. Total distance of the racecourse - measured from the finish line counterclockwise (3' from the inner railing) back to the finish line: feet.

B. Describe the type(s) of materials used for the inner and outer railings of the race course, the type of inner railing supports (i.e., metal gooseneck, wood 4" x 4" uprights, offset wood 4" x 4" supports, etc.), the coverings, if any, on the top of the inner railing, and the approximate height of the top of the inner railing from the level of the race course.

Inner rail: Fontana Safety Rail

Outer rail: Aluminum gooseneck supports with aluminum top rail

Inner rail height at: ¼ mile – 42”

½ mile – 40.5”

3/4 mile - 40"
1 mile - 42"(finish line)

- C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474: **Jim Burns**
- D. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474. **On file.**
- E. If the fair is requesting approval to implement alternate methodologies to the provisions of Article 3.5, Track Safety Standards, pursuant to CHRB Rule 1471, attach a Certificate of Insurance for liability insurance which will be in force for the duration of the meeting specified in Section 2. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of liability insurance. Additionally, the CHRB must be listed as additionally insured on the liability policy at a minimum amount of \$3 million per incident. The liability insurance certificate must be on file in the CHRB headquarters office prior to the conduct of any racing. **N/A**

18. DECLARATIONS

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

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

19. CERTIFICATION BY APPLICANT

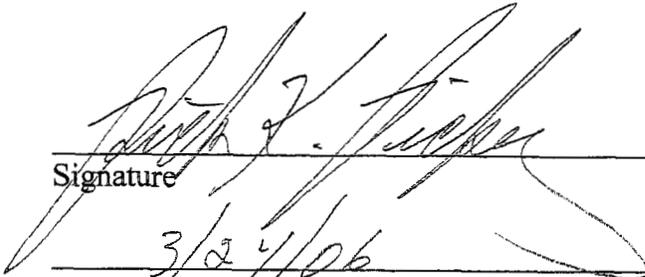
I hereby certify under penalty of perjury that I have examined this application, that all of the foregoing statements in this application are true and correct, and that I am authorized by the fair to attest to this application on its behalf.

RICK K. PICKERING

Print Name

C.E.O.

Print Title



Signature

3/24/06

Date

STAFF ANALYSIS
PROPOSED AMENDMENT OF
RULE 1544. CALLING OFF RACE
AND
RULE 1658 VESTING TITLE TO CLAIMED HORSE

Regular Board Meeting
April 27, 2005

BACKGROUND

Business and Professions (B&P) Code Section 19420 provides that the Board has jurisdiction and supervision over meetings in California where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings. B&P Code Section 19440 states the Board shall have all powers necessary and proper to enable it to carry out full and effectually the purposes of this chapter. Responsibilities of the Board include adjudication of controversies arising from the enforcement of those laws and regulations dealing with horse racing and pari-mutuel wagering. B&P Code Section 19562 provides that the Board may prescribe rules, regulations, and conditions, consistent with the provisions of this chapter, under which all horse races with wagering on their results shall be conducted in California. During the running of a claiming race at the 2005 Del Mar race meeting, a horse went down and caused three other horses to not finish the race. The stewards called off the race and declared it no contest under Board Rule 1544, Calling off Race. Citing Rule 1658, Vesting Title to Claimed Horse, the stewards ordered all claims in the race void. The owner of a horse that was claimed in the race appealed the stewards' decision to void the claim. An Administrative Law Judge ruled in favor of the owner, and stated nothing in Rule 1544 suggested that calling off a race invalidates claims.

ANALYSIS

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

RECOMMENDATION

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

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

Regular Board Meeting
April 27, 2006

1544. Calling off Race.

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

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

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

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

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

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

Reference: Section 19562,
Business and Professions Code.

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

Regular Board Meeting
April 27, 2006

1658. Vesting of Title to Claimed Horse.

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

(b) The claim shall be void if the race is called off in accordance with Rule 1544 of this division.

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

Reference: Section 19562,
Business and Professions Code.

STAFF ANALYSIS
PROPOSED AMENDMENT OF
RULE 1969. WAGERING PROHIBITED

Regular Board Meeting
April 27, 2006

BACKGROUND

Business and Professions (B&P) Section 19420 provides that jurisdiction and supervision over meetings in California where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings, is vested in the California Horse Racing Board (Board). B&P Code Section 19440 states that the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. The 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. Board Rule 1969, Wagering Prohibited, provides that certain classes of licensees, as well as Board employees, shall not wager on the result of a race while on duty. At the March 2006 Regular Board Meeting a proposed amendment to Rule 1969 was heard. The proposal would have the effect of prohibiting persons who fall under Rule 1969 from wagering at any time at the meeting at which they were employed – including while off duty. Commissioner Harris stated he did not believe the Board should be regulating the off-duty activities of licensees and Board employees as long as they were legal. In addition, he stated a better definition of “on duty” should be incorporated into the regulation.

ANALYSIS

Maintaining the integrity of horse racing is an important facet of the sport's prosperity. In this regard, the actions of racing officials, association employees and Board staff have a direct bearing on the wagering public's confidence in the industry. Perceived unethical behavior can only reinforce the idea that the game is “fixed.” To protect the integrity of horse racing the Board has enacted various rules regarding the conduct of persons under its jurisdiction. Rule 1969 currently prohibits wagering by certain classes of licensees and Board employees while on duty at a race meeting or simulcast wagering facility. The proposed amendment to Rule 1969 adds security staff, valets, and jockey or driver room attendants to the list of licensees precluded from wagering. In addition, the proposed amendment would provide that no person who falls under Rule 1969 may wager at a facility at which they are employed if they are on duty, which is defined as a period of time from 12:01 a.m. the day a person is scheduled to work until the end of his specified work-period, and includes any authorized rest or meal breaks. Because some employees live at the racetrack, or begin their workday in the early morning hours, “on duty” begins at 12:01 a.m. This helps ensure that such persons, some of whom can affect the outcome of a race, are less likely to have a monetary interest in the result of a race during their regular work hours. Authorized rest or meal breaks are included in the

definition of “on duty” to ensure persons who fall under Rule 1969 will not claim they were on a break if found wagering during their workday.

RECOMMENDATION

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

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 18. PARI-MUTUEL WAGERING
PROPOSED AMENDMENT OF
RULE 1969. WAGERING PROHIBITED

Regular Board Meeting
April 27, 2006

1969. Wagering Prohibited.

(a) While on duty, ~~No~~ no racing official or assistant racing official, pari-mutuel employee, totalizator employee, simulcast facility supervisor or assistant simulcast facility supervisor, official camera operator, assistant starter, security staff member, receiving or detention barn staff member, valet, jockey or driver room attendant, or employee of the Board, ~~while on duty at a race meeting or simulcast wagering facility~~, shall may wager on the result of a race at a race meeting or simulcast wagering facility at which he is employed.

(b) For the purpose of this rule, "on duty" means from 12:01 a.m. the day an individual is scheduled to work until the end of his specified work-period, and includes any authorized rest or meal breaks.

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

Reference: Section 19562,
Business and Professions Code.

STAFF ANALYSIS
PROPOSED REPEAL OF
RULE 1606. COUPLING OF HORSES
AND
RULE 1974. WAGERING INTEREST

Regular Board Meeting
April 27, 2006

BACKGROUND

Business and Professions (B&P) Code Section 19420 provides that the Board shall have jurisdiction and supervision over meetings in this State where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings. B&P Code Section 19440 states the Board shall have all powers necessary and proper to enable it to carry out the purposes of this chapter. Responsibilities of the Board shall include adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. B&P Code Section 19562 provides the Board may prescribe rules, regulations, and conditions under which all horse races with wagering on their results shall be conducted in this State. At the December 2005 Pari-Mutuel Operations Committee meeting the practice of coupling was reviewed. The issue was discussed again at the January 2006 Regular Board Meeting where staff was directed to notice for a 45-day public comment period a proposed repeal of Rule 1606, Coupling of Horses; a proposed repeal of Rule 1974, Wagering Interest; and a proposed amendment of Rule 1420, Definitions. The proposal also included the amendment of a number of pari-mutuel wagering rules that would be affected by the repeal of Rule 1606.

ANALYSIS

The proposal to repeal Rule 1606 would eliminate the practice of coupling two or more horses as a single wagering interest when the same person or persons own such horses in whole or in part. If Rule 1606 is repealed, Rule 1974 could be folded into an amended Rule 1420, as the definition of "wagering interest" would no longer include coupling. In addition, a number of pari-mutuel regulations would need to be amended to eliminate coupling references. Staff received a large number of comments during the 45-day public comment period – the majority of which were in opposition to the proposal. Persons who opposed the proposal to eliminate coupling generally stated it would increase the opportunity for owners and trainers to manipulate races, and add to the perception that California horse racing is "fixed." Opponents commented the rule was enacted for a reason, and did not believe repealing coupling could increase field size. A number of opponents wrote the move was "anti-fan." Comments opposing the proposal were received from the Sacramento Harness Association and the California Harness Horsemen's Association. Proponents tended to feel it is time to eliminate coupling. They stated every horse should be entered as a single wagering interest, and uncoupling would decrease fan confusion. In addition, repealing coupling would eliminate the

possibility that a fan that wagers on an entry consisting of a favorite and a mediocre horse would be left with a wager on the lesser horse if the favorite were scratched.

Staff conducted a survey of several racing jurisdictions and found that each had regulations requiring the coupling of horses when the same person or persons own two or more horses entered in a race (KY, NY, VA, PA, TX).

Adopting the proposal will impact the following regulations, which are attached for review:

1954.1, Parlay Wagering on Win, Place or Show

1957, Daily Double

1959, Special Quinella (Exacta)

1976, Unlimited Sweepstakes

1976.8, Place Pick (n)

1976.9, Pick (n) Pool

1977, Pick Three

1978, Select Four

1979, Trifecta

1979.1, Superfecta

RECOMMENDATION

Due to the number of negative comments regarding the repeal of Rule 1606, staff recommends the Board not adopt the proposed repeal, and that the Board continue to take the matter under review.

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

Regular Board Meeting
April 27, 2006

~~1606. Coupling of Horses.~~

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

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

~~Reference: Section 19401,
Business and Professions Code.~~

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 18. PARI-MUTUEL WAGERING
PROPOSED REPEAL OF
RULE 1974. WAGERING INTEREST

Regular Board Meeting
April 27, 2006

~~1974. Wagering Interest.~~

~~A wagering interest may be any one horse in a race, or may be two or more horses coupled as a single wagering interest as an "Entry" or the "Field." A declaration or withdrawal of one horse from a wagering interest which consists of more than one horse shall have no effect on any wagers made on such wagering interest.~~

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 2. DEFINITIONS.
PROPOSED AMENDMENT OF
RULE 1420. DEFINITIONS.

Regular Board Meeting
April 27, 2006

1420. Definitions.

As used in these rules:

(a) "Chairman" means the member elected by the Board to be Chairman of the Board and its presiding member.

(b) "Commissioner" means a member of the Board.

(c) "Age of Horse" means the age as reckoned beginning on the first day of January of the year in which the horse was foaled.

(d) "Authorized Agent" means an agent appointed by a written document, which is signed by the owner and filed with the Board.

(e) "Breeder" means the owner of the dam at the time of foaling.

(f) "Conviction" includes a plea of guilty, forfeiture of bail, a judgment or verdict of guilty, or a conviction following a plea of nolo contendere, whether or not the conviction is later set aside pursuant to the provisions of Section 1203.4 of the Penal Code.

(g) "Driver" means one who drives and controls the horse from a seated position on a two-wheel vehicle.

(h) "Horse" means an equine and includes a stallion, gelding, mare, colt, filly or ridgling and includes mule, jack, jenny, ginnet, and hinney.

(i) "Jockey" means a race rider.

(j) "Licensee" means a licensee of the California Horse Racing Board.

(k) "Maiden" means a horse ~~which~~ that has never won a race on the flat in a state or country where the races are covered by the Daily Racing Form or other similar authorized publication. A maiden ~~which~~ that has been disqualified after finishing first is still a maiden. Conditions referring to maidens apply to the status at the time of starting.

(l) "Nominator" means a person in whose name a horse is entered to race.

(m) "Objection" means a formal complaint filed before a race with the stewards or the Board objecting to the eligibility of any horse to compete in the race or the right of any person to participate in the race.

(n) "Owner" includes the owner, part owner and lessee of any horse. An interest only in the earnings of a horse does not constitute ownership. If husband and wife, it is presumed that joint ownership exists.

(o) "Post" means the place on the race course from which a start is made.

(p) "Post Time" means the definite time for the start of a race, and is indicated by a clock device set up as directed by the Board.

(q) "Premises" means the inclosure and all other areas collectively utilized by an association in connection with its conduct of a licensed race meeting, including parking lots, auxiliary stabling areas, public inclosure and restricted areas, whether or not the areas are adjacent to the inclosure.

(r) "Protest" means a formal complaint filed after a race with the stewards or the Board protesting the right of any horse to a place, purse or award in the race, or protesting any

decision of the stewards relating to the eligibility, participation or placing of any horse in a race.

(s) "Race" means a contest among horses for a purse, stake or reward, contested at an authorized race meeting. "Race" includes but is not limited to:

(1) Purse Race. A race for money or any other prize to which the owners of the horses engaged do not contribute.

(2) Stake Race. A race for which owners of horses entered or engaged for the race contribute to a purse for which money or any other prize may be added, nominations to which close 72 hours or more before starting.

(3) Claiming Race. A race in which any horse entered therein may be claimed in conformity with the rules established by the Board.

(4) Handicap Race. A race in which the weights to be carried by the entered horses are adjusted by a handicapper, board of handicappers or the racing secretary, to equalize their respective chances of winning.

(5) Overnight Race. A race in which entries close 72 hours or less, excluding Sundays, in advance of the first race of the day on which the race is to be run.

(6) Walkover. A stake race in which only one horse starts or in which all the starters are owned by the same interest.

(7) Invitational Stake Race. An invitational stake race or an invitational handicap race for which owners do not contribute to the purse, but which is advertised in the regular stakes program, shall also be considered a stake race.

(8) Non-wagering Race. A race contested without pari-mutuel wagering on its results including a race upon which pari-mutuel wagering is canceled.

(9) Match Race. A race contested between two horses under conditions of the contest agreed to by their owners.

(10) "Special Racing Event". A race of unique interest, magnitude or fame. "Special racing event" shall also mean an exhibition race when approved by the Board.

(11) "Exhibition Race". A race contested under conditions established by the association as a promotional event or to provide a special racing opportunity to a particular horse or class of horse or class of participants and to which the association contributes the purse or awards for the contest. No pari-mutuel wagering may be conducted on the results of an exhibition race.

(t) "Race on the Flat" means a race run over a course on which no jumps or other obstacles are placed.

(u) "Recognized Meeting," "Race Meeting," or "Authorized Meeting" means the entire period under the conduct of an association within the inclosure of the designated grounds, and for which ~~a license has been granted by the Board~~ has granted a license. When the context in the rules applies, it may include a meeting conducted by an association in some other jurisdiction recognized by the Board.

(v) "Restricted Area" means those areas within the inclosure where admission can be obtained only upon presentation of authorized credentials, proper license or visitor's pass, including those areas designated as the stable area, receiving or detention barn, jockey room, saddling paddock, race course and pari-mutuel department.

(w) "Rules" means the Rules and Regulations of the California Horse Racing Board and the orders of the Board.

(x) "Starter" means a horse when it is in the starting gate stall, and, when ~~the field is dispatched by the starter~~ dispatches the field, the stall gate in front of the horse is opened.

(y) "Sulky" means a dual wheel-racing vehicle with dual shafts not exceeding the height of the horse's withers. Shafts must be hooked separately on each side.

(z) "Time of Race Meeting" means that period of time commencing at 12:01 A.M. on the first day of racing at a recognized meeting and concluding at 12:00 midnight after the final race of the last day of racing as allocated and licensed by the Board.

(aa) "Wagering Interest" is any one horse in a race.

(aa bb) "Weight for Age" means the standard weight to be carried by a horse according to the scale established by the rules, and remains such though there be penalties or allowances.

Authority: Sections 19440, 19562 and 19563,
Business and Professions Code.

Reference: Sections 19401(e) and 19420,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 18. PARI-MUTUEL WAGERING
PROPOSED AMENDMENT OF
RULE 1954.1. PARLAY WAGERING ON WIN, PLACE OR SHOW

Regular Board Meeting
April 27, 2006

1954.1. Parlay Wagering on Win, Place or Show.

(a) The parlay is not a separate pari-mutuel pool, it is a series of wagers (consisting of legs) combining wagering entries in Win, Place or Show pools. The initial amount wagered constitutes the wager on the first leg, and if successful, the payout from the first leg constitutes the wager on the second leg, etc.

(b) A parlay wager is limited to Win, Place or Show which have a corresponding pool conducted on the race selected. The wager must combine at least two races but not more than six races. The races in a parlay must be in chronological order but do not need to be consecutive races or combine the same type pool.

(c) A parlay wager may only be on one pool and one wagering interest per leg and cannot combine wagers on races on other days.

(d) Payouts included as wagers in subsequent races and the final payout ~~to the parlay wagers~~ shall be broken to the nearest dime. Parlay breakage shall be reported separately and added to regular breakage at the end of the day for the purpose of taxation and distribution.

(e) Parlay payouts will be included as wagers in subsequent pools by the track operator so the amount of such wagers, including their impact on the wagering odds, will be displayed. Wager totals in such pools shall be displayed in truncated fashion, to the lowest dollar.

(f) Parlay wagers may be cancelled by the ticket holder, in accordance with track policy, only before the start of the first parlay leg in which a parlay selection starts. Parlay wagers not cancelled must be completed or terminated by operation of these rules in order to be entitled to a payout.

(g) If a race, pool or wagering entry in a parlay is scratched, which includes an entry being declared a non-starter for wagering purposes, or a race or pool is cancelled, the parlay shall consist of the remaining legs. The parlay terminates if there are no remaining legs.

~~(h) A wager on a coupled entry or field is considered a wager on the remaining part of the coupled entry or field if any part of the coupled entry or field starts for parimutuel purposes in accordance with Rule 1974 of this Article.~~

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

Reference: Sections 19594, and 19597 ~~and 19598~~,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 18. PARI-MUTUEL WAGERING
PROPOSED AMENDMENT OF
RULE 1957. DAILY DOUBLE

Regular Board Meeting
April 27, 2006

1957. Daily Double.

(a) The Daily Double is a separate ~~parimutuel~~ pari-mutuel pool established on two ~~(2)~~ races. The pool consists of amounts wagered on the selection of the winning horse of both races. It is not a parlay and has no connection with or relation to other pools conducted by the association or to rules governing the distribution of other pools.

(b) A valid Daily Double ticket shall be evidence of a binding contract between the holder of the ticket and the association and shall constitute an acceptance of Daily Double provisions and rules contained in this ~~Article~~ article.

(c) The association shall distribute the net pool to holders of valid tickets that correctly selected the winner of both races. If no ticket selected the winner of both races, the net pool shall be distributed as a place pool among tickets that included the winner of the first race and tickets that included the winner of the second race.

(d) If no ticket included the winner of the first race the net pool shall be distributed equally among tickets that included the winner of the second race; and, if no ticket included the winner of the second race the net pool shall be distributed equally among tickets that included the winner of the first race.

(e) If no ticket included the winner of either race the net pool shall be distributed equally among tickets selecting the second place finishers of both races.

(f) The association shall refund the entire pool if no ticket requires a payout or if the first race is cancelled.

(g) If the second race is cancelled after the first race has been completed, the net pool shall be distributed as a single price pool among tickets selecting the winner of the first race.

(h) Before the first race is run, any money wagered on a horse in either race that is scratched, excused by the ~~Stewards~~ stewards or prevented from racing shall be deducted from the pool and refunded.

(i) If any horse is scratched, excused by the ~~Stewards~~ stewards or prevented from racing because of the failure of the stall doors or starting gate to open in the second race, after the first race has been completed, all tickets including such horse(s) shall be deducted from the pool, and the pool(s), thus formed shall be distributed as a straight pool(s) among tickets combining the winner of the first race with such horse(s).

~~(j) A wager on a coupled entry or field is considered a wager on the remaining part of the coupled entry or field if any part of such entry starts for parimutuel purposes in accordance with Rule 1974.~~

(kj) If a dead heat occurs in either race the net pool is figured as a place pool. Example: Number eight (8) and five (5) dead heat in the first race, and number three (3) wins the second race, the pool would be divided and apportioned to tickets bearing eight (8) and three (3), and five (5) and three (3).

Authority: Sections 19440 and 19590,

Business and Professions Code.

Reference: Section 19594 ~~19590~~,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 18. PARI-MUTUEL WAGERING
PROPOSED AMENDMENT OF
RULE 1959. SPECIAL QUINELLA (EXACTA)

Regular Board Meeting
April 27, 2006

1959. Special Quinella (Exacta).

(a) The Special Quinella is not a parlay and has no connection with or relation to the win, place and show pools shown on the totalizator board. All tickets on the Special Quinella will be calculated in a separate pool.

(b) A Special Quinella race shall be given a distinctive name to be selected by the association conducting such race, such as "Perfecta" or "Exacta," subject to the approval of the Board.

(c) All Special Quinella tickets will be for the win and place combination only. Each person purchasing a Special Quinella ticket shall designate the exact order in which the first two horses will finish in a Special Quinella race. For example, if number 3 three is selected to finish first and number 6 six is selected to finish second, they must come in number 3 three, first and number 6 six second in order to win.

~~(d) Entries or field horses in a race comprising the Special Quinella shall race as single wagering interests for the purposes of mutuel pool calculations and payouts to the public. If, in the event that any part of the entry or the field is a starter, there shall be no refund to persons wagering on such entry or field. In the event any part of an entry or the field finishes first, the order of finish of all other horses making up such entry or field will be disregarded in determining which horse finished second for the purpose of this rule.~~

(ed) Should any horse or horses entered in a Special Quinella race be scratched or excused by the ~~Stewards~~ stewards after wagering has commenced or should any horse or horses be prevented from racing because of the failure of the stall doors of the starting gate to open, all tickets including such horse or horses shall be deducted from the Special Quinella ~~Pool~~ pool and money refunded to the purchasers of tickets on the horse or horses so excused or prevented from racing.

(fe) In the event that no ticket is sold on the winning combination of a Special Quinella ~~Pool~~ pool, the net pool shall be distributed equally among holders of tickets selecting the winning horse to finish first and holders of tickets selecting the second place horse to finish second.

(gf) In the event of a dead-heat between two horses for first place, the net pool shall be calculated and distributed as a place pool to holders of the winning combinations.

(hg) In the event of a dead-heat between two or more horses for place, all tickets designating the proper first horse to win which are coupled with any of the place horses involved in a dead-heat shall be the winners of the Special Quinella race and payouts calculated according to their respective interest in the net pool.

(ih) In the event of a dead-heat for second place, if no ticket is sold on one of the two winning combinations, the entire net pool shall be calculated as a win pool and distributed to those holding tickets on the other winning combinations. If no tickets combine the winning horse with either of the place horses in the dead-heat the Special Quinella ~~Pool~~ pool shall be calculated and distributed to holders of tickets designating the winning horse or either of the place horses according to their respective interest in the net pool.

(ji) In the event of a dead-heat among three or more horses for first place, the net pool shall be calculated and distributed to holders of tickets designating any two of the horses participating in the dead-heat according to their respective interest in the net pool.

(kj) In the event that no ticket is sold that would require distribution to any winner as above defined the Special Quinella shall be deemed "No Contest" and all money in the Special Quinella shall be promptly refunded.

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

Reference: Section 19594 ~~19590~~,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 18. PARI-MUTUEL WAGERING
PROPOSED AMENDMENT OF
RULE 1976. UNLIMITED SWEEPSTAKES

Regular Board Meeting
April 27, 2006

1976. Unlimited Sweepstakes.

(a) The Unlimited Sweepstakes ~~parimutuel~~ pari-mutuel pool is not a parlay and has no connection with or relation to any other ~~parimutuel~~ pool conducted by the association, nor to any win, place and show pool shown on the totalizator, nor to the rules governing the distribution of such other pools.

(b) An Unlimited Sweepstakes ~~parimutuel~~ ticket shall be evidence of a binding contract between the holder of the ticket and the association and the said ticket shall constitute an acceptance of the Unlimited Sweepstakes provisions and rules contained in this article ~~Article~~ 18.

(c) An Unlimited Sweepstakes may be given a distinctive name by the association conducting the meeting, subject to approval of the Board.

(d) The Unlimited Sweepstakes ~~parimutuel~~ pool consists of amounts contributed for a selection for win only in each of nine races designated by the association with the approval of the Board. Each person purchasing an Unlimited Sweepstakes ticket shall designate the winning horse in each of the nine races comprising the Unlimited Sweepstakes.

~~(e) Those horses constituting an entry of coupled horses or those horses coupled to constitute the field in a race comprising the Unlimited Sweepstakes shall race as a single wagering interest for the purpose of the Unlimited Sweepstakes parimutuel pool calculations~~

~~and payouts to the public. However if any part of either an entry or the field racing as a single wagering interest is a starter in a race the entry or the field selection shall remain as the designated selection to win in that race for the Unlimited Sweepstakes calculation and the selection shall not be deemed a scratch.~~

(~~f~~e) The Unlimited Sweepstakes ~~parimutuel~~ pool shall be calculated as follows:

(1) One hundred percent (~~100%~~) of the net amount in the ~~parimutuel~~ pool subject to distribution among winning ticket holders shall be distributed among the holders of ~~parimutuel~~ tickets which that correctly designate the official winner in each of the nine races comprising the Unlimited Sweepstakes.

(2) In the event there is no ~~parimutuel~~ ticket properly issued which that correctly designates the official winner in each of the nine races comprising the Unlimited Sweepstakes, ~~twenty-five~~ 25 percent (~~25%~~) of the net amount in the ~~parimutuel~~ pool shall be distributed among the holders of ~~parimutuel~~ tickets which that correctly designate the most official winners, but less than nine, in each of the nine races comprising the Unlimited Sweepstakes, and the remaining ~~seventy-five~~ 75 percent (~~75%~~) of the net amount in the ~~parimutuel~~ pool shall not be distributed as provided above but shall be retained by the association as distributable amounts and shall be carried over and included in the Unlimited Sweepstakes ~~parimutuel~~ pool for the next succeeding racing date as an additional net amount to be distributed as provided in subsection (~~f~~e)(1).

(~~g~~f)(1) Except as provided in subsection (~~k~~j) and subsection (~~m~~l), should no distribution be made pursuant to subsections (~~f~~e)(1), then the distributable pool and all monies accumulated therein shall be carried over until that amount equals or exceeds five million dollars

(~~\$5,000,000~~) or such lesser amount as the racing association designates to the Board at the time it files its license application with the Board.

(2) Once the pool and all monies accumulated therein equals or exceeds five million dollars, or such lesser amount designated by the racing association pursuant to subsection (~~g~~)(1), that amount shall be distributed on the next racing day as provided in subsection (~~f~~)(1); but if no holder of ~~parimutuel~~ tickets correctly designates the official winner in each of the nine races comprising the Unlimited Sweepstakes, then ~~seventy-five~~ 75 percent (~~75%~~) of the pool shall be distributed among the holders of ~~parimutuel~~ tickets ~~which~~ that correctly designate the most official winners, but less than nine, in each of the nine races comprising the Unlimited Sweepstakes. The remaining ~~twenty-five~~ 25 percent (~~25%~~) of the pool shall be distributed to those holders of ~~parimutuel~~ tickets ~~which~~ that correctly designate the next greatest number of official winners.

(~~h~~g) In the event an Unlimited Sweepstakes ticket designates a selection in any one or more of the races comprising the Unlimited Sweepstakes and that selection is scratched, excused or determined by the Stewards stewards to be a nonstarter in the race, the actual favorite, as evidenced by the amounts wagered in the win pool at the time of the start of the race, will be substituted for the non-starting selection for all purposes, including pool calculations and payouts.

(~~i~~h) In the event of a dead heat for win between two or more horses in any Unlimited Sweepstakes race, all such horses in the dead heat for win shall be considered as winning horses in the race for the purpose of calculating the pool.

(ji)(1) In the event that all nine races comprising the Unlimited Sweepstakes are cancelled or declared as no contest, all ~~parimutuel~~ tickets held on the Unlimited Sweepstakes for that day or night shall be refunded and the Unlimited Sweepstakes shall be cancelled in its entirety for that day or night and any retained distributable amounts carried over from any prior Unlimited Sweepstakes pool pursuant to subsection (fe)(2) shall be carried over to the next succeeding racing date of that meeting.

(2) In the event that fewer than nine, but no more than three, races comprising the Unlimited Sweepstakes are completed due to the cancellation of one or more races or the ~~Stewards~~ stewards declaring one or more races as no contest, the pool for that racing day shall be refunded and the Unlimited Sweepstakes shall be cancelled in its entirety as provided in subsection (ji)(1).

(3) In the event that fewer than nine, but no fewer than four, races comprising the Unlimited Sweepstakes are completed due to the cancellation of one or more races or the ~~Stewards~~ stewards declaring one or more races as no contest, ~~one hundred~~ 100 percent (~~100%~~) of the net amount in the ~~parimutuel~~ pool for that day or night, exclusive of any retained distributable amounts carried over from any prior Unlimited Sweepstakes pool pursuant to subsection (fe)(2), shall be subject to distribution among holders of ~~parimutuel~~ tickets ~~which~~ that correctly designate the most winners in the completed races of the Unlimited Sweepstakes. The retained distributable amounts carried over from any prior Unlimited Sweepstakes pool pursuant to subsection (fe)(2) shall be carried over to the next succeeding racing date of that meeting.

(kj) (1) Should no distribution be made pursuant to subsection (fe)(1) on the last day of the association's race meeting, then the distributable pool and all monies accumulated therein shall be distributed on that day. Seventy-five percent (~~75%~~) of the pool shall be distributed among holders of ~~parimutuel~~ tickets ~~which~~ that correctly designate the most official winners, but less than nine, in each of the nine races comprising the Unlimited Sweepstakes. The remaining ~~twenty-five~~ 25 percent (~~25%~~) of the pool shall be distributed to those holders of ~~parimutuel~~ tickets ~~which~~ that correctly designate the next greatest number of official winners.

(2) In the event that an association is unable to distribute the retained distributable amount carried over from any prior Unlimited Sweepstakes pool established pursuant to subsection (fe)(2) by the end of its race meeting due to cancellation of the final day(s) or night(s) of racing or any other reason, the retained distributable amount shall be carried forward to the next race meeting having an Unlimited Sweepstakes at the same location and of the same breed of horse as the racing association that generated the retained distributable amount. The retained distributable amount shall be included in the Unlimited Sweepstakes pool for the first day or night of racing at the subsequent race meeting.

(l) No ~~parimutuel~~ ticket for the Unlimited Sweepstakes pool shall be sold, exchanged or cancelled after the time of the closing of wagering in the first of the nine races comprising the Unlimited Sweepstakes, except for such refunds on Unlimited Sweepstakes tickets as required by this regulation, and no person shall disclose the number of tickets sold in the Unlimited Sweepstakes pool or the number or amount of tickets selecting winners of Unlimited Sweepstakes races until such time as the Stewards stewards have determined the last race comprising the Unlimited Sweepstakes each day to be official.

(m) The racing association may, at its election, designate to the Board, at the time it files its license application with the Board, one or more racing days (nights) during its racing meeting on which the retained distributable amount carried over from any prior Unlimited Sweepstakes pool established pursuant to subsection (fe)(2), shall be distributed as provided in subsection (gf)(2), even though the retained amount is less than the amount specified in or designated by the racing association pursuant to subsection (gf)(1).

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

Reference: Section 19594 ~~19590~~,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 18. PARI-MUTUEL WAGERING
PROPOSED AMENDMENT OF
RULE 1976.8. PLACE PICK (N)

Regular Board Meeting
April 27, 2006

1976.8. Place Pick (n).

(a) The Place Pick (n) is a separate ~~parimutuel~~ pari-mutuel pool established by the association on a designated number of races. The pool consists of amounts wagered on the horse to finish first or second in each of the races. It is not a parlay and has no connection with or relation to other pools conducted by the association, except for the provisions in subsection (ed), or to rules governing the distribution of other pools.

(b) A valid Place Pick (n) ticket shall be evidence of a binding contract between the holder of the ticket and the association and shall constitute an acceptance of Place Pick (n) provisions and rules contained in this ~~Article~~ article.

(c) A Place Pick (n) may be given a distinctive name by the association conducting the meeting, subject to Board approval.

~~(d) A wager on a coupled entry or field is considered a wager on the remaining part of the coupled entry or field if any part of such entry starts for parimutuel purposes in accordance with Rule 1974.~~

(ed) If a ticket in any race designates a selection that was scratched, excused or determined by the Stewards stewards to be a nonstarter in the race, the association may designate the actual favorite, which is determined by the amounts wagered in the win pool at the time of the start of the race, or may allow patrons the option of selecting an alternate

betting interest. The actual favorite or the alternate betting interest will be substituted for the non-starting selection for all purposes.

~~(fe) Except as provided in subsection (f)(1), in~~ In a dead heat for win between two ~~(2)~~ or more horses, only the horses in such dead heat shall be considered winning horses.

~~(1) In a dead heat for win between two (2) or more coupled horses, all such horses together with the horse(s) which finishes next in order shall be considered winning horses.~~

~~(2) Except as provided in subsection (f),~~ In a dead heat for second between two ~~(2)~~ or more horses, all such horses together with the horse which finished first shall be considered winning horses.

~~(gf)~~ The association shall distribute the net pool to holders of valid tickets that correctly selected the most first or second place finishers.

~~(hg)~~ All tickets shall be refunded if all races comprising the Place Pick (n) are cancelled or declared as no contest. The entire pool shall be refunded if less than four ~~(4)~~ races are completed and if four ~~(4)~~ or more races are completed the net pool shall be distributed pursuant to subsection ~~(gf)~~.

~~(ih)~~ After wagering closes on the first race comprising the Place Pick (n) no ticket shall be sold, exchanged or cancelled. No person shall disclose the number of tickets sold in the Place Pick (n) or the number or amount of tickets that selected winners of Place Pick (n) races until the ~~Stewards~~ stewards declare the last race official.

Authority: Sections 19440, and 19590 ~~and 19593~~,
Business and Professions Code.

Reference: Sections 19440, ~~19590, and 19593~~ and 19594,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 18. PARI-MUTUEL WAGERING
PROPOSED AMENDMENT OF
RULE 1976.9 PICK (N) POOL

Regular Board Meeting
April 27, 2006

1976.9. Pick (n) Pool.

(a) The Pick (n) requires selection of the first-place finisher in each of a number of races designated by the association. The association shall designate the percentage of the net pool considered the major share, and the percentage of the net pool considered the minor share, if any. The number of races comprising a Pick (n) must be at least four but no more than ten. Subsequent changes to the Pick (n) shall be requested in writing by the association. The Board or its designated representative shall respond in writing to requests within five working days of their receipt at Board headquarters.

(b) The major share of the net Pick (n) pool, along with the Pick (n) carryover, shall be distributed to ticket holders that selected the first-place finisher in each of the Pick (n) races, based upon the official order of finish, and the minor share of the net Pick (n) pool shall be distributed as a win pool to ticket holders whose selection finished first in the second greatest number of Pick (n) races; if there are no wagers selecting the first place finisher in each of the Pick (n) races, then:

(1) The minor share of the net pool shall be distributed as a win pool to ticket holders whose selection finished first in the greatest number of Pick (n) races, and

(2) The major share of the net Pick (n) pool shall be retained by the association and added to the corresponding Pick (n) pool of the next performance. The additional Pick (n) pool resulting from such a carryover shall be termed the "Pick (n) carryover."

(c) In a dead heat for first in any of the Pick (n) races involving:

~~(1) Coupled horses or horses coupled to constitute the field, the Pick (n) pool shall be distributed as if a dead heat had not occurred, or~~

(2) Horses representing two or more wagering interests, all horses in the dead heat for win shall be considered winning horses to calculate the pool.

(d) If a wagering interest in any of the Pick (n) races is scratched, the association may designate the favorite, determined by total amounts wagered in the win pool at the close of wagering on that race, or allow patrons the option of selecting an alternate wagering interest. The favorite or alternate wagering interest shall be substituted for the scratched wagering interest for all purposes. If the association elects to designate the favorite and the win pool total is identical for two or more horses, the horse with the lowest program number is used. The totalizator shall produce written reports showing each of the wagering combinations with substituted wagering interests that became winners as a result of the substitution, in addition to the normal winning combination, at the end of each race where substitutions occur.

(e) The Pick (n) pool shall be canceled and all Pick (n) wagers for the individual performance shall be refunded if:

(1) Three or more races included as part of a Pick 4, Pick 5 or Pick 6 are canceled or declared no contest; or

(2) Four or more races included as part of a Pick 7, Pick 8 or Pick 9 are canceled or

declared no contest; or

(3) Five or more races included as part of a Pick 10 are canceled or declared no contest.

(f) If at least one race included as part of a Pick (n) is canceled or declared no contest, but fewer than the number specified in subsection (e), the net pool shall be distributed as a win pool to ticket holders whose selection finished first in the greatest number of Pick (n) races for that performance. Such distribution shall include the portion ordinarily retained for the Pick (n) carryover but not the carryover from previous performances.

(g) The Pick (n) carryover may be capped at an amount designated by the association, with Board approval. If, at the close of any performance, the carryover equals or exceeds the designated cap, it will be frozen until it is won or distributed under other provisions of this rule. After the carryover is frozen, ~~100%~~ percent of the net pool shall be distributed to ticket holders whose selection finished first in the greatest number of Pick (n) races for that performance.

(h) Permission to distribute the Pick (n) carryover on a specific date and performance shall be obtained from the Board. The mandatory payout request must contain the intended date and performance for the distribution.

(i) If the Pick (n) carryover is designated for distribution on a specified date and performance in which no wagers selects the first-place finisher in each of the Pick (n) races, the entire pool including the carryover shall be distributed as a win pool to ticket holders whose selection finished first in the greatest number of Pick (n) races. The Pick (n) carryover

shall be designated for distribution on a specified date and performance only under the following circumstances:

(1) With written approval from the Board as provided in subsection (h); or

(2) With written approval from the Board when there is a change in the carryover cap, a change from one type of Pick (n) wagering to another, or when the Pick (n) is discontinued;
or

(3) On the closing performance of the meet or split meet.

(j) If the Pick (n) carryover must be carried over to the corresponding Pick (n) pool of a subsequent meet, it shall be deposited in an interest-bearing account approved by the Board. The Pick (n) carryover plus accrued interest shall then be added to the net Pick (n) pool of the following meet on a date and performance designated by the association, with Board approval.

(k) With Board approval, the association may contribute to the Pick (n) carryover a sum of money up to the amount of any designated cap.

(l) No ticket for the Pick (n) pool shall be sold, exchanged or canceled after the close of wagering in the first race comprising the Pick (n), except for refunds required by this rule.

(m) Providing information to any person regarding covered combinations, amounts wagered on specific combinations, number of tickets sold, or number of live tickets remaining is prohibited. The totalizator will be programmed to suppress all information related to Pick (n) wagering activity until the conclusion of the final race except for the following:

(1) Total amount of the net pool at the close of Pick (n) wagering.

(2) Information regarding possible Pick (n) payouts for each of the runners when the last race of the Pick (n) pool is the only race remaining to be run.

(n) If the racing surface changes from turf to dirt or dirt to turf in any race of a Pick (n) pool, and such change was not announced to the public before the close of wagering on the Pick (n) pool, all wagers on such race shall be considered winning wagers for the purposes of the Pick (n) pool.

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

Reference: Sections ~~19440, 19590 and~~ 19593 and 19594,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 18. PARI-MUTUEL WAGERING
PROPOSED AMENDMENT OF
RULE 1977. PICK THREE

Regular Board Meeting
April 27, 2006

1977. Pick Three.

(a) The Pick Three is a separate ~~parimutuel~~ pari-mutuel pool established on three ~~(3)~~ consecutive races. The pool consists of amounts wagered on the winning horse in each of the races. It is not a parlay and has no connection with or relation to other pools conducted by the association, except for the provisions in subsection ~~(hg)~~, or to rules governing the distribution of other pools.

(b) A valid Pick Three ticket shall be evidence of a binding contract between the holder of the ticket and the association and shall constitute an acceptance of Pick Three provisions and rules contained in this ~~Article~~ article.

~~(c) A wager on a coupled entry or field is considered a wager on the remaining part of the coupled entry or field if any part of such entry starts for parimutuel purposes in accordance with Rule 1974.~~

~~(dc)~~ The association shall distribute the net pool to holders of valid tickets that correctly selected the winners in all three ~~(3)~~ races.

~~(ed)~~ In a dead heat for win between two ~~(2)~~ or more horses in any of the Pick Three races, all such horses shall be considered winning horses in that race for calculating the pool. The payout shall reflect the proportionate amount of money wagered on each winning combination.

(fe) If no ticket selected the winner in all three (~~3~~) races, the net pool shall be paid for tickets that selected the winner in any two (~~2~~) races; and if no ticket selected two (~~2~~) winners the net pool shall be paid for tickets that selected the winner of any one (~~1~~) race. The association shall refund the entire pool if no ticket selected the winner of any one (~~1~~) race.

(gf) If one (~~1~~) of the races is cancelled, the net pool shall be distributed as provided in subsection (fe). If more than one (~~1~~) race is cancelled the association shall refund the entire pool.

(hg) A ticket designating a selection that was scratched, excused or determined by the ~~Stewards~~ stewards to be a nonstarter in the race, shall have the favorite, which is determined by the amounts wagered in the win pool at the time of the start of the race, substituted for the non-starting selection for all purposes.

(ih) After wagering closes on the first race of the Pick Three no ticket shall be sold, exchanged or cancelled. No person shall disclose the number of tickets sold in the Pick Three races or the number or amount of tickets that selected winners of Pick Three races until the ~~Stewards~~ stewards declare the last race official. After the second of the three (~~3~~) races, the association may display potential distributions dependent upon the outcome of the third race.

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

Reference: Section 19594 ~~19590~~,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 18. PARI-MUTUEL WAGERING
PROPOSED AMENDMENT OF
RULE 1978. SELECT FOUR

Regular Board Meeting
April 27, 2006

1978. Select Four.

(a) The Select Four ~~parimutuel~~ pari-mutuel pool is not a parlay and has no connection with or relation to any other ~~parimutuel~~ pool conducted by the association, nor to any win, place and show pool shown on the totalizator board, nor to the rules governing the distribution of such other pools.

(b) A valid Select Four ticket shall be evidence of a binding contract between the holder of the ticket and the racing association, and the said ticket shall constitute an acceptance of Select Four provisions and rules contained in ~~Article 18~~ this article.

(c) A Select Four may be given a distinctive name to be selected by the association conducting such races, such as "PICK 4", subject to the approval of the Board.

(d) The Select Four ~~parimutuel~~ pool consists of amounts contributed for a selection for win only in each of four races designated by the association with the approval of the Board. Each person purchasing a Select Four ticket shall designate the winning horse in each of the four races comprising the Select Four.

~~(e) Those horses constituting an entry of coupled horses or those horses coupled to constitute the field in a race comprising the Select Four shall race as a single wagering interest for the purpose of the Select Four parimutuel pool calculations and payouts to the public. However, if any part of either an entry or the field racing as a single interest is a starter in a~~

~~race, the entry or the field selection shall remain as the designated selection to win in that race for the Select Four calculation, and the selection shall not be deemed a scratch.~~

(~~f~~e) The net amount in the ~~parimutuel~~ pool subject to distribution among winning ticket holders shall be distributed among the holders of tickets ~~which~~ that correctly designate the winners in all four races comprising the Select Four.

(~~g~~f) If no ticket is sold combining the four winners of the Select Four, the net amount in the ~~parimutuel~~ pool shall be distributed among the holders of tickets ~~which~~ that include the winners of any three of the four races comprising the Select Four.

(~~h~~g) If no ticket is sold combining at least three winners of the Select Four, the net amount in the ~~parimutuel~~ pool shall be distributed among holders of tickets ~~which~~ that include the winner of any two races comprising the Select Four.

(~~i~~h) If no ticket is sold combining at least two winners of the Select Four, the net amount in the ~~parimutuel~~ pool shall be distributed among holders of tickets ~~which~~ that include the winner of any one race comprising the Select Four.

(~~j~~i) If no ticket is sold that would require distribution of the Select Four pool to a winner under this rule, the association shall make a complete and full refund of the Select Four pool.

(~~k~~j) If for any reason one of the races comprising the Select Four is cancelled, the net amount of the ~~parimutuel~~ pool shall be distributed as provided above in subsections (~~f~~), (~~g~~), (~~h~~), (i) and (~~j~~).

(~~k~~) If for any reason two or more of the races comprising the Select Four is cancelled, a full and complete refund will be made of the Select Four pool.

(ml) In the event a Select Four ticket designates a selection in any one or more of the races comprising the Select Four and that selection is scratched, excused or determined by the Stewards stewards to be a non-starter in the race, the actual favorite, as evidenced by the amounts wagered in the win pool at the time of the start of the race, will be substituted for the non-starting selection for all purposes, including pool calculations and payouts.

(nm) In the event of a dead heat for win between two or more horses in any Select Four race, all such horses in the dead heat for win shall be considered as winning horses in the race for the purpose of calculating the pool.

(on) No ~~parimutuel~~ ticket for the Select Four pool shall be sold, exchanged or cancelled after the time of the closing of wagering in the first of the four races comprising the Select Four, except for such refunds on Select Four tickets as required by this regulation, and no person shall disclose the number of tickets sold in the Select Four pool or the number or amount of tickets selecting winners of Select Four races until such time as the Stewards stewards have determined the last race comprising the Select Four to be official. Notwithstanding the above, at the conclusion of the third of the four races comprising the Select Four, an association may with the approval of the Board display potential distribution to ticket holders depending upon the outcome of the fourth race of the Select Four.

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

Reference: Section ~~19594~~ 19590,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 18. PARI-MUTUEL WAGERING
PROPOSED AMENDMENT OF
RULE 1979. TRIFECTA

Regular Board Meeting
April 27, 2006

1979. Trifecta.

(a) The Trifecta is a separate pari-mutuel pool established on a single race. The pool consists of amounts wagered on horses to finish first, second and third in that exact order. It is not a parlay and has no connection with or relation to other pools conducted by the association or to rules governing the distribution of other pools.

(b) A valid Trifecta ticket is evidence of a binding contract between the holder of the ticket and the association and constitutes acceptance of Trifecta provisions and rules contained in this article.

(c) No Trifecta pool shall be established for a race with less than six wagering interests scheduled to start when the Trifecta pool opens for wagering in California. ~~A wager on a coupled entry or field is considered a wager on the remaining part of the coupled entry or field if any part of such entry starts for pari-mutuel purposes in accordance with Rule 1974.~~

(d) After the stewards' official order of finish is posted, the association shall distribute the net pool to holders of valid tickets that correctly selected the first, second and third finishers.

(e) In a dead heat for first or second position, only tickets selecting the correct order of finish for the first three finishers shall be winning tickets; that is, two horses in a dead heat for

first shall be first and second, in either position; and two horses in a dead heat for second shall be second and third, in either position. In a triple dead heat for first, the three horses shall be the winning combination regardless of the order of selection. In a triple dead heat for second, tickets with the correct first selection and two of the three horses shall be winning tickets. In a triple dead heat for third, tickets with the correct first and second selection and one of the three horses shall be winning tickets.

(f) If no ticket correctly selected the first, second and third position, the net pool shall be paid for tickets that selected first and second. If no ticket selected first and second the net pool shall be paid for tickets that selected first. The association shall refund the entire pool if no ticket selected first.

(g) If the stewards scratch a horse before wagering is closed, the association may exchange any ticket that includes the scratched horse. After wagering is closed, tickets selecting a scratched horse or a horse the stewards declared a nonstarter shall be eliminated from the pool and the purchase price refunded.

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

Reference: Section 19594 ~~19590~~,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 18. PARI-MUTUEL WAGERING
PROPOSED AMENDMENT OF
RULE 1979.1. SUPERFECTA

Regular Board Meeting
April 27, 2006

1979.1. Superfecta.

(a) The Superfecta is a separate pari-mutuel pool established on a single race. The pool consists of amounts wagered on horses to finish first, second, third, and fourth in that exact order. It is not a parlay and has no connection with other pools conducted by the association or to rules governing the distribution of other pools.

(b) A valid Superfecta ticket is evidence of a binding contract between the holder of the ticket and the association and constitutes acceptance of Superfecta provisions and rules contained in this article.

(c) No Superfecta pool shall be established for a race with less than eight wagering interests scheduled to start when the Superfecta pool opens for wagering in California. ~~A wager on a coupled entry or field is considered a wager on the remaining part of the coupled entry or field if any part of the entry starts for pari-mutuel purposes under Rule 1974 of this division.~~

(d) After the stewards' official order of finish is posted, the association shall distribute the net pool to holders of valid tickets that select the first, second, third, and fourth finishers.

(e) In a dead heat for first, second, or third position, only tickets selecting the correct order of finish for the first four finishers shall be winning tickets; that is, two horses in a dead heat for first shall be first and second, in either position; two horses in a dead heat for second

shall be second and third, in either position; and two horses in a dead heat for third shall be third and fourth, in either position. In a dead heat for fourth, tickets with the correct first, second, and third selection and one of the two horses in the dead heat for fourth shall be winning tickets. In a triple dead heat for first, tickets selecting the three horses in the dead heat, regardless of the order of selection, and the horse finishing fourth shall be winning tickets. In a triple dead heat for second, tickets with the correct first selection and all three horses in the dead heat shall be winning tickets. In a triple dead heat for third, tickets with the correct first and second selection and two of the three horses in the dead heat shall be winning tickets. In a triple dead heat for fourth, tickets with the correct first, second, and third selection and one of the horses in the dead heat shall be winning tickets.

(f) If no ticket selects the first, second, third, and fourth position, the net pool shall be paid for tickets that select first, second, and third. If no ticket selects first, second, and third position, the net pool shall be paid for tickets that select first and second. If no ticket selects first and second, the net pool shall be paid for tickets that select first. The association shall refund the entire pool if no ticket selects first.

(g) If the stewards scratch a horse before wagering is closed, the association may exchange any ticket that includes the scratched horse. After wagering is closed, tickets selecting a scratched horse or a horse the stewards declared a nonstarter shall be eliminated from the pool and the purchase price refunded.

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

Reference: Section ~~19594~~ 19590,
Business and Professions Code.

STAFF ANALYSIS
PROPOSED AMENDMENT OF
RULE 1472. RAIL CONSTRUCTION AND TRACK SPECIFICATIONS

Regular Board Meeting
April 27, 2006

BACKGROUND

Business and Profession (B&P) Code Section 19420 provides that jurisdiction and supervision over meetings in this State where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings, is vested in the Board. B&P Code Section 19440 states the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the Board include adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. B&P Code Section 19481 requires the Board to establish safety standards governing the uniformity and content of the track base and racing surface, inner and outer rails, gates and gaps, turf, and access and egress to the track. At the December 2005 Regular Board Meeting the chairman of the track safety committee of the California Thoroughbred Trainers (CTT) spoke about track safety, the need to improve California's organic racetrack surfaces, and find a long-term solution. In addition, a number of trainers spoke about the track surface issue, and how it affected their barns and ability to attract owners to California. Industry representatives also discussed the installation of synthetic racing surfaces in California. Synthetic Polytrack surfaces are currently used in Europe and parts of the United States, and are viewed by many in the industry as a promising long-term solution to problematic organic racetrack surfaces. To accommodate the installation of Polytrack, or other synthetic surfaces, Board Rule 1472, Rail Construction and Track Specifications, must be amended. The rule currently sets forth requirements for the percent of cross slope in straight-aways and turns of racetracks. However, Polytracks have different requirements, which must be addressed.

ANALYSIS

The proposed amendment of Rule 1472 provides under Subsection (1)(3) that synthetic and polymer or wax-coated sand track surfaces shall be exempt from the requirements of subparagraph (1)(1)(2) of the rule. This will allow racing associations to install the Polytrack brand surface, or other synthetic racetrack surfaces that may not have the same cross slope and drainage requirements as organic track surfaces. Rule 1472 currently establishes standards for organic dirt racetracks, including a minimum of 2 percent cross slope in the straight-aways, and a 4 percent cross slope in the center of the turns. The Polytrack racing surface requires no slope in the straight-aways and a 2.5 percent cross slope in the turns. Other changes to the text of the regulation are grammatical, or delete obsolete language.

RECOMMENDATION

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

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 3.5. TRACK SAFETY STANDARDS
PROPOSED AMENDMENT OF
RULE 1472. RAIL CONSTRUCTION AND TRACK SPECIFICATIONS

Regular Board Meeting
April 27, 2006

1472. Rail Construction and Track Specifications.

(a) All racing surfaces, including turf courses, shall have an inner rail, and ~~shall~~ have an outer rail or shadow fence designed to meet the same impact standards as a permanent rail.

(1) Racing surfaces used for standardbred racing shall have an inner rail or pylons, and ~~shall have~~ an outer rail or shadow fence designed to meet the same impact standards as a permanent rail.

(2) If pylons are used, no obstacle shall be placed within an area extending 25 feet from the inner boundary of the racing surface.

(b) All rail posts, except portable, auxiliary, or chute rail posts, must be set in concrete at least 6 inches below the racetrack surface and shall be at least 24 inches deep. Permanent rails shall be designed not to collapse or break away when a horse ~~which~~ that is running parallel to the rail ~~either bumps, lugs or falls into the rail or posts~~ during normal training or racing. Notwithstanding the above, no permanent or portable turf post or rail shall be constructed of fiberglass, poly vinyl chloride (P.V.C.), or wood, ~~nor~~ and hedges shall not ~~hedges~~ be used as a post or rail. ~~All existing wood rails will be required to be replaced by the 1996 race meetings.~~

(c) The height of all outside and inside rails shall be between 38 and 42 inches from the top of the racing surface to the top of the rail.

(d) All rails, and rail post covers shall be maintained ~~so as to ensure~~ with a smooth surface, and without jagged, sharp or irregular edges. All permanent rails and rail post covers shall be firmly secured by means of bolting, welding or other equivalent method.

(e) All permanent inside rail posts shall be of a gooseneck-type design utilizing at least a 24-inch overhang with a continuous smooth elevated cover extending over the posts. Portable rails and posts shall be designed not to collapse or break away when a horse ~~which~~ that is running parallel to the rail ~~either~~ bumps, lugs or falls into the rail or posts during normal training or racing conditions. This subsection shall not apply to chute extension rails.

(f) All turf course paths, leading from the inside rail of the main course to the turf course, shall be consistent in appearance with surrounding area. No rails shall be installed on turf course paths ~~which~~ that lead from the main course to the turf course.

(g) No objects shall be placed within 10 feet from the face of the inside rail. Marker poles ~~which~~ that are placed within 10 feet from the face of the inner rail shall be flexible enough to collapse upon impact of a horse and/or rider or driver.

(h) Any concrete drainage ditch within 10 feet of the face of the inside rail must be covered with a material that will support the weight of the horse and rider or driver and at the same time (if needed), and have padding to cushion the impact of the horse and rider or driver.

(i) All rail gate openings shall be designed not to collapse or break away when a horse ~~which~~ that is running parallel to the rail ~~either~~ bumps, lugs or falls into the rail or post during normal training or racing. Gates shall have a uniform appearance with the contiguous rail, and all gates on inner rails shall be closed and secured during racing and training.

(j) Separate ingress and egress gates or gaps shall be provided for horses to enter and leave the main racetrack. Each ingress and egress gate or gap shall be a minimum of ~~twenty~~ (20) feet wide. Ingress and egress gates and gaps shall be separated by at least ~~twenty~~ (20) feet. All gaps may be available for ingress for two (2) minutes immediately following renovation breaks. The starting gates used for breaking horses during morning training hours shall be placed in a location ~~which~~ that will not result in interference or distraction of gate horses from other horses entering or leaving the track during training hours.

(k) All racetrack lighting systems utilized for night racing shall have ~~either~~ an emergency back-up system or a preferred electrical current provided by a public utility and incandescent lighting. Any such lighting systems must provide horses, riders, and drivers sufficient lighting to safely leave the track in case of a main power failure.

(l) All licensed racing associations or racing fairs conducting live racing and/or training and other training facilities used for timed and reported workouts shall have: ~~provide the Board with written certification by a Land Surveyor or Registered Civil Engineer licensed by the State of California, Board of Registration For Professional Engineers and Land Surveyor certifying:~~

(1) Permanent track surface elevation grade marks ~~have been~~ installed at least at every 1/32 mile intervals to provide for a means of maintaining a continuous uniform grade of the track cushion and base (if granite). If the track is designed with the front stretch or ~~back stretch~~ backstretch at a different elevation than the other, a continuous grade from one elevation to the other shall be maintained.

(2) ~~The percent of cross slope in both the straightaways and turns. There shall be a~~ A minimum of two 2 percent (2%) cross slope in the straightaways straight-aways and a minimum of ~~four~~ 4 percent (~~4%~~) cross slope in the center of the turns.

(3) Synthetic and polymer or wax-coated sand track surfaces shall be exempt from the requirements of Subparagraph (1)(1)(2) of this rule.

Authority: Sections 19420, and 19440 ~~and~~ 19481,
Business and Professions Code.

Reference: Sections ~~19420, 19440 and~~ 19481,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD

APRIL 27, 2006
REGULAR BOARD MEETING

There is no board package material for Item 8.

STAFF ANALYSIS
THE SETTING OF ADW HUB RATES

REGULAR BOARD MEETING
APRIL 27, 2006

Background:

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

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

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

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

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

Recommendation:

This item for discussion and action.

CALIFORNIA HORSE RACING BOARD

APRIL 27, 2006
REGULAR BOARD MEETING

There is no board package material for Item 10.

CALIFORNIA HORSE RACING BOARD

APRIL 27, 2006
REGULAR BOARD MEETING

There is no board package material for Item 11.

CALIFORNIA HORSE RACING BOARD

APRIL 27, 2006
REGULAR BOARD MEETING

There is no board package material for Item 12.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 16. GENERAL CONDUCT.
DISCUSSION AND ACTION BY THE BOARD ON
RULE 1876. FINANCIAL RESPONSIBILITY

Regular Board Meeting
April 27, 2006

1876. Financial Responsibility.

(a) No licensee shall willfully and deliberately fail or refuse to pay any moneys when due for any service, supplies or fees connected with his or her operations as a licensee, nor shall he or she falsely deny any such amount due or the validity of the complaint thereof with the purpose of hindering or delaying or defrauding the person to whom such indebtedness is due.

(b) Any financial responsibility complaint against a licensee shall be in writing, signed by the complainant, and accompanied by documentation of the services, supplies or fees alleged to be due, or by a judgment from a civil court which has been issued within one year of the date of the complaint.

(c) The Board will not consider a financial complaint made by the complainant against the same accused within twenty-four months of the filing of the instant complaint.

(d) The Board will consider only those financial responsibility complaints which meet the following criteria:

(1) The complaint involves services, supplies or fees that are directly related to the licensee's California racetrack operations; and

(2) The debt or cause for action originated, or the civil court judgement was issued, in this State within one year of the filing of the complaint.

Authority: Sections 19440 and 19460,
Business and Professions Code.

Reference: Sections 19440, 19460 and 19461,
Business and Professions Code.

MEETING SCHEDULE OF THE
CALIFORNIA HORSE RACING BOARD

-2006-

<u>Location</u>	<u>Meeting Date</u>	<u>Date documents must be received by CHRB for inclusion in Board package</u>
Arcadia City Hall Arcadia	January 19, 2006	January 5, 2006
Arcadia City Hall Arcadia	February 16, 2006	February 3, 2006
Golden Gate Fields Albany	March 23, 2006	March 9, 2006
Hollywood Park Race Track Inglewood	April 27, 2006	April 13, 2006
Los Alamitos Race Course Los Alamitos	May 25, 2006	May 11, 2006
Alameda County Fair Grounds Pleasanton	June 29, 2006	June 15, 2006
Del Mar Simulcast Facility Del Mar	July 20, 2006	July 6, 2006
Del Mar Simulcast Facility Del Mar	August 17, 2006	August 3, 2006
Los Angeles County Fair-Fairplex Hinds Pavilion, Pomona	September 14, 2006	September 1, 2006
Arcadia City Hall Arcadia	October 26, 2006	October 12, 2006
Hollywood Park Inglewood	November 30, 2006	November 15, 2006

* Meeting dates are subject to change.

**Agenda requests and/or documents received after the dates indicated will not be included in the agenda or package unless approved by the Executive Director.

November 18, 2005