

CALIFORNIA HORSE RACING BOARD
1010 HURLEY WAY, SUITE 300
SACRAMENTO, CA 95825
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REGULAR MEETING

of the California Horse Racing Board will be held on Tuesday, June 22, 2010, commencing at 9:30 a.m., in the Sunset Room at Hollywood Park Race Track, 3883 West Century Blvd., Inglewood, California. The audio portion only of the California Horse Racing Board regular meeting will be available online through a link at the CHRB website (www.chrb.ca.gov) under "Webcasts."

AGENDA

The agenda for the regular meeting will consist of the following matters:

Action Items:

1. Presentation of the **California Horse Racing Board Resolution to John Andreini.**
2. Approval of the **minutes of the regular meeting of May 20, 2010.**
3. **Public Comment:** Communications, reports, requests for future actions of the Board. **Note:** Persons addressing the Board under this item will be restricted to **three (3) minutes** for their presentations.
4. Discussion and action by the Board regarding the **proposed amendment to CHRB Rule 1844, Authorized Medication**, to modify the levels permitted for procaine subsequent to procaine penicillin administration.
5. Public hearing and action by the Board regarding the **proposed amendment to CHRB Rule 1766, Designated Races**, to require a jockey or driver to serve additional suspension days, similar to the caliber of the designated races, should a suspended jockey or driver participate in more than one designated race per day in California. (Note: This concludes the 45-day public comment period. The Board may adopt the proposal as presented.)
6. Discussion and action by the Board regarding the **distribution of race day charity proceeds of the Los Angeles Turf Club in the amount of \$83,008 to 14 beneficiaries.**
7. Discussion and action by the Board regarding the **distribution of race day charity proceeds of the Oak Tree Racing Association in the amount of \$48,365 to eight beneficiaries.**

8. Discussion and action by the Board regarding **1) a report from representatives of Southern California Off-Track Wagering, Inc. (SCOTWINC) and Northern California Off-Track Wagering, Inc. (NCOTWINC) concerning operating results, financial condition, and strategic planning and 2) for wagering conducted by Thoroughbred racing associations, the request to modify the distribution of takeout as permitted by Business and Professions Code section 19601.01 and to modify the distribution of market access fees from Advance Deposit Wagering (ADW) as permitted under Business and Professions Code section 19604(f)(5)(E).**
9. Discussion by the Board regarding **Senate Bill 1439 (Price), which would have changed the 20 mile radius requirement to 15 miles; authorized the CHRB to conduct a one year test at the proposed site if a satellite wagering facility or tribal casino did not consent to a minisatellite wagering facility (MSW); and would have prohibited an MSW from being within 20 miles of an Indian casino.**
10. Discussion and action by the Board on the request from the **California Authority of Racing Fairs (CARF) to enact CHRB Rule 1406, Suspension of Rule, to waive the provisions of CHRB Rule 1976.9, Pick (n) Pool, to allow a Pick Six carry over to roll from the Alameda County Fair continuing to the California State Fair, the Sonoma County Fair, and the Humboldt County Fair with the payout concluding on the last day of the Big Fresno Fair.**
11. Discussion and action by the Board on the **Application for License to Operate a Minisatellite Wagering Facility by the San Mateo County Event Center at the Artichoke Joe's Casino, San Bruno, for a period of up to but not exceeding two years.**
12. Discussion and action by the Board on the **Application for License to Operate a Minisatellite Wagering Facility at the OC Tavern, San Clemente, for a period of up to but not exceeding two years.**
13. Discussion and action by the Board on the **Application for License to Conduct a Horse Racing Meeting of the Humboldt County Fair (F) at Ferndale, commencing August 12, 2010 through August 22, 2010, inclusive.**
14. Discussion and action by the Board on the **Application for License to Conduct a Horse Racing Meeting of the California Exposition and State Fair Harness Association (H) at Cal-Expo, commencing August 13, 2010 through December 18, 2010 inclusive.**
15. Discussion by the Board regarding **a report from MI Developments, Inc. concerning its future plans for horse racing at Santa Anita Park Race Track and Golden Gate Fields.**
16. Discussion and action by the Board regarding **an update from Oak Tree Racing Association concerning where it will run its September 29, 2010 through October 31, 2010 allocated race dates.**

17. Discussion and action by the Board regarding 1) **reallocation of August 25, 2010 through October 3, 2010 race dates from Pacific Racing Association to the Los Angeles Turf Club, and 2) the Application for License to Conduct a Horse Racing Meeting of the Los Angeles Turf Club (T) at Golden Gate Fields, commencing August 25, 2010 through October 3, 2010, inclusive.**
18. **Closed Session:** For the purpose of receiving advice from counsel, considering pending litigation, reaching decisions on administrative licensing and disciplinary hearings, and personnel matters, as authorized by section 11126 of the Government Code.
 - A. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending litigation described in the attachment to this agenda captioned "Pending Litigation," as authorized by Government Code section 11126(e).
 - B. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending administrative licensing or disciplinary matters described in the attachment to this agenda captioned "Pending Administrative Adjudications," as authorized by Government Code section 11126(e).

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

CALIFORNIA HORSE RACING BOARD

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

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PENDING LITIGATION
JUNE 2010

CASE

A. Pamela A. Berg v. CHRB
Superior Court of California, County of Sacramento, Case No. 34-2008-00028104

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PENDING ADMINISTRATIVE ADJUDICATIONS
JUNE 2010

CASE

- A. **Reconsideration for Licensure**
Patrick Valenzuela

- B. **Fitness for Licensure**
Gennadi Dorochenko

- C. **Appeal of the Board of Stewards Official Ruling #90, Pacific Racing Association,**
Dated June 6, 2010
Hector Romero

CALIFORNIA HORSE RACING BOARD

JUNE 22, 2010
REGULAR BOARD MEETING

There is no board package material for Item 1

PROCEEDINGS of the Regular Meeting of the California Horse Racing Board held at the Golden Gate Fields Bayside Lounge (Turf Club), 1100 Eastshore Highway, Albany, California, on May 20, 2010.

Present: Keith Brackpool, Chairman
David Israel, Vice-Chairman
Bo Derek, Member
John C. Harris, Member
Jerry Moss, Member
Richard Rosenberg, Member
Kirk E. Breed, Executive Director
Robert Miller, Staff Counsel

PRESENTATION OF THE CALIFORNIA HORSE RACING BOARD
RESOLUTION TO JOHN ANDREINI.

Chairman Brackpool said the item would be deferred until the June 2010 Regular Board Meeting.

MINUTES

Chairman Brackpool asked for approval of the minutes of the Regular Meeting of April 15, 2010. Vice-Chairman Israel motioned to approve the minutes. Commissioner Moss seconded the motion, which was unanimously carried.

PUBLIC COMMENT

John Bucalo of the Barona Casino spoke about his concerns regarding the ability of satellite wagering facilities to offer full-card wagering. He stated at the April 2010 Regular Board Meeting he talked about the issue, and that he wrote a letter to the Board regarding full-card simulcasting. Chairman Brackpool informed Mr. Bucalo that a written response to his letter was prepared and would soon be mailed. Richard Castro of

the Pari-Mutuel Employees' Guild, Local 280, asked if a business plan for Southern California Off-Track Wagering, Inc. (SCOTWINC) and Northern California Off-Track Wagering, Inc. (NCOTWINC) has been discussed. Chairman Brackpool stated the SCOTWINC/NCOTWINC business plans would be heard at the June 2010 Regular Board Meeting. Chairman Brackpool said Ron Charles of Los Angeles Turf Club had resigned. He stated Mr. Charles was a credit to the horse racing industry, and on behalf of the Board he would like to wish him well.

REPORT FROM THE MEDICATION AND TRACK SAFETY COMMITTEE.

Commissioner Derek said the Medication and Track Safety Committee (committee) met on May 19, 2010. The committee heard a report and discussion of the April 12, 2010, Racing Medication and Testing Consortium meeting, which included laboratory accreditation, withdrawal time, research and proposed changes to non-steroidal anti-inflammatory drug levels. Commissioner Derek stated Executive Director Kirk Breed gave the committee an update on the track safety standards program. The program included advanced weather conditions updated every 15 minutes. The information was available on the Board's website. The committee also heard a report from the University of California at Davis on the necropsy program, the equine injury database, and CHRB drug testing programs. The committee discussed a proposed amendment to Board Rule 1844, Authorized Medication, to modify levels permitted for procaine subsequent to procaine penicillin administration. The transparency and transferability of veterinary medical records was also discussed by the committee. There was a lot of discussion, and the committee would revisit the issue at a later date. A proposal to amend Rule 1846.5,

Postmortem Examination, to require medical records for any horse dying within the inclosure was discussed. The requirement would aid in the understanding of fatalities at California racetracks. Chairman Brackpool stated the proposed amendments to Rule 1844 and Rule 1846.5 would be discussed at the June 2010 Regular Board Meeting.

PUBLIC HEARING AND ACTION BY THE BOARD REGARDING THE PROPOSED AMENDMENT TO CHRB RULE 1689, SAFETY HELMETS REQUIRED, TO ESTABLISH AND/OR REVISE STANDARDS FOR SAFETY HELMETS WORN BY ANY PERSON MOUNTED ON A HORSE ON THE RACETRACK, MOUNTED IN OR RIDING ON A SULKY, OR WORKING AS A MEMBER OF THE GATE CREW.

Jacqueline Wagner, CHRB staff, said the 15-day public notice period for the proposed amendment to Rule 1689, Safety Helmets Required, was concluded and the Board may adopt the proposal as presented. The proposed amendment would establish/revise safety standards for safety helmets, and would require any person working on the gate crew, or any person mounted on a horse on the racetrack, or mounted in or riding on a sulky, to wear a safety helmet. At the April 2010 Regular Meeting the Board heard gate crew staff express opposition to the provision that required them to wear safety helmets. Ms. Wagner stated the item was put over for further discussion by the Medication and Track Safety Committee. Dan Howry, an assistant starter, stated he represented Northern California assistant starters. He said all of Northern California's assistant starters were opposed to the requirement that they wear safety helmets. Mr. Howry talked about the reasons assistant starters opposed the proposed amendment, including the nature of injuries experienced by assistant starters, and the possibility of helmets becoming entangled with bits. He added if assistant starters had to wear helmets, they wished to be consulted on the particular type. Commissioner Derek said she understood assistant

starters' concerns, but it seemed obvious that they should wear helmets. She commented that having worn a helmet herself, she did not think assistant starters' peripheral vision would be affected. Vice-Chairman Israel stated he supported the proposed amendment to Rule 1689. He stated in his experience, when safety helmets were introduced, there was pushback. People did not like what they were not used to, but in the end safety was improved. He asked who would accept financial responsibility if someone not wearing a helmet was injured. Would assistant starters waive the liability of the racetracks, trainers and owners? Commissioner Harris said he did not know if the Board needed to dictate who would wear a helmet. However, if the gate crew employer wanted the gate crew to wear helmets, then they should wear helmets, and the expense of the helmets should be borne by the employer. If the Board wished to mandate something, there should be clear evidence there would be a beneficial result. Vice-Chairman Israel asked if the assistant starters were willing to waive liability if the Board chose not to require them to wear safety helmets. Mr. Howry said he did not think assistant starters needed to waive liability if occupational injury was involved. Vice-Chairman Israel said it was then incumbent on regulators to try and avoid such injuries, because ultimately the State and the employer would bear the financial burden. He spoke about hockey, football and auto racing, and stated in every aspect of sport, when safety equipment was introduced, there was resistance. Perhaps the safety helmets for the gate crew could be grandfathered in for those who did not wish to wear a helmet. Chairman Brackpool stated the issue with the starting gate crew was peripheral vision. He said the Board had good data from experts that declared peripheral vision was not affected. The Board should vote on the proposed amendment to Rule 1689 and move forward. If the item needed to be revisited

the Medication and Track Safety Committee could take the lead. Commissioner Moss asked if the assistant starters would accept a modification of the current safety helmet. Mr. Howry said assistant starters were interested in having input on the helmet management would buy. Commissioner Derek stated there were many styles of safety helmet, some without visors, so nothing would affect peripheral vision. Chairman Brackpool said the proposed amendment required compliance with a range of safety standards, so the assistant starters would have a choice. Barry Broad, representing the teamsters union, said it was clear the assistant starters did not wish to wear safety helmets. He stated his organization no longer supported the proposed amendment to Rule 1689. If there was a risk of injury no matter which protective gear was worn, or if the protective gear made it more dangerous, that should be taken into consideration. Chairman Brackpool asked how long it would take the proposed regulation to go into effect, if approved. Ms. Wagner stated it would take approximately 90 days for the rulemaking process to be completed. Chairman Brackpool said during that time helmets that would please all parties could be considered. Ms. Wagner said the proper helmet was a matter for the assistant starters to decide. All the proposed regulation required was that a helmet met one of the four proposed standards. There were a number of helmets that fell within the required standards, and the regulation did not mandate a particular helmet. Brad McKenzie of Los Alamitos said the assistant starters at Los Alamitos decided on their own to wear safety helmets. Los Alamitos approved the helmets in an effort to reduce workers' compensation costs and to increase safety. Vice-Chairman Israel asked if there were any complaints about peripheral vision. Mr. McKenzie said there were no complaints. He added in general, quarter horses were more difficult to

handle than thoroughbred horses, as they were more high-strung. Commissioner Derek **motioned** to adopt the amendment to Board Rule 1689, as presented. Vice-Chairman Israel **seconded** the motion, which was **carried**, with Commissioner Harris voting “no.” Commissioner Harris stated he believed individuals could chose to wear safety helmets, and racetracks could mandate safety helmets, but he did not believe it was the CHRB’s role to intervene in either case.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION TO CONDUCT A HORSE RACING MEETING OF THE SAN JOAQUIN COUNTY FAIR (F) AT STOCKTON, COMMENCING JUNE 16, 2010 THROUGH JUNE 20, 2010, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the San Joaquin County Fair (SJCF) proposed to run from June 16, 2010 through June 20, 2010, or five days, four days less than in 2009. Ms. Wagner stated SJCF would run in concert with Hollywood Park, and its first post time would be 12:45 p.m. The advance deposit wagering providers would be XpressBet, TVG, Twinpires and Youbet. The horsemen’s agreement for Arabians and quarter horses were received. The California Thoroughbred Trainer’s (CTT) agreement was still outstanding. Ms. Wagner commented the CTT indicated it had issues with the 2010 race meeting general liability insurance policy agreement. Chairman Brackpool said he understood the representative from SJCF had jury duty in April, and that was why the application was not heard at the April 2010 Regular Meeting. He stated he understood the necessity to serve on a jury, but the Board needed to hear applications for license to operate a race meeting more than 30-days before the meeting was to start. If an association representative was prevented from appearing due to personal reasons, an alternate representative could present the application. Chairman Brackpool also

cautioned that racing associations needed to do a better job of submitting the necessary documents on time. Debbie Cook of SJCF said SJCF would celebrate 150 years as a fair at its 2010 race meeting. Ms. Cook spoke about SJCF's promotional plans, which included a breast cancer awareness program. Chairman Brackpool said he understood the California Thoroughbred Trainer (CTT) agreement and the fire clearance were missing from the application. Ms. Cook stated the fire clearance would be completed as soon as the horsemen took care of one item. Chairman Brackpool **motioned** to approve the application for license to operate a meeting of SJCF, subject to receipt of the fire clearance and the CTT agreement. Commissioner Harris **seconded** the motion. Carlo Fisco of the CTT stated his organization reached an agreement in principal regarding outstanding matters, and a completed horsemen's agreement would be forthcoming. William Anton, a horseman, stated SJCF had \$142,465 in underpayments for 2008, and he would like to demand payment to the owners. He said the Thoroughbred Owners of California (TOC) decided to give the underpayment to SJCF to enhance its purses. However, the money belonged to the owners, not TOC or the California Authority of Racing Fairs (CARF). Executive Director Kirk E. Breed said the law allowed for the consolidation of purses, and the agreement that was reached regarding the underpayment/overpayment was between the horsemen and the association. He stated the same agreement was reached by TOC, quarter horses, mules and the other breeds. The role of the Board was simply to enforce the agreement. If the horsemen and CARF agreed to the underpayment being passed into the purses for the following year, the license would allow that. Executive Director Breed said he understood the underpayment at Cal-Expo and SJCF were paid to the horsemen. Commissioner Harris said there was

an underpayment in 2008. The TOC horsemen's agreement outlined how the underpayment would be handled, but TOC and CARF amended the agreement with regards to the underpayment. Guy Lamothe of TOC said he did not believe the agreement was changed; instead, the horsemen's agreement allowed the underpayment to be carried forward from meeting to meeting. The underpayments from 2008 and from 2009 were carried forward. He stated the larger picture involved ensuring the longevity and prosperity of subsequent fair race meetings. TOC was concerned with maintaining a consistent level of purses over time. With the uncertainty in the fair racing circuit, TOC believed it would be prudent to carry forward an amount that was allowed by the agreement between TOC and CARF. Chairman Brackpool commented a letter from TOC to the CHRB indicated the 2008 underpayment was effectively paid out in the purse structure of 2009, so there was nothing from 2008. Mr. Lamothe stated TOC believed the monies belonged to the owners. So, those monies from 2008 were carried forward and were built into the purse program for 2009. He added that at SJCF there was a 2009 overpayment of approximately \$60,000 – even with the carryover. That meant the 2008 underpayment did not leave the system; it was still in the purse program and it was done to support the fair race meetings. Chairman Brackpool said the issue went beyond the SJCF application. He stated the issue would be placed on the agenda of a future Regular Meeting. The **motion** to approve the application for license to conduct a horse racing meeting of SJCF, contingent upon receipt of the fire clearance and CTT agreement was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION TO CONDUCT A HORSE RACING MEETING OF THE CALIFORNIA EXPOSITION AND STATE FAIR (F) AT SACRAMENTO COMMENCING JULY 14, 2010 THROUGH JULY 25, 2010, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the California Exposition and State Fair (Cal-Expo) proposed to run July 14, 2010 through July 25, 2010, or ten days, one day less than in 2009. Racing would be conducted Wednesday through Sunday, with a first post time of 1:45 p.m., daily. Ms. Wagner stated the fire clearance was missing from the application, but it would be completed prior to the race meeting. She said staff recommended the Board approve the application, contingent on receipt of the fire clearance. Dave Elliott of Cal-Expo said the Fire Marshall visited Cal-Expo on May 13, 2010, and was scheduled for a return visit on May 21, 2010. There should be no issues with the fire clearance. Commissioner Harris commented the proposed race dates were different from previous years. He asked if Cal-Expo would promote the fair so the public would be aware of the change. Norb Bartosik of Cal-Expo said ticket sales were equal to 2009, and the advance promotion was one million dollars over the previous year. It appeared the public was aware of the new dates. Commissioner Moss **motioned** to approve the application for license to conduct a horse racing meeting of Cal-Expo, conditioned on receipt of the fire clearance. Vice-Chairman Israel **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION TO CONDUCT A HORSE RACING MEETING OF THE SONOMA COUNTY FAIR (F) AT SANTA ROSA, COMMENCING JULY 28, 2010 THROUGH AUGUST 15, 2010, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the Sonoma County Fair (SCF) proposed to run July 28, 2010 through August 15, 2010, or 15 days, five days more than in 2009. SCF

would run concurrently with Del Mar Thoroughbred Club, and the first post time would be 12:45 p.m. The advance deposit wagering providers would be XpressBet, TVG, Twinspires and Youbet. Ms. Wagner stated the only item missing from the application was the fire clearance. She said staff recommended the Board approve the application contingent on receipt of the fire clearance. Tawny Tesconi of SCF spoke at length about her organization's marketing efforts. Chairman Brackpool asked if SCF was concerned about the horse population during its third week of racing. Ms. Tesconi there was concern in general about the horse population; however, she did not think the third week would be any different from the first two weeks. Commissioner Harris asked if all the SCF stakes races could be made overnight stakes so Cal-bred added money could be included. Richard Lewis of SCF said the stakes were originally scheduled as overnights, but the Thoroughbred Owners of California (TOC) indicated it would like some guaranteed stakes. Guy Lamothe of TOC said if all the stakes were overnight stakes SCF would encounter purse liabilities, which would require lower purses on all other levels to compensate. Tom Doutrich, a racing secretary, stated the issue was the budget for each fair. The fairs would like to see more for each stake race and other purses, so the fairs compromised to provide a balance. Commissioner Derek **motioned** to approve the application for license to conduct a horse racing meeting of SCF, contingent on receipt of the fire clearance. 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 DEL MAR THOROUGHBRED CLUB (T) AT DEL MAR, COMMENCING JULY 21, 2010 THROUGH SEPTEMBER 8, 2010, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the Del Mar Thoroughbred Club (DMTC) proposed to run July 21, 2010 through September 8, 2010, or 37 days, the same number of days as in 2009. Ms. Wagner stated DMTC would run concurrently with the Sonoma County Fair, Humboldt County Fair, Cal-Expo and Pacific Racing Association, and the first post time would be 2:00 p.m. She added the only items missing from the application were the fire clearance, which would take place near the opening day of the meeting, and the track safety inspection. Ms. Wagner said staff recommended the Board approve the application, contingent on receipt of the missing items. Craig Fravel of DMTC said his organization was cautiously optimistic, as its advance ticket sales and group sales were up significantly over 2009. Mr. Fravel stated he provided the Board with a handout that was a follow up on taking a look at modifications in the way DMTC presented odds – in partial response to the perceptions about late odds changes – but also to determine if different presentations might be useful to the wagering public. Mr. Fravel said he did not think the change was something that should be undertaken only by Del Mar. If the industry wished to make such a change, it should be done as a circuit. He stated DMTC conducted a focus group to see how patrons would react, and it received relatively lukewarm feedback. There were those in favor of at least maintaining the decimal or standard odds on the simulcast signal, by cycling the \$2 win will pays, which were a little more accurate on a moment by moment basis. Chairman Brackpool stated that due to the impact of the change, the issue should be heard by the Pari-Mutuel/ADW and Simulcast Committee. Mr. Fravel said he agreed. He just wished to inform the Board of DMTC's

progress. Commissioner Harris commented that one of DMTC's problems was the availability of wagering. Because the seating was removed from the actual pari-mutuel machines, wagering could be difficult. Over the last few years there were attempts to have more hand-held devices and kiosks. He asked if in 2010 DMTC was going to address the problem. Terry McWilliams of Scientific Games said his organization had a number of personal wagering devices and public account wagering devices that it had been encouraging racetracks to use. He stated the hand-held devices were not in the boxes, but they could be made available, as could walk up mobile terminals. Craig Fravel added an iPhone application would soon be available for advance deposit wagering (ADW). Chairman Brackpool stated he read the marketing plan and thought it was excellent. He said there was a lot of data regarding the targeted demographic of 18 to 34 years, but there was nothing regarding educating the new audience about horse racing. New attendees frequently complained that horse racing was overwhelming and difficult to understand, so the industry needed to make more of an effort to explain itself. Mr. Fravel said he agreed; however, DMTC did make significant efforts to inform new patrons. Those efforts included giving handicapping lessons to groups, and providing information in the program. In addition, a handicapper seminar was held in the Clocker's Corner every morning of the week, and there were two "Donuts Days" during the meeting – where trainers and jockeys provide educational background on the races. Richard Castro, of the Pari-Mutuel Employees' Guild (Guild), spoke about his concerns regarding DelMarBets.com, which he stated was an ADW provider, not an extension of XpressBet.com. David Rosenfeld, a lawyer representing the Guild, argued that the ADW enabling statute did not provide for wagering "platforms" such as DelMarBets.com. He

stated DelMarBets.com was a “phony entity” and was in fact a racing association trying to act, in part, like an ADW provider. He said the statute did not allow that. Barry Broad, on behalf of the Guild, spoke about the intent of the ADW enabling legislation, which included jobs for pari-mutuel employees. He stated the jobs had not been delivered, and the industry needed to find a way to fulfill its bargain. Mr. Fravel said the issue addressed by Mr. Broad went beyond DMTC, and involved the Guild and the ADW companies. He stated DelMarBets.com was a white label version of XpressBet that was a contractual arrangement that provided different terms for the ADW transactions that benefited horsemen and tracks beyond the traditional ADW arrangement. All the ADW activities that took place were handled by XpressBet. DMTC was not doing anything wrong; it was fully disclosed and had filed a copy of its agreement with the Board. DMTC would be happy to talk to the Guild, but any discussion should include the ADW providers, because DMTC was not the employer. Chairman Brackpool asked if the Guild had previously filed any of its arguments with the Board. Mr. Castro stated nothing in writing had been filed with the Board. Commissioner Rosenberg **motioned** to approve the application for license to conduct a horse racing meeting of DMTC contingent on receipt of the missing items. Vice-Chairman Israel **seconded** the motion, which was **unanimously carried**.

**DISCUSSION AND ACTION BY THE BOARD REGARDING AN UPDATE FROM
MAGNA ENTERTAINMENT CORPORATION CONCERNING ITS
BANKRUPTCY PROCEEDINGS AND FUTURE RACING OPERATIONS.**

Mr. Dennis Mills of MI Developments, Inc. (MID) introduced various members of the MID organization, as well as Mr. George Haines, the new president of Santa Anita Park

Race Track (SA) and Golden Gate Fields (GGF). In addition, Mr. Mills read excerpts from a letter MID prepared for the Board that dealt with initiatives in California. The excerpts included the MID brokered solution concerning stalemates in MEC's bankruptcy proceedings for Southern California Off-Track Wagering, Inc (SCOTWINC). Discussions concerning the remaining statutory claimants were ongoing. MID would support current legislative changes relating to wastewater from concentrated animal feeding operations at racetracks, and changes in takeout rates. MID engaged in discussions with Breeders' Cup, but could not disclose anything about the discussions due to confidentiality obligations. MID believed there should be fewer restrictions on racing days for SA to be commercially viable. MID hoped to work cooperatively with the California Association of Racing Fairs, and to arrive at a new relationship with Oak Tree Racing Association (OTRA). MID hoped to work with the industry to develop new wagering formats that would appeal broadly to the U.S. consumer – particularly to a younger demographic. MID made a commitment to California Thoroughbred Trainers to examine alternative racing surfaces at the SA racetrack. MID believed California should adopt unlimited out-of-state simulcasting. MID believed the California industry would benefit from additional minisatellite locations. Mr. Mills concluded by stating MID wanted to work with the California industry to improve horse racing, and it would return in June 2010 with a comprehensive plan to get its assets in a profitable condition. Chairman Brackpool stated a recurring theme of the MID letter was bemoaning California's regulatory climate. He stated he understood that MID made a decision to acquire the assets of Magna Entertainment Corporation (MEC) because it was in the best interest of MID and its holders. Chairman Brackpool asked if the laws in California had

changed since MID acquired the MEC assets. Mr. Mills said the laws had not changed. Chairman Brackpool said MID made an investment in MEC, and reported it was a great investment because of the opportunities in California, but now it was stating regulations had to change and that California was broken and outdated by 50 years. He asked if the two statements could be tied together. Mr. Mills asked if the Chairman was suggesting the current horse racing structure in California was not worthy of review. Chairman Brackpool stated his point was that when MID bought the MEC assets it was fully aware of California's regulatory scheme, yet it still believed it acquired good assets. Mr. Mills stated that was the case, and MID would stand by that. Chairman Brackpool said in MID's annual report it referred to each track it purchased by their real estate acreage, not by what the track did or offered. SA was described as 305 acres and GGF as 120 acres, but there was nothing about the racing possibilities of the entities. He asked if the Board should believe MID genuinely was interested in horse racing, or in the underlying acreage. Mr. Mills stated MID believed there was a model that would make its assets better. It would not just take them over and defend the status quo. MID hoped to work with all stakeholders to amend regulations so the sustainability of racetracks would be secured. Chairman Brackpool asked if MID had introduced legislation to enact the changes it desired. Mr. Mills said MID took over the assets only recently, so it needed to present specific ideas. MID hoped to do that at the Board's June 2010 Regular Meeting. Chairman Brackpool stated he was thinking of the California legislative calendar. Based on articles in the press, MID was not happy with California's regulations, and the fact that the Board had the authority to allocate race dates. He said he was wondering if MID intended to sponsor legislation in the current session. Mr. Mills stated MID intended to

work with the industry, but it intended to cause change, rather than condone the current drift. Vice-Chairman Israel asked if MEC no longer existed. Ed Hanna of MID said MEC technically existed as an estate in the bankruptcy court. However, all of the MEC assets were transferred to MID. Vice-Chairman Israel asked if MID would operate SA and GGF. Mr. Hanna stated MID would be the owning entity, not the operating entity. Vice-Chairman Israel said Business and Professions Code section 19483 prohibited the issuance of a license to conduct a horse racing meeting to any person having a financial interest in a horse racing meeting at any other track in the State. Business and Professions Code section 19484 provided that the Board must find that the purpose of Horse Racing Law would be better served before a person licensed to operate a horse racing meeting could own or acquire any stock, or hold any other financial interest in any other track. He said that suggested to him it might be illegal for MID or any of its subsidiary companies to operate GGF, SA and XpressBet. MID could own and operate one of the entities in California. Mr. Hanna said he was aware of the statutes, but the Board had granted that waiver to MEC and permitted that to happen. Vice-Chairman Israel stated the waiver was granted to MEC, which was no longer a share holder; MID was the shareholder. Mr. Hanna stated the waiver belonged to the licensees, which continued to exist. Vice-Chairman Israel said MEC was defunct. Mr. Hanna conceded the Board had the right to determine if dual ownership was in the best interest of horse racing. Vice-Chairman Israel said being a "good citizen" within the horse racing community and the State of California was an issue with the Board. MID's recent actions and rhetoric placed the status of OTRA's lease in doubt, and put in jeopardy California's ability to host the Breeders' Cup for the next five years. He commented OTRA was a

charitable organization that accomplished a lot of good in California over the past 41 years, and the Breeders' Cup represented approximately \$60 million in economic activity for Arcadia, the San Gabriel Valley and Los Angeles County. OTRA and the Breeders' Cup were in jeopardy because MID wanted to change how it did business. Vice-Chairman Israel said MID's actions would affect a lot of people. There were aspects of California racing that needed change, but the adage "If it ain't broke, don't fix it" applied. OTRA was a success, and it did not need fixing. Mr. Mills said MID understood, and it was holding meetings with OTRA in an attempt to arrive at a mutual solution. Chairman Brackpool stated MID should understand there was a lot of concern over what its takeover of MEC would mean. Additionally, MID's chairman made various statements that in California were almost universally taken as hostile, and MID's first act was to cancel OTRA's lease. These actions raised the level of concern. Chairman Brackpool said the Board also had a record of statements made by MID's chairman regarding his views of the California industry, the changes he wanted to make and the commitments he made. Those commitments never happened. MID may be a different corporate entity, but it was controlled on identical terms by the same person. That made the industry wonder what was different. Mr. Mills said he understood, and MID would return to the Board in June 2010 with a comprehensive plan. Chairman Brackpool said every member of the Board agreed there needed to be changes in California horse racing, but there was a determined process to affect such change. In addition, there were certain absolutes that made some change difficult. Those included initiatives approved by voters and tribal compacts. California had a racing product, weather and an ability to host major events that was second to none, but it also had constraints that it had to operate within. It was

not appreciated when one entity made public statements that indicated it was the only entity that believed change was necessary, and the remainder of the California industry supported the status quo of the last 50 years. Commissioner Rosenberg said the MID letter stated it was a public company that must obtain an adequate rate of return. He added the letter stated MID conducted detailed discussions with the entity interested in running SA and offered to lease SA to that entity, but the entity was unwilling to pay market rate rent. Commissioner Rosenberg asked if those discussions took place since MID took over SA. Mr. Hannah stated the discussions took place quite a while ago, but MID could not comment further due to confidentiality restrictions. Commissioner Rosenberg asked if the discussions took place during the MEC bankruptcy proceedings. Mr. Hannah said the discussions took place during the bankruptcy proceedings and they were between MID and the entity interested in leasing SA. He stated MID was the secured creditor. MEC retained a party to run a sales process for its assets. MID was not a part of that process, and it wanted to achieve the greatest possible value in the realization of its security on its loans to MEC. So, during the bankruptcy proceedings, MID was holding discussions with various entities concerning ways to maximize the value of various MEC assets. Chairman Brackpool said MID's letter stated it was asked to broker a solution concerning the stalemate over SCOTWINC, Northern California Off-Track Wagering, Inc (NCOTWINC) and other statutory claimants. The Board's understanding was that MEC refused to pay what were monies held in trust. Did MID also oppose the motions to pay the money prior to becoming a broker? Mr. Hannah said MID took action only after the settlement and solution were reached, when it filed a statement in support of the settlement. Chairman Brackpool asked who on the

management team opposed the payments. Mr. Hannah said he did not know. MEC had its own management team under supervision of the bankruptcy court. However, the senior MEC management team was gone because MEC no longer had any assets. Chairman Brackpool asked if anyone on the MID management team supported those motions. Mr. Hannah said MID was an entity controlled by the Stronach Trust, so it never took an active role in the bankruptcy proceedings until a plan of reorganization was proposed by MID, the unsecured creditors committee and MEC. In February 2010 MID was asked to get involved in the SCOTWINC/NCOTWINC issue, but MID indicated it did not feel it could get involved. However, because of the importance of SCOTWINC/NCOTWINC to California, MID did get involved. A solution was then reached, but it was only for SCOTWINC. In Northern California, Pacific Racing Association (PRA) was actually owed significant amounts of money by NCOTWINC. Mr. Hannah said MID understood the Board's desire to ensure statutory deductions were paid. MID asked for the same vigilance, as it was the controlling entity of PRA, which was owed funds that were statutory deductions. Chairman Brackpool asked if MID – in its capacity as a secured lender and the debtor in possession lender – ever filed any objections to the statutory payments. Mr. Hannah said MID did not file any objections; it only filed a brief in support of the SCOTWINC settlement. Vice-Chairman Israel asked what MID meant when it stated in its letter that SA required fewer restrictions on racing days to be commercially viable. Mr. Mills stated the current number of race dates allocated to SA made it difficult for the facility to sustain itself. In the future, MID hoped SA may be allocated more race dates. Chairman Brackpool said over a number of decades SA was a remarkably successful operation. The problem was not that SA was

running on a reduced racing schedule, it was the changes occurring in the economics of horse racing. A possible solution would be to run more race days, but if one looked at past Board discussions, one would find the Board talked about that and many other initiatives. Further, what the California industry received from MID seemed to be threats. Mr. Mills said there was no intention to issue threats; MID's management had a passion for the sport, so at times its words might be misinterpreted. Sometimes in the midst of the debate things were said that were colloquialisms, and should not be taken literally. Vice-Chairman Israel asked if MID's wishing to run 52 weeks a year, three days a week, at SA was a colloquialism. Mr. Mills said it was. Commissioner Derek stated that within the short time MID controlled SA some of the best horse racing institutions in California had been disrupted and potentially damaged. She asked how MID would repair or correct the damages, and added she did not believe the Board should have to wait 30 days for answers. MID should report its progress as it went along. Commissioner Moss stated the Board and the industry needed to know what its largest investor was planning. There was an entire range of issues for horsemen, from those that affected family life to where they would run horses. Additionally, the issue of the Breeders' Cup was a major point. The event presented a major opportunity for rebirth, with significant dollars entering Southern California. The Board and the industry needed answers, and MID would find all parties more receptive the sooner such answers were provided. Chairman Brackpool said one of the Board's functions was the promotion of horse racing. However, MID came to California and acted like the proverbial bull in the china shop. The Board was not arguing with MID's right to seek change or legislative relief. Every aspect of the industry pursued legislation, but it tried to do it in a way that

maintained the integrity of the sport with the wagering public. Mr. Hannah commented the MID letter was not meant to be a threat. All parties should focus on the call to action at the end of the letter, which sought to achieve a comprehensive solution to make California horse racing commercially viable. Richard Scheidt of Thoroughbred Owners of California (TOC) stated he represented the Thoroughbred Racing Association of California (TRAC). He said TRAC was a non-profit entity established by TOC in 2009. Its original purpose was to purchase or lease SA, but that was not accomplished. TRAC currently wished to work with any California racing entity to operate non-profit race meetings to benefit California horsemen. Mr. Scheidt read into the record a letter from TRAC that explained the organizations philosophy and goals. Chairman Brackpool thanked Mr. Scheidt and asked that he share his information with MID, and that MID entertain a discussion with TRAC. Dr. Rick Arthur, CHRB Equine Medical Director, spoke about statutory funds owed to the UC Davis Center for Equine Health. Mr. Hannah stated the Regents of the University of California were a plaintiff in an action before the Chapter 11 court concerning statutory payments. There was currently a plan administrator that was dealing with the bankrupt estate for MEC, but Mr. Hannah said he did not know how the administrator would deal with the claim. Chairman Brackpool stated there was a schedule of which payments MEC had to make. The administrator surely made all of the payments that were on the schedule, but a report on the issue from MID would be welcome. Mr. Hannah said MID would request the information from the plan administrator at MEC.

DISCUSSION AND ACTION BY THE BOARD REGARDING AN UPDATE FROM OAK TREE RACING ASSOCIATION CONCERNING THE STATUS OF ITS LEASE WITH SANTA ANITA PARK RACE TRACK, INCLUDING ANY POTENTIAL IMPACT THE LEASE MAY HAVE ON ITS SEPTEMBER 29, 2010 THROUGH OCTOBER 31, 2010 ALLOCATED RACE DATES.

Sherwood Chillingworth of Oak Tree Racing Association (OTRA) stated OTRA was informed by MI Developments, Inc. (MID) that it would make a proposal regarding the OTRA lease on June 4, 2010. Mr. Chillingworth said the MID officials reminded him that Santa Anita Park Racetrack (SA) was not making a sufficient profit to be a justifiable economic investment. By that, Mr. Chillingworth stated he understood that perhaps OTRA would be asked to provide funds to rectify the problem. OTRA currently paid SA \$4 million a year, plus 75 percent of its profits. OTRA's problem with increasing its "rent" was that the additional funds would go to MID shareholders. Otherwise, the funds generated by OTRA would remain in California and would benefit the industry. With regards to the negotiations over the OTRA lease, Mr. Chillingworth stated MID initially claimed it only had two conditions. He said he did not think the conditions were onerous, so he consulted with the OTRA executive committee and they also agreed to the MID conditions. Mr. Chillingworth stated he contacted MID to report OTRA would agree to the conditions, and was ready to sign a written agreement. However, the MID representatives stated they had to return to Toronto, and that they would forward a format for the agreement within a week. Ultimately, the contract forwarded by MID had provisions that were well beyond OTRA's economic capabilities. Additionally, MID wanted to usurp the Breeders' Cup without compensation to OTRA. The problem with losing the Breeders' Cup was that OTRA historically lost a million dollars the week before the Breeders' Cup and the week after the event. So, during the years when OTRA

hosted the Breeders' Cup, it depended on the income derived from the event to have a successful meeting. Mr. Chillingworth stated MID and OTRA would hold another meeting on June 4, 2010, and he hoped MID would present an equitable proposal. Otherwise, Hollywood Park and Del Mar Thoroughbred Club agreed to let OTRA run at either facility. OTRA ran at SA for 41 years and would like to continue the relationship, but if it was to continue helping the California industry it had to be able to make money. Commissioner Derek asked if OTRA could disclose the MID financial conditions. Mr. Chillingworth stated the total amount demanded by MID was \$15 million to \$16 million. MID wanted an immediate loan of \$10 million to invest in the SA facility, and it wanted OTRA to pay for 25 percent of all track related capital improvements. Currently, OTRA provided \$2.5 million a year in rent, which was designed to cover capital improvements. Mr. Chillingworth stated OTRA's net worth was approximately \$12.5 million, before taxes. Chairman Brackpool commented MID had every right to cancel the OTRA lease. However, since October 2009 the Board inquired about OTRA at every Regular Meeting, and received positive assurances from the MEC representative. The lease was canceled with short notice, and the issue was now a "cause célèbre" within the industry. Chairman Brackpool asked if MID wished to respond to OTRA's statement or would like the record to stand. Mr. Mills said the record would stand. Dr. Gregory Ferraro of the UC Davis Center for Equine Health stated neither the Southern California Equine Foundation nor the UC Davis Center for Equine Health would exist if it were not for OTRA. In addition, OTRA was responsible for the hospitals on the back side of the racetracks, and it was a major source of funding for the design of the Kimsey ambulance and Kimsey splint. Dr. Ferraro said many of the advancements in the care of horses could be directly related to

OTRA's support over the past 35 years. Without OTRA's support much of the advancement in the care and treatment of horses would not be possible. Cliff Goodrich, a long term industry member and past president of SA, spoke in favor of continuing the relationship between OTRA and SA. He stated he realized MID operated for profit, but the industry needed collaboration, and the retention of OTRA would be a positive start. Mr. Alan Balch of California Thoroughbred Trainers and a long term industry member spoke about the formation of OTRA and its early days. He stated the founders of OTRA took a huge risk, and over its lifetime OTRA became a tremendous asset and an exemplar of the sport of horse racing. The stature of OTRA was something the California industry understood. Marsha Naify of Thoroughbred Owners of California (TOC) stated she was representing the board of directors of TOC, and over 9,000 thoroughbred horsemen in California. She said her organization believed OTRA was a mainstay of California racing, and the industry owed a tremendous debt of gratitude to its founders. OTRA was currently considered one of the finest race meets in the United States and it was renowned for its turf racing. Because of its excellent management, OTRA was selected to host five Breeders' Cup World Thoroughbred Championships. TOC could not imagine a racing calendar that did not include OTRA. If an agreement could not be reached with MID, TOC would fully support moving the OTRA race dates to another racing facility. Bob Fox of California Thoroughbred Breeders Association (CTBA) stated his organization had a long-standing relationship with OTRA. He said the CTBA fully supported OTRA. Chairman Brackpool said it was obvious that the industry and the Board believed OTRA was vital and the contributions it made were paramount and were not replaceable. He stated OTRA must continue, so he would make the following

motion: "The California Horse Racing Board hereby finds, based upon the report of Oak Tree Racing Association Executive Vice President Sherwood Chillingworth, that the venue previously occupied by the Oak Tree Racing Association is 'not available for racing' for 2010. Therefore, pursuant to the provisions of Business and Professions Code Section 19532.1, the California Horse Racing Board authorizes the Oak Tree Racing Association to utilize the 2010 race dates allocated to the association at another thoroughbred horse racing venue in the Central or Southern Zones." Vice-Chairman Israel seconded the motion, which was **unanimously carried.**

DISCUSSION AND ACTION BY THE BOARD REGARDING THE AMENDMENT TO PACIFIC RACING ASSOCIATION'S APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING AT GOLDEN GATE FIELDS, COMMENCING DECEMBER 26, 2009 THROUGH JUNE 13, 2010, INCLUSIVE, TO UPDATE THE APPLICATION TO REFLECT MAGNA INTERNATIONAL DEVELOPMENTS, INC. AS THE CURRENT PARENT COMPANY OF THE PACIFIC RACING ASSOCIATION.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE AMENDMENT TO PACIFIC RACING ASSOCIATION'S APPLICATION FOR AUTHORIZATION TO OPERATE A SIMULCAST WAGERING FACILITY TO UPDATE THE APPLICATION TO REFLECT MAGNA INTERNATIONAL DEVELOPMENTS, INC. AS THE CURRENT PARENT COMPANY OF THE PACIFIC RACING ASSOCIATION.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE AMENDMENT TO LOS ANGELES TURF CLUB'S APPLICATION FOR AUTHORIZATION TO OPERATE A SIMULCAST WAGERING FACILITY TO UPDATE THE APPLICATION TO REFLECT MAGNA INTERNATIONAL DEVELOPMENTS, INC. AS THE CURRENT PARENT COMPANY OF THE LOS ANGELES TURF CLUB.

Chairman Brackpool stated items 12, 13 and 14 of the agenda would be taken in unison.

He said the Board would like MID to be a successful venture; however, there were many unanswered questions. There was a feeling that the industry needed some protection, and

there was the issue of ownership of multiple race tracks without Board approvals that was raised by Vice-Chairman Israel. Chairman Brackpool stated the Board would entertain a series of motions that would grant the licenses for a defined short-term period. That would provide time for MID to answer the Board's questions, and for the Board to determine the suitability of MID owning the three interests. He commented that MID had several hundred million dollars invested in California horse racing facilities, so it had an incentive to ensure the Board approved the licenses. The industry was willing to work with MID on legislation, and MID had every right to sponsor its own bills, but everything should be done in the name of promoting horse racing. Chairman Brackpool said for **agenda item 12**, the Board moved to approve the amended application of the Pacific Racing Association to conduct the remainder of the winter/spring race meeting at Golden Gate Fields through June 13, 2010, the remainder of the meeting, up to and including the date of the July 2010 Regular meeting of the Board, tentatively set for July 22, 2010 at the Del Mar simulcast facility at Del Mar, California. For **agenda item 13**, the Board moved to approve the Pacific Racing Association application for authorization to operate the simulcast wagering facility at Golden Gate Fields up to and including the date of the July 2010 Regular Meeting of the Board, tentatively set for July 22, 2010 at the Del Mar simulcast facility, at Del Mar, California. For **agenda item 14**, The Pacific Racing Association, the Los Angeles Turf Club and their parent, MI Developments, Inc., are hereby reminded that race dates previously allocated to the two associations are not the property of those associations. All horse racing dates granted in California have been, are now and will remain under the exclusive jurisdiction of the California Horse Racing Board. Further, the Pacific Racing Association, the Los Angeles Turf Club, and MI

Developments, Inc. are hereby notified that the California Horse Racing Board intends to place on the Board's June 2010 Regular Meeting agenda an item requiring the three above entities to submit detailed reasons and plans as to why the Board should allocate any future race dates to the Pacific Racing Association and the Los Angeles Turf Club. The agenda item shall state the reasons and plans and are to be submitted to the executive staff by July 1, 2010, and to require representatives of those three entities to attend the July 2010 Regular Board Meeting and explain those reasons. Commissioner Harris said there should also be discussion regarding MID's financial worthiness. Chairman Brackpool stated that could be part of the license debate at the July 2010 Regular Board Meeting. Dennis Mills of MID stated he was prepared to speak to MID's financial worthiness, but that could be done in context with the license application. Vice-Chairman Israel said the waivers of the restrictions imposed by law on granting multiple licenses to the same entity were only temporary and would be reviewed by the Board. He added MID was the only entity in California with multiple ownership. Vice-Chairman Israel **seconded** the motions for items 12 and 13 of the agenda. The **motions** were **unanimously carried**. Craig Fravel of Del Mar Thoroughbred Club said he hoped that if other parties wished to challenge a finding that it was in the best interest of California horse racing that MID operated more than one entity, that it would not be changed by the motions. Chairman Brackpool stated the motions only protected the status quo with Los Angeles Turf Club and Pacific Racing Association.

DISCUSSION AND ACTION BY THE BOARD REGARDING CERTIFICATION OF THE ELIGIBILITY OF ANY PROSPECTIVE OPERATOR OF A RACE MEETING AT THE DEL MAR RACE TRACK TO BE LICENSED TO CONDUCT HORSE RACING AS REQUIRED UNDER FOOD AND AGRICULTURAL CODE SECTION 4356.

Jacqueline Wagner, CHRB staff, said the Food and Agricultural Code section 4356 provided that the CHRB would, at the request of the Commission, certify the eligibility of any prospective licensee or user of the property to be licensed to conduct a race meeting at the Del Mar Race Track. She stated the Del Mar Thoroughbred Club (DMTC) lease on the Del Mar Race Track expired in 2009; however, the lease was extended through December 31, 2010. The Deputy Attorney General that was working with the State Race Track Leasing Commission (commission) indicated the commission would ask the CHRB to certify the eligibility of prospective lessees of the Del Mar Race Track. Board Rule 1432, Board May Demand Information, was the regulation under which the Board would certify such eligibility. Ms. Wagner stated the Board might wish to inform prospective operators of the Del Mar Race Track that they must submit a detailed proposal, which would include a five year projection for the facility, as well as the other requirements of Rule 1432. Chairman Brackpool stated that would be the case. He asked if a notice would be included in the bidders' packets. Ms. Wagner stated the Request For Proposal (RFP) was already published. The commission would contact the Board when it wished to obtain the certification. At that time the Board would inform bidders of its requirements, including the five year projection. Craig Fravel of DMTC said the RFP required that bidders produce evidence that they were eligible for such certification. Perhaps if a bidder were currently licensed, the Board might wish to make a finding that the bidder was eligible. That might need to be done prior to the RFP process. Chairman

Brackpool asked Ms. Wagner to read the motion. Ms. Wagner stated the CHRB moved to require prospective licensees to submit by June 15, 2010, documentation as required by Rule 1432, to include a detailed proposal and disclosure of its proposed racing program, purse program, officials, principals or shareholders, plant premises, facility finances, lease agreements, agreements, contracts and such other information as the Board may require to determine the eligibility and qualifications of the association or person to conduct a race meeting. Chairman Brackpool said he would make that motion. Vice-Chairman Israel **seconded** the motion. The motion was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPROVAL OF SERVICE, STEWARD AND OFFICIAL VETERINARIAN CONTRACTS FOR FISCAL YEAR 2010-2011.

Bon Smith, CHRB staff, said the State Contracting Manual required boards and commissions to approve and authorize execution of service contracts in excess of \$5,000 each. The list of estimated fiscal year 2010-2011 service contracts included contracts for drug testing, hearing officers, court reporting and CHRB claims processing with the State Controllars Office for official veterinarians and stewards. Commissioner Rosenberg **motioned** to approve the service, steward and official veterinarian contracts for fiscal year 2010-2011, as presented. Commissioner Moss **seconded** the motion, which was **unanimously carried**.

MEETING ADJOURNED AT 2:12 P.M.

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

Chairman

Executive Director

CALIFORNIA HORSE RACING BOARD

JUNE 22, 2010
REGULAR BOARD MEETING

There is no board package material for Item 3

Item 4

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD REGARDING THE PROPOSED
AMENDMENT TO
RULE 1844, AUTHORIZED MEDICATION, TO MODIFY THE LEVELS
PERMITTED FOR PROCAINE SUBSEQUENT TO PROCAINE PENICILLIN
ADMINISTRATION

Regular Board Meeting,
June 22, 2010

BACKGROUND

Business and Professions Code section 19440 provides that the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the Board shall include adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. Business and Professions Code section 19562 states the Board may prescribe rules, regulations and conditions under which all horse races with wagering on their results shall be conducted in California. Business and Professions Code section 19580 requires the Board to adopt regulations to establish policies, guidelines, and penalties relating to equine medication to preserve and enhance the integrity of horse racing in California. Business and Professions Code section 19581 provides that no substance of any kind shall be administered by any means to a horse after it has been entered to race, unless the Board has, by regulation, specifically authorized the use of the substance and the quantity and composition thereof. Board Rule 1844, Authorized Medication, names drug substances and medications authorized by the Board that may be administered to safeguard the health of the horse entered to race. The rule lists the drug substances that may be found in official test samples and the level at which such drugs may occur.

A proposal to amend Board Rule 1844 was discussed at the May 19, 2010 Medication and Track Safety Committee (committee) meeting. The committee determined it would recommend to the Board that staff be directed to initiate the process to amend Rule 1844.

ANALYSIS

The proposed amendment to Rule 1844 would increase the amount of procaine that may be present in an official urine test sample from 10 nanograms per milliliter to 50 nanograms per milliliter. The proposed amendment also adds a new subsection 1844(h), which states procaine, following administration of procaine penicillin, is an authorized medication. There may be no more than 25 nanograms per milliliter in the official blood test sample, and the procaine penicillin administrations have to have been reported pursuant to Rule 1842, Veterinarian Report. In addition, the procaine penicillin can not have been administered after entry to race, and the horse has to have been under surveillance for a minimum of six hours prior to racing. The required surveillance would likely be provided and billed in a manner similar to current detention barn surveillance. All expenses related to surveillance and testing for procaine shall be paid by the owner of the horse. The owners will pay the costs because the program requires special test tubes and unique testing. The proposed amendment will allow the use of an inexpensive and effective antibiotic: procaine penicillin, which will save owners money.

RECOMMENDATION

This item is presented for Board discussion and action. Staff recommends the Board direct staff to initiate a 45-day public comment period regarding the proposed amendment of Rule 1844.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 15. VETERINARY PRACTICES
PROPOSED AMENDMENT OF
RULE 1844. AUTHORIZED MEDICATION

Regular Board Meeting
June 22, 2010

1844. Authorized Medication.

Consistent with the intent of these rules, drug substances and medications authorized by the Board for use may be administered to safeguard the health of the horse entered to race provided that:

(a) No person shall administer a drug substance to any horse entered to race except upon authorization of the official veterinarian in conformance with these rules.

(b) No drug substance, other than authorized bleeder medication, shall be administered to a horse entered to race within 24 hours of the race in which entered.

(c) Not more than one approved non-steroidal anti-inflammatory drug substance (NSAID) may be administered to a horse that is entered to race and shall be only one of the following authorized drug substances:

(1) Phenylbutazone in a dosage amount that the test sample shall contain not more than 5 micrograms of the drug substance per milliliter of blood plasma or serum.

(2) Flunixin in a dosage amount that the test sample shall contain not more than 50 nanograms of the drug substance per milliliter of blood plasma or serum.

(3) Ketoprofen in a dosage amount that the test sample shall contain not more than 10 nanograms of the drug substance per milliliter of blood plasma or serum.

(4) Metabolites or analogues of approved NSAIDs may be present in post race test samples.

(d) If the official chemist reports that a blood test sample contains an authorized NSAID in excess of the limit for that drug substance under this rule, the official veterinarian shall, in conjunction with the veterinarian who administered or prescribed

the authorized drug substance, establish a dosage amount or time of administration of the drug substance that will comply with the limits under this rule; or the official veterinarian may, if in his/her judgment no such reduced dosage amount or amendment to time of administration will result in a test sample level within the limits of this rule, withdraw authorization for the use of any one NSAID.

(e) Official urine test samples may contain one of the following drug substances, their metabolites or analogs, in an amount that does not exceed the specified levels:

(1) Acepromazine; 25 nanograms per milliliter

(2) Mepivacaine; 10 nanograms per milliliter

(3) Promazine; 25 nanograms per milliliter

(4) Albuterol; 1 nanograms per milliliter

(5) Atropine; 10 nanograms per milliliter

(6) Benzocaine; 50 nanograms per milliliter

(7) Procaine; 40 50 nanograms per milliliter

(8) Salicylates; 750 micrograms per milliliter

(9) Clenbuterol; 5 nanograms per milliliter

(10) Stanozolol; 1 nanograms per milliliter

(11) Nandrolone; 1 nanograms per milliliter for geldings, fillies and mares; 45 nanograms for males other than geldings.

(12) Boldenone; 15 nanograms per milliliter in males other than geldings.

(13) Testosterone; 20 nanograms per milliliter in geldings.

(A) Testosterone at any level in males other than geldings is not a violation of this regulation.

(14) Testosterone; 55 nanograms per milliliter in fillies or mares

(f) Official blood test samples may contain clenbuterol in an amount not to exceed 25 picograms per milliliter of serum or plasma.

(g) Official blood test samples shall not contain any of the drug substances, or their metabolites or analogs listed in subsection (e)(1)-(8), and (e)(10)-(14).

(h) Procaine, following administration of procaine penicillin, is an authorized medication provided:

(1) Official blood test samples shall not contain any procaine, or its metabolites of analogs listed in excess of 25 nanograms per milliliter.

(2) all procaine penicillin administrations have been reported pursuant to Rule 1842 of this division.

(3) procaine penicillin was not administered after entry to race.

(4) the horse was under surveillance for a minimum of six hours prior to racing.

(hi) All expenses related to surveillance and testing for procaine under subsection (h) of this regulation shall be paid by the owner of the horse.

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

Reference: Sections 19580 and 19581,
Business and Professions Code.

PUBLIC HEARING AND ACTION BY THE BOARD REGARDING THE
PROPOSED AMENDMENT OF RULE 1766, DESIGNATED RACES,
TO REQUIRE A SUSPENDED JOCKEY OR DRIVER TO SERVE ADDITIONAL
SUSPENSION DAYS SHOULD THE SUSPENDED JOCKEY OR DRIVER PARTICIPATE
IN MORE THAN ONE DESIGNATED RACE PER DAY IN CALIFORNIA OR IN A
DESIGNATED RACE IN ANOTHER STATE

Regular Board Meeting
June 22, 2010

BACKGROUND

Business and Professions Code section 19460 provides that all licenses granted under this chapter are subject to all rules, regulations, and conditions from time to time prescribed by the Board. Business and Professions Code section 19461 states every license granted under this chapter is subject to suspension or revocation by the Board in any case where the Board has reason to believe that any condition regarding it has not been complied with, or that any law, or any rule or regulation of the Board affecting it has been broken or violated. Business and Professions Code section 19520 provides that every person who participates in, or has anything to do with, the racing of horses, including a jockey shall be licensed by the Board pursuant to rules and regulations that the Board may adopt. No person required to be licensed by this article may participate in any capacity in any horse race meeting without a valid and unrevoked license authorizing the participation. Board Rule 1766, Designated Races, states that the Board of Stewards shall, immediately prior to the commencement of a meeting, designate the stakes, futurities or futurity trials or other races in which a jockey or a driver who is under suspension for ten days or less for a riding or driving infraction will be permitted to compete, notwithstanding the fact that such jockey or driver is technically under suspension at the time the designated race is run. A day in which a suspended jockey or driver participates in one designated race in California shall count as a suspension day. A day in which a suspended jockey or driver participates in more than one designated race in California shall not count as a suspension day. A day in which a suspended jockey or driver participates in a race in another jurisdiction shall not count as a suspension day.

At its February 19, 2010 Regular meeting the Board discussed the possibility of amending Rule 1766 to prevent suspended jockeys and drivers who participate in more than one designated race from "picking and choosing" their additional suspension days. The issue centered around suspended jockeys and drivers who might choose to participate in a designated race on a Friday, Saturday or Sunday – days with better race cards – and then serve their additional day of suspension on a Wednesday or Thursday, which are days that traditionally might not have the better races. The Board determined that it would direct staff to develop an amendment to Rule 1766 to require that a jockey or driver serve an additional day of suspension that was equivalent to the day in which the jockey or driver rode in designated races. At its March 19, 2010 Regular Meeting, the Board directed staff to initiate a 45-day public comment period regarding the proposed amendment of Rule 1766.

ANALYSIS

The proposed amendment to Rule 1766 adds a new subsection 1766(h), which provides that a suspended jockey or driver who participates in more than one designated race in California, or one or more designated race in another jurisdiction, must complete his or her suspension on the equivalent day of the week following the day on which the jockey or driver participated in the designated race(s). This means that if a suspended jockey participates in two California designated races on a Saturday, he or she would complete their suspension with an "additional day" of suspension on the following Saturday. The same penalty would apply to a suspended jockey or driver who participated in a designated race in another racing jurisdiction.

The Golden Gate Fields (GGF) Board of Stewards (BOS) and the Hollywood Park Board of Stewards wrote letters of support for the proposed amendment to Rule 1766. The GGF BOS stated "The adoption of this amendment would prevent a suspended jockey from trading a lucrative Saturday or Sunday for an ordinary weekday when a suspension day is re-imposed pursuant to the Designated Race Rule. This would also help insure all riders are treated equally." The Hollywood Park BOS stated it had discussed the proposed amendment and that it was fully in favor of the change.

RECOMMENDATION

Staff recommends the Board adopt the proposed amendment to Rule 1766, as presented.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 11. OBJECTIONS AND PROTEST; APPEALS
PROPOSED AMENDMENT OF
RULE 1766. DESIGNATED RACES

Regular Board Meeting
June 22, 2010

1766. Designated Races.

(a) The Board of Stewards appointed for a race meeting shall, immediately prior to the commencement of that meeting, designate the stakes, futurities or futurity trials or other races in which a jockey or a driver who is under suspension for ten (~~10~~) days or less for a riding or driving infraction will be permitted to compete, notwithstanding the fact that such jockey or driver is technically under suspension at the time the designated race is to be run.

(b) Official rulings for riding or driving infractions of ten (~~10~~) days or less shall state: "The term of this suspension shall not prohibit participation in designated races in California." However, the Board of Stewards may prohibit a jockey or a driver from participating in designated races if such jockey or driver has previously been suspended at least twice during the race meeting specified in subsection (a) of this rule.

(c) Prior to the commencement of a meeting, a listing of the races designated in accordance with subsection (a) of this rule shall be submitted in writing to the Board. A copy of the list of designated races shall be posted in the Jockey or Driver's Room, and any other such place deemed appropriate by the stewards.

(d) A suspended jockey or driver must be named at the time of entry to participate in any designated race.

(e) A day in which a suspended jockey or driver participates in one designated race in California shall count as a suspension day.

(f) A day in which a suspended jockey or driver participates in more than one designated race in California shall not count as a suspension day.

(g) Notwithstanding the above, a day in which a jockey or a driver participates in one or more designated races in another jurisdiction while under suspension in California shall not count as a suspension day.

(h) A suspended jockey or driver who participates in more than one designated race under subsection (f) of this regulation, or in one or more designated race under subsection (g) of this regulation, shall complete his or her term of suspension on the equivalent day of the week following the day on which the jockey or drive participated in the designated race(s).

Authority: Section 19460,
Business and Professions Code.

Reference: Sections 19460, 19461 and 19520,
Business and Professions Code.

Board of Stewards
Golden Gate Fields
1100 Eastshore Highway
Albany, California

June 10, 2010

Jacqueline Wagner
California Horse Racing Board
1010 Hurley Way #300
Sacramento, California

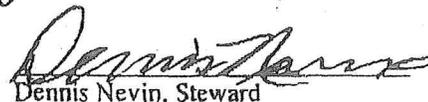
Dear Jackie:

Please add this Board of Stewards to the list of those that support the addition of Paragraph (h) to California Horse Racing Board rule #1766 (Designated Races). The adoption of this amendment would prevent a suspended jockey from trading a lucrative Saturday or Sunday for an ordinary weekday when a suspension day is re-imposed pursuant to the Designated Race rule. This would also help insure all riders are treated equally.

Serving "Like" days has always been a practice adhered to by this Board of Stewards whether the days are being given after a jockey has dropped or lost an appeal or because the day needed to be added pursuant to the Designated Race rule. Having this practice put in rule form is an idea we support whole heartedly.

Respectfully,


John B. Herbuveaux, Steward


Dennis Nevin, Steward


Darrel McHargue, Steward

CALIFORNIA HORSE RACING BOARD
285 WEST HUNTINGTON DRIVE
ARCADIA, CA 91007
(626) 574-6432
FAX (626) 821-1510



13 June 2010

California Horse Racing Board—

Please allow this to serve as a letter of support for the Proposed Amendment to CHRB Rule 1766 (Designated Races), which will be discussed at your next Board meeting. We have discussed the concept of “like” suspension days for designated races both at our recent Stewards’ meeting as well as privately since then and we are fully in favor of the change. Please allow this to serve as unequivocal support for the amendment.

Respectfully,

Boards of Stewards, Hollywood Park

C. Scott Chaney

Kim Sawyer

Tom Ward

CALIFORNIA HORSE RACING BOARD

JUNE 22, 2010
REGULAR BOARD MEETING

There is no board package material for Item 6

STAFF ANALYSIS
DISCUSSION AND ACTION BY THE BOARD REGARDING THE
DISTRIBUTION OF RACE DAY CHARITY PROCEEDS OF
OAK TREE RACING ASSOCIATION IN THE
AMOUNT OF \$48,365 TO 8 BENEFICIARIES

Regular Board Meeting
June 22, 2010

BACKGROUND

Business and Professions Code section 19550 states the Board shall require each licensed racing association that conducts 14 or less weeks of racing to designate three racing days, and each licensed racing association that conducts more than 14 weeks of racing to designate five racing days during any one meeting, to be conducted as charity days by the licensee for the purpose of distribution of the net proceeds therefrom to beneficiaries through the distribution agent. No racing association shall be required to pay to a distributing agent for the purpose of distribution to beneficiaries more than an amount equal to two-tenths of one percent of the association's total on-track handle on live races conducted by the association at the meeting. Business and Professions Code section 19556 provides that the distributing agent shall make the distribution to beneficiaries qualified under this article. At least 20 percent of the distribution shall be made to charities associated with the horse racing industry. An additional five percent shall be paid to a welfare fund and another five percent shall be paid to a non-profit corporation, the primary purpose of which is to assist horsemen and backstretch personnel who are being affected adversely as a result of alcohol or substance abuse. In addition to the above distributions, a separate 20 percent shall be made to a nonprofit corporation or trust, the directors or trustees of which shall serve without compensation except for reimbursement for reasonable expenses, and which has as its sole purpose the accumulation of endowment funds, the income on which shall be distributed to qualified disabled jockeys.

ANALYSIS

Oak Tree Racing Association (OTRA) is requesting approval to distribute race day charity proceeds generated at its September 30, 2009 through November 8, 2010 race meeting at Santa Anita. From the net race day charity proceeds OTRA is proposing to distribute \$48,365. The list of organizations selected and the amount to be distributed are listed on the attachment. Staff notes that approximately 100 percent of the proceeds will be given to horse racing related organizations.

RECOMMENDATION

This item is presented for Board discussion and action. Staff recommends the Board approve the request as presented.

CHRB Analysis
Oak Tree Racing Association Year Charity Day Proceeds

Charity	Amount	Proposed Disbursement Percentage	Required By Horse Racing Law	Notes
Disabled Jockeys Fund	9,865	20.40%	20	c
Southern California Equine Foundation	2,000	4.14%		d
Winners Foundation	6,000	12.41%	5	a
California Thoroughbreds Horsemen's Foundation	10,000	20.68%	5	b
Don MacBeth Memorial Jockey Fund	5,000	10.34%		d
California Equine Retirement Foundation	5,000	10.34%		d
Traquility Farm	8,500	17.57%		d
United Pegasus Foundation	2,000	4.14%		d
Total to Equine Related Charities	48,365	100.00%	50	d
Total	48,365	100		

Notes:

- a Fund for substance or and alcohol abuse (BP 19556 (b))
- b Welfare fund for Backside Personnel (BP 19641 (b))
- c Disable Jockeys Fund (BP 19556 (C))
- d Horse Related Charities (BP 19556 (b))

Source: Racing Association re
 Business & Professions Codes 19550

Request for Approval

RECEIVED
CHRB

2010 JUN -3 AM 9:14

Sherwood C. Chillingworth
Executive Vice-President

June 2, 2010

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

Dear Kirk:

The audited net proceeds from Charity Racing Days during the 2009 Oak Tree meet came to \$48,365.00

Therefore the Directors of the Oak Tree Charitable Foundation respectfully request CHRB approval at the June 22, 2010 regular meeting to disburse a total of \$48,365 to the attached schedule of eligible beneficiaries.

Contributions to thoroughbred industry charities total 100% of the distribution. We also contribute additional monies for equine related purposes from our Foundation and Racing Association funds.

Should you wish to review them, copies of grant applications from the selected organizations are available.

Sincerely,

OAK TREE CHARITABLE FOUNDATION

A handwritten signature in black ink, appearing to be "SCC", with a long, sweeping underline.

SCC:jh

Attachment

285 West Huntington Drive, P.O. Box 60014, Arcadia, California 91066-6014

(626) 574-6345 FAX (626) 447-2940

DISCUSSION AND ACTION BY THE BOARD REGARDING 1) A REPORT FROM REPRESENTATIVES OF SOUTHERN CALIFORNIA OFF-TRACK WAGERING, INC. (SCOTWINC) AND NORTHERN CALIFORNIA OFF-TRACK WAGERING, INC. (NCOTWINC) CONCERNING OPERATING RESULTS, FINANCIAL CONDITION AND STRATEGIC PLANNING AND 2) FOR WAGERING CONDUCTED BY THOROUGHBRED RACING ASSOCIATIONS, THE REQUEST TO MODIFY THE DISTRIBUTION OF TAKEOUT AS PERMITTED BY BUSINESS AND PROFESSIONS CODE SECTION 19601.01 AND TO MODIFY THE DISTRIBUTION OF MARKET ACCESS FEES FROM ADVANCE DEPOSIT WAGERING AS PERMITTED UNDER BUSINESS AND PROFESSIONS CODE SECTION 19604(F)(5)(E).

Regular Board Meeting
June 22, 2010

BACKGROUND

At its April 24, 2009, Regular Meeting the Board approved a modification of California's ADW distribution on thoroughbred races as permitted under Business and Professions Code section 19604(f)(5)(E). In requesting the modification the industry represented that for several years Southern California Off Track Wagering, Inc. (SCOTWINC) and Northern California Off Track Wagering, Inc. (NCOTWINC) ran shortfalls in funding, due to handle moving from traditional satellite wagering to ADW, and a general decline in wagering activity at "brick and mortar" wagering sites. The distribution from satellite facilities was fixed, and 2.5 percent of that funding went to SCOTWINC and NCOTWINC for pari-mutuel expenses. Instead of asking for an increase in the takeout, the industry requested the creation of a new distribution from ADW source market fees to fund the SCOTWINC and NCOTWINC shortfalls over a two-year period. The requested distribution for SCOTWINC would be 4.12 percent of the ADW source market fee and NCOTWINC would receive 4 percent of the ADW source market fee. The funds would come from ADW wagers placed by California residents on California thoroughbred races. The Board approved a motion, pursuant to Business and Profession Code section 19604(f)(5)(E), to alter for a two year period commencing July 1, 2009 and ending June 30, 2011, the market access fees from ADW wagers made by California residents, while thoroughbred associations conducted race meetings, by the creation of an additional deduction for distribution based on 4.12 percent of handle in Central and Southern zones to the SCOTWINC Trust, and 4 percent of handle in the Northern Zone to the NCOTWINC Trust.

At its January 15, 2010 Regular Meeting the Board the Los Angeles Thoroughbred Club (LATC) and Thoroughbred Owners of California submitted a SCOTWINC shortfall agreement for Board approval. The agreement altered the distribution of market access fees from ADW wagers placed on all racing hosted by LATC at its winter race meeting, effective December 26, 2009 through April 18, 2010. The Board accepted the agreement as an addendum to the LATC winter race meeting. At the February 19, 2010 Regular

Board Meeting the NCOTWINC shortfall agreement between Pacific Racing Association and TOC was approved.

At the February 19, 2010 Regular Board Meeting the Board heard a presentation by SCOTWINC and NCOTWINC regarding the organizations' organizational background and financial position. NCOTWINC and SCOTWINC stated they have been experiencing a long-term decline in revenue that has been exacerbated by the advent of ADW wagering. From 2007 through 2009 the organizations saw serious deficits. The Board expressed concern over the future of the SCOTWINC/NCOTWINC business model, as it did not appear to be sustainable in the current environment. The Board stated it would like to know what changes the organizations would propose that would give it confidence the deficits would not become permanent, and that SCOTWINC/NCOTWINC would not go to the Legislature every time it needed funds, as running bills to take money from somebody else would not solve the deficits. Due to the failed business model, the recent actions of the Board with regards to SCOTWINC/NCOTWINC funding were "short term band aids." Chairman Brackpool stated the organizations should work with the Board's Committee on Budget, Finance and Audits to determine how the organizations would be funded for 12 months going forward, and then return to the Board not later than June 30, 2010 with a five year business plan with absolute structural changes to the business model.

Representatives from the California Off-Track Network (SCOTWINC and NCOTWINC) are prepared to report on the attached business plan.

RECOMMENDATION

This item is presented for Board discussion and action. Staff recommends the Board hear from the SCOTWINC and NCOTWINC representatives.

**CALIFORNIA OFF-TRACK NETWORK: SCOTWINC AND NCOTWINC
BUSINESS PLAN REPORT TO THE CALIFORNIA HORSE RACING BOARD ("CHRB")
June 10, 2010**

Current Situation

In 2009, on wagers totaling \$1.145 billion, the California off-track network generated net returns to the racing industry of \$154.3 million in terms of purses, owners' premiums, breeders awards, workers' compensation funding, vanning and stabling, promotional funding, equine research, license fees/CHRB support, and track commissions, which represents 43% of returns from all sources, including advanced deposit ("ADW") and export wagering.

Southern California Off Track Wagering, Inc. ("SCOTWINC") was established per Business and Professions Section 19608.2 to operate simulcast and pari-mutuel functions at off-track wagering locations in the Central and Southern Zones for Thoroughbred association and Racing Fair hosts conducting racing in the Central and Southern Zones, and for all California wagering sites for Quarter Horse and Harness host tracks. Northern California Off Track Wagering, Inc. ("NCOTWINC") was established to operate simulcast and pari-mutuel functions at off-track wagering sites in the Northern Zone for Thoroughbred and Racing Fairs hosts conducting racing in the Northern Zone.

Per Business and Professions Sections 19605.7 and 19605.71, NCOTWINC and SCOTWINC receive distributions from takeout to pay for off-track network simulcast and pari-mutuel operations. For Thoroughbred meets, such expense fund revenue is statutorily set at 2.50% of handle generated at satellite sites. For Racing Fairs, Harness and Quarter Horse meets, the expense fund rate is 6.00% of handle at satellite sites. Excess funds, if any, are dispersed to the respective associations at the conclusion of the year for distribution to purses and commissions. In addition to expense fund revenue, SCOTWINC receives payments for accounting services it provides for the California Marketing Committee, California Thoroughbred Business League and California Jockey Welfare Corporation. NCOTWINC receives payments for miscellaneous services it provides to SCOTWINC in regard to night race meets.

Expenses borne by SCOTWINC and NCOTWINC include pari-mutuel labor costs, totalisator and interface fees, decoder rentals, telecommunication, uplink (audio visual transmission) costs, mutuel equipment and supplies, armored car service, and administrative overhead expense. Expenses such as utilities, security, janitorial, audio visual receiving equipment, etc. are solely the responsibility of each specific off-track site. In 2009, expenses borne by SCOTWINC and NCOTWINC for Thoroughbred and Racing Fair meets totaled \$31.6 million. Pari-mutuel labor comprised 73% such expenses, and totalizator costs represented 8%.

2009 – 2010 Developments and Actions

In large part due to a manning clause included in the Collective Bargaining Agreement with Local 280, Pari-Mutuel Employees Guild, operating expenses for Thoroughbred race meets have exceeded the generated expense fund revenue for such meets during the past several years. Revenue declined due to the decrease in brick and mortar handle, while staffing could not be adjusted due to the manning clause. Pension surcharges and increasing health insurance costs also added to the problem, and are continuing to add to the problem.

Because of the cash flow problem that resulted from the variance between revenue and expenses, in July of 2009, SCOTWINC was unable to renew a credit line that had been formerly used to provide the mutuel change fund for day meet off-track pari-mutuel functions. At that time, Del Mar and Hollywood Park agreed to provide the \$1.8 million bankroll necessary for continued pari-mutuel operations.

In order to provide interim funding needed to continue SCOTWINC operations, effective July 1, 2009 through June 30, 2010, per Business & Professions Section 19604(f)(5)(E), Del Mar, Hollywood Park, Oak Tree and Thoroughbred Owners of California ("TOC") agreed to modify the distribution of market access fees for Advanced Deposit Wagers generated in California on thoroughbred races to include a distribution of 4.12% of such handle to offset prior deficits and ongoing shortfalls. Santa Anita and the TOC entered into a similar agreement for the 2009-2010 Los Angeles Turf Club race meet. These actions have resulted in a full recapitalization of SCOTWINC as of the end of the Santa Anita race meet.

Pacific Racing Association and the TOC agreed upon a 4.00% distribution from market access fees from January 1, 2010 through June 30, 2010.

2010 Strategic Planning & Initiatives

During the timeframe of the agreements, the parties agreed to jointly produce a plan that would suggest both short and long term solutions to the funding problem. Under the guidance of a four-member steering committee, a work group which included representatives from TOC and various racing associations was formed to study and suggest measures that could be undertaken to reduce costs, improve productivity and accountability, and increase handle. The work group has completed the first phase of its tasks and has presented its findings to both the steering committee and the full TOC Board of Directors.

The most important recent development was the negotiation and ratification by Local 280 members of a Side Letter agreement to the Collective Bargaining Agreement which allowed for overall pari-mutuel staffing to be adjusted to better reflect the current wagering and business levels. Effective 3/17/2010, the Side Letter permits pari-mutuel staffing reductions of up to 22.50% and also contemplates modifications in staffing levels should handle continue to decline or, hopefully, increase. The agreement contained several other provisions that are believed to be of value in improving the labor situation. Other meaningful cost containment measures have been undertaken, including reduction of non-union wages and pension benefit levels, and the consolidation of workers' compensation policies which produced lower rates and improved experience ratings. Additional measures, including further operating efficiencies, are expected to be implemented before the end of the year.

The work group has also formulated a standardized monthly reporting package, which will provide important tools needed for proactive, strategic decision making.

In order to better understand the nature of the off-track network, the work group gathered key information about each satellite site, including current appearance, square footage, seating capacity, amenities, admission charges, handle and attendance, per capita wagering, 2009 returns to the industry, and the direct cost of the simulcast and pari-mutuel functions. For day meets, the direct (site-specific) costs, which include pari-mutuel labor, totalizator and interface fees, decoder rentals, telecommunications and supplies ranged from 2.0% of handle to 8.3%, and the lowest return to the racing industry was a net of 8.4% (i.e., still a positive net contribution margin.) Overall, the net racing return for day meets, including non-site specific costs such as uplink, TV production, administrative payroll, insurance, bank charges, etc. was 13.2%.

The work group identified measures that can be and will be undertaken to improve productivity and efficiency at off-track sites.

- Gain control of the presentation of California's racing product
- Establish universal guest standards and procedures
- Expand utilization of existing marketing resources statewide
- Integrate marketing and publicity efforts of tracks, satellites and ADW providers
- Improve customer and attendance databases

- Develop a multi-functional labor force
- Right-sizing: expand/reduce areas, move out of grandstands
- Encourage operators with inadequate locations to seek better sites
- Establish minimum site operating and financial performance standards
- Address current limitations of fairground sites such as periodic closures & low capital improvement levels
- Implement regular, periodic reviews in collaboration with the CHRB
- Deploy a development manager for further operational assessment, implementation of improvements, and coordination of possible closures
- Deploy new technology strategically, based upon market research to expand distribution and enhance customer service

The work group made recommendations for sites with direct operating costs that exceed 5% and also identified sites that appear to be underperforming.

The work group also looked at several case studies showing the change in handle when a brick and mortar site closes. Findings were:

- Handle does not automatically transfer to ADW; in fact, little handle has migrated to ADW at the two sites studied
- When a site reopens after being closed for a substantial amount of time
 - Handle & attendance does not automatically resume at pre-closure levels; in the site studied, handle was significantly lower than pre-closure levels
 - ADW handle increases when the site re-opens, indicating a possible symbiotic opportunity between brick and mortar and account wagering.

As previously noted, SCOTWINC has been recapitalized and all prior shortfalls have been extinguished. Despite the significant cost savings discussed above, current handle at off-track brick and mortar sites for Thoroughbred associations is not sufficient to cover the ongoing simulcast and pari-mutuel costs at the 2.50% of brick and mortar expense fund level. However, the initiatives do allow for reduction of the current expense fund rates, which are 2.50% for brick and mortar plus 4.12% from California ADW bets for Southern California Thoroughbred associations, and 2.50% for brick and mortar plus 4.00% for the Northern California Thoroughbred association.

2010 – 2011 Agreements

The TOC and Thoroughbred associations conducting racing in the Central and Southern zone now desire to enter into new agreements, effective 7/1/2010 through 6/30/2011, which would provide for expense fund generation from all off-track bets placed in California to be reduced from the current levels of 2.50% from brick and mortar and 4.12% from market access to 2.30% for both sources of handle generated in the Central and Southern zones.. The TOC and the Thoroughbred association conducting racing in the Northern zone desire to enter into a similar agreement, but because prior shortfalls have not yet been entirely extinguished for NCOTWINC, the parties desire that the expense fund rate for the Northern zone Thoroughbred host be modified from the current levels of 2.50% from brick and mortar and 4.00% from market access to 2.90% for both sources of handle generated in the Northern zone, effective 7/1/2010 through 6/30/2011. Business and Professions Section 19604 and 19601.01 provide the flexibility for the suggested modification, which must be approved by the CHRB, and such approval is requested. These agreements include provisions requiring implementation and review of the aforementioned initiatives over the course of the next 12 months.

DISCUSSION BY THE BOARD REGARDING SENATE BILL 1439 (PRICE), WHICH WOULD HAVE CHANGED THE 20 MILE RADIUS REQUIREMENT TO 15 MILES; AUTHORIZED THE CHRB TO CONDUCT A ONE YEAR TEST AT THE PROPOSED SITE IF A SATELLITE WAGERING FACILITY OR TRIBAL CASINO DID NOT CONSENT TO A MINISATELLITE WAGERING FACILITY (MSW); AND WOULD HAVE PROHIBITED AN MSW FROM BEING WITHIN 20 MILES OF AN INDIAN CASINO

Regular Board Meeting
June 22, 2010

BACKGROUND

Business and Professions Code section 19605.25 provides that the Board may approve an additional 15 minisatellite wagering facilities (MSW) in each zone if no site is within 20 miles of a racetrack, a satellite wagering facility, or a tribal casino that has a satellite wagering facility. If the proposed facility is within 20 miles of a satellite facility or tribal casino with a satellite wagering facility, then the consent of each facility within a 20-mile radius must be given before the proposed MSW may be approved by the Board

At the July 23, 2009, Regular Board Meeting, applications for license to operate an MSW at Pete's Tavern in San Francisco, California, and the Sotto Mare Oysteria, in San Francisco, California, were heard. The County of San Mateo, on behalf of the San Mateo Event Center (SMEC), raised objections to both applications. The objections were based on the claim by the County of San Mateo that both applicants were located within a 20-mile radius of the SMEC. After an extended discussion regarding the applications, the meaning of "radius" and the intent of the enabling statute, the Board determined it would table consideration of the applications to give the parties time to negotiate an agreement. At that time, Chairman Harris stated the parties should realize there could be legislation to clarify the intent of the 20-mile buffer with regards to the placement of MSWs in San Francisco and surrounding areas.

On February 19, 2010 Senate Bill (SB) 1439 (Price) was introduced. The purpose of SB 1439 was to replace the 20-mile radius requirement with a 15-mile requirement. The most current version of SB 1439 (Amended in Senate May 28, 2010) provides that the approval of a satellite wagering facility or a fair with a satellite wagering facility shall be obtained before a proposed MSW that was within 15 miles may be approved. If a satellite wagering facility, or fair with a satellite wagering facility does not consent to the MSW, SB 1439 authorizes the Board to conduct a one-year test at the proposed MSW site to determine its impact on total pari-mutuel revenues and on attendance and wagering at existing satellite wagering facilities. However, under SB 1439, only one test MSW site per existing satellite wagering facility could be authorized by the Board. Senate Bill 1439 would also: 1) allow the Board to impose impact fees on MSW sites if the parties were unable to enter into an agreement for the payment of an impact fee during the one-year test; 2) prohibit the establishment of an MSW within 20 miles of a tribal casino; and

3) defined how mileage would be measured as “property line to property line by the shortest publicly accessible driving route.”

On June 3, 2010, SB 1439 was read for the third time in the State Senate, and refused passage. Opposition to SB 1439 came from Artichoke Joe’s Casino; California Authority of Racing Fairs; County of San Mateo; Department of Food and Agriculture; and San Mateo County Event Center. Arguments in opposition from the County of San Mateo stated that the county:

“...in partnership with the San Mateo County Event Center, constructed and opened the five million dollar, 16,000-square-foot Jockey Club in 2008. Considering the 20-mile protection this significant investment was reasonable. Revenue from the Jockey Club is used to repay construction loans to both the County and the State. Locating new satellites within a 20-mile proximity would jeopardize these funds and the ability of the Jockey Club to make the required debt service payments to both the State and County. The County of San Mateo does not see the benefit in changing existing statute, which was enacted to provide a balance between protecting the fiscal base of existing facilities while allowing for a process of approval for new facilities. The provisions included in this bill (SB 1439) appear to circumvent the very intent of current law and diminish confidence in constructing facilities that benefit horse racing across the State.”

In reporting on the defeat of SB 1439, Rod Blonien, an industry representative, stated the San Mateo County Fair hired additional lobbyists to assist in representing its position. Those in support of SB 1439 included Del Mar Thoroughbred Club; Golden Gate Fields; Hollywood Park Race Track; Los Alamitos Race Course; Oak Tree Racing Association; Santa Anita Park Race Track; Scientific Games; and Thoroughbred Owners of California. On April 7, 2010, a letter from the Chairman of the CHRB was submitted to the Senate Government Organization Committee. The letter expressed the Board’s support for the basic concept of SB 1439.

RECOMMENDATION

This item is presented for Board discussion.

AMENDED IN SENATE MAY 28, 2010
AMENDED IN SENATE APRIL 28, 2010
AMENDED IN SENATE APRIL 6, 2010

SENATE BILL

No. 1439

Introduced by Senator Price

February 19, 2010

An act to amend Section 19605.25 of the Business and Professions Code, relating to horse racing.

LEGISLATIVE COUNSEL'S DIGEST

SB 1439, as amended, Price. Horse racing: minisatellite wagering facilities.

Existing law authorizes the California Horse Racing Board to approve an additional 15 minisatellite wagering sites in each zone under certain conditions, including that no site is within 20 miles of a racetrack, a satellite wagering facility, or a tribal casino that has a satellite wagering facility. Existing law provides that if the proposed facility is within 20 miles of one of the above-referenced satellite facilities, then the consent of each facility within a 20-mile radius must be given before the proposed facility may be approved by the board. Existing law requires the written consent of the San Mateo County Fair be obtained prior to the approval of any minisatellite wagering site located within a 20-mile radius of its fairground.

This bill would replace the 20-mile radius requirement in the above provisions with a 15-mile requirement and would provide that the requirement that the approval of a racetrack, satellite wagering facility, tribal casino that has a satellite wagering facility, or fair be obtained if the proposed minisatellite wagering facility is within 15 miles shall

only apply to those facilities that are operated by tribal casinos, racetracks, or fairs that actually conduct 2 weeks or more of live racing in the preceding year. The bill would authorize the board, if a satellite wagering facility or tribal casino does not consent to a minisatellite wagering facility being situated within 15 miles, to conduct a one-year test at the proposed site in order to determine its impact on total parimutuel revenues and on attendance and wagering at existing satellite wagering facilities. With respect to the one-year test, the bill would provide that the board may approve only one minisatellite wagering facility per existing satellite wagering facility and the minisatellite wagering facility ~~must~~ *shall not* be located within 10 miles of the satellite wagering facility. The bill would authorize a certain impact fee, as provided.

This bill would specify how mileages are to be measured for purposes of the above provisions.

This bill would, notwithstanding the above provisions, prohibit the establishment of a satellite wagering facility or minisatellite wagering facility within 20 miles of a tribal casino. By establishing a prohibition under the Horse Racing Law, the violation of which would be a crime, the bill would impose a state-mandated local program.

This bill would make clarifying and other technical changes.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 19605.25 of the Business and Professions
- 2 Code is amended to read:
- 3 19605.25. (a) The board may approve an additional 15
- 4 minisatellite wagering sites in each zone, if all of the following
- 5 conditions are met:
- 6 (1) No site is within 15 miles of a racetrack, a satellite wagering
- 7 facility, or a tribal casino that has a satellite wagering facility. If
- 8 the proposed minisatellite wagering facility is within 15 miles of
- 9 one of the above-referenced facilities, then the consent of each

1 such facility within 15 miles must be given before the proposed
2 minisatellite wagering facility may be approved by the board.

3 (2) An agreement in accordance with subdivision (a) of Section
4 19605.3 has been executed and approved by the board. In addition
5 to the requirements set forth in that provision, the agreement shall
6 specify which components of its racing program, including live,
7 out-of-zone, out-of-state, and out-of-country races, an association
8 or fair will make available to the site. The terms and conditions of
9 the agreement, including all fees payable pursuant to paragraph
10 (3) of that provision, a portion of which may be paid to horsemen
11 in the form of purses, shall be subject to the approval of the
12 horsemen's organization responsible for negotiating purse
13 agreements with the association or fair.

14 (3) The site is approved by the board.

15 (4) The wagers are accepted in an area that is accessible only
16 to those who are at least 21 years of age.

17 (5) The board has approved the accommodation, equipment
18 used in conducting wagering at the site, communications system,
19 technology, and method used by the site to accept wagers and
20 transmit odds, results, and other data related to wagering.

21 (b) Parimutuel clerks shall be available to service the self-service
22 tote machines at these locations, and to cash wagering vouchers
23 on a regularly scheduled basis.

24 (c) Until July 1, 2011, if the proposed minisatellite wagering
25 site is in the northern zone in a fair district where the fair has
26 operated a satellite wagering facility for the previous five years,
27 the approval of the fair must be obtained even if the proposed
28 location is more than 15 miles from the existing satellite wagering
29 facility operated by the fair.

30 (d) For purposes of commissions, deductions, and distribution
31 of handle, wagers placed at minisatellite sites shall be treated as
32 if they were placed at satellite wagering facilities authorized under
33 Section 19605, 19605.1, or 19605.2. Section 19608.4 shall apply
34 to minisatellite wagering facilities.

35 (e) The written consent of the San Mateo County Fair shall be
36 obtained prior to the approval of any minisatellite wagering site
37 located within 15 miles of its fairground.

38 (f) Minisatellite wagering facilities created pursuant to this
39 section are not eligible for satellite wagering commission
40 distributions pursuant to Section 19604.

1 (g) The board shall adopt emergency regulations to implement
2 these new facilities on or before April 1, 2008. The board, in
3 adopting these regulations, shall minimize the expense to both the
4 operator of the minisatellite facility and the host racetrack.

5 (h) If there are more than 15 applications for minisatellite
6 wagering facilities in any zone, the board shall determine which
7 facilities will generate the largest handle, and give priority to the
8 approval of those facilities. The board shall license a minisatellite
9 facility for two years, and then review the operation and the size
10 of the handle, and determine if it is in the best interest of horse
11 racing to relicense the facility or, in the alternative, license another
12 minisatellite facility that might generate a greater handle.

13 (i) Except as may be provided in the agreement required
14 pursuant to paragraph (2) of subdivision (a), no association or fair
15 shall be required to make all or part of its racing program available
16 to a minisatellite wagering facility. Notwithstanding subdivision
17 (e) of Section 19608.2, all costs incurred by the organization
18 executing that agreement in excess of the amounts distributable
19 to the organization from wagers placed at the site on that racing
20 program, shall be borne by the minisatellite wagering facility.

21 (j) Notwithstanding subdivisions (a) and (e), the requirement
22 that the approval of a racetrack, satellite wagering facility, tribal
23 casino that has a satellite wagering facility, or fair be obtained if
24 the proposed minisatellite wagering facility is within 15 miles shall
25 only apply to those facilities that are operated by tribal casinos,
26 racetracks, or fairs that actually conduct two weeks or more of live
27 racing in the preceding year. If a satellite wagering facility, or
28 tribal casino that has a satellite wagering facility, does not consent
29 to a minisatellite wagering facility being situated within 15 miles,
30 the board may conduct a one-year test at the proposed site in order
31 to determine the impact of the proposed minisatellite wagering
32 facility on total parimutuel revenues, and on the attendance and
33 wagering at existing satellite wagering facilities. With respect to
34 the one-year test, the board may approve only one minisatellite
35 wagering facility per existing satellite wagering facility and the
36 minisatellite wagering facility ~~must~~ *shall not* be located within 10
37 miles of the existing satellite wagering facility. During the one-year
38 study, the operator of the minisatellite wagering facility and the
39 satellite wagering facility operated by a fair or a tribal casino may
40 enter into an agreement providing for the payment of an impact

1 fee. If there is no agreement within that year, the board may hear
2 testimony from both parties and impose an impact fee based on
3 the results of the one-year test study. A decision of the board
4 regarding a proposed site may cover the period of time during
5 which the test is to be conducted, as well as apply to the operation
6 of the minisatellite wagering facility if it continues to operate
7 beyond one year.

8 (k) For purposes of this section, mileages shall be measured
9 property line to property line by the shortest publicly accessible
10 driving route.

11 (l) Notwithstanding the provisions of this section, no satellite
12 wagering facility or minisatellite wagering facility shall be located
13 within 20 miles of a tribal casino.

14 SEC. 2. No reimbursement is required by this act pursuant to
15 Section 6 of Article XIII B of the California Constitution because
16 the only costs that may be incurred by a local agency or school
17 district will be incurred because this act creates a new crime or
18 infraction, eliminates a crime or infraction, or changes the penalty
19 for a crime or infraction, within the meaning of Section 17556 of
20 the Government Code, or changes the definition of a crime within
21 the meaning of Section 6 of Article XIII B of the California
22 Constitution.

DISCUSSION AND ACTION BY THE BOARD ON THE REQUEST FROM THE
CALIFORNIA AUTHORITY OF RACING FAIRS (CARF) TO ENACT
CHRB RULE 1406, SUSPENSION OF RULE,
TO WAIVE THE PROVISIONS OF
CHRB RULE 1976.9, PICK (N) POOL,
TO ALLOW A PICK SIX CARRY OVER TO ROLL FROM THE
ALAMEDA COUNTY FAIR CONTINUING TO THE CALIFORNIA STATE FAIR,
THE SONOMA COUNTY FAIR AND THE HUMBOLDT COUNTY FAIR
WITH THE PAYOUT CONCLUDING ON THE LAST DAY OF THE
BIG FRESNO FAIR

Regular Board Meeting
June 22, 2010

BACKGROUND

Business and Professions Code section 19549.1 provides that the Board may allocate horse racing days for mixed breed meetings and combined fair horse racing meetings pursuant to Food and Agricultural Code section 4058. The race dates may only be allocated for a combined fair horse racing meeting between June 1 and October 31. At the April 15, 2010 Regular Board Meeting the California Authority of Racing Fairs (CARF) requested that the Board designate race dates for a number of racing fairs as a “combined fair horse racing meeting.” The racing fairs that would comprise the combined fair horse racing meeting were: San Joaquin County Fair; Alameda County Fair; California Exposition and State Fair; Sonoma County Fair; Humboldt County Fair; and the Big Fresno Fair. CARF maintained that the combined fair horse racing meeting would allow Northern California racing fairs to conduct the dates allocated by the Board, and would allow flexibility in planning for a changing racing calendar in Northern California. CARF’s request and the fact that each racing fair would be responsible for submitting its “normal” application for its segment of the meeting, raised questions about the nature of a combined fair horse racing meeting. What were the advantages of the combined meeting, who would be responsible for the meeting, and who was the licensee, CARF or the individual fairs? After considerable discussion, the Board did not approve the request. Instead, CARF was directed to work with the CHRB and the horsemen and return with the issue at a future Regular Board Meeting. CARF has not submitted a subsequent request for a 2010 combined fair race meeting.

On May 27, 2010, CARF informed staff it was preparing a written request for permission to carry over the Pick Six carryover from one fair race meeting to the next, beginning with the Alameda County Fair and continuing through the California Exposition and State Fair, the Sonoma County Fair, the Humboldt County Fair and concluding with the Big Fresno Fair. These are the same fairs, less the San Joaquin County Fair, that comprised CARF’s previous request for a combined fair horse racing meeting. CARF has indicated that in 2009, under the combined fair race meeting, it carried forward the Pick Six pool for the San Joaquin County Fair, the Solano County Fair, Humboldt County Fair and the Big Fresno Fair.

Staff informed CARF that to carry over a Pick Six carryover from one fair race meeting to another, the fair race meetings would have had to have been designated as part of a combined fair horse racing meeting. Because the Board did not approve CARF's request to conduct a 2010 combined fair race meeting, the racing fairs are considered individual race meetings. Board Rule 1976.9, Pick (n) Pool, only allows a Pick (n) carryover to be carried over to the corresponding Pick (n) pool of a subsequent meeting, or a split meeting, of the same racing association. The rule does not allow one racing association to carry over a Pick (n) pool to the race meeting of a different racing association. Staff also informed CARF that other than obtaining permission to designate selected racing fairs as a combined fair race meeting, the Board would have to grant a temporary waiver under Board Rule 1406, Suspension of Rule.

On June 4, 2010, CARF submitted a letter requesting that the Board enact Board Rule 1406 to allow a Pick Six carry over from one fair race meeting to another. Rule 1406 provides that the Board may for good cause temporarily suspend the application of any of its rules upon any conditions it may impose. In response to an inquiry from staff, a CARF representative stated the racing fairs agreed to the Pick Six carryover. He also stated CARF was working with the Thoroughbred Owners of California and a California Thoroughbred Trainers to get their approval.

ANALYSIS

CARF contends that the short duration of fair race meetings does not allow a Pick Six carry over to grow to a large pool that would attract fan interest. If the Board enacts Rule 1406 to allow the carryover of the Pick Six from one fair race meeting to another, CARF maintains the fairs would have the opportunity to grow the Pick Six pool, and to increase handle. Granting a waiver does not guarantee that the Pick Six pool would grow through the Big Fresno Fair, as it could be paid out as soon as the Alameda County Fair.

RECOMMENDATION

This item is presented for Board discussion and action.



a California joint powers agency

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

June 4, 2010

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

2010 JUN - 4 PM 2:58

RECEIVED
 CHRB

Kirk:

We would like to request that the Board enact the provisions of Rule 1406, Suspension of Rule, to allow a Pick Six carry over from one Fair meeting to the next Fair, beginning with the Alameda County Fair and continuing through the California State Fair, the Sonoma County Fair, the Humboldt County Fair and concluding with the Big Fresno Fair.

The Pick Six is one of the exotic wagers with which a carryover can grow to progressively larger pools, which in turn attracts increased fan interest and handle. Shorter duration Fair meetings limit the time over which the carryover may grow. Allowing a carryover to roll from Fair to Fair will allow the Fairs the opportunity to generate a large pick six pool and with it increased handle.

We request that this item be placed on the agenda for the June 22 CHRB meeting.

Respectfully Yours,

Christopher Korby
 Executive Director

TITLE 4. DIVISION 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 1. RACING BOARD POWERS AND JURISDICTION
RULE 1406. SUSPENSION OF RULE

Regular Board Meeting
June 22, 2010

1406. Suspension of Rule.

For good cause, with or without a hearing, the Board may temporarily suspend the application of any of its rules upon any conditions it may impose. Every application for such action and any such action by the Board shall, insofar as possible, be in writing. If not in writing, it shall be confirmed in writing as soon thereafter as possible.

TITLE 4. DIVISION 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 18. PARI-MUTUEL WAGERING
RULE 1976.9. PICK (N) POOL

Regular Board Meeting
June 22, 2010

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% 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 wager 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,
Business and Professions Code.

STAFF ANALYSIS

June 22, 2010

Issue: APPLICATION FOR LICENSE TO OPERATE A MINISATELLITE WAGERING FACILITY BY THE SAN MATEO COUNTY EVENT CENTER AT THE ARTICHOKE JOE'S CASINO, SAN BRUNO, CALIFORNIA

San Mateo County Exposition and Fair Association, d/b/a San Mateo Event Center – Jockey Club filed an application for a license to operate a minisatellite wagering facility at Artichoke Joe's Casino in San Bruno, California, for a period of up to two years. The applicant has indicated that operations will begin upon approval of the application and after the minisatellite renovations are completed. The anticipated completion date is August 2010.

- San Mateo Event Center (SMEC) currently operates a CHRB approved Simulcast Wagering Facility (SWF) in San Mateo, California. The San Mateo, SWF is located approximately 8 miles from the proposed minisatellite wagering facility site location at Artichoke Joe's Casino in San Bruno, California. The proposed wagering site will be located in the northern zone.
- San Mateo Event Center counsel provides that "*Artichoke Joe's is merely the location at which the Jockey Club will operate a mini-satellite, and no Artichoke Joe's personnel will handle any of the money wagered there, nor will they handle the equipment for the signal or wagering.*"

Business and Professions Code section 19605.25 (a) (1) provides no minisatellite may be within 20 miles of a racetrack, a satellite wagering facility, or a tribal casino that has a satellite wagering facility. If the proposed facility is within 20 miles of one of the above-referenced satellite facilities, then the consent of each facility within a 20-mile radius must be given before the proposed facility may be approved by the board.

July 15, 2009, the County of San Mateo, on behalf of the San Mateo Event Center submitted an objection to two proposed minisatellite wagering facility locations in San Francisco, California. The primary objection was based on the distance between the two facilities in relation to SMEC. The second objection noted was that the proposed minisatellite facility would impact union jobs. The third identified SMEC's belief that "*too many satellite wagering facilities saturate the community, leading to fewer bettors and lower handle, and thus decline in the horse racing industry.*" The fourth objection expressed their concern that the proposed San Francisco minisatellite facilities were not large enough to absorb SMEC patrons if it became necessary for them to close. Its counsel represented that the 20-mile radius distance must be measured using a straight line or "air miles" process. San Mateo Event Center did not grant a waiver consenting to the proposed locations within 20 miles of its facility and the minisatellite wagering facilities later rescinded their application.

- Racetrack(s), satellite wagering facility or tribal casino that have a satellite wagering facility located within a 20-mile radius of the applicant are:

*San Mateo Event Center – 8.12 miles

*Pacific Racing Association – 18.2 miles

*The mileage was obtained using Free Map Tools.com and provides the shortest possible distance between two places “distance as the crow flies”.

San Mateo Event Center has not identified any other racetrack(s), satellite wagering facility or tribal casino that has a satellite wagering facility located within 20 radius miles of the proposed applicant site location.

- San Mateo Event Center has contracts/agreement with the following racing associations:

California Authority of Racing Fairs

Cal State Fair and Exposition

Cal Expo Harness

Los Alamitos Quarter Horse Racing Association

Pacific Racing Association

- The simulcast organization engaged by the contracted association(s) to conduct simulcast wagering is Northern California Off Track Wagering, Inc. (NCOTWINC).
- Applicant proposes to operate minisatellite wagering site Wednesday through Sunday and selected Mondays and holidays. Opening 10:00 a.m. - 12:00 a.m. SMEC also request approval to operate twenty-four hours seven days a week at some date in the future.
- Estimated number of pari-mutuel terminals machines available: Ten. Seating Capacity is 66; the number of tables in the minisatellite wagering area is 20. 19 television monitors are planned.
- Staffing: Mutuel Supervisor, clerks to be determined by attendance; self service attendant to be determined as needed.

Specific information still needed to complete this application include:

1. Hard copy “wet signature” of “Certification by Applicant” document
2. Financials
3. Horsemen’s approval
4. Fire clearance
5. Workers compensation (San Mateo Event Center)
6. NCOTWINC agreement. (Document provided does not address minisatellites)
7. Part II – “Contracted Association Information” signatures required for those identified as contracted association/fairs: Hollywood Park; Los Angeles Turf Club; Oak Tree Racing Association; Los Angeles County Fair and Del Mar Thoroughbred Club.

8. Import out-of-state and/or out-of-country races – approval signatures required Del Mar Thoroughbred Club; Los Alamitos; Los Angeles County Fair; Hollywood Park; Los Angeles Turf Club.
9. Fire clearance
10. Scale plan (Submitted plan does not address application requirements).
11. Description of public address equipment
12. Promotional plan
13. Program charges

RECOMMENDATION:

Staff recommends the Board not approve the application until it has been completed and the outstanding documents have been received.

If the application is considered for approval, staff recommends a contingent approval upon the submission of outstanding items and recommends the applicant be required to appear again before the Board to address the status of the outstanding documents and to remove the contingency status from the Board's approval.



June 8, 2010

Mr. Kirk Breed
Executive Director
California Horse Racing Board
1010 Hurley Way, Suite 10
Sacramento, CA 95825

Dear Kirk:

I have a request to include this cover letter with our application to operate a mini-satellite wagering facility. Please allow this letter to serve as clarification that the San Mateo County Event Center – Jockey Club is requesting the approval of the California Horse Racing Board of our application to operate this mini-satellite wagering at Artichoke Joe's Casino, located at:

Artichoke Joe's Casino
659 Huntington Avenue
San Bruno, CA 94066

You will find a copy of an agreement that the San Mateo County Event Center entered into with Artichoke Joe's with our application that details our partnership agreement. If you require any further information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "C.A. Carpenter", written over a horizontal line.

Chris A. Carpenter
General Manager

Cc: Jackie Wagner, CHRB - Staff Services Manager II
Andrea Ogden, CHRB - Regulations Analyst
SMCEC – Mini-satellite file

Application is hereby made to the California Horse Racing Board (CHRB/Board) for a license to operate a minisatellite wagering facility in connection with a horseracing meeting and/or parimutuel wagering in accordance with the Business and Professions Code, Chapter 4, Division 8 (Horse Racing Law) and the California Code of Regulations, Title 4, Division 4 (Rules and Regulations of the California Horse Racing Board).

Part I: To be completed by applicant seeking to operate a minisatellite wagering facility pursuant to Business and Professions Code section 19605.25.

Part II: To be completed by association(s) that has/have reached an agreement with the applicant to conduct minisatellite wagering.

Part III: To be completed by simulcast organization that has reached an agreement to provide services necessary for the conduct of minisatellite wagering pursuant to Business and Professions Code sections 19605.25 & 19605.3.

**PART I
 MINISATELLITE WAGERING APPLICANT INFORMATION**

APPLICANT INFORMATION

Name of applicant: San Mateo County Exposition and Fair Association, dba – San Mateo County Event Center – Jockey Club The applicant is: <input type="checkbox"/> Racing Association <input checked="" type="checkbox"/> Fair <input type="checkbox"/> Federally Recognized Indian Tribe	Note: Mini-satellite location - Artichoke Joe's Casino, 659 Huntington Avenue, San Bruno, CA 94066 <input checked="" type="checkbox"/> Card Room/Gambling Establishment <input type="checkbox"/> Restaurant/Bar <input type="checkbox"/> Other Business Entity
---	---

Facility street address: 2495 S Delaware Street

Mailing address (if different from above): Same as above

E-mail address: ccarpenter@smeventcenter.com

City: San Mateo	State: CA	Zip Code: 94403
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Phone: 650-574-3891	Fax: 650-574-3985	Website: www.smeventcenter.com
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County: San Mateo County	Zone Location: North <input type="checkbox"/> South <input type="checkbox"/> Central <input type="checkbox"/> (To be filled out by CHRB Staff)
--------------------------	---

**CONTACT PERSON
 (Authorized Representative)**

Name and title of the contact person: Chris A. Carpenter, General Manager, San Mateo County Event Center

Business street address: 2495 S Delaware Street

zvMailing address (if different from above): Same as above

City: San Mateo County: San Mateo County	State: CA	Zip Code: 94403
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Phone: 650-574-3891	E-mail: ccarpenter@smeventcenter.com	Fax: 650-574-3985
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Dates during which the applicant proposes to operate as a minisatellite wagering facility:

Applicant proposes to operate a mini-satellite wagering facility for up to two years beginning as soon as this application is favorably ruled upon and when the facility that is planned is complete. Mini-satellite wagering facility will open in August 2010, after renovations occur.

NOTICE TO APPLICANT: If approved for license, the term of license shall not exceed two years pursuant to Business and Professions Code section 19605.25 (h).

Have you previously operated a licensed gaming operation in California or another state? Yes No

Do you currently operate a licensed gaming operation in California or another state? Yes No

If yes to either question above, provide the following:

Valid licensure period: Begin Date: August 19, 2008 End Date: N/A

Facility name and address: San Mateo County Event Center – Jockey Club

City: San Mateo

State: CA

Zip Code: 94403

County: San Mateo County

Zone Location:

North South Central

(To be completed by CHRB staff)

Have you had a gaming operation license that has been revoked or suspended. Yes No

If yes, provide the following if different from above:

Facility name and address:

City:

State:

Zip Code:

Racing Jurisdiction:

BUSINESS STRUCTURE

Corporation

Public

Private

Sub-S

Sub-C

Limited Partnership

Limited Liability Company

Note: We are a Non-Profit Organization

Partnership & Joint Venture

Sole Proprietorship

Please see enclosed agreement between

Other

If you have listed your company as other please identify your company structure:

Registered Business Name: San Mateo County Exposition and Fair Association, dba – San Mateo County Event Center – Jockey Club

Fictitious Business Name: San Mateo County Event Center, San Mateo County Fair and San Mateo Jockey Club.

Address: 2495 S Delaware Street

E-mail Address: ccarpenter@smeventcenter.com

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 California Horse Racing Board
 Application for License to Operate a Minisatellite Wagering Facility
 CHRB-88 (New 11/08)

City: San Mateo	State: CA	Zip Code: 94403
Phone: San Mateo County Event Center – Jockey Club 650-574-3891		Fax: San Mateo County Event Center – Jockey Club 650-574-3985
State where registered or Articles of Organization are filed: CA		Registry or File number: File #232890

Name of all officers, directors, and managers. For officers, directors, and managers that have no ownership, enter "0%" in the ownership column. For members of a Limited Liability Company, list membership interest in ownership column. For partners, following the individual's name indicate whether general or limited partners. (true names)

Entity/Individual Name and Title	Entity's Business Address/ Individual's Address of Record	Ownership% (if any)	Compensation Agreement
Peter Chartz, San Mateo County Exposition and Fair Association Board – President	2495 S Delaware Street San Mateo, CA 94403	0%	N/A
Steve Karp, San Mateo County Exposition and Fair Association Board – Vice President	2495 S Delaware Street San Mateo, CA 94403	0%	N/A
John Zirelli, San Mateo County Exposition and Fair Association Board – Secretary/Treasurer	2495 S Delaware Street San Mateo, CA 94403	0%	N/A
Mark Norris, San Mateo County Exposition and Fair Association Board – Director	2495 S Delaware Street San Mateo, CA 94403	0%	N/A
John "Jack" Olsen, San Mateo County Exposition and Fair Association Board – Director, Past President	2495 S Delaware Street San Mateo, CA 94403	0%	N/A
Jonathon Gervais, San Mateo County Exposition and Fair Association Board – Director	2495 S Delaware Street San Mateo, CA 94403	0%	N/A
Kari Foppiano, San Mateo County Exposition and Fair Association Board – Director	2495 S Delaware Street San Mateo, CA 94403	0%	N/A

Are shares listed for public trade? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	If yes on what stock exchange?
--	--------------------------------

If more than 50 percent of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity.

All entities that own 5 percent or more must fulfill the instructions for Full Disclosure Statement.

Attach the most recent annual financial statement for the applicant, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the corporation and/or the Securities and Exchange Commission and/or the California Corporations Commission.

MANAGEMENT AND STAFF
 (Minisatellite Wagering Facility)

Name and title of the managing officer(s) and/or general manager(s) of the business.

Name	Title
Chris A. Carpenter, San Mateo County Event Center – Jockey Club	General Manager
Jim Fetter – Jockey Club	Manager

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ASSOCIATION CONTRACT/AGREEMENT

Name(s) of racing association(s) with whom you intend to have a contract or agreement:
Northern CA Off Track Wagering, Inc. - We already have a contract in place that we will write an addendum to or a separate contract for this Mini-Satellite Wagering Facility

Addresses of racing association(s): 7950 Dublin Blvd., Dublin, CA 94568

Racing association(s) phone numbers: (925) 307-7040

Proposed contract dates: From: Opening To: 2 Years (inclusive).

Note: Please look at "Exhibit A" for a copy of existing contract.

Attach a certified check payable to the Treasurer of the State of California in the amount of \$500 for the nonrefundable minisatellite application fee.

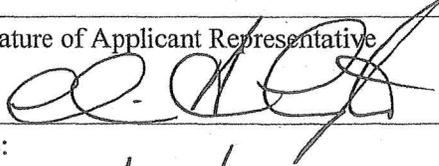
CHRB CERTIFICATION

Application filed on: 4/2/10
Fee received by: [Signature]
Reviewed by: [Signature]

30-day Notice Letter: 4/22/10
Approved on:
License number issued:

CERTIFICATION BY APPLICANT

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

Name CHRIS A. CARPENTER	Signature of Applicant Representative 
Title GENERAL MANAGER / SAN MATEO COUNTY EVENT CENTER JOCKEY CLUB	Date: 3/30/10

INSTRUCTION SHEET FOR FULL DISCLOSURE STATEMENT

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB-88 (New 11/08)

PART II

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

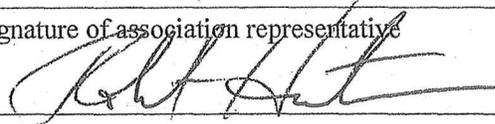
Pacific Racing Association, 1100 Eastshore Hwy., Berkeley, CA 94710

Telephone:
(510) 559-7223

Fax number: (510) 559-7474

Racetrack name:
Golden Gate Fields

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name	Signature of association representative
Robert Hartman	
Title	Date:
General Manager	5/14/10

Golden Gate Fields

March 30, 2010

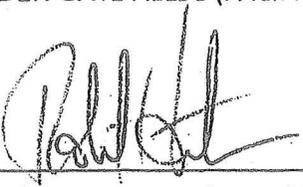
Chris A. Carpenter, General Manager
San Mateo County Exposition and Fair Association
2495 South Delaware Street
San Mateo, CA 94403

Dear Mr. Carpenter:

Golden Gate Fields (Pacific Racing Association) hereby consents to the establishment of a Mini Satellite at the Artichoke Joe's Card Club in San Bruno, California operated by the San Mateo County Exposition and Fair Association.

Very truly yours,

GOLDEN GATE FIELDS (PACIFIC RACING ASSOCIATION)

By:  5/14/10

Robert Hartman, General Manager

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
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PART II

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Los Alamitos Racecourse, 4961 Katella Ave., Los Alamitos, CA 90720

Telephone:
(714) 820-2800

Fax number: (714) 820-2820

Racetrack name: Los Alamitos Racecourse

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name

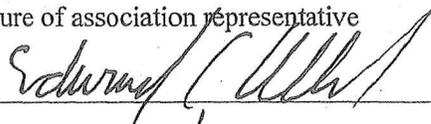
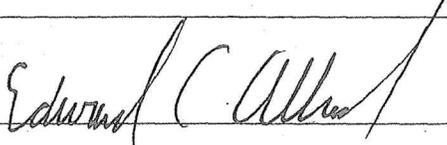
Edward C. Allred

Title

Owner, President and CEO

Signature of association representative

Date:



4/2/10

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
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PART II

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

California Authority of Racing Fairs, 1776 Tribute Road, Suite 205, Sacramento, CA 95815

Telephone:
(916) 263-3348

Fax number: (916) 263-3341

Racetrack name:
C.A.R.F.

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

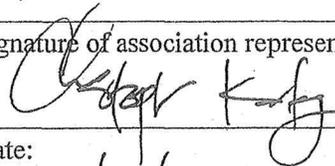
Name

Christopher Korby

Title

Executive Director

Signature of association representative



Date:

6/4/2010

State of California
California Horse Racing Board
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PART II

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association.

Name and mailing address of association:

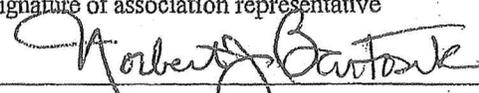
Cal Expo Harness, 1600 Exposition Blvd., Sacramento, CA 95815

Telephone:
(916) 263-3000

Fax number: (916) 263-3230

Racetrack name:
Cal Expo Harness

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name	Signature of association representative
Norbert J. Bartosik	
Title	Date:
General Manager/CEO	6/9/10

State of California
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 CHRB-88 (New 11/08)

PART II

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

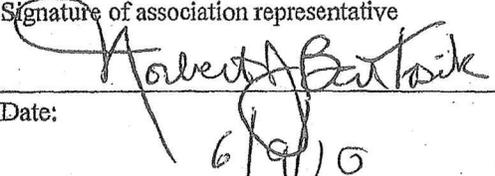
California State Fair & Exposition, 1600 Exposition Blvd., Sacramento, CA 95815

Telephone:
 (916) 263-3000

Fax number: (916) 263-3230

Racetrack name:
 Cal Expo

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name Norbert J. Bartosik	Signature of association representative 
Title General Manager/CEO	Date: 6/9/10

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
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PART II

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Northern California Off-Track Wagering, Inc., 1100 Eastshore Highway, Berkeley, CA 94710

Telephone:
(510) 559-7300

Fax number: (510) 559-7464

Racetrack name:
NCOTWINC

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

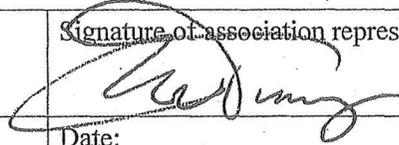
Name

Peter W. Tunney

Title

Vice President

Signature of association representative



Date:

5/14/10

PART II

CONTRACTED ASSOCIATION INFORMATION
One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Hollywood Park Racing Association, 1050 South Prarie Ave., Inglewood, CA 90301

Telephone:
(310) 419-1520

Fax number: (310) 671-4460

Racetrack name:
Hollywood Park

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name	Signature of association representative
F. Jack Liebau	
Title	Date:
President	

Pending, please see "Exhibit D"

PART II

CONTRACTED ASSOCIATION INFORMATION
One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Los Angeles Turf Club, Inc., 285 West Huntington Drive, Arcadia, CA 91007

Telephone:
(626) 574-7223

Fax number: (626) 254-1351

Racetrack name:
Santa Anita Park

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name	Signature of association representative
Ron Charles	
Title	Date:
President & CEO	

Pending, please see "Exhibit D"

PART II

CONTRACTED ASSOCIATION INFORMATION
One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Oak Tree Racing Association, 285 West Huntington Drive, Arcadia, CA 91007

Telephone:
(626) 574-6435

Fax number: (626) 447-2940

Racetrack name:
Oak Tree at Santa Anita

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name	Signature of association representative
Sherwood C. Chillingworth	
Title	Date:
Executive Vice President & Director	

Pending, please see "Exhibit D"

PART II

CONTRACTED ASSOCIATION INFORMATION
One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Los Angeles County Fair Association, 1101 West McKinley Avenue, Pomona, CA 91768

Telephone:
(909) 865-4203

Fax number: (909) 865-2940

Racetrack name:
Fairplex Park

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name	Signature of association representative
Mike Seder	
Title	Date:
CFO	

Pending, please see "Exhibit D"

PART II

CONTRACTED ASSOCIATION INFORMATION
One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Del Mar Thoroughbred Club, 2260 Jimmy Durante Blvd., Del Mar, CA 92014

Telephone:
(858) 792-4221

Fax number: (858) 794-1007

Racetrack name:
Del Mar

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name	Signature of association representative
Craig Fravel	
Title	Date:
Executive Vice President	

Pending, please see "Exhibit D"

**PART III
SIMULCAST ORGANIZATION INFORMATION**

To be completed by approved simulcast organization that has executed an agreement approved by the CHRB with the association conducting a racing meeting with the minisatellite wagering facility pursuant to Business and Professions Code sections 19605.25 and 19605.3.

I. OPERATION OF THE MINISATELLITE WAGERING FACILITY

Simulcast organization engaged by the association to conduct simulcast wagering:

Northern California Off Track Wagering Inc.

Attach the agreement between the association and simulcast organization permitting the minisatellite wagering facility to use the association's live audiovisual signal for wagering purposes and providing access to it's totalizator for the purpose of combining on-track and off-track pari-mutuel pools. Attached

Submit a copy of each horsemen's written approvals. Pending. See "Exhibit D

Hours for operation of the facility: 10:00 a.m. – 12:00 a.m., Wednesday through Sunday and Holiday Mondays.

San Mateo County Exposition and Fair Association requests approval to operate during all hours of Artichoke Joe's operation which is 24 hours a day, 365 days a year.

Hours for operation of the minisatellite wagering site: See above.

Time periods during the calendar year the facility will not be utilized as a minisatellite wagering facility (explain why):
N/A

If approved, wagering will be offered on live race meetings being held or conducted by the following California racing association(s): Pacific Racing Association, California Authority of Racing Fairs, Los Angeles Turf Club, Hollywood Park racing Association, Del Mar Thoroughbred Club, Oak Tree Racing Association, Cal Expo Harness Association, Los Alamitos Quarter Horse Racing Association.

See above		
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List the host track from which the minisatellite wagering facility proposes to import out-of-state and/or out-of-country races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races": Pacific Racing Association and California Authority of Racing fairs – Full cards for the term of the agreement. Import out-of-state and/or out-of-country number of races TBD. See "Exhibit E"

Estimated number of pari-mutuel terminals machines available:
Ten (Ten) – estimation

Part III – California Racing Associations

California Racing Associations

Cal Expo Harness
 1600 Exposition Blvd.
 Sacramento, CA 95815
 (916) 263-3000

California Authority of Racing Fairs
 1776 Tribute Road, Suite 205
 Sacramento, CA 95815
 (916) 927-7223

Del Mar Thoroughbred Club
 2260 Jimmy Durante Blvd.
 Del Mar, CA 92014
 (858) 755-1141

LA Fairplex
 1101 West McKinley Avenue
 Pomona, CA 91768
 (909) 426-7600

Golden Gate Fields
 1100 Eastshore Highway
 Albany, CA 94706
 (510) 559-7300

Hollywood Park
 1050 South Prairie Avenue
 Inglewood, CA 90301
 (310) 419-1500

Los Alamitos
 4961 Katella Avenue
 Los Alamitos, CA 90720
 (714) 820-2800

Los Angeles Turf Club (Santa Anita)
 285 West Huntington Avenue
 Arcadia, CA 91007
 (626) 574-7223

"Exhibit E" – San Mateo County Exposition and Fair Association's License Application

Part III – Import/Export Races

Out-of-State & International Imports – Full or Partial Card TBD

<u>OUT-OF-STATE TRACK</u>
ARLINGTON
AQUEDUCT
CALDER RACECOURSE
CHURCHHILL DOWNS
FAIRGROUNDS
GULFSTREAM
HAWTHORNE RACECOURSE
KEENELAND
LAUREL
LONE STAR PARK
LOUISIANA DOWNS
MEADOWLANDS
NORTHLANDS PARK
NYRA
PHILADELPHIA PARK
PIMILICOPTLAND MEADOWS
REMINGTON PARK
RIVER DOWNS
STAMPEDE PARK
THISTLEDOWN
TURF PARADISE
TURFWAY PARK
INTERNATIONAL TRACK
FORT ERIE
HASTINGS
SOUTH AMERICA
WOODBINE

Attach a proposed staffing plan for the facility and/or minisatellite wagering site, to include the number of security personnel and the number of pari-mutuel clerks pursuant to Business and Professions Code section 19605.25 (5)(b). **NCOTWINC Staffing: Mutuel Supervisor; Clerks to be determined by attendance; Self Service Attendant to be determined as needed.**

II. SUPERVISION, SECURITY AND FIRE PREVENTION
 Changes to management personnel and minisatellite manager(s)
 must be immediately reported to the Board

Name of the individual(s) responsible for the day-to-day operation of the minisatellite facility:

Name and Title	CHRB License No. and Expiration Date
Bryan Wayte, Mutuel Manager	#289390 expiration date 09/10

Attach a certificate of insurance for workers' compensation coverage including carrier and the policy number securing the applicant's liability for payment of workers' compensation is (if self-insured, provide details):
Attached as "Exhibit F"

Attach a fire clearance from the fire authority having jurisdiction. **City license to serve as fire clearance. Final fire clearance to be issued upon completion of necessary required for minisatellite.**

Attach a security plan to include: the name, title and phone number of the person having responsibility for security controls, the number of security officers and/or guards and the police or sheriff's department having jurisdiction for criminal law enforcement over the premises of the facility. **See "Exhibit G"**

Is there a backup emergency plan for power failure? Yes No

If yes, describe. See "Exhibit G"

III. MINISATELLITE WAGERING SITE

Attach a detailed scale plan of the facility indicating all points of access to facility, emergency exits, placement of offices, and food and beverage service location and detailing the location of the proposed minisatellite wagering site. Identify how the designated minisatellite wagering area will be restricted to patrons 21 years and over. Attach photos of the minisatellite wagering site. **See "Exhibit H"**

NOTICE TO APPLICANT. Pursuant to Business and Professions Code section 19605.25(a) (4) wagers placed at a minisatellite site must be in an area that is restricted to those who are 21 years of age or older.

IV. FACILITY DESCRIPTION

Describe the food and beverage services to be offered (full meals served; cafeteria-style full meals; short-order counter service; pre-ordered prepared sandwiches and fast foods available; full bar services; or other description as appropriate): **Artichoke Joe's offers San Bruno's only 24-hour Asian cuisine, and a wide variety of American classics. Our daily specials and generously diverse menu feature hundreds of dishes, most under \$10, including steak, burgers, omelets, and prawns or black bean rock cod and kung pao chicken.**

Food service is available and open 24 hours a day.

The seating capacity in the minisatellite wagering facility is: Maximum Capacity is 140, Seating Capacity is 66	The number of tables in the minisatellite wagering area is: 20 Tables, plus the bar.
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WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

TYPE V INFORMATION PAGE WC 00 00 01 (A)

POLICY NUMBER: (PACRUB-8211N03-3-09)

NEW-09

INSURER: TRAVELERS CASUALTY AND SURETY COMPANY

NCCI CO CODE: 11223

INSURED: ARTICHOKE JOE'S, INC. 659 HUNTINGTON AVENUE SAN BRUNO CA 94066

PRODUCER: MARSH USA INC-SF 345 CALIFORNIA ST STE 1300 SAN FRANCISCO CA 94104

Insured Is A CORPORATION

Other work places and identification numbers are shown in the schedule(s) attached.

2. The policy period is from 08-01-09 to 08-01-10 12:01 A.M. at the Insured's mailing address.

3. A. WORKERS COMPENSATION INSURANCE: Part One of the policy applies to the Workers Compensation Law of the state(s) listed here: CA

B. EMPLOYERS LIABILITY INSURANCE: Part Two of the policy applies to work in each state listed in item 3.A. The limits of our liability under Part Two are:

Bodily Injury by Accident:	\$	1000000	Each Accident
Bodily Injury by Disease:	\$	1000000	Policy Limit
Bodily Injury by Disease:	\$	1000000	Each Employee

C. OTHER STATES INSURANCE: Part Three of the policy applies to the states, if any, listed below:

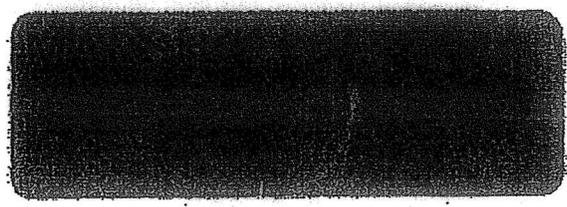
AL AR AZ CO CT DC DE FL GA HI IA ID IL IN KS KY LA MA MD ME MI MN MO MS MT NC NE NH NJ NM NV NY OK OR PA RI SC SD TN TX UT VA WI WV

D. This policy includes these endorsements and schedules:

SEE LISTING OF ENDORSEMENTS - EXTENSION OF INFO PAGE

4. The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All required information is subject to verification and change by audit to be made ANNUALLY.

RECEIVED AUG 24 2009 MARSH RISK SERVICES



DATE OF ISSUE: 08-10-09 LT

OFFICE: WALNUT CREEK 418

PRODUCER: MARSH USA INC-SF

45086



"Exhibit G" – San Mateo County Exposition and Fair Association's License Application

Part III – Backup Emergency Plan for Power Failure

Power/Backup Provisions:

Emergency generated power supplied by three (3) generators; one 1100KW, one 600KW, one 200KW and 150KW generators for the entire facility at Artichoke Joe's.

"Exhibit G – San Mateo County Exposition and Fair Association's License Application

Part III – Security Plan

Money Room/Security:

We intend to locate the money room in a 6' x 8' room located in close proximity to the teller line, which will include shelf space for counting and equipment storage, and power outlets to run the equipment. The basic equipment will include a currency counting machine, a ten key calculator, a phone, a fax machine and basic money room supplies (bill straps, rubber bands, pens, paper and forms). The room will contain a safe that has burglar protection to be Underwriters Laboratories approved TL 30 tool resistant that is fire tested at 1800 degrees for 2 hours and UL approved. The safe doors will be alarmed with door contacts and vibrations sensors, both set by individual keypads. The money room will have motion detectors, doors that have a door contact set by keypad that is tied to the alarm company. They will also have a silent panic code tied to the alarm company. The doors will have security bolt type locks. Only the mini-satellite manager, and host track head money room manager know the alarm codes and safe combination. Only the mini-satellite manager will control the keys. Security personnel will be provided by the mini-satellite facility and will be present during the hours of operation. Mini-satellite will be located at Artichoke Joe's, in the area denoted – Bar/Dining.

Mini-satellite Security Plan

Responsible for Security: Jim Vonasek, Operations Manager for Artichoke Joe's, and reporting to him is Anup Kumar, Security & Safety Manager. Their telephone numbers are #650-589-8812. Artichoke Joe's maintains a full time staff of 18 security officers, and 4 supervisors.

Artichoke Joe's is within the jurisdiction of both the San Bruno Police Department.

Overall square footage in the minisatellite wagering area is: Approximately 1,500 SF

Attach a photograph of the minisatellite wagering area. Photos provided in "Exhibit H" are of the bar/dining space before remodeling.

Describe occupancy restrictions, if any, imposed by the fire authority having jurisdiction: Maximum Occupancy is based on area.

The total number of parking spaces available in the parking areas can accommodate (number of standard sized automobiles): 650, plus Street Parking, within walking distance from BART and CalTrain depots.

Describe any other activities to be scheduled on or near the facility premises that may have a negative impact on available parking: None known SMCEFA or Artichoke Joe's

V. EQUIPMENT PROVIDED BY THE MINISATELLITE WAGERING FACILITY

Describe the television equipment (satellite receivers, decoders, controls, monitors, etc.) to be utilized at the facility: Estimated - 19 TV's. More information to follow on satellite receivers, decoders, controls, monitors, etc.

Describe the public address equipment (controls, microphones, speakers, etc.) to be utilized at the facility:
To be provided

VI. ADVERTISING AND PATRON DEVELOPMENT

Describe any advertising or promotional plans:
To be provided

Describe any improvements to the facility that will directly benefit minisatellite wagering:

Complete renovation of existing area.

NOTICE TO APPLICANT: Pursuant to Board Rule 2066 all advertisement shall contain a statement that persons under 21 are not allowed to participate in minisatellite wagering. All advertisement shall contain contact information for a recognized problem-gambling support organization.

VII. ADMISSIONS, CHARGES AND SERVICE FEES

Complete if applicable and note N/A if not

Admissions charges, if any, are:	None
Parking charges, if any, are:	None
Program charges, if any, are:	To Be Determined
Seating charges, if any, are:	None

VIII. RENEWAL

Complete this section only if renewing your license.

Is this a renewal application: Yes No

Have there been any changes since the submission of your last application for authorization to operate a minisatellite wagering facility? Yes No

"Exhibit H" – San Mateo County Exposition and Fair Association

Part III – Mini-satellite Wagering Site

Mini-satellite Wagering Facility

The San Mateo County Exposition and Fair Association entered into an agreement with Artichoke Joe's (part of Exhibit H) on March 8, 2010 to provide the space to operate the mini-satellite wagering facility. All details of this agreement are attached and the three (3) floor plans clearly outline the space we (bar/dining) will operate as a mini-satellite.

Artichoke Joe's is a respected business that operates as a Card Room in San Bruno, CA, and has done so since 1921. What you will find below is some more detailed information about the business, and you may also visit their web site at www.artichokejoes.com

Our History

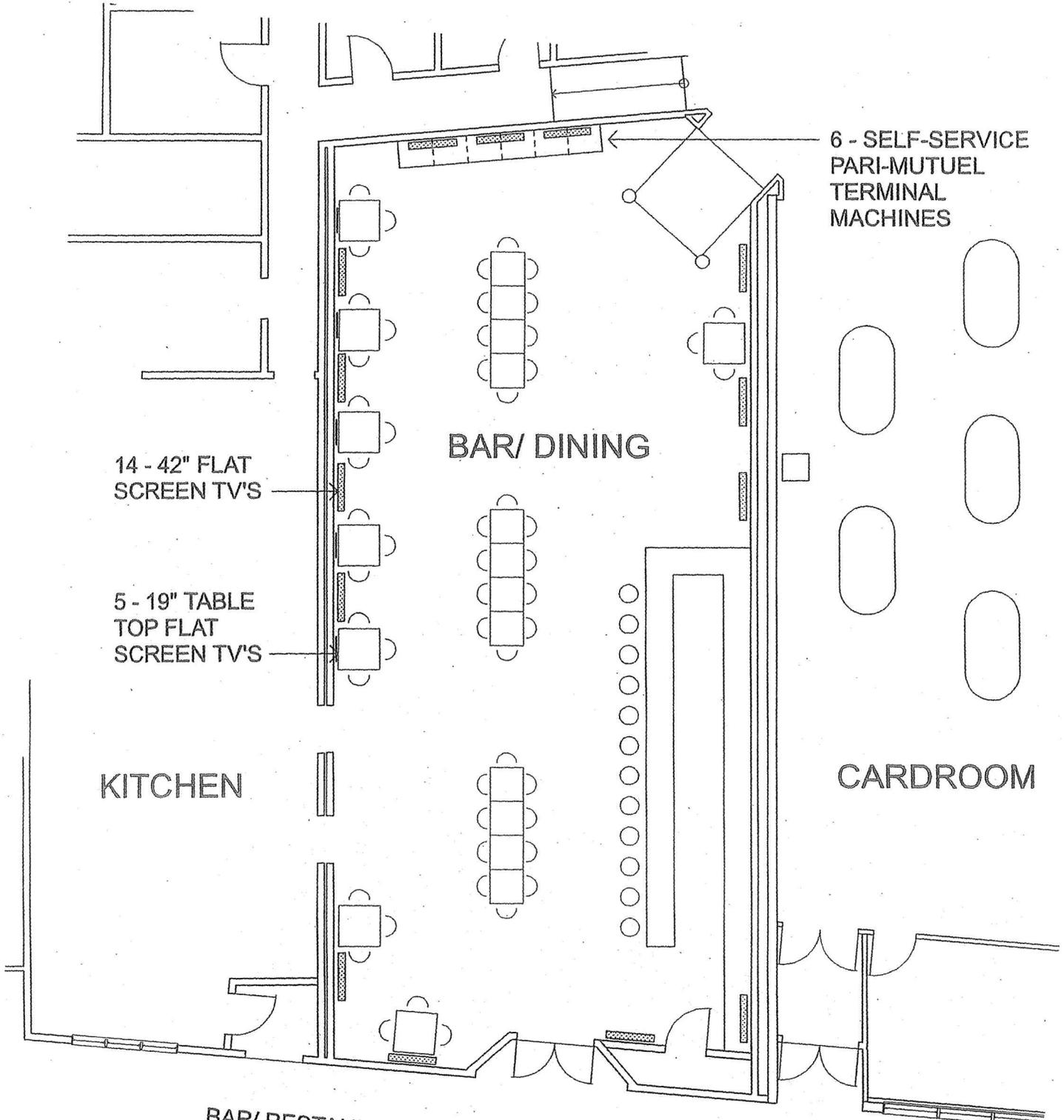
Artichoke Joe's has been a family founded and family owned business since 1916. The one-room Joe's Pool Parlor switched names to Artichoke Joe's in 1921, becoming a permanent fixture in San Bruno sporting life. Joseph Sammut opened his pool parlor and phone exchange in Al LoReaux's former plumbing shop. Most calls concerned horse races. Joe accepted any wager, no matter how large. Asked how he would pay off if he lost a big bet, he replied, "In artichoke leaves," hence the name. Still owned by the Sammut family, Artichoke Joe's is one of the city's oldest businesses.



George Martinelli, left, circa 1930 in Osborne's gasoline station, northwest corner of Kains and San Mateo avenues. Text and photos courtesy of "The History of San Bruno, The Crossroads Community" by Don Shoecraft.

Artichoke Joe's Today

Artichoke Joe's has grown into a 20,000 square foot casino, featuring thirty-eight table games. We never close; we're open 24 hours daily, 365 days a year. Daily tournaments and progressive jackpots will keep your adrenaline pumping. Our outstanding service includes 24 hour dining, a full sports bar, and arcade



6 - SELF-SERVICE
PARI-MUTUEL
TERMINAL
MACHINES

14 - 42" FLAT
SCREEN TV'S

5 - 19" TABLE
TOP FLAT
SCREEN TV'S

BAR/ DINING

KITCHEN

CARDROOM

BAR/ RESTAURANT
SEATING CAPACITY: 66

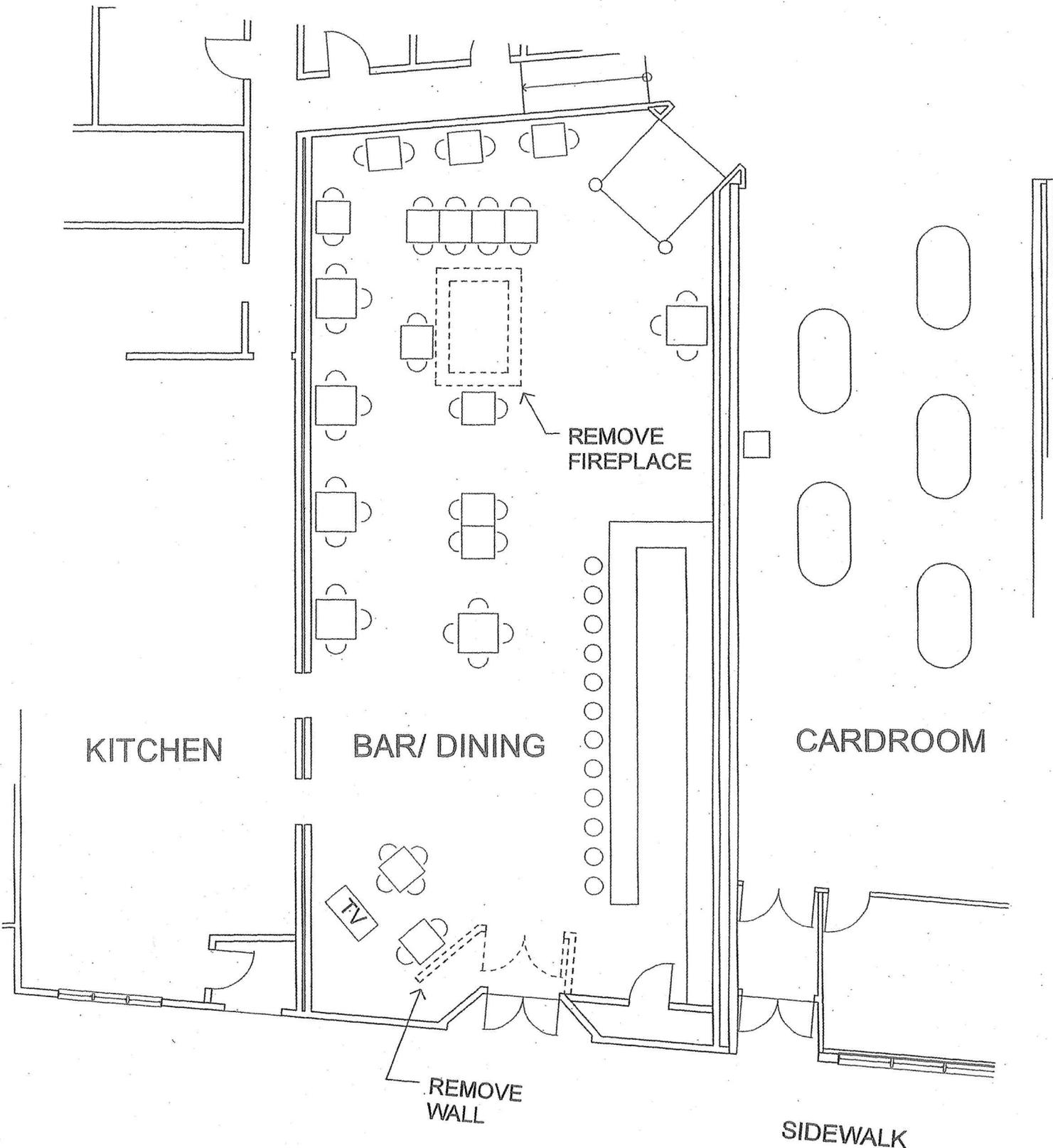
MAXIMUM BAR/ RESTAURANT
OCCUPANCY: 140

REMODELED BAR/RESTAURANT
& PARI-MUTUEL SERVICE

ARTICHOKE JOE'S CASINO
SAN BRUNO, CA 94066

1" = 10'

MARCH 3, 2010



KITCHEN

BAR/ DINING

CARDROOM

REMOVE WALL

REMOVE FIREPLACE

SIDEWALK

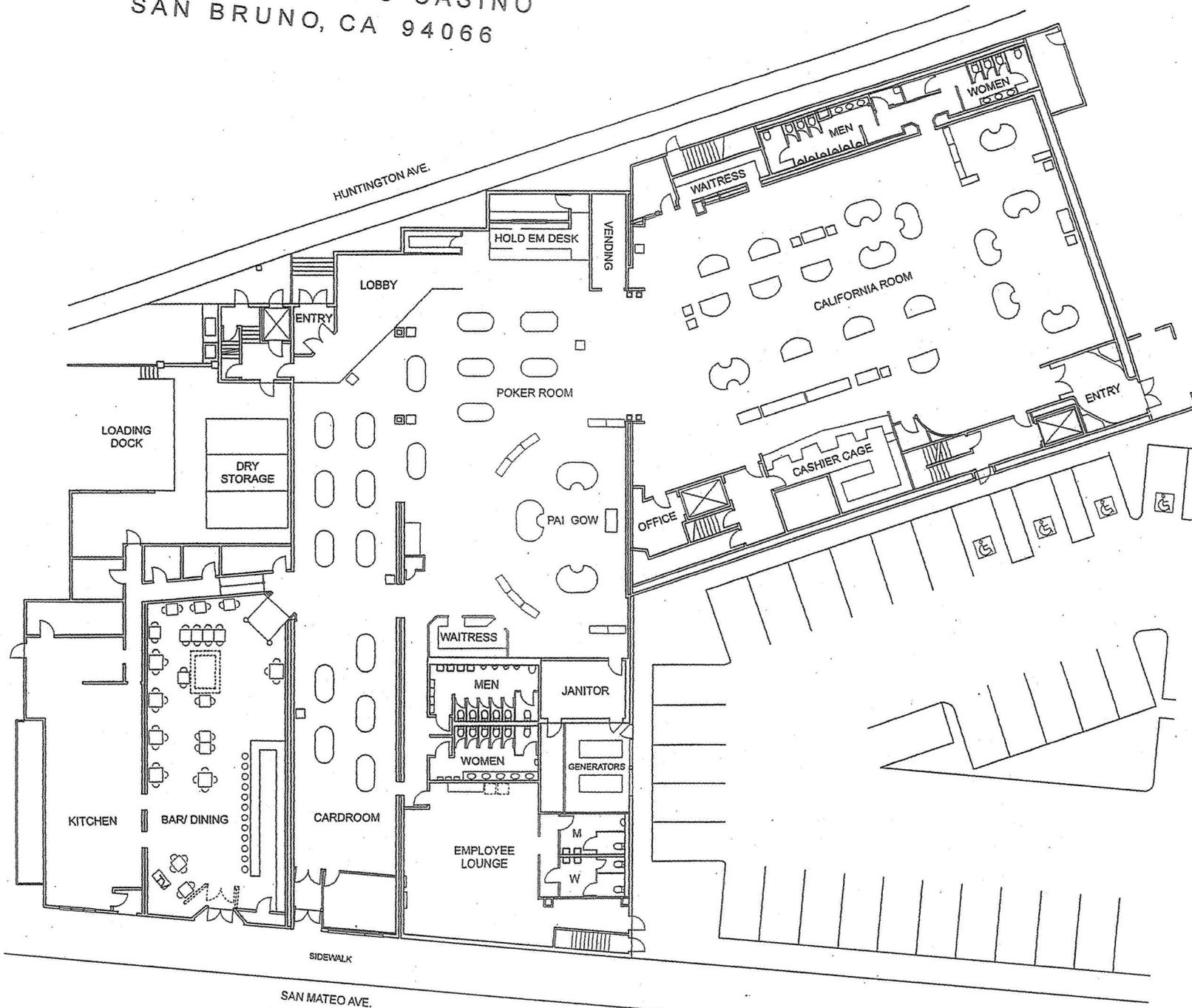
EXISTING BAR/RESTAURANT

ARTICHOKE JOE'S CASINO
SAN BRUNO, CA 94066

1" = 10'

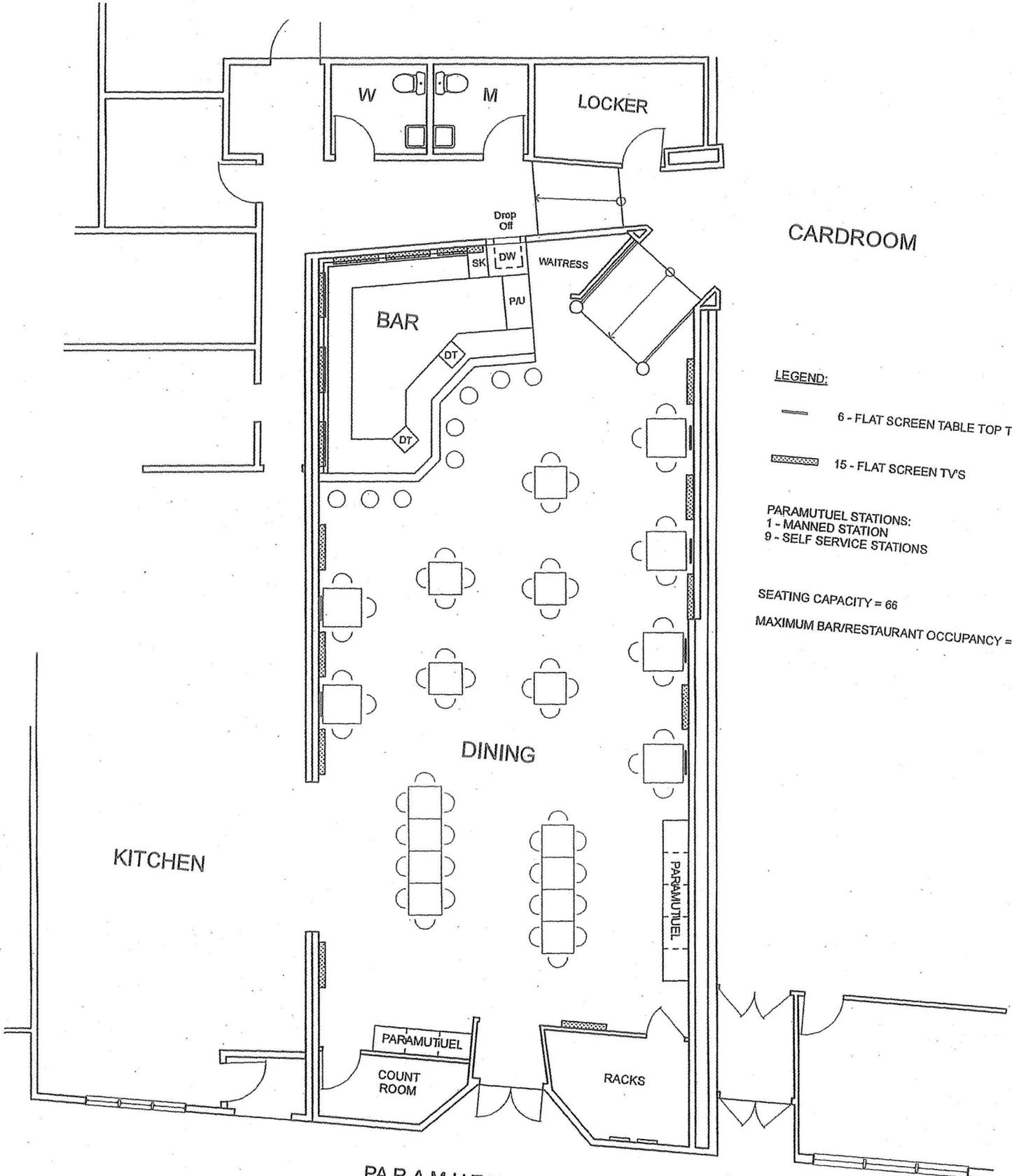
MARCH 3, 2010

ARTICHOKE JOE'S CASINO
SAN BRUNO, CA 94066



1" = 30'

MARCH 3, 2010



CARDROOM

LEGEND:

- 6 - FLAT SCREEN TABLE TOP TV'S
- ▨ 15 - FLAT SCREEN TV'S

PARAMUTUEL STATIONS:
 1 - MANNED STATION
 9 - SELF SERVICE STATIONS

SEATING CAPACITY = 66

MAXIMUM BAR/RESTAURANT OCCUPANCY = 140

PARAMUTUEL SERVICE
 REMODELED BAR/RESTAURANT

ARTICHOKE JOE'S CASINO
 659 HUNTINGTON AVE
 SAN BRUNO, CA 94066

1" = 10'

MAY 26, 2010

Have any changes occurred affecting ownership or controlling interest in your business structure or establishment since your last application? Yes No

If you have answered, "Yes", to any of the questions above please attach a detailed statement describing the change.

How many years have you been an approved minisatellite wagering facility?

AGREEMENTS

Attach copies of all applicable county, city or agency agreements that may affect the minisatellite wagering facility.

NOTICES TO APPLICANT

Notice is given to the applicant that its application, if approved by the Board, authorizes the applicant to offer pari-mutuel wagering at its minisatellite wagering facility for a period of two years per Business and Professions Code section 19605.25(h).

Notice is given that retention of and control over all moneys generated from pari-mutuel wagering held or conducted at the facility is the responsibility of the simulcast organization(s) which contract(s) to provide the pari-mutuel equipment and pari-mutuel employees; and that such organization(s) is (are) responsible for its proper distribution in accordance with the law and the rules and regulations of the Board.

Notice is given that CHRB Rules 1870 and 1871 require that the Board be given 15 days notice in writing of any intention to terminate operations, engagements, or services by any licensee, or approved contractor.

DECLARATIONS

All labor agreements, concession contracts, service contracts, horsemen's agreements, lease agreements, agreements with the simulcast organization(s) necessary to conduct and operate the simulcast wagering program at the facility, lease or rental agreement with the facility landlord and all applicable county, city or agency agreements that may affect the minisatellite wagering facility have been finalized except as follows (if there are no exceptions, so state):

All service contractors and concessionaires have valid State, County or City licenses authorizing each to engage in the type of service to be provided and have valid labor agreements (when applicable) which remain in effect for the entire term of the license except as follows (if there are no exceptions, so state):

Absent natural disasters or causes beyond the control of the applicant, its service contractors, concessionaires or employees engaged at the facility, no reasons are believed to exist that may result in a stoppage to the conduct of pari-mutuel wagering at the facility or the withholding of any vital service to the applicant except as follows (if there are no exceptions, so state):

By authority of Article 9.2, Chapter 4, of the Business and Professions Code; and the Federal Indian Gaming Act; to allow an evaluation of the competence, integrity, and character of potential simulcast facility operators, any person, corporation, trust association, partnership, joint venture, or management firm who submits an application for such license or who is named in such application and who is not a State or County entity, or has not previously completed such disclosure when filing for a horseracing application pursuant to Article 4, section 19480 of the Business and Professions Code shall be required to complete and submit a full disclosure statement.

CERTIFICATION BY APPLICANT

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

Print name of minisatellite facility applicant representative:	Date:
Signature of minisatellite facility representative:	Date:
Print name of association representative:	Date:
Signature of association representative:	Date:
Print name of simulcast organization representative:	Date:
Signature of simulcast organization representative:	Date:



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PHOTO BY NICHOLAS...
© 1988...
...PHOTOGRAPHY



Copyright © 1997 by [unreadable]







STAFF ANALYSIS

June 22, 2010

Issue: APPLICATION FOR LICENSE TO OPERATE A MINISATELLITE WAGERING FACILITY AT THE OC TAVERN, SAN CLEMENTE, CALIFORNIA

Southern California Off Track Wagering, Inc. (SCOTWINC) filed an application for a license to operate a minisatellite wagering site on behalf of OC Tavern. SCOTWINC has acted as the coordinator during the application process. OC Tavern's minisatellite application proposes to begin operations July 16, 2010 through July 15, 2012, for a period of up to two years.

OC Tavern has been working with the City of San Clemente on various issues regarding the proposed minisatellites legality and zoning. The Orange County Register reported on March 30, 2010, that . . . *"Because San Clemente's municipal code doesn't specifically address off-track betting, it would be up to the city Planning Commission to interpret the code and approve a conditional-use permit or amend the zoning code."* SCOTWINC provided that the San Clemente City Planning Commission voted unanimously June 2, 2010, *"to consider minisatellite wagering as a form of entertainment and require OC Tavern to file an accessory use amendment to their conditional use permit."* OC Tavern has not yet received planning commission approval for the accessory use amendment. The City Council does have the option to review the planning commission's decision.

- OC Tavern is a restaurant, bar and concert hall facility located in San Clemente, California. The proposed wagering site will be located in the Southern zone.

Business and Professions Code section 19605.25 (a) (1) provides no minisatellite may be within 20 miles of a racetrack, a satellite wagering facility, or a tribal casino that has a satellite wagering facility. If the proposed facility is within 20 miles of one of the above-referenced satellite facilities, then the consent of each facility within a 20-mile radius must be given before the proposed facility may be approved by the board.

- SCOTWINC has provided there is no racetrack(s), satellite wagering facility or tribal casino that has a satellite wagering facility located within 20 radius miles of the applicant.
- OC Tavern has contracts/agreement with the following racing associations:

- California Authority of Racing Fairs
- Cal State Fair and Exposition
- Del Mar Thoroughbred Club
- Hollywood Park Racing Association
- Los Alamitos Quarter Horse Racing Association
- Los Angeles County Fair Association
- Los Angeles Turf Club
- Oak Tree Racing Association

Pacific Racing Association

- The simulcast organization engaged by the contracted association(s) to conduct simulcast wagering is Southern California Off Track Wagering, Inc. (SCOTWINC).
- Applicant proposes to operate minisatellite wagering site Wednesday through Sunday and selected Mondays and holidays. Opening 11:00 a.m. - 12:00 a.m.
- Estimated number of pari-mutuel terminals machines available: Five. Seating Capacity is 75 inside and 30 patio; the number of tables in the minisatellite wagering area is 15. Flat screen televisions, dish and receivers for racing; and Direct TV for sports are planned.
- Staffing: Mutuel Supervisor or clerks to be determined by attendance.

Specific information still needed to complete this application include:

1. City of San Clemente approval
2. Workers Compensation Insurance Expires June 30, 2010.

RECOMMENDATION:

Staff recommends the Board not approve the application until the outstanding documents have been received.

If the application is considered for approval, staff recommends a contingent approval upon the submission of outstanding items and recommends the applicant be required to appear again before the Board to address the status of the outstanding documents and to remove the contingency status from the Board's approval.

Application is hereby made to the California Horse Racing Board (CHRB/Board) for a license to operate a minisatellite wagering facility in connection with a horseracing meeting and/or parimutuel wagering in accordance with the Business and Professions Code, Chapter 4, Division 8 (Horse Racing Law) and the California Code of Regulations, Title 4, Division 4 (Rules and Regulations of the California Horse Racing Board).

Part I: To be completed by applicant seeking to operate a minisatellite wagering facility pursuant to Business and Professions Code section 19605.25.

Part II: To be completed by association(s) that has/have reached an agreement with the applicant to conduct minisatellite wagering.

Part III: To be completed by simulcast organization that has reached an agreement to provide services necessary for the conduct of minisatellite wagering pursuant to Business and Professions Code sections 19605.25 & 19605.3.

**PART I
 MINISATELLITE WAGERING APPLICANT INFORMATION**

APPLICANT INFORMATION

Name of applicant: OC Tavern		
The applicant is:		<input type="checkbox"/> Card Room/Gambling Establishment <input checked="" type="checkbox"/> Restaurant/Bar <input type="checkbox"/> Other Business Entity
<input type="checkbox"/> Racing Association <input type="checkbox"/> Fair <input type="checkbox"/> Federally Recognized Indian Tribe		
Facility street address: 2369 S. El Camino Real		
Mailing address (if different from above):		
E-mail address: octavern@gmail.com		
City: San Clemente	State: CA	Zip Code: 92672
Phone: (949) 542-8877	Fax: (949) 542-8878	Website: www.octavern.com
County: Orange County		Zone Location: North <input type="checkbox"/> South <input type="checkbox"/> Central <input type="checkbox"/> (To be completed by CHRB staff)

**CONTACT PERSON
 (Authorized Representative)**

Name and title of the contact person: Michael Merrigan – Managing Member		
Business street address: 2369 S. El Camino Real		
Mailing address (if different from above):		
City: San Clemente	State: CA	Zip Code: 92672
County: Orange County		
Phone: (858) 518-1122	E-mail: octavern@gmail.com	Fax: (760) 634-2170

Dates during which the applicant proposes to operate as a minisatellite wagering facility:

July 16, 2010 (tentative) to July 15, 2012

NOTICE TO APPLICANT: If approved for license, the term of license shall not exceed two years pursuant to Business and Professions Code section 19605.25 (h).

Have you previously operated a licensed gaming operation in California or another state? Yes No

Do you currently operate a licensed gaming operation in California or another state? Yes No

If yes to either question above, provide the following:

Valid licensure period: Begin Date:

End Date:

Facility name and address:

City:

State:

Zip Code:

County:

Zone Location:

North South Central
 (To be completed by CHRB staff)

Have you had a gaming operation license that has been revoked or suspended. Yes No

If yes, provide the following if different from above:

Facility name and address:

City:

State:

Zip Code:

Racing Jurisdiction:

BUSINESS STRUCTURE

Corporation

Public

Private

Sub-S

Sub-C

Limited Partnership

Limited Liability Company

Partnership & Joint Venture

Sole Proprietorship

Other

If you have listed your company as other please identify your company structure:

Registered Business Name: **Gaslamp Tavern – Oceanview Series, LLC**

Fictitious Business Name: **OC Tavern Grill and Sports Bar**

Address:

2369 S. El Camino Real, San Clemente, CA 92672

E-mail Address: **octavern@gmail.com**

City: **San Clemente**

State: **CA**

Zip Code: **92672**

Phone: **858-518-1122**

Fax: **760-634-2170**

State where registered or

Articles of Organization are filed: **California**

Registry or File number: **200612510169**

Name of all officers, directors, and managers. For officers, directors, and managers that have no ownership, enter "0%" in the ownership column. For members of a Limited Liability Company, list membership interest in ownership column. For partners, following the individual's name indicate whether general or limited partners. (true names)

Entity/Individual Name and Title	Entity's Business Address/ Individual's Address of Record	Ownership% (if any)	Compensation Agreement
Michael Merrigan	3460 Paseo Ancho, Carlsbad, CA 92009	49%	\$6K Mo.
Brandon Ramminger	1733 Via Allena, Oceanside, CA 92056	2%	\$2,750K Mo.
Mario Vargas	167 Avenida Del Poniente, San Clemente, CA 92672	2%	\$3,750K Mo.
Gary Roach	423 Avenida Granada #57, San Clemente, CA 92672	1%	\$900 Mo.
* For the rest of the owners see attached sheet			

Are shares listed for public trade?
 Yes No

If yes on what stock exchange?

If more than 50 percent of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity.

All entities that own 5 percent or more must fulfill the instructions for Full Disclosure Statement.

Attach the most recent annual financial statement for the applicant, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the corporation and/or the Securities and Exchange Commission and/or the California Corporations Commission.

**MANAGEMENT AND STAFF
 (Minisatellite Wagering Facility)**

Name and title of the managing officer(s) and/or general manager(s) of the business.

Name	Title
Michael Merrigan	Managing Member
Brandon Ramminger	General Manager

ASSOCIATION CONTRACT/AGREEMENT

Name(s) of racing association(s) with whom you intend to have a contract or agreement:
See exhibit C (Item #4)

Addresses of racing association(s):

Racing association(s) phone numbers:

Proposed contract dates: From: **July 16, 2010 (tentative)** To: **July 15, 2012 (inclusive).**

INVESTORS OF OC TAVERN GRILL AND SPORTS BAR

Gary Roach – 1%-Part –Time Manager
Brandon Ramminger – 2%-General Manager
Mario Vargas – 2%- Executive Chef
Joe Stewart – 2% (Investor)
Angela Garduno – 2% (Investor)
Dan Cooper -1% (Investor)
Kelly McClure – 1% (Investor)
Paul Koester -1% (Investor)
CJ Langer – 1% (Investor)
Jamie Benenati – 1% (Investor)
Amy Benjamin -1% (Investor)
Karl Kamoss- 1% (Investor)
Johnny Nguyen -1% (Investor)
Kim Carroll -1% (Investor)
Mike Ouelette -1% (Investor)
Ron DeLucchi -2% (Investor)
Mike Zanutelli -3% (Investor)
Lisa Merrigan -8% (Investor)
Ron Crilley -9.5% (Investor)
Christy Crilley -9.5% (Investor)
Michael Merrigan – 49% (Managing Member)

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Application for License to Operate a Minisatellite Wagering Facility
CHRB-88 (New 11/08)

Attach a certified check payable to the Treasurer of the State of California in the amount of \$500 for the nonrefundable minisatellite application fee.

CHRB CERTIFICATION

Application filed on: 4/7/10
Fee received by: *[Signature]*
Reviewed by: *[Signature]*

30-day Notice Letter: 4/22/10
Approved on:
License number issued:

CERTIFICATION BY APPLICANT

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

Name <i>[Signature]</i> Michael Merrigan	Signature of Applicant Representative <i>[Signature]</i>
Title MANAGING MEMBER	Date: 3-1-10

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB -88 (New 7/08)

PART II

CONTRACTED ASSOCIATION INFORMATION
One copy of Part II shall be completed by each contracted association.

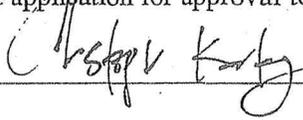
Name and mailing address of association:
California Authority of Racing Fairs
1776 Tribute Rd. Suite 205 Sacramento, CA 95815

Telephone:
(916) 263-3348

Fax number: (916) 263-3341

Racetrack name:
C.A.R.F.

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:



Name
Christopher Korby

Signature of association representative

Title
Executive Director

Date:
May 20, 2010

State of California
California Horse Racing Board
Application for License to Operate a Minisatellite Wagering Facility
CHRB -88 (New 7/08)

PART II

CONTRACTED ASSOCIATION INFORMATION
One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Los Angeles Turf Club, Inc. 285 W. Huntington Dr. Arcadia, CA 91007

Telephone:
(626) 574-7223

Fax number: (626) 254-1351

Racetrack name:

Santa Anita Park

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name George Haines	Signature of association representative 
Title President	Date:

State of California
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 Application for License to Operate a Minisatellite Wagering Facility
 CHRB -88 (New 7/08)

PART II

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Del Mar Thoroughbred Club 2260 Jimmy Durante Blvd. Del Mar, CA 92014

Telephone:
 (858) 792-4221

Fax number: (858) 794-1007

Racetrack name:

Del Mar

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name	Signature of association representative
Craig Fravel	
Title	Date:
President	5/20/10

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 CHRB -88 (New 7/08)

PART II

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association.

Name and mailing address of association:

Oak Tree Racing Association 285 W. Huntington Dr. Arcadia, CA 91007

Telephone:
 (626) 574-6435

Fax number: (626) 447-2940

Racetrack name:

Oak Tree at Santa Anita Park

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

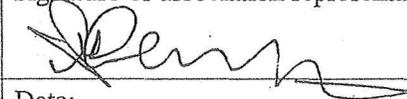
Name

Sherwood C. Chillingworth

Title

Executive Director

Signature of association representative



Date:

5/20/10

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CHRB -88 (New 7/08)

PART II

CONTRACTED ASSOCIATION INFORMATION
One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

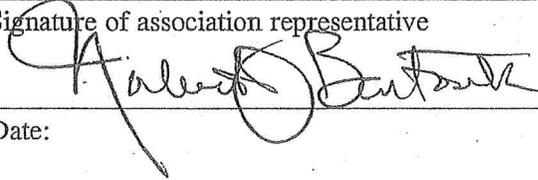
California State Fair & Exposition 1600 Exposition Blvd. Sacramento, CA 95815

Telephone:
(916) 263-3000

Fax number: (916) 263-3230

Racetrack name:
Cal Expo

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name Norbert J. Bartosik	Signature of association representative 
Title General Manager	Date:

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PART II

CONTRACTED ASSOCIATION INFORMATION
One copy of Part II shall be completed by each contracted association

Name and mailing address of association:
Golden Gate Fields
1100 Eastshore Hwy. Albany, CA 94706

Telephone:
(510) 559-7223

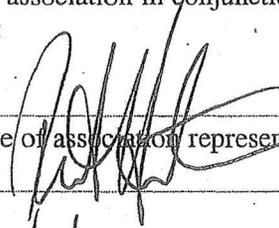
Fax number: (510) 559-7474

Racetrack name:
Golden Gate Fields

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name
Robert Hartman

Signature of association representative



Title
General Manager

Date:

5/20/10

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 CHRB -88 (New 7/08)

PART II

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Hollywood Park Racing Association 1050 S. Prairie Ave. Inglewood, CA 90301

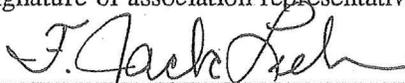
Telephone:
 (310) 419-1520

Fax number: (310) 671-4460

Racetrack name:

Hollywood Park

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name F. Jack Liebau	Signature of association representative 
Title President	Date: 

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PART II

CONTRACTED ASSOCIATION INFORMATION
 One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Los Alamitos Quarter Horse Racing Assoc. 4961 Katella Ave. Los Alamitos, CA 90720

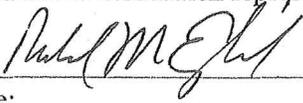
Telephone:
 (714) 820-2810

Fax number: (714) 820-2811

Racetrack name:

Los Alamitos

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name	Signature of association representative
Richard M. English	
Title	Date:
Chair	5/20/16

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PART II

CONTRACTED ASSOCIATION INFORMATION

One copy of Part II shall be completed by each contracted association

Name and mailing address of association:

Los Angeles County Fair Association 1101 W. McKinley Ave. Pomona, CA 91768

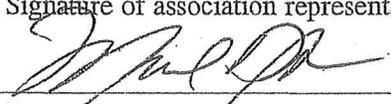
Telephone:
 (909) 865-4203

Fax number: (909) 865-2940

Racetrack name:

Fairplex Park

Name and title of the person(s) authorized to receive notices on behalf of the association in conjunction with this applicant application for approval to operate a minisatellite wagering facility:

Name	Signature of association representative
Mike Seder	
Title	Date:
CFO	

**PART III
 SIMULCAST ORGANIZATION INFORMATION**

To be completed by approved simulcast organization that has executed an agreement approved by the CHRB with the association conducting a racing meeting with the minisatellite wagering facility pursuant to Business and Professions Code sections 19605.25 and 19605.3.

I. OPERATION OF THE MINISATELLITE WAGERING FACILITY

Simulcast organization engaged by the association to conduct simulcast wagering:

Southern California Off-Track Wagering, Inc.

Attach the agreement between the association and simulcast organization permitting the minisatellite wagering facility to use the association's live audiovisual signal for wagering purposes and providing access to its totalizator for the purpose of combining on-track and off-track pari-mutuel pools.

See **Exhibit B**

Submit a copy of each horsemen's written approvals.

See **Exhibit B**

Hours for operation of the facility: **11:00 a.m. – 2:00 a.m.**

Hours for operation of the minisatellite wagering site: **11:00 a.m. – 12:00 a.m. (7 a.m. on selected days)**

Racing Days/Nights (generally Wed-Sun but also selected Mondays and Holidays)

Time periods during the calendar year the facility will not be utilized as a minisatellite wagering facility (explain why): **NONE**

If approved, wagering will be offered on live race meetings being held or conducted by the following California racing association(s):

See **Exhibit C (Item #4)**

List the host track from which the minisatellite wagering facility proposes to import out-of-state and/or out-of-country races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races": See **Exhibit C (Item #5)**

Estimated number of pari-mutuel terminals machines available:

5 convertible teller/self-service; 3 dedicated self-service (additional machines will be added as needed)

Attach a proposed staffing plan for the facility and/or mini-satellite wagering site, to include the number of security personnel and the number of pari-mutuel clerks pursuant to Business and Professions Code section 19605.25 (5)(b). We will start with a mutuel supervisor or clerk but the level of business will determine future staffing levels

II. SUPERVISION, SECURITY AND FIRE PREVENTION

Changes to management personnel and minisatellite manager(s)
 must be immediately reported to the Board.

Name of the individual(s) responsible for the day-to-day operation of the minisatellite facility:

Name and Title	CHRB License No. and Expiration Date
Thomas M. Varela, GM (So Cal Off-Track Wagering, Inc.)	257903 Nov. 2012

Attach a certificate of insurance for workers' compensation coverage including carrier and the policy number securing the applicant's liability for payment of workers' compensation is (if self-insured, provide details):

Attach a fire clearance from the fire authority having jurisdiction.

Attach a security plan to include: the name, title and phone number of the person having responsibility for security controls, the number of security officers and/or guards and the police or sheriff's department having jurisdiction for criminal law enforcement over the premises of the facility.

Michael Merrigan (contact person) 858-518-1122 (see Exhibit C - Item #7 for details)

San Clemente Police Department (949) 770-6011

Is there a backup emergency plan for power failure? Yes No

If yes, describe.

III. MINISATELLITE WAGERING SITE

Attach a detailed scale plan of the facility indicating all points of access to facility, emergency exits, placement of offices, and food and beverage service location and detailing the location of the proposed minisatellite wagering site. Identify how the designated minisatellite wagering area will be restricted to patrons 21 years and over. Attach photos of the minisatellite wagering site. See Exhibit D for scale plan

See Exhibit C - Item #8 for description and age restriction plan

NOTICE TO APPLICANT. Pursuant to Business and Professions Code section 19605.25(a) (4) wagers placed at a minisatellite site must be in an area that is restricted to those who are 21 years of age or older.

IV. FACILITY DESCRIPTION

Describe the food and beverage services to be offered (full meals served; cafeteria-style full meals; short-order counter service; pre-ordered prepared sandwiches and fast foods available; full bar services; or other description as appropriate): **full service bar and menu (breakfast, lunch and dinner)**

The seating capacity in the minisatellite wagering facility is: approx. **75 inside; 30 patio**

The number of tables in the minisatellite wagering area is: approx. **15 inside; 8 patio**

Overall square footage in the minisatellite wagering area is: **900 square feet inside; 400 square feet patio**

Attach a photograph of the minisatellite wagering area.

Describe occupancy restrictions, if any, imposed by the fire authority having jurisdiction:

169 standing room capacity in mini-satellite inside; 50 standing room patio

The total number of parking spaces available in the parking areas can accommodate (number of standard sized automobiles):

38 in primary lot; over 100 in nearby city parking

Describe any other activities to be scheduled on or near the facility premises that may have a negative impact on available parking:

N/A

V. EQUIPMENT PROVIDED BY THE MINISATELLITE WAGERING FACILITY

Describe the television equipment (satellite receivers, decoders, controls, monitors, etc.) to be utilized at the facility:

Flat screen televisions, dish & receivers for racing; directv for sports

Describe the public address equipment (controls, microphones, speakers, etc.) to be utilized at the facility:

PA and speakers



CERTIFICATE OF LIABILITY INSURANCE

12-19

DATE (MM/DD/YYYY)

4/26/2010

PRODUCER (415) 957-0600 FAX: (415) 957-0577
 MOC Insurance Services
 License No. 0589960
 44 Montgomery St., 17th Fl.
 San Francisco CA 94104

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

INSURED
 California Off Track Wagering, Inc.
 C/O Kimberly Jacobson - DMTC
 P.O. Box 700
 Del Mar CA 92014-0700

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Insurance Co of The State of	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

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

INSR ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
	EXCESS / UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory In NH) <input type="checkbox"/> Y/N If yes, describe under SPECIAL PROVISIONS below	WC601.69501	6/30/2009	6/30/2010	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
	OTHER				

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

CERTIFICATE HOLDER

(949) 542-8877
 OC Tavern & Crill
 2369 S. El Camino Real
 San Clemente, CA 92672

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
 S Przemielewski/SPR

FIRE AUTHORITY PERMIT

Business Name:
OC TAVERN

Inspection No:98754

Mailing Address:
2369 EL CAMINO REAL
SAN CLEMENTE CA 92672

Site Address:
2369 S EL CAMINO REAL
SAN CLEMENTE CA 92672

THIS PERMIT IS ISSUED BY THE ORANGE COUNTY FIRE AUTHORITY AND IS ACCEPTED ON CONDITION THAT THE APPLICANT, HIS AGENTS AND EMPLOYEES CARRY OUT THE PROPOSED ACTIVITY IN COMPLIANCE WITH ALL THE APPLICABLE CODES, LAWS, REGULATIONS OR CONDITIONS/LIMITATIONS LISTED ON THE PERMIT APPLICATION, ANY VIOLATION OF THESE PROVISIONS MAY BE GROUNDS FOR REVOCATION OF THIS PERMIT.

PERMIT GRANTED FOR:

Permit Code:

Permit Description

Permit Issued Date:

AP22R

Assembly - Dining and/or Drink - Reissuance

02/15/2010

THIS PERMIT SHALL AT ALL TIMES BE POSTED IN THE PREMISES DESCRIBED ABOVE

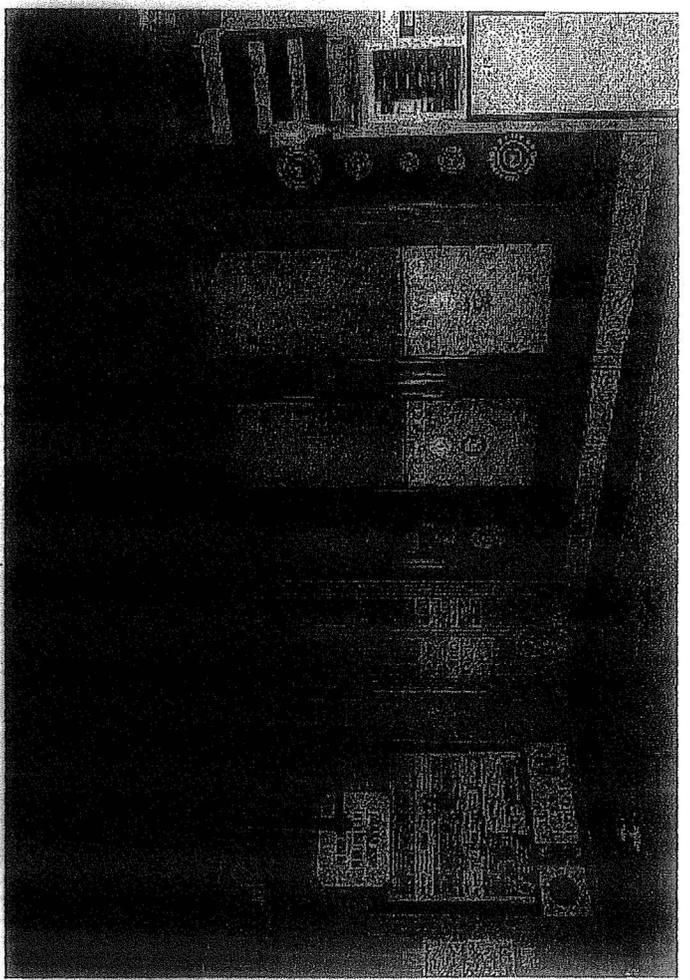
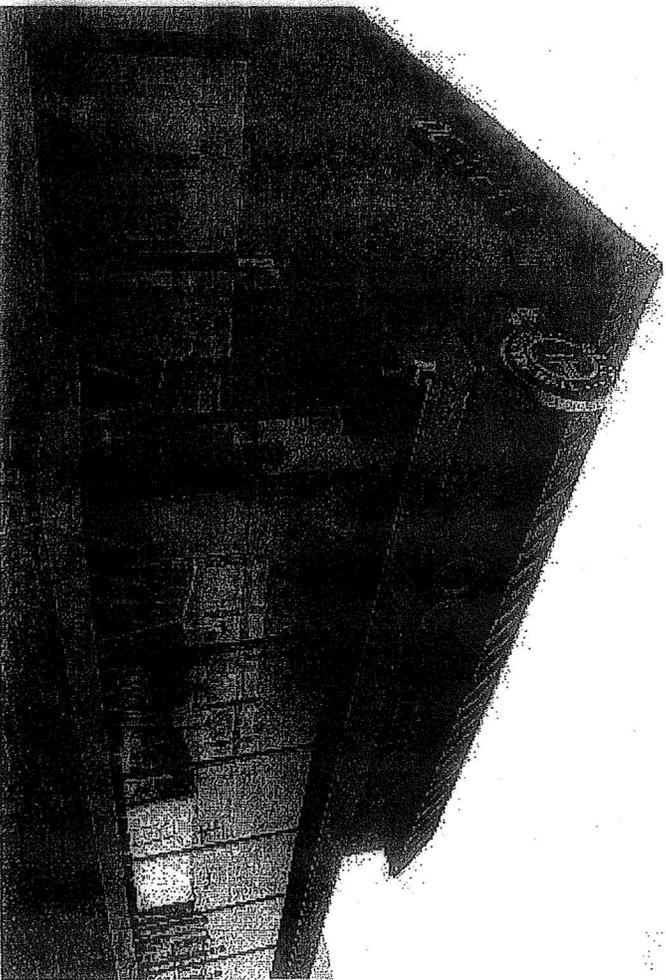
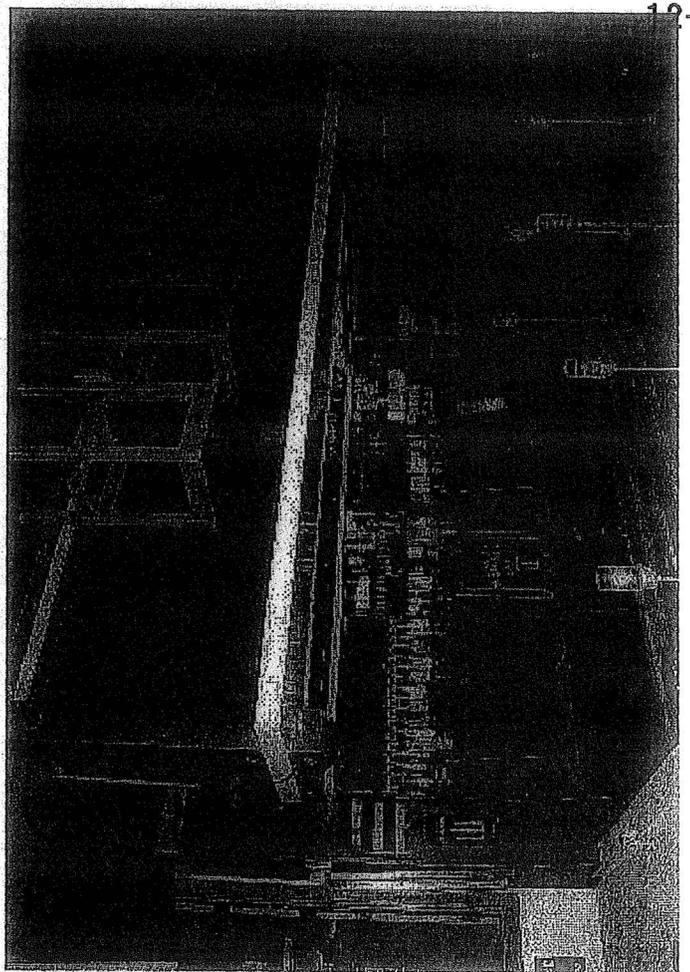
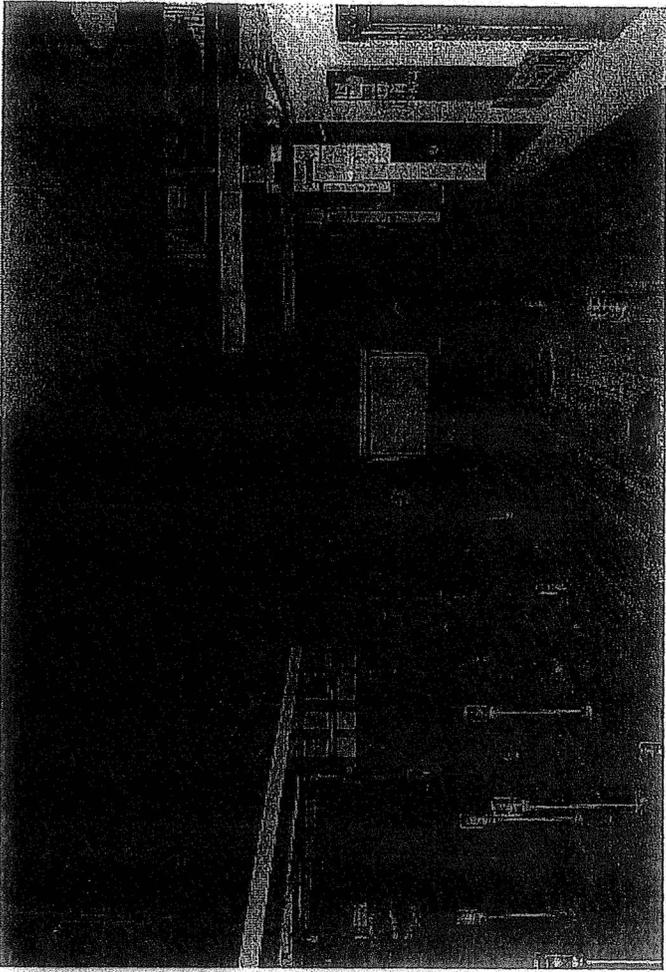
This permit(s) does not take the place of any license required by law and is not transferrable. Any change in the use or occupance of the premises shall require a new permit. This supercedes all other permits issued by the Orange County Fire Authority.

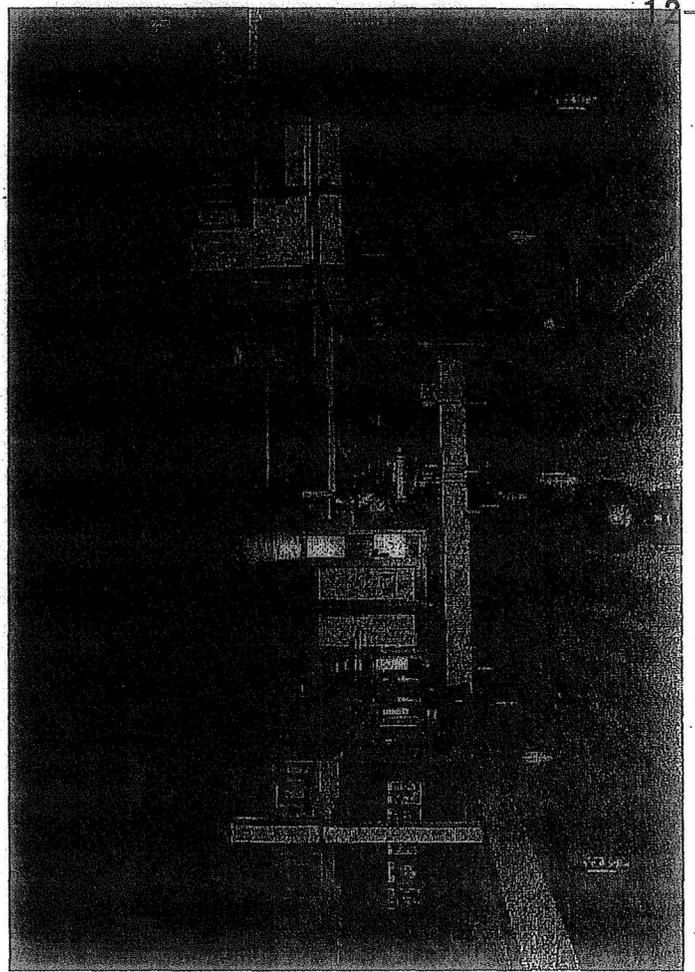
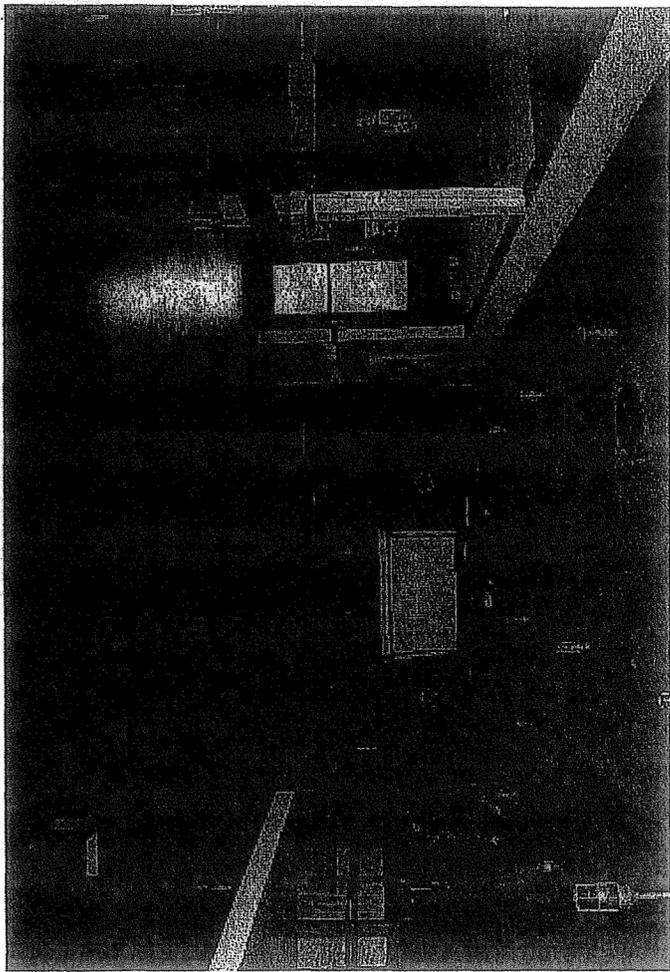
Keith Richter

FIRE CHIEF

Sam Blum

FIRE MARSHAL





VI. ADVERTISING AND PATRON DEVELOPMENT

Describe any advertising or promotional plans:
Website; e-mail alerts; local press, etc.

Describe any improvements to the facility that will directly benefit minisatellite wagering:

Bench seating, additional tables and chairs

NOTICE TO APPLICANT: Pursuant to Board Rule 2066 all advertisement shall contain a statement that persons under 21 are not allowed to participate in minisatellite wagering. All advertisement shall contain contact information for a recognized problem-gambling support organization.

VII. ADMISSIONS, CHARGES AND SERVICE FEES

Complete if applicable and note N/A if not

Admissions charges, if any, are:	N/A
Parking charges, if any, are:	N/A
Program charges, if any, are:	\$2.25 day programs/\$5.75 Racing Form/ \$4 night programs
Seating charges, if any, are:	N/A

VIII. RENEWAL

Complete this section only if renewing your license.

Is this a renewal application: Yes No

Have there been any changes since the submission of your last application for authorization to operate a minisatellite wagering facility? Yes No

Have any changes occurred affecting ownership or controlling interest in your business structure or establishment since your last application? Yes No

If you have answered, "Yes", to any of the questions above please attach a detailed statement describing the change.

How many years have you been an approved minisatellite wagering facility?

NEW APPLICATION

AGREEMENTS

Attach copies of all applicable county, city or agency agreements that may affect the minisatellite wagering facility.

NOTICES TO APPLICANT

Notice is given to the applicant that its application, if approved by the Board, authorizes the applicant to offer pari-mutuel wagering at its minisatellite wagering facility for a period of two years per Business and Professions Code section 19605.25(h).

Notice is given that retention of and control over all moneys generated from pari-mutuel wagering held or conducted at the facility is the responsibility of the simulcast organization(s) which contract(s) to provide the pari-mutuel equipment and pari-mutuel employees; and that such organization(s) is (are) responsible for its proper distribution in accordance with the law and the rules and regulations of the Board.

Notice is given that CHRB Rules 1870 and 1871 require that the Board be given 15 days notice in writing of any intention to terminate operations, engagements, or services by any licensee, or approved contractor.

DECLARATIONS

All labor agreements, concession contracts, service contracts, horsemen's agreements, lease agreements, agreements with the simulcast organization(s) necessary to conduct and operate the simulcast wagering program at the facility, lease or rental agreement with the facility landlord and all applicable county, city or agency agreements that may affect the minisatellite wagering facility have been finalized except as follows (if there are no exceptions, so state):

All service contractors and concessionaires have valid State, County or City licenses authorizing each to engage in the type of service to be provided and have valid labor agreements (when applicable) which remain in effect for the entire term of the license except as follows (if there are no exceptions, so state):

Absent natural disasters or causes beyond the control of the applicant, its service contractors, concessionaires or employees engaged at the facility, no reasons are believed to exist that may result in a stoppage to the conduct of pari-mutuel wagering at the facility or the withholding of any vital service to the applicant except as follows (if there are no exceptions, so state):

By authority of Article 9.2, Chapter 4, of the Business and Professions Code; and the Federal Indian Gaming Act; to allow an evaluation of the competence, integrity, and character of potential simulcast facility operators, any person, corporation, trust association, partnership, joint venture, or management firm who submits an application for such license or who is named in such application and who is not a State or County entity, or has not previously completed such disclosure when filing for a horseracing application pursuant to Article 4, section 19480 of the Business and Professions Code shall be required to complete and submit a full disclosure statement.

CERTIFICATION BY APPLICANT

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

Print name of minisatellite facility applicant representative:

Date:

Michael Merrigan

Signature of minisatellite facility representative:

Date:

6/2/10

Print name of association representative:

Date:

Craig Fravel, President (Del Mar)

Signature of association representative:

Date:

6/2/10

Print name of simulcast organization representative:

Date:

Thomas M. Varela (SCOTWINC)

Signature of simulcast organization representative:

Date:

6/2/10

Exhibit B

THIS AGREEMENT is made this 30th day of April, 2010 by and between SOUTHERN CALIFORNIA OFF-TRACK WAGERING, INC. ("Operator");executing this Agreement OC Tavern Grill (Mini-Satellite); and the Racing Association or Racing Fairs during the period of any racing meeting licensed by the California Horse Racing Board ("Tracks")

WHEREAS, Chapter 4, Article 25.5 of Division 8 of the California Business and Professions Code, (the "Simulcast Wagering Law") permits the operation of mini-satellite wagering facilities for wagering on races conducted in the State of California; and

WHEREAS, Tracks operate one or more licensed race meetings annually and desire to have their race program be transmitted by Operator to Mini-Satellite for simulcast wagering pursuant to the applicable provisions of the Simulcast Wagering Law; and

WHEREAS, Operator is an organization established under the provisions of the Simulcast Wagering Law to operate and administer a simulcast wagering system to permit transmission of each Tracks race program to the Mini-Satellite[s] identified herein; and

WHEREAS, Track, Operator and Mini-Satellite[s] desire to memorialize their various rights, duties and obligation by this Agreement,

NOW THEREFORE, it is agreed as follows:

1. Term of Agreement - The term of this Agreement shall be for a two year period commencing July 16, 2010 and ending July 15, 2012. This Agreement shall automatically renew for another two-year period unless any of the parties has given written notice to the other parties of its intention to amend or terminate this Agreement on or before January 1 of each year that the agreement is in effect.

2. Duties and Responsibilities of Mini-Satellites.

(a) Mini-Satellite Facility - Each Mini-Satellite shall maintain a Mini-Satellite Wagering Facility suitable for the operation of simulcast wagering and such facility and operation shall conform in all respects to the rules and regulations of the California Horse Racing Board.

(b) General Obligations of the Mini-Satellites - Unless otherwise agreed, Mini-Satellite[s] shall, -, furnish or maintain or cause to be furnished or maintained, at its facility, at no expense to Operator or Track each of the following five items:

(1) Reasonable physical protection at all times of the simulcast wagering system components installed or present on its premises from harm by any cause whatsoever including, but not limited to, trespass, damage, interference by other persons, vandalism or water damage. Such protection shall be afforded on a reasonable efforts basis and shall, among other things, provide such protection from the elements and fire-extinguishing methods as are reasonably required to protect the same.

(2) Adequate secure space for wagering equipment, the facility shall be equipped with an adequate alarm system and appropriate safes, together with adequate office space and/or money room for mutuel personnel required for Mini-Satellite Wagering Facility operations

(3) Teller windows having counters of sufficient size and structural strength to accommodate the pari-mutuel equipment and of such design as to reasonably protect equipment and personnel from unlawful conduct.

(4) Necessary electrical power, cable, outlets and voltage regulation for the proper, normal operation of the wagering system equipment, including without limitation, a dedicated circuit to the wagering terminals installed in the facility.

(5) Secure space for such supplies of the facility and Operator, which are reasonably necessary for the conduct of the Mini-Satellite[s] wagering operations.

(c) Access to Mini-Satellite Facility - Mini-Satellite[s] shall give officers, directors, employees and the authorized representatives of Operator and its contractors access to all parts of the simulcast wagering system located at its facility during normal business hours upon reasonable notice for the proper supervision, maintenance, repair or operation of the system and to permit removal by Operator or its designated contractor of the removable parts of the system when not required or necessary for Mini-Satellite Wagering. No fees, charges, expenses or licensing fees shall be charged to Operator's personnel or contractors by Mini-Satellite[s].

(d) Gates and Admissions - Each Mini-Satellite shall control admission to its Mini-Satellite wagering facility. The cost of labor, materials and supplies associated with the construction, maintenance and operation of facilities shall be the sole responsibility of Mini-Satellite[s].

(e) Parking -Mini-Satellite[s] shall provide for the parking space reasonably necessary to accommodate the anticipated patrons at its facility. The cost of labor, materials and supplies associated with the construction, maintenance and operation of parking facilities shall be the sole responsibility of Mini-Satellite[s].

(f) Food and Beverage - Mini-Satellite[s] shall maintain and establish reasonable food and beverage service at its facility. The costs of labor, materials and supplies associated with construction, maintenance and operation of food and beverage service shall be the sole responsibility of Mini-Satellite[s].

(g) Amenities and Facilities - Mini-Satellite[s] shall be responsible for providing and maintaining a clean, safe and habitable simulcast wagering facility suitable for public attendance. Mini-Satellite[s] shall provide an area for wagering that is restricted to those who are 21 years of age or older. The cost of all labor, materials and supplies associated with maintaining Mini-Satellite wagering facility in a clean and orderly manner shall be the sole responsibility of Mini-Satellite[s].

(h) Security - Mini-Satellite[s] shall provide adequate security for the protection of the public and personnel. Such security provisions shall be subject to the approval of the California Horse Racing Board.

(i) Utilities - Mini-Satellite[s] shall provide such air conditioning, electrical service, water, heat, and light as are reasonably necessary to maintain a proper mini-satellite wagering facility. The cost of such utility services shall be the sole responsibility of Mini-Satellite[s].

(j) Receiving and Display Equipment - Mini-Satellite[s] and/or Operator, on its own or through a third party vendor, shall acquire, maintain and provide approved down-link equipment to receive and display to the public the audio-video signal transmitted by Operator from Track, including such television monitors as are reasonably necessary to adequately display the audio-video signal to the public attending each mini-satellite wagering facility. In addition, each Mini-Satellite shall use its best efforts to display, if reasonable and practical under the circumstances, publicly televised sports events for the viewing of the public. Any necessary changes to existing equipment at receiving sites, due to expanded coverage from Operator or Track, shall require sixty (60) days notification to Mini-Satellite[s]. The cost of labor, equipment, materials and supplies associated with receiving and display of the audio-video signal shall be the responsibility of Mini-Satellite and/or Operator.

(k) Maintenance - Mini-Satellite[s] shall be responsible for maintenance of their facility and all equipment therein, except such equipment installed by Operator at each mini-satellite wagering.

3. Duties and Responsibilities of Track.

(a) Racing Program - Track shall make available a suitable audio-video signal of its daily racing program for transmission of that signal by Operator to Mini-Satellite[s]. Such audio-video signal shall include, at a minimum, video coverage of each race, the audio call of the race by the track announcer, video presentation of the order of finish and

parimutuel pay-offs, pre-race odds and probables, plus such additional pre and post race audio coverage as is reasonably necessary to make the audio-video signal entertaining and informative.

(b) Audio-Video Signal - Track shall provide such equipment as is reasonably necessary to deliver to Operator's on-track up-link facility an audio-video signal of such quality as is consistent with the requirements of the California Horse Racing Board and industry standards. The cost of all labor, equipment, materials and supplies associated with providing such audio-video signal shall be the sole responsibility of Track.

(c) Pari-mutuel Operation - Track shall maintain such totalisator systems and operations as are consistent and compatible with those employed by Operator, and shall maintain such facilities as are reasonably necessary to accept and combine parimutuel data accumulated by Operator from Mini-Satellite[s] wagering facilities with Track's on-track pari-mutuel pool so that a single pari-mutuel pool can be established for wagers accepted on-track and at Mini-Satellite[s] wagering facilities. Track shall employ a Pari-mutuel Manager for on-track pari-mutuel operations who shall additionally supervise the Mini-Satellite[s] pari-mutuel operations.

4. Duties and Responsibilities of Operator.

(a) Racing Program - Operator shall provide for receipt through appropriate down-link equipment, supplied by mini-satellite, an audio-video signal of such quality as is consistent with the requirements of the California Horse Racing Board and industry standards. Such audio-video signal shall include at a minimum video coverage of each race, the audio call of the race by the track announcer, video presentation of the order of finish and pari-mutuel pay-offs, pre-race odds and probables, plus such additional pre and post race audio coverage as is reasonably necessary to make the audio-video signal entertaining and informative.

(b) Audio Video Transmission Operator shall bear the costs of operating the audiovisual signal system, including the costs of leasing or purchasing and operation of equipment for transmission and decoding of audiovisual signals and wagering data. Operator shall insure that all of its personnel and subcontractors involved in the encryption, transmission and decoding of the audio video signal shall comply with all applicable regulations of the Federal Communications Commission, the California Horse Racing Law (Business and Professions Code, Sections 19400, et seq.) and all applicable rules, licensing and technical requirements of the California Horse Racing Board. The costs associated of compliance with this subsection (b) shall be borne by Operator.

(c) Pari-mutuel Operations - Operator shall employ and supervise such qualified pari-mutuel operations management and personnel together with such equipment as is reasonably necessary for the proper operation and management of the simulcast wagering system given the reasonably anticipated attendance and pari-mutuel wagering handle at each Mini-Satellite Wagering Facility.

(d) Wagering Information - Track shall provide such pari-mutuel information as will allow Operator to transmit to Mini-Satellite[s] the same wagering information which is provided by Track for its on track patrons.

(e) Pari-mutuel Hub - Operator shall establish a Pari-mutuel Hub to receive all pari-mutuel information from all simulcast wagering facilities including Mini-Satellite[s] and combine the same into one pari-mutuel pool for transmission to Track for consolidation into Track's on-track pari-mutuel pool. The cost of all labor, materials, equipment, maintenance and services, including all telephone and data lines from each Mini-Satellite to hub and from hub to Track, associated with the operation and maintenance of the pari-mutuel hub shall be the sole responsibility of Operator.

(f) Change Fund, etc. - Operator shall, if necessary and appropriate, establish at Mini-Satellite[s] a sufficient change fund so as to provide the reasonably anticipated cash necessary to make change and payoffs and shall be solely responsible for all handling of funds received by and through the pari-mutuel operation at each Mini-Satellite including the counting, accounting, safekeeping and transportation of said funds

5. Compensation to Mini-Satellites.

(a) In General - Mini-Satellite[s] shall be entitled to all revenues from food and beverage services and all other commercial enterprises conducted at its Mini-Satellite Wagering Facility. Additionally, with respect to the gross amount of wagers accepted at Mini-Satellite[s] Wagering Facility on races, which are part of Track's racing program, each Mini-Satellite shall receive from Track a location fee of 2% thereof as a commission as specified in 19605.71 with the exceptions as noted in 19601(b).

(b) Remittance to Mini-Satellites - Track shall remit all sums due each Mini-Satellite on a periodic basis, but not less frequently than weekly. Said distribution shall be based upon the reports of wagering submitted to the California Horse Racing Board by the accountants designated by Track and Operator and approved by the Board to make said reports.

6. Daily Racing Programs - For the purposes of this Agreement, Track shall provide daily racing program information to the public at Mini-Satellite[s].

7. Insurance.

(a) Operator - Operator will, on request, provide certificates of insurance for, and will maintain, at its expense, insurance coverage with insurance companies having an A.M. Best rating of "A" or higher as follows:

- (1) All risks of physical damage coverage on its operations and facilities subject to normal exclusions;
- (2) Workers' compensation on Operator's employees providing statutory benefits and an employer's liability limit of \$100,000; and

(3) Comprehensive general liability coverage of not less than \$1,000,000 combined single limit, which shall include extensions of coverage for products, complete operations, personal injury and blanket contract.

(4) Operator shall also maintain an excess line of comprehensive general liability coverage in such amounts that Operator may deem appropriate;

(5) In each and all such policies, save and except the Workers' Compensation policy, each Track and all Satellite[s] and Mini-Satellite[s] shall be named additional insureds.

(b) Mini-Satellite[s] – Mini-Satellite[s] will, on request, provide certificates of insurance for, and will maintain, at their expense, insurance coverage with insurance companies having an A.M. Best rating of "A" or higher as follows, or if governmental entities, said entities may, after giving notice to Operator and Track, self insure some or all of the following coverage or be covered by an insurance pool, where the risk is borne by insurance companies acceptable to Operator:

(1) All risks of physical damage coverage on each Mini-Satellite subject to normal exclusions;

(2) Workers' compensation on Mini-Satellites' employees providing statutory benefits and an employer's liability limit of \$100,000; and

(3) Comprehensive general liability with primary line coverage of not less than \$1,000,000 combined single limit, which shall include extensions of coverage for products, complete operations, personal injury and blanket contract.

(4) Mini-Satellite[s] shall also maintain an excess line of comprehensive general liability coverage in such amounts that Mini-Satellite[s] may deem appropriate;

(5) In each and all such policies, save and except the Workers' Compensation policy, each Track and Operator shall be named additional insureds.

(c) Track - Track will, on request, provide certificates of insurance for, and will maintain, at its expense, insurance coverage with insurance companies having an A.M. Best rating of "A" or higher as follows:

(1) All risks of physical damage coverage on its operations and facilities subject to normal exclusions;

(2) Workers' compensation on Track's employees providing statutory benefits and an employer's liability limit of \$100,000; and

(3) Comprehensive general liability coverage of not less than \$1,000,000 combined single limit, which shall include extensions of coverage for products, complete operations, personal injury and blanket contract.

(4) Track shall also maintain an excess line of comprehensive general liability coverage in such amounts that Track shall deem appropriate;

(5) In each and all such policies, save and except the Workers' Compensation policy, Mini-Satellite[s] and Operator shall be named additional insureds.

8. Liability to Mini-Satellites - Neither Operator nor Track shall be liable to Mini-Satellite[s] for any losses of Mini-Satellite[s] occasioned by interruption or loss of the audio-video or parimutuel signal or transmission, for whatever duration, except that Operator shall save and hold Mini-Satellite[s] harmless from and against any claims of patrons or third parties relative to wagers made or claimed to be made and accepted through the parimutuel system.

9. Failure to Accept Signal - In the event any Mini-Satellite[s] determines to suspend its operations for all or any part of any Racing Meeting, it shall give prompt notice of such proposed suspension to California Horse Racing Board, Operator and the subject Track. In the absence of approval of the California Horse Racing Board or the mutual agreement of Operator and Track as to such suspension or unless such operations are suspended for reasons beyond the control of Mini-Satellite[s] or for reasons of public safety, Operator, with Track's consent, may suspend transmission of the audio-video signal to Mini-Satellite[s] during the period of such suspension.

10. Breach of Agreement - It shall be a material breach of this Agreement, justifying the suspension of the audio-video signal to Mini-Satellite[s] by Operator for the remaining term of this Agreement, for any Mini-Satellite[s] to accept an audio-video signal for parimutuel wagering purposes, of any racing program which is not transmitted to that Mini-Satellite[s] by Operator.

11. Mutual Agreement to Accept Less Entire Racing Program - Pursuant to Section 19605.3(d)(1) of the Simulcast Wagering Law, Mini-Satellite[s] and Track may agree that Mini-Satellite[s] may accept less than the total number of programs available.

12. Miscellaneous Provisions.

(a) Prohibition of Pari-mutuel Wagering - If at any time during the term of this Agreement pari-mutuel wagering on racing or simulcast wagering is made, declared, or held to be illegal or prohibited by statute or decision of a court of competent jurisdiction, which decision has become final, or by any competent public authority whose decision is final and not subject to appeal, then this Agreement shall thereupon be deemed terminated and the parties hereto shall be released from any and all further liability or obligation hereunder, provided however that such termination shall not relieve Operator, Track, or Mini-Satellites from any obligation or liability that accrued prior to the date of such termination.

(b) Third Party Liability.

(1) Operator - Operator will assume responsibility for the defense of, and will indemnify and hold harmless Track and Mini-Satellite[s], their directors, officers, shareholders, employees, representatives and agents from and against any losses, claims, damages, costs, suits, penalties, demands or liabilities, except claims of Operator's employees for personal injuries arising in the scope of their employment, including reasonable legal counsel fees, occasioned by or arising out of, in whole or in part, by any willful or negligent act or omission of Operator or any of its contractors, subcontractors, agents, servants or employees, provided that immediate written notice of such claim or suit is given to Operator by Track or Mini-Satellite[s], as the case may be, and provided Operator is given full control over all negotiations and litigation in connection therewith, including selection of counsel. Operator will not be responsible for settlements made or costs incurred without its prior written consent.

(2) Track - Track will indemnify and hold harmless Operator and Mini-Satellite[s], their directors, officers, shareholders, employees, representatives and agents from and against any losses, claims, damages, costs, suits, penalties, demands or liabilities, except claims of Track's employees for personal injuries arising in the scope of their employment, including reasonable legal counsel fees, occasioned by or arising out of, in whole or in part, by any willful or negligent act or omission of Track or any of its contractors, subcontractors, agents, servants or employees, provided that immediate written notice of such claim or suit is given to Track by Operator or Mini-Satellite[s], as the case may be, and provided Track is given full control over all negotiations and litigation in connection therewith, including selection of counsel. Track will not be responsible for settlements made or costs incurred without its prior written consent.

(3) Mini-Satellite[s] - Mini-Satellite[s] will indemnify and hold harmless Operator and Track, their directors, officers, shareholders, employees, representatives and agents from and against any losses, claims, damages, costs, suits, penalties, demands or liabilities, except claims of Mini-Satellite[s] employees for personal injuries arising in the scope of their employment, including reasonable legal counsel fees, occasioned by or arising out of, in whole or in part, by any willful or negligent act or omission of Mini-Satellite[s] or any of its contractors, subcontractors, agents, servants or employees, provided that immediate written notice of such claim or suit is given to Mini-Satellite[s] by Operator or Track, as the case may be, and provided Mini-Satellites are given full control over all negotiations and litigation in connection therewith, including selection of counsel. Mini-Satellite[s] will not be responsible for settlements made or costs incurred without its prior written consent.

(c) Independent Contractor - Operator, Track and Mini-Satellite[s] each agree that they are not joint ventures or partners and that their status as to one another is, for the purpose of this Agreement, independent contractors and that they or any of their contractors, subcontractors, agents or employees shall, at any time, constitute agents or employees of

the other. Neither Operator, nor Track or Mini-Satellite[s] are granted any rights or authority to assume or create any obligation or liability, express or implied, on behalf of each other or to bind each other in any manner or thing whatsoever.

(d) Liability of Mini-Satellite[s] – Mini-Satellite[s] shall not be liable, absent affirmative negligence or misconduct for any loss of funds of Operator held at the Mini-Satellite facility.

(e) Compliance with Law - The parties agree that they will comply with any and all applicable laws, rules and regulations of the United States of America, the State of California, the Horse Racing Law, the Rules and Regulations of the California Horse Racing Board, all agencies of the State of California, including, without limitation, all applicable anti-discrimination, affirmative action, and conflict of interest provisions. During the term hereof, Operator, Track and Mini-Satellite[s] will be licensed and in good standing with the California Horse Racing Board.

(f) Survival of Certain Obligations - Notwithstanding the termination of this Agreement, the obligations contained in this Agreement concerning the accounting for and payment of monies pursuant to this Agreement shall survive the termination of this Agreement, and such accountings and payments shall be made in good faith by the parties in a timely manner and in all events not to exceed 30 days after the termination of this Agreement unless such time is extended in writing by the parties.

(g) Remedies Cumulative: Non-waiver Provisions - No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach. The failure of either party to enforce at any time any provision of this Agreement or to require at any time performance by the other party of any provision of this Agreement shall in no way be construed as a waiver of such provision nor in any way affect the validity of this Agreement or any part hereof, or the right of either party thereafter to enforce each and every such provision in the event of a subsequent breach of this Agreement by the other party.

(h) Nondiscrimination Clause - During the performance of this Agreement no party hereto or subcontractor of any such party shall unlawfully discriminate against any employee or applicant for employment because of race, religion, national origin or ancestry or physical handicap, medical condition, marital status, age, or sex. Each party and each subcontracted party shall insure that the evaluation and treatment of its employees and applicants for employment are free of such discrimination. Each party and each subcontracting party shall comply with the provisions of the Fair Employment and Housing Act and the applicable regulations promulgated thereunder.

(i) Governing Law - The laws of the State of California and, in particular, the Simulcast Wagering Law, and the applicable regulations promulgated thereunder by the California Horse Racing Board shall govern as to the interpretation, validity and effect of this Agreement. No conflict of law principle shall make application of the substantive law of any other State or jurisdiction applicable hereto. The parties hereto agree that -- in the event there are amendments to the Simulcast Wagering Law or the regulations promulgated thereunder by the California Horse Racing Board after the date hereof -- to negotiate in good faith any necessary or advisable modifications to this Agreement.

(j) Disputes – Any dispute with respect to the interpretation of this Agreement or performance required thereunder shall, at the request of Mini-Satellite[s], Track or Operator, be referred to the Chief Executive Officer of the affected organizations. Said Chief Executive Officers, or their designees having full authority to resolve the dispute, shall meet within seventy-two (72) hours, or such longer time as the parties may agree upon, to discuss and in good faith attempt to resolve the dispute. Absent resolution of the dispute and at such meeting, the Chief Executive Officers or their designees shall select a mutually acceptable and independent mediator to resolve such dispute in accordance with the Commercial Mediation Rules of the American Arbitration Association then in effect. Any such mediation shall be non-binding on the parties to the dispute. The utilization and exhaustion of the procedures set forth herein shall however be a condition precedent to application of any party to any judicial or administrative body for its adjudication of the dispute.

(k) Attorneys' Fees - In the event suit is brought to enforce or interpret any part of this Agreement, the prevailing party shall be entitled to recover, as an element of its cost of suit and not as damages, reasonable attorneys' fees to be fixed by the court. The prevailing party shall be the party who is entitled to recover its cost of suit whether or not the suit proceeds to final judgment. No sum for attorneys' fees shall be counted in calculating the amount of a judgment for purposes of determining whether a party is entitled to recover its attorneys' fees.

(l) Notices - All notices required by provisions of this Agreement shall be in writing and sent, postage prepaid, by overnight courier or U.S. Postal Service Express Mail, personal delivery or via electronic facsimile or email communication to the appropriate address as set forth on the Exhibits hereto. Notice shall be deemed complete the first business day following mailing or transmission.

(m) Entire Agreement - This Agreement shall be deemed to include and incorporate the entire Agreement by and between the parties and may be amended, modified or superseded only by an instrument in writing.

(n) Counterparts - This Agreement may be executed by any number of counterparts, each of which may be deemed an original and all of which shall constitute a single document.

(o) Titles and Captions - Section titles, captions and numbers are provided for each section or subsection only as a matter of reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision herein.

(p) Injury Illness and Prevention Plan Compliance - It is understood that all parties to this Agreement are and will remain in compliance with the provisions of the Injury and Illness Prevention Plan as set forth in California Labor Code, Section 6401.7 and the General Industry Safety Orders.

(q) Possessory Interest Tax - Mini-Satellite[s] shall not be responsible for any Possessory Interest Tax levied against the Track and/or Operator. Similarly, neither Track nor Operator shall be responsible for any Possessory Interest Tax levied against Mini-Satellite[s].

(r) Repeal or Modifications - If any Section of the California Horse Racing Law is repealed, the effect of which is to make it illegal to conduct mini-satellite pari-mutuel wagering as contemplated by this Agreement or to modify the method that substantially affects mini-satellite pari-mutuel wagering, or a written decision of the California Horse Racing Board terminating the eligibility of Operator to perform the services contemplated by this Agreement, then in such event the parties agree that this Agreement shall be subject to repeal, renegotiation or modification within thirty days after receipt of written notice from any of the parties requesting such repeal, renegotiation or modification.

(s) Assignment by Mini-Satellite[s] - Absent prior written consent of Operator the rights and obligations of Mini-Satellite[s] hereunder may not be assigned by Mini-Satellite[s] to any other person, firm or entity.

WHEREFORE, the parties hereto have set their hand the date first above written.

OPERATOR

SOUTHERN CALIFORNIA OFF-TRACK
WAGERING, INC.

By *J. M. Vard*
Title General Manager

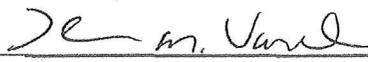
MINI-SATELLITES

OC TAVERN & GRILL

By *[Signature]*
Title MANAGING MEMBER

TRACKS

SOUTHERN CALIFORNIA OFF-TRACK
WAGERING, INC. On behalf of the following
Racing Associations and Racing Fairs.

By 
Title General Manager

CALIFORNIA AUTHORITY OF RACING FAIR

CALIFORNIA EXPOSITION AND STATE FAIR.

DEL MAR THOROUGHBRED CLUB

HOLLYWOOD PARK RACING ASSOCIATION

HOLLYWOOD PARK FALL RACING ASSOCIATION

LOS ALAMITOS QUARTER HORSE RACING
ASSOCIATION

LOS ANGELES COUNTY FAIR

LOS ANGELES TURF CLUB

OAK TREE RACING ASSOCIATION

PACIFIC RACING ASSOCIATION

CONSENT FROM HORSEMEN ORGANZATIONS

FOR OC Tavern

Thoroughbred Horsemen

Thoroughbred Owners of California

By Marsha Nagy

Title Chair

Quarter Horse Horsemen

Pacific Coast Quarter Horse Racing Association

By [Signature]

Title President

Standardbred Horsemen

California Harness Horsemen's Association

By [Signature]

Title EXECUTIVE DIRECTOR

Exhibit C



*Southern California
Off-Track Wagering, Inc.*



To: CHRB Staff
From: Tom Varela
Date: 5/22/2010
Re: OC Tavern Grill Exhibit C

1. Applicant - OC Tavern Grill

2. Proposed Dates

2-year term (July 16, 2010 to July 15, 2012) tentative

3. Name of Simulcast Organization

Southern California Off Track Wagering, Inc.
 4961 Katella Ave.
 Los Alamitos, CA 90720
 (714) 761-1660
 Tom Varela – General Manager

4. California Racing Associations

Cal Expo
 1600 Exposition Blvd.
 Sacramento, CA 95815
 (916) 263-3000

CARF
 1776 Tribute Rd. Suite 205
 Sacramento, CA 95815
 (916) 927-7223

Del Mar Thoroughbred Club
 2260 Jimmy Durante Blvd.
 Del Mar, CA 92014
 (858) 755-1141

Fairplex (L.A. County Fair)
 1101 W. McKinley Ave.
 Pomona, CA 91768
 (909) 426-7600

Golden Gate Fields
 1100 E. Shore Highway
 Albany, CA 94710
 (510) 559-7430

Hollywood Park
 1050 S. Prairie Ave.
 Inglewood, CA 90301
 (310) 419-1500

Los Alamitos
 4961 Katella Ave.
 Los Alamitos, CA 90720
 (714) 820-2760

Los Angeles Turf Club (Santa Anita)
 285 W. Huntington Dr.
 Arcadia, CA 91007
 (626) 574-7223

Oak Tree Racing Association
 285 W. Huntington Dr.
 Arcadia, CA 91007
 (626) 574-7223



*Southern California
Off-Track Wagering, Inc.*



5. Out-of-State Import Races (Full/Partial Cards/Stakes Races)

Arlington/Hawthorne
 Balmoral/Maywood
 Calder/Gulfstream
 Churchill Downs/Keeneland/Turfway
 Laurel/Pimlico
 Meadowlands/Monmouth
 Northfield
 NYRA
 Remington
 Retama/Sam Houston/Lone Star
 Turfway Park
 Turf Paradise
 Woodbine
 Hastings
 South America

***The mini-satellite will offer the same imports that the host track and other satellites offer and the Host Racing Association will determine the schedule and signals.

6. SCOTWINC Mutuel Staffing

We will start out with a mutuel supervisor or clerk but the level of business will determine future staffing levels.

7. Security Staffing

The managers and staff of OC Tavern will provide the day-to-day security with an outside security service possibly added on Special Event days (Triple Crown/Breeders' Cup). There will be two employees per shift providing security services, in addition to other tasks. The managers and staff have been trained in company policy procedures and have experience dealing with a large number of patrons with the live music acts.

8. Description of Facility

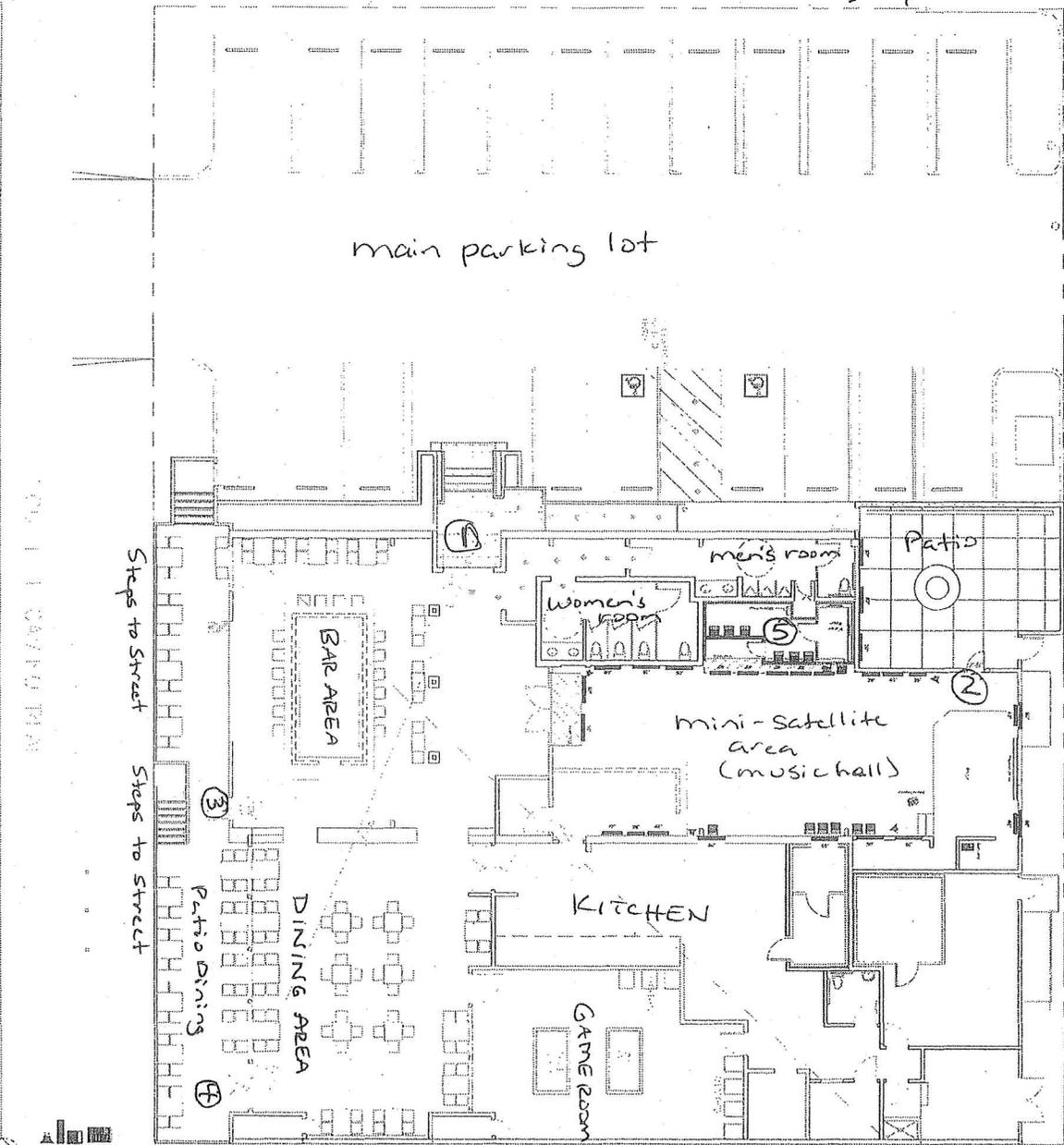
OC Tavern has four distinct rooms: bar, dining, concert hall and game room. The location of the mini-satellite wagering area would be in the concert hall, which has approximately 900 square feet. The concert hall is separated from the bar and dining area by double doors and is currently restricted to people 21 years of age and older, which fits the requirements of the mini-satellite regulations. Full bar and food service will be available in the mini-satellite wagering area.

Exhibit D

Back Parking Area

Exhibit D

1. Main Entrance
2. Exit from music hall/mini-satellite
3. Exit from Bar Area
4. Exit from Dining Area
5. Mutual Area



<p>LEGEND</p> <ul style="list-style-type: none"> Bar Bar Area Bar Area TV Home Bar 		<p>by: Lence Ku</p> <p>date: 20-MAY-10</p> <p>Rev: A</p>	<p>SCIENTIFIC GAMES</p> <p>OC TAVERN</p> <p>OC TAV_AH-Drawing 5</p> <p>Apex Scale 1/4" = 1' Sheet: 1/1</p>	<p>OC TAVERN</p> <p>2380 SOUTH EL CAMINO REAL</p> <p>SAN CLEMENTE CA, 92674</p>	<p>Original File Name: OC TAV_AH-Drawing 5</p> <p>DATE: 20-MAY-10</p> <p>SCALE: 1/4" = 1'</p> <p>SHEET: 1/1</p>
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STAFF ANALYSIS
June 22, 2010

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE HUMBOLDT COUNTY FAIR AT FERNDALE AUGUST 13-22, 2010

Humboldt County Fair (HCF) filed its application to conduct a horse racing meeting at Ferndale:

- August 13-22, 2010, or 8 days, the same as 2009. The fair proposes to race 68 races, the same as 2009.
- Humboldt was allocated 9 race days for 2010. The proposed race dates differ from the allocated dates with the elimination of the August 12th racing date. The fair has provided that they will not conduct racing opening day, *“this decision was made in response to increased operating costs, along with a steady decrease in the horses available in the north.”* Humboldt is also requesting permission to reserve the right to apply for up to nine days, dependent upon circumstance changes. The deletion of August 12th would reduce the race days to 8.

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

- Racing Friday through Sunday the first week and Wednesday through Sunday the second week. Eight races Wednesday, Thursday and Fridays, nine races Saturdays and Sundays.
 - Number of horses available determines the number of daily races programmed by breed.
 - 2009 Race Meeting: Average number of runners per race (TB): 6.98
 - 2009 Race Meeting: Average number of runners per race (Arabian): 6.91
 - 2009 Race Meeting: Average number of runners per race (Mules): 6.08
- Racing concurrently with Del Mar 8/13-22 and Santa Rosa 8/13-15.
- First post 2:15 p.m. Wednesday, Thursday, Saturdays and Sunday (August 18, 19, 21 & 22).
- 3:07 p.m. post Friday, August 13 and 3:15 post Friday, August 20.
- 2:07 p.m. post Saturday, August 14 and Sunday, August 15th.
- Specific changes from the 2009 license application:
 - Box seats increased \$25 from \$200 to \$225.
- Request Darrell Sparks be appointed horse identifier pursuant to CHRB Rule 1525.

Wagering program will use CHRB rules.

- \$1PK 4 on First Race and Last Four Races
 - \$2 Pick 6 on Last Six Races
 - \$1 Pentafecta selecting the first five finishers in a same race.
 - Early wagering will not be offered
- The Advance Deposit Wagering (ADW) providers are TVG, Xpressbet, Twin Spires and Youbet.

Pursuant to Business and Profession Code section 19604, specific provisions must be met before an ADW provider can accept wagers.

Summary of B&P code 19604

To accept wagers on races conducted in California from a resident of California.

- The ADW provider must be licensed by the Board.
- A written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made.
- The agreement shall have been approved in writing by the horsemen's organization responsible for negotiating purse agreements for the breed on which the wagers are made.

To accept wagers on races conducted outside of California from a resident of California.

- The ADW provider must be licensed by the Board.
- There is a hub agreement between the ADW provider and one or both of (i) one or more racing associations or fairs that together conduct no fewer than five weeks of live racing on the breed on which wagering is conducted during the calendar year during which the wager is placed, and (ii) the horsemen's organization responsible for negotiating purse agreements for the breed on which wagering is conducted.

Documents received in compliance with Business and Professions code 19604:

- California Authority of Racing Fairs (CARF) agreement with Tracknet.
 - CARF agreement with TVG Network.
 - CARF agreement with Youbet.com.
- The distribution of the carryover pool is listed on the application as August 22, 2010 (Closing Day of Humboldt County Fair). At the June 22, 2010, Regular Board meeting CARF has submitted a request to waive the provisions of CHRB Rule 1976.9, Pick (n) Pool, to allow a Pick Six payout carry over. If CARF's request is approved the payout for the Humboldt County Fair will be October 17, 2010, the closing day of the Big Fresno Fair.
 - 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 has been completed.
 - Track safety inspection has been requested and will be completed prior to start of race meet.

ITEMS STILL NEEDED:

1. Fire clearance
2. Curly Grill Concessionaire Approval

RECOMMENDATION:

Staff recommends the Board not approve the application until the outstanding documents have been received.

If the application is considered for approval, staff recommends a contingent approval upon the submission of outstanding items and recommends the applicant be required to appear again before the Board to address the status of the outstanding documents and to remove the contingency status from the Board's approval.

BOARD MEMBERS

Jay Hight
President

John Burger
1st Vice President

Don Becker
2nd Vice President

Mel Berti
Clarence Bugenig
Ken Christen
Al Cooper
Valerie Davis
Jeff Farley
Sandy Hanks
Darren Hansen
Travis Low
Eugene Lucas
Jack Macdonald
Dave Moggi
Cindy Olsen
Robert Prior
Tim Renner
Johanna Rodoni
Wayne Wilson

Stuart Titus
General Manager

June 2, 2010

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

Andrea:

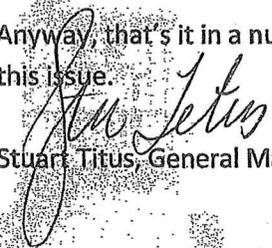
In response to your June 1st email, please accept this letter as addressing what's described as a "date change request".

If I understand you correctly, the difference you identified relates to the nine (9) days allocated by the Board at its January 15th meeting, versus the eight (8) days listed on the application.

Historically, the Humboldt County Fair was allocated 10 days of racing. Last year, when Del Mar reduced by one the number of days it would race each week, racing programs running simultaneously with Del Mar reduce their race week by one day. In addition to eliminating Monday from the race week, Humboldt also made a strategic decision not to conduct racing on the opening day of our fair. This decision was made in response to increased operating costs, along with a steady decrease in the horses available in the north.

Notwithstanding the above factors, we've asked to reserve the right to apply for up to nine days, hoping that circumstances influencing our decision-making might change course. We expect similar challenges this summer, however, as for the first time ever, we will be running simultaneously with Santa Rosa during our first three days.

Anyway, that's it in a nutshell. Please let me know if you need anything else regarding this issue.


Stuart Titus, General Manager

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: Humboldt County Fair, 1250 5th Street, Ferndale, CA 95536 (707)786-9511

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: August 13-22, 2010
- B. Dates racing will NOT be held: August 16 & 17, 2010
- C. Total number of racing days: 8

3. RACING PROGRAM

- A. Total number of races: 68
- B. Number of races by breed:

Thoroughbreds Quarter Horses Appaloosas
 Arabians Paints Mules

E. Number of races daily:

	Sun, Aug 15&22	Mon, Aug 16	Tues, Aug 17	Wed, Aug 18	Thu, Aug 19	Fri, Aug 13&20	Sat, Aug 14&21
Thoroughbred	6	0	0	5	5	5	6
Other Breeds	3	0	0	3	3	3	3
Total	9	0	0	8	8	8	9

CHRB CERTIFICATION

Application received: 5/19/10
 Reviewed: *ap*

Hearing date: 6/22/10
 Approved date:
 License number:

D. Total number of stakes races by breed:

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

E. Stakes races and the dates to be run and the added money or guaranteed purse for each.

Friday, August 13

The Ferndale Dash – For 3yo mules, 220 yards, \$4,500 added

Sunday, August 15

Victorian Village Arabian Distaff-Fillies and Mares, 3yo and upward, Five furlong, \$6,500 guaranteed

Saturday, August 21

Les Mademoiselle Stakes-Fillies and Mares, 3yo and upward, One and one-sixteenth mile, \$10,000 Guaranteed

Sunday, August 22

Ferndale Arabian Stakes-3yo and upward, 660 yards, \$6,500 added

Saturday, August 21

Cream City Mule Handicap-3yo and upward, 660 yards, \$5,000 added

Sunday, August 22

Humboldt County Marathon-3yo and upward, One mile and five furlongs, \$15,000 Guaranteed

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:

<u>Race Number</u>	<u>Sat & Sun Aug 14 & 15</u>	<u>Wed, Thu, Sat & Sun Aug 18, 19, 21 & 22</u>	<u>Friday, Aug 13</u>	<u>Friday, Aug 20</u>
Race #1	2:07	2:15	3:07	3:15
Race #2	2:37	2:45	3:37	3:45
Race #3	3:07	3:15	4:07	4:15
Race #4	3:37	3:45	4:37	4:45
Race #5	4:07	4:15	5:07	5:15
Race #6	4:37	4:45	5:37	5:45
Race #7	5:07	5:15	6:07	6:15
Race #8	5:37	5:45	6:37	6:45
Race #9	6:07	6:15	7:07	7:15

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: Don Becker, Mel Berti, Clarence Bugenig, John Burger, Ken Christen, Al Cooper, Valerie Davis, Jeff Farley, Sandy Hanks, Darren Hansen, Jay Hight, Travis Low, Gene Lucas, Jack Macdonald, Dave Mogni Cindy Olsen, Robert Prior, Tim Renner, Johanna Rodoni and Wayne Wilson.
- B. Names of the directors serving on the Racing Committee or otherwise responsible for the conduct of the racing program: Don Becker, Clarence Bugenig, John Burger, Al Cooper, Jeff Farley, Jack Macdonald, Cindy Olsen, Dave Mogni, Wayne Wilson, Valerie Davis
- 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:
 Stuart Titus, General Manager and Director of Racing

5. PURSE PROGRAM

A. Purse distribution:

1. All races other than stakes:

Current meet estimate: \$342,845

Prior meet actual: \$374,495

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

Current meet estimate: \$42,855/day

Prior meet actual: \$46,812/day

2. Overnight stakes:

Current meet estimate: \$47,500

Prior meet actual: \$60,500

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

Current meet estimate: \$5,938

Prior meet actual: \$7,563

3. Non-overnight stakes:

Current meet estimate: 0

Prior meet actual: 0

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

Current meet estimate: 0

Prior meet actual: 0

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

Current meet estimate: \$40,961

Prior meet actual: \$17,595

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

	Current meet estimate:	Prior meet actual:
CTT	\$ 1,372.40	\$ 589.52
TOC	\$ 3,978.65	\$ 1,709.04
NTRA	\$ 920.82	\$ 395.54
PCQHRA	\$ 0	\$ 0
ARAC	\$ 8,513.43	\$ 3,656.97
AMRA	\$ 8,425.59	\$ 3,619.24
CHBPAPEN	\$ 4,093.93	\$ 1,758.56
CTHF	<u>\$ 4,093.93</u>	<u>\$ 1,758.56</u>
Total	\$31,398.78	Total \$13,487.43

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: \$462,705
 Prior meet actual: \$466,077

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

Current meet estimate: \$57,838/ day
 Prior meet actual: \$58,260/day

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

Current meet estimate: \$431,358
 Prior meet actual: \$198,241

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

Current meet estimate: \$53,920/race day
 Prior meet actual: \$24,780/race day

F. Purse funds to be generated from interstate handle:

Current meet estimate: 60,498
 Prior meet actual: 13,050

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

Current meet estimate: 7.562
 Prior meet actual: 1,631

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

West America Bank, (CARF) Account # On file

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

Disher Accountancy Corp., 1816 Maryal Dr., Sacramento, Ca 95854; 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:
250 permanent 200-220 portables
- B. Minimum number of stalls believed necessary for the meeting:
450-470
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: **none**
- D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site: **n/a**
- E. Attach each contract or agreement between the fair and the person(s) furnishing off-site stabling accommodations for eligible racehorses that cannot be provided stabling on-site. **n/a**

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

- F. Total number of usable stalls made available on-site for the **1986** meeting:
458
- G. Estimated cost to provide off-site stalls for this meeting. Show cost per-day per stall:
N/A
- H. Estimated cost to provide vaning from off-site stalls for this meeting. Show fees to be paid for vaning 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,1SF	CHRB#1959,1977,1979,1958,1957,1979.1
Race #2	\$1E,\$1PK3,\$1TRI,\$2Q,\$2DD,1SF	CHRB#1959,1977,1979,1958,1957,1979.1
Race #3	\$1E,\$1PK3,\$1TRI,\$2Q,\$2DD,1SF	CHRB#1959,1977,1979,1958,1957,1979.1
Race #4	\$1E,\$1PK3,\$1TRI,\$2Q,\$2DD,1SF	CHRB#1959,1977,1979,1958,1957,1979.1
Race #5	\$1E,\$1PK3,\$1TRI,\$2Q,\$2DD,1SF	CHRB#1959,1977,1979,1958,1957,1979.1
Race #6	\$1E,\$1PK3,\$1TRI,\$2Q,\$2DD,1SF	CHRB#1959,1977,1979,1958,1957,1979.1
Race #7	\$1E,\$1PK3,\$1TRI,\$2Q,\$2DD,1SF	CHRB#1959,1977,1979,1958,1957,1979.1
Race #8	\$1E,\$1PK3,\$1TRI,\$2Q,\$2DD,1SF	CHRB#1959,1977,1979,1958,1957,1979.1
Race #9	\$1E,\$1PK3,\$1TRI,\$2Q,\$2DD,1SF \$1 Super H5	CHRB#1959,1977,1979,1958,1957,1979.1 ARCI 004-105

B. Maximum carryover pool to be allowed to accumulate before its distribution OR the date(s) designated for distribution of the carryover pool: Sunday, August 22.

C. List any options requested with regard to exotic wagering:
 \$1PK 4 on First Race and Last Four Races
 \$2 Pick 6 on Last Six Races
 \$1 Pentafecta selecting the first five finishers in a same race. 100% payout on all tickets selecting five winners. No consolation; 100% carryover if no ticket has five winners. Note: Superfecta will be offered in a selected High-5 race. Super High-5 will be carded as last race of the day. (Applicable Rule ARCI-004-105).

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 (Tom Kelso). Expires September 30, 2012
 Equipment description on file with Board

8. ADVANCE DEPOIST WAGERING (ADW)

Identify the ADW provider(s) to be used by the fair for this race meeting: **Xpress Bet, T.V.G, TwinSpires, and YouBet.**

9. 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, by CARF.**
- E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the fair: **Attached, by CARF.**
- 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, by CARF.**

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

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

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

Attachment A – Section 9D and E

CARF – Humboldt County Fair, Ferndale			ATTACHMENT A
August 12 – 22, 2010			
COMMINGLED POOL SITES			
Amwest Entertainment		Harrington Raceway	Racing2Day LLC
	Riders Up (SD)	Hawthorne Race Course	Raceway Park
	Time Out Lounge (SD)	Hazel Park	Raynham Taunton Greyhound
	Triple Crown OTB (SD)	Hinsdale Greyhound	Remington Park
Arapahoe Park		Hipodromo Presidente Remon (Pan)	Retama Park
Arima Race Club		Hoosier Park @ Anderson	Racing & Gaming Services, Inc.
Arlington International		Horsemen's Park	River Downs
Atlantic City Race Course		Indiana Downs	Rockingham Park
Atokad Downs		Clarksville OTB	Seabrook Greyhound
Balmoral/Maywood Park		Evansville OTB	Rosecroft Raceway
Bangor Historic Track/Millers OTB		Jackson Harness Raceway	Royal Turf Club
Bet Pad Ltd.		Keeneland	Royal River Racing
Bet America		Kentucky Downs	Ruidoso Downs
Betfair International Wagers		Kentucky OTB	Running Aces Harness Park
Beulah Park		Lebanon Raceway	Sam Houston Race Park
Birmingham Race Course		Les Bois Park	Valley Greyhound Park
Bluffs Run Greyhound Track		Lewiston Raceway/OTB-ME	Saratoga Raceway
Bordertown		Lien Games	Scarborough Downs
Buffalo Raceway		Chips Lounge and Casino	Scioto Downs
Calder Racecourse		El Rancho Motor Hotel OTB	Sol Mutuel Ltd
Amwest Entertainment ADW		Idaho Falls Racing OTB	Southland Greyhound Park
Canterbury Park		North Dakota Horse Park	Suffolk Downs
Capital District OTB		- Clubhouse Lounge	Suffolk Downs ADW
Catskill Regional OTB		Rumors OTB	Pat's Pizza OTB (ME)
Charles Town Race Course		Aberdeen Racing OTB (SD)	Suffolk Regional OTB
Churchill Downs		Mitch's Grandstand OTB	Sunland Park
Chester Downs & Marina LLC		SkyDancer Casino	SunRay Park & Casino
Choctaw Racing Services, LLC		Lincoln Greyhound Park	Tampa Bay Downs
Coeur d'Alene Casino		Lone Star Park	The Greyhound Park @ Post Falls
Coeur d'Alene Acct. Wagering		Louisiana Downs	The Lodge @ Belmont
Colonial Downs		LVDC	The Meadows
Colonial Downs		Atlantis Paradise Casino	The Racing Channel
Columbus Raceway		Cities of Gold / Pojoaque	Thistledown
Connecticut OTB		Foxwoods Resort Casino	Tioga Downs
	Divi Carina Bay Casino	Meskwaki Bingo	Tri-State Greyhound
	Pony Bar Simulcast Center	The Stables	Turf de Venezuela
	Randall James Racetrack	Avatar	Turf Paradise

Royal Beach Casino		Elite Turf Club #1	Turfway Park
Tote Investment Racing Service		Elite Turf Club #2	TVG
Millenium Racing Sites		Elite Turf Club #3	Twin Spires
Fair Chance Racing Service		Elite Turf Club #4	Vernon Downs
Comtch International		Elite Turf Club #6	Western Regional OTB
Shoreline Star OTB		Elite Turf Club #7	Wheeling Downs
John Martin's Manor		Elite Turf Club #8	Will Rogers Downs
Ho-Chunk Casino		Manor Downs	Wonderland Greyhound
Milford OTB		Maryland Jockey Club	Woodlands
Mohegan Sun Casino		Meadowlands/Monmouth	Wyoming OTB
Oneida Bingo		Montana Simulcast Partners	XpressBet
Paragon Casino Resort Racebook		Monticello Raceway	Yavapai Downs
Corpus Christi Greyhound Park		Mountaineer Park	Yonkers Raceway
Cyprus Bayou OTB		Mount Pleasant Meadows	Youbet I
Dairyland Greyhound Park		Nassau Regional OTB	Youbet
Delaware Park		Nebraska State Fair Park	Zia Park
Delta Downs		Nevada Pari-Mutuel Ass'n	
Dover Downs		New Jersey Casino Ass'n	
Downs at Albuquerque		Newport Jai Alai	
eBet Online		New York City Off-Track Betting	
Ellis Park		New York Racing Association	
Emerald Downs		Northfield Park	
Euro Offtrack		Cedar Downs OTB	
Evangeline Downs		Northville Racing Corp.	
Fair Grounds		Oaklawn Park	
Fair Meadows		Ocean Downs	
Finger Lakes		Penn National	
Fonner Park		Philadelphia Park	
Freehold Raceway		Phumelela Gold	
Gillespie County Fair		Pinnacle Racecourse	
Global Wagering Solutions (MEC)		Plainridge Racecourse	
MagnaBet		Pocono Downs	
Greenetrack		Portland Meadows	
Gulf Greyhound Park		Potawatomi Casino	SEPARATE POOL SITES
Gulfstream Park		Prairie Meadows	Caymanas Park (Jam)
		Premier Turf Club	Hipodromo Camarero (PR)
		Presque Isle Downs	MIR/Caliente book locations Mexico, Latin America

Attachment A – Canadian Sites

COMMINGLED – CANADIAN SITES	
Assiniboia Downs	Kawartha Downs
Barrie Raceway	Marquis Downs
Charlottetown	Mohawk Racetrack
Clinton Teletheatre	Northlands Park – Edmonton
Dreseden	Picov Downs
Elmira Raceway	Quinte Raceway
Evergreen Park Grande Prairie	Rideau Carleton
Exhibition Park	Rocky Mountain Turf Club
Flamboro Downs	Royal Britania Hub
Fort Erie	St. John's
Fraser Downs	Stampede Park
Fredericton Raceway	Sudbury Downs
Georgian Downs	Summerside-PEI
Grand River	TBC Sandown
Hanover Raceway	TBC Teletheaters
Hastings Park	Truro Raceway
Hiawatha	Western Fair Raceway
Hippodrome De Montreal	Windsor Raceway
Hippodrome De Quebec	Woodbine
Hippodrome De Trois-Rivieres	Woodstock-Ontario
Inverness Raceway	

Attachment B – Section 9F

Attachment B – Section 9F

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
Arlington	8/12/10 - 8/22/10	Full Card or Partial Cards
Assiniboia	8/12/10 - 8/22/10	Full Card or Partial Cards
Atlantic City	8/12/10 - 8/22/10	Full Card or Partial Cards
Australian Racing	8/12/10 - 8/22/10	Full Card or Partial Cards
Calder	8/12/10 - 8/22/10	Full Card or Partial Cards
Canterbury	8/12/10 - 8/22/10	Full Card or Partial Cards
Delaware Park	8/12/10 - 8/22/10	Full Card or Partial Cards
Finger Lakes	8/12/10 - 8/22/10	Full Card or Partial Cards
Ellis Park	8/12/10 - 8/22/10	Full Card or Partial Cards
Emerald	8/12/10 - 8/22/10	Full Card or Partial Cards
Evangeline Downs	8/12/10 - 8/22/10	Full Card or Partial Cards
Fort Erie	8/12/10 - 8/22/10	Full Card or Partial Cards
Hastings Park	8/12/10 - 8/22/10	Full Card or Partial Cards
Hoosier Park	8/12/10 - 8/22/10	Full Card or Partial Cards
Laurel Park	8/12/10 - 8/22/10	Full Card or Partial Cards
Louisiana Downs	8/12/10 - 8/22/10	Full Card or Partial Cards
Monmouth	8/12/10 - 8/22/10	Full Card or Partial Cards
Mountaineer Park	8/12/10 - 8/22/10	Full Card or Partial Cards
Northlands Park	8/12/10 - 8/22/10	Full Card or Partial Cards
NYRA-Saratoga	8/12/10 - 8/22/10	Full Card or Partial Cards
Penn National	8/12/10 - 8/22/10	Full Card or Partial Cards
Philadelphia Park	8/12/10 - 8/22/10	Full Card or Partial Cards
Ruidoso	8/12/10 - 8/22/10	Full Card or Partial Cards
Prairie Meadows	8/12/10 - 8/22/10	Full Card or Partial Cards
Presque Isle	8/12/10 - 8/22/10	Full Card or Partial Cards
River Downs	8/12/10 - 8/22/10	Full Card or Partial Cards
South American Racing	8/12/10 - 8/22/10	Full Card or Partial Cards
Suffolk Downs	8/12/10 - 8/22/10	Full Card or Partial Cards
Thistledown	8/12/10 - 8/22/10	Full Card or Partial Cards
United Kingdom	8/12/10 - 8/22/10	Full Card or Partial Cards
Woodbine	8/12/10 - 8/22/10	Full Card or Partial Cards
Yavapai Downs	8/12/10 - 8/22/10	Full Card or Partial Cards
Subject to change.		

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

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

10. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

A. Racing officials nominated:

Association Veterinarian(s)	Henry Cook, DVM
Clerk of Scales	Cheryl White
Clerk of the Course	Dolores Collins
Film Specialist	Matt Nichols
Horse Identifier	Darrel Sparks
Horseshoe Inspector	Maurice Fitzpatrick
Paddock Judge	Darrel Sparks
Patrol Judges	Lisa Jones, Matt Nichols
Placing Judges	Stewards
Starter	Bob Mooneyhan
Timer	Chris Lapham

B. Management officials in the racing department:

Director of Racing	Stuart Titus
Racing Secretary	Tom Doutrich
Assistant Racing Secretary	Lisa Jones
Paymaster of Purses	Vicky Layne
Mutual Manager	Dominick DePrenzio

C. Name, address and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards: Sheryl Brown, 1028 Second Street, Eureka, CA 95501 Phone: 707-268-0233

D. Photographic device to be used for photographing the finish of all races, name of the person supplying the service, and expiration date of the service contract: Plusmic Corp., USA, Bill O'Brien (Expires 2012)

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, 2013. Cameras at top of each turn, at finish line, top of grandstands and hand held at Winner's Circle.

- 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, 2013.

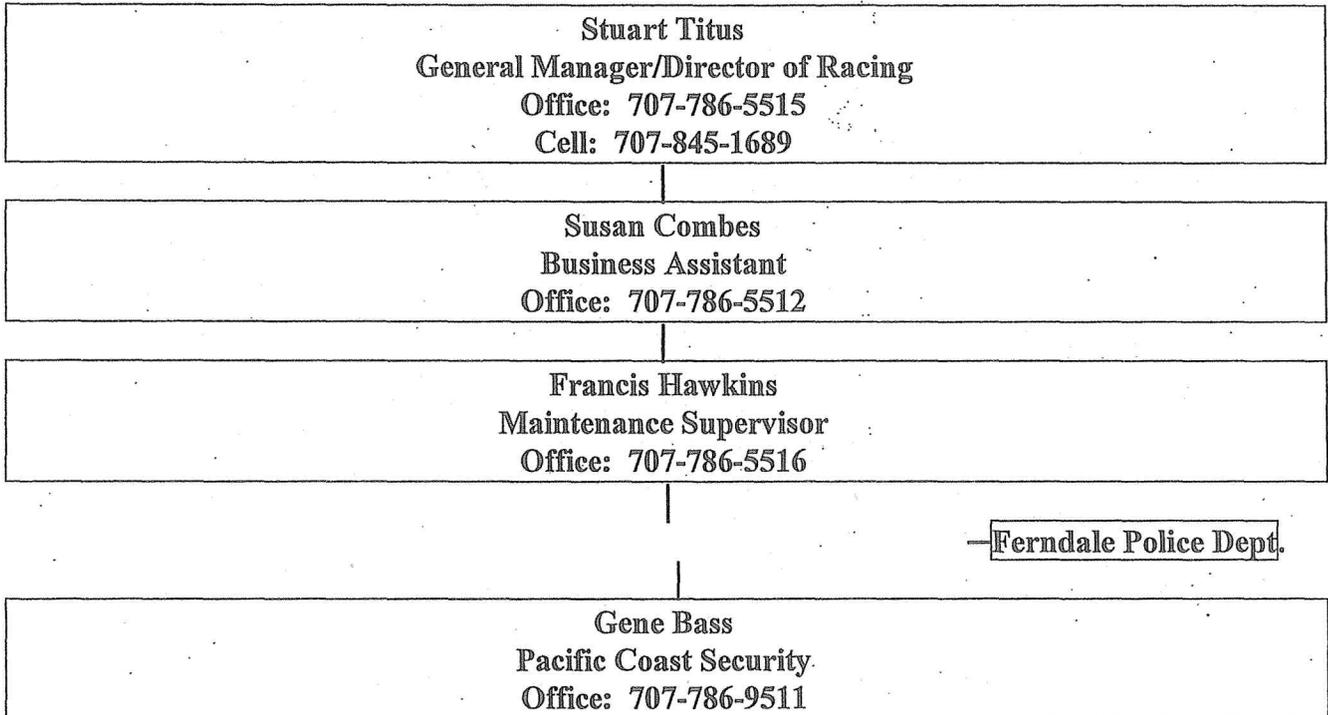
11. SECURITY CONTROLS

- A. Name and title of the person responsible for security controls on the premises. Include an organizational chart of the security department and a list of the names of security personnel and contact telephone numbers. **Pacific Coast Security, Gene Bass, Owner (707)786-9511**
Please see attached organization chart.
- B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis: **1-2 guards in grandstands**
2-3 rovers
3 licensed gatemen 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.
 - B. Number of security guards in the detention barn area during a 24-hour period.
 - C. Describe number and location of surveillance cameras in detention barn area.
 3. TCO2 Testing:
 - A. Number of races to be tested, and number of horses entered in each race to be tested.
All thoroughbred races where the number is determined by a random algorithm generator.
 - 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 stalls adjacent to test barn, which are under 24-hour surveillance.
 - D. Number of security personnel assigned to the TCO2 program.
One 24-hour guard when detention stalls are occupied.
- C. Describe the electronic security system.
Monitored electric surveillance.
1. Location and number of video surveillance cameras for the detention barn and stable gate.
One surveillance camera at or near detention stalls.

12. EMERGENCY SERVICES

- A. Name, address and emergency telephone number of the ambulance service to be used during workouts and the running of the races: **City Ambulance of Eureka, 135 7th Street, Eureka, CA**

11A. Security Controls



95501 (707)445-4907

- B. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites: n/a
- C. Describe the on-track first aid facility, including equipment and medical staffing: See attached
- D. Name and emergency telephone number of the licensed physician on duty during the race meeting:
Physicians rotate on a daily basis, at Redwood Memorial Hospital.
- E. Name, address and emergency telephone number of the hospital to be used for admittance and treatment of emergency injuries in the event of an on-track injury to a jockey:
Redwood Memorial Hospital, 3300 Renner Drive, Fortuna (707)725-7328
- F. Attach, in English and Spanish, the emergency medical plan procedures that will be posted in each jockey's room to be used in the event of an on-track injury to a jockey: Attached.
- G. Name of health and safety manager and assistant manager responsible for compliance of health and safety provisions pursuant to B& P Code 19481.3(d): Stuart Titus and Susan Combs.
- H. Attach a fire clearance from the fire authority having jurisdiction over the premises.
Fire inspection has been scheduled for July 20, 2010.
- I. Attach a Certificate of Insurance for workers' compensation coverage. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of insurance that secures the liability of the fair for payment of workers' compensation. Attached.

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

13. CONCESSIONAIRES AND SERVICE CONTRACTORS

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

Food & Non-Alcoholic Beverages

Curley's Grill, 320 Main Street Fortuna, CA 95540

Winner's Circle Photo

Vassar Photography, 5075 Double Point Way, Discovery Bay, CA 94514

Racing Grandstand Sound System

12C First aid and Medical Staffing

The Humboldt County Fair provides emergency care which supports comprehensive care for jockeys, track staff and allied personnel. Emergency care focuses on immediate stabilizing, comfort and evacuation of injured racetrack personnel to appropriate hospital care facilities.

Two Emergency Medical Technicians from City Ambulance of Eureka staff are located in an on-track ambulance, which is located at a location with ease of access to the track during each day of training and racing. This ambulance and crew are present whenever horses are on the track (during both racing and training hours, and are responsible for initiating basic life support measures, including immediate medical stabilization, care and evacuation to medical care facilities.

Licensed Physicians are on-duty at Redwood Memorial Hospital and are responsible for ongoing care for jockeys, track staff and allied personnel requiring emergency medical care.

The Humboldt County Fair provides the services of a Kimzey Horse Ambulance, as well as a senior experienced driver who is responsible for the evacuation and disposition of injured horses.

Redundant communication services are provided to ensure constant contact between all emergency care personnel. Two-way radio networks are established within the racing operations, as well as fair emergency operations. All key emergency care personnel also carry cell phones and each is provided a laminated card containing all contact numbers. The fair also has an emergency response cell which responds to all emergencies, both medical as well as non-medical.

12F Medical Protocols and Procedures: English

In case of an accident on the racetrack, the following procedures shall be implemented:

Track Ambulance

The track ambulance will travel immediately to the scene of an accident and assume triage and patient care responsibilities and evacuated.

Security

1. As soon as possible, a member of the track security staff shall report to the scene of the accident and thereafter take direction from the EMT responsible for management of the accident scene. The track security representative shall be responsible for keeping bystanders away from the accident scene.
2. A member of the track security staff shall proceed to the Jockey's Room to secure the ambulance transfer area, as well as prevent visitation from bystanders from entering the accident area.
3. A member of the track security staff shall be responsible for escorting emergency vehicles.
4. The security staff shall be responsible for all crowd control activities.

Racing Staff/Track Veterinarian

1. Upon arrival at the scene, the Outrider should hold the injured horse in order to prevent further harm to people, horses or property.
2. Horses with severe injuries should be transported off the track via the horse ambulance, whenever it is practical to do so.
3. The track veterinarian shall make the decision as to the necessity of euthanasia on the track.
4. A screen blocking the public's view of the injured horse shall be set up prior to the euthanasia procedure.
5. Outriders are responsible for the removal of any debris from the racetrack following the removal of the injured person or horse from the track.

Plant Staff

1. The Horse Ambulance shall travel immediately to the scene of an accident whenever it appears that a horse will require transport.
2. Members of the plant department who are near the accident site shall assist in screening the accident scene from the public view and shall take direction from the EMT that is responsible that is responsible for the management of the accident scene.

Announcer

1. The announcer shall make riders aware of the details of the situation (such as the location of a loose horse, the necessity to pull up, etc.), enabling them to take the necessary steps to mitigate additional problems.

Senior Management

1. A senior management representative should quickly proceed to the location on the racetrack where the accident has occurred. The manager should report to other members of the management team as to the accident status.
2. An additional member of the management team should report to the video department in order to monitor the scene and access the extent of video coverage to be transmitted to the public.
3. A member of the management team should provide input as to announcements to be made by the track announcer.
4. A member of the senior management team should be responsible for seeing that information regarding the accident is communicated to the family member of the injured. Efforts need to be made to escort family members to the hospital, if necessary. In this regard, a current compilation as to who should be notified in the case of an injured jockey is kept on file.
5. All public address announcements and responses to press inquiries are within the sole purview of the senior members of the management team then available.

All Department Heads

All department heads shall communicate to their employees that, although intentions are good, the treatment of the injured rider must be left up to trained personnel, and all other employees must stay away from the scene of an accident.

12F Medical Protocols and Procedures: SpanishProcedimiento en caso de Accidente en Humboldt County Fair

De ocurrir un accidente en el hipodromo, se debe hacer lo siguiente:

El personal de la Ambulancia

El personal de la ambulancia trasladarse inmediatamente al lugar del accidente siempre que lo necesario para tratar a la(s) victim(s).

Seguridad

1. Tan pronto como sea posible, un miembro de seguridad del hipodromo deberá reportarse al lugar del accidente y desde ahí recibir las instrucciones del Paramédico responsable del lugar del accidente. El miembro de seguridad será responsable de mantener a los transeúntes fuera del lugar del accidente.
2. Un miembro del departamento de seguridad del hipodromo se acercará al cuartel del jockey para asegurar el área donde la ambulancia estará y prevenir que transeúntes y personas ajenas se acerquen.
3. Un miembro de seguridad del hipodromo será responsable de escoltar a los vehículos de emergencia.
4. Los miembros de seguridad serán responsables de controlar a la multitud.

Personal de Carreras/Veterinario del hipodromo

1. En una vez en el lugar del accidente, el Outrider/escolta deberá sujetar al caballo herido para evitar que lastime a la gente, a otros caballos o a la propiedad.
2. Los caballos muy mal heridos deberán ser sacados de la pista con la ambulancia para caballos, siempre que sea posible hacerlo de esa manera.
3. El veterinario del hipodromo deberá decidir si se sacrifica al caballo en la pista.
4. Sea posible hacerlo, se debe colocar la pantalla/screen para tapar la vista al público, antes de iniciar el procedimiento de sacrificio del animal.
5. Los Outriders son responsables de remover cualquier desecho en la pista después de que la persona a caballo accidentado haya sido trasladado del lugar.

Personal de Planta/Plant Staff

1. La Ambulancia de Caballos deberá trasladarse inmediatamente al lugar del accidente siempre que un caballo esté severamente lesionado y necesite transporte.
2. Los miembros del departamento de planta que estén cerca del accidente deberán ayudar a tapar el lugar para que el público no pueda ver lo que sucede, además deberán recibir instrucciones del Paramédico responsable del lugar del accidente.

Locutor

El locutor deberá informar a los jinetes acerca de los detalles de la situación (como la ubicación del caballo suelto, la necesidad de adelantar, etc.) para que puedan hacer lo necesario y mitigar otros problemas.

Gerencia

1. Un representante de la gerencia se apersonara rapidamente al lugar del accidente en el hipodromo. El gerente informara a los otros gerentes sobre las lesiones sufridas.
2. Otro representante de la gerencia debera informar al departamento de video para monitorear la escena y ver la cobertura de video que sera transmitida al publico.
3. Un miembro de la gerencia debera aportar con informacion sobre los anuncios que debera hacer el locutor.
4. Un miembro de la gerencia sera responsable de ver que la informacion con respecto al accidente sea dada a los familiares de los heridos. Se debe hacer lo necesario para acompañar a los familiares a los hospitales, de ser el caso. Al respecto, es necesario tener un registro de la persona a quien se debe comunicar en caso de que un jockey sufra un accidente.
5. Todo los anuncios publicos y respuestas a la prensa las realice unicamente el funcionario de gerencia de alto nivel que se encuentre disponible en ese momento.

Todos los Jefes de Departamento

Todos los Jefes de Departamento deben comunicar a sus empleados que, a pesar de que las intenciones sean buenas, el tratamiento de un jinete/jockey herido debe ser realizado por el personal calificado para ello, y todos los demas empleados deben permanecer lejos del lugar del accidente.



March 23, 2010

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

Re: Humboldt County Fair
 1250 5th Street
 Ferndale, CA 95536

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

I. COMPREHENSIVE GENERAL LIABILITY PROGRAM

- A. Primary Coverage \$750,000 self-insured retention California Fair Services Authority
 Coverage continuous until cancelled
- B. Excess Coverage \$9,250,000 in excess of \$750,000
 Coverage provided by Allied World Assurance Company
 Term: 01/01/2010 to 01/01/2011

II. WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY

- A. Primary Coverage \$500,000 self-insured retention California Fair Services Authority
 Coverage continuous until cancelled
- B. Excess Coverage (a) Workers' Compensation: Statutory Limit in excess of \$500,000
 (b) Employers' Liability: \$4,500,000 in excess of \$500,000
 Coverage provided by CSAC Excess Insurance Authority
 Term: 07/01/2009 to 07/01/2010

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

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

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

Sincerely,

Lianne Lewellen
 Lianne Lewellen

Risk Analyst

Universal Balance, 2163 Park Avenue, McKinleyville, CA 95519
 Armored Car Services
 NOTWINC, 11875 Dublin Blvd. Dublin, CA 94568
 Portable Stalls
 Silver Bar Leasing, 3445 S. Fruit, Fresno, CA 93706

14. ON- TRACK ATTENDANCE/FAN DEVELOPMENT

- A. Describe any promotional plans: Ticket give-away already underway, using HCF Facebook; discounted ticket sales, beginning July 1; placement of old Starting Gate near entrance to town; Participation in local parades and events prior to fair; Pre-fair media dinner; golf tournament on dark Monday; Horsemen's Fish Fry on dark Tuesday. Appearances on local ESPN radio station; Live remote, local ESPN radio, opening day of racing; Television and radio spots, Sam Spear Enterprises.
- B. Number of hosts and hostesses employed for meeting: All volunteer force, including 1,437 citizens and 200 business owners of the City of Ferndale.
- C. Describe facilities set aside for new fans: Comfortable seating and friendly atmosphere in any area they choose, with every seat providing a breathtaking view of the Victorian Village of Ferndale, its surrounding dairy properties and the Wildcat mountains south of the City of Ferndale, California.
- D. Describe any improvements to the physical facility in advance of the meeting that directly benefits:
 - 1. Horsemen: Improved infrastructure in portable stall areas, painted and upgrades barns.
 - 2. Fans: New party-oriented, more festive tent area for wagering and seminars
 - 3. Facilities in the restricted areas : New offices for State and Track Vets, CHRB Investigators and Paymaster, along with new ADA compliant restrooms in Racing Office area.

15. SCHEDULE OF CHARGES

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

Admission (general)	\$7.00
Admission (racing)	\$3.00
Reserved seating (general)	
Reserved seating (clubhouse)	
Parking (general)	\$2.00 per day
Parking (preferred)	\$10.00 per day
Parking (valet)	
Programs (on-track)	\$2.00
(off-track)	
- B. Describe any "Season Boxes" or other special accommodation fees: \$225.00 for box seats
- C. Describe any "package" plans such as combined parking, admission and program:

16. 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="12"/> |
| <input checked="" type="checkbox"/> | Showers | <input checked="" type="checkbox"/> | Steam room, sauna or steam cabinets |
| <input type="checkbox"/> | Masseur | <input 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: Separate but equal to the boys, including separate corners, showers and sauna.

17. BACKSTRETCH EMPLOYEE HOUSING

- A. Inspection of backstretch housing was completed by Anne Glasscock on April 23, 2010.
- B. Number of rooms used for housing on the backstretch of the racetrack: Trailer unit with 10 bunks.
- C. Number of restrooms available on the backstretch of the racetrack: Six (6)
- D. Estimated ratio of restrooms to the number of backstretch personnel: Unknown

18. TRACK SAFETY

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

any racing. n/a

19. DECLARATIONS

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

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

20. CERTIFICATION BY APPLICANT

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

Stu Titus
Print Name

General Manager
Print Title

Stuart Titus
Signature

6-2-10
Date

STAFF ANALYSIS

June 22, 2010

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE CALIFORNIA EXPOSITION AND STATE FAIR AUGUST 13, 2010 THROUGH DECEMBER 18, 2010.

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

- August 13, 2010 through December 18, 2010, or 55 days, 12 days more than it raced during the same period in 2009. The association proposes to race a total of approximately 725 races. The (actual) average daily purse for the 2009 meet during the same time period was \$59,390. The (estimated) average daily purse for this meet is \$56,191.
- The race dates proposed are different than the dates allocated. Cal Expo is proposing not to race on Thursday, August 19, 2010 and is proposing to add racing on Wednesday, November 24, 2010. The total number of allocated race dates would not change.

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

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

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

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

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

- Racing 3 nights per week, Thursday through Saturday each week, except racing Friday and Saturday the first and second weeks; Wednesday, Friday, Saturday the week of Thanksgiving (November 24, 26, 27).
- The California Exposition and State Fair respectfully requests the authorization to request adjustments to its weekly racing schedule dependent upon the amount of available racehorses.

- 32 California Sires Stakes are proposed.
- No management changes since the last submission of a California Exposition and State Fair harness application.
- First post 5:45 p.m. daily.
 - The association requests the approval to request a change in daily post times through the administrative process as needed.
- Wagering program will use CHRB and ARCI rules.
 - Early wagering will begin at 10:00 a.m. each day.
- Advance Deposit Wagering (ADW) providers are Xpressbet, Youbet, TwinSpires and TVG. Cal Expo has provided its ADW contracts/agreements. As indicated by Cal Expo the agreements expire:
 - Xpressbet & TwinSpires - 12/31/2010
 - Youbet - 12/18/2010
 - TVG - 12/31/2012
- Simulcasting conducted with out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- Request Carl Sobey be appointed horse identifier pursuant to CHRB Rule 1525.
- Schedule of charges for admission, seating, parking, program have not changed since the last submission of a California Exposition and State Fair application to conduct a harness horse racing meeting.
- Track safety inspection has been requested and will be completed before the race meeting begins.
- Inspection of backstretch worker housing has been requested and will be completed before the race meeting begins.

Specific information still needed to complete this application includes:

1. Fire clearance
2. Updated Workers' Compensation Insurance
3. Track safety inspection
4. Backstretch inspection

RECOMMENDATION:

Staff recommends that the application for license not be heard until the fire clearance is received.

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

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

1. APPLICANT ASSOCIATION

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

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

B. Breed of horse: TB QH H

C. Racetrack name: California Exposition & State Fair

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

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

2. DATES OF MEETING

A. Inclusive dates for the entire meeting: August 13 through December 18, 2010

B. Actual dates racing will be held:

August 13, 14, 20, 21, 26, 27, 28	7 Nights
September 2, 3, 4, 9, 10, 11, 16, 17, 18, 23, 24, 25, 30	13 Nights
October 1, 2, 7, 8, 9, 14, 15, 16, 21, 22, 23, 28, 29, 30	14 Nights
November 4, 5, 6, 11, 12, 13, 18, 19, 20, 24, 26, 27	12 Nights
December 2, 3, 4, 9, 10, 11, 16, 17, 28	9 Nights

C. Total number of days or nights of racing: 55 nights

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

Wed - Sun Tues - Sat Other (specify)

Thursday through Saturday each week-

Exception: Wednesday, Friday, Saturday- November 24, 26, 27 (Thanksgiving Week)

CHRB CERTIFICATION

Application received: 6/1/10
Deposit received: ON File
Reviewed: COJ

Hearing date: 6/22/10
Approved date:
License number:

E. Number of days or nights of racing per week: **3 nights per week**

We respectfully request the authorization to request adjustments of our weekly racing schedule dependent upon the amount of available racehorses.

3. RACING PROGRAM

A. Total number of races: **Approximately 725**

B. Number of races for each day or night: **Estimated**

10 - 12 Thursday Nights

12 - 15 Friday Nights

12 - 15 Saturday Nights

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

C. Total number of stakes races: **32- California Sires Stakes**

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

Attached- All Stakes are for California Bred horses

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

Yes

No

If no, what racing colors are to be used: **Drivers Colors are used**

F. List all post times for the daily racing program: **Generally approximately 5:45 PM**

Respectfully request the approval to request a change in daily post times through the administrative process as needed.

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

4. RACING ASSOCIATION

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

LLC (complete subsection D)

Other (specify, and complete subsection E)

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

C. CORPORATION

1. Registered name of the corporation:

2. State where incorporated:

3. Registry or file number for the corporation:

Stakes Racing Calendar

Entry Fee per Stakes Race: \$300 (Day of entry – local track rules apply)

3 YO Spring Series 2010

APRIL 9-10	1st round	\$ 15,000 Purse
APRIL 23 - 24	2nd round	\$ 15,000 Purse
MAY 7 - 8	3rd round	\$ 15,000 Purse
MAY 22	Championship Night	\$ 25,000 Purse

2 YO Fall Series 2010

OCT 8 - 9	1st round	\$ 15,000 Purse
OCT 22 -23	2nd round	\$ 15,000 Purse
NOV 5 - 6	3rd round	\$ 15,000 Purse
NOV 20	Championship Night	\$ 25,000 Purse

3 YO Fall Series 2010

OCT 29-30	1st round	\$ 15,000 Purse
NOV 12-13	2nd round	\$ 15,000 Purse
NOV 26-27	3rd round	\$ 15,000 Purse
DEC 11	Championship Night	\$ 25,000 Purse

2010 Cal Expo Fall California Sires Stakes

2 Year Old Fall Series

3 Year Old Fall Series

October 8-	Filly Trot	\$15,000
October 8-	Filly Pace	\$15,000
October 9-	Colt Trot	\$15,000
October 9-	Colt Pace	\$15,000

October 29-	Filly Trot	\$15,000
October 29-	Filly Pace	\$15,000
October 30-	Colt Trot	\$15,000
October 30-	Colt Pace	\$15,000

October 22-	Filly Trot	\$15,000
October 22	Filly Pace	\$15,000
October 23-	Colt Trot	\$15,000
October 24-	Colt Pace	\$15,000

November 12-	Filly Trot	\$15,000
November 12-	Filly Pace	\$15,000
November 13-	Colt Trot	\$15,000
November 13-	Colt Pace	\$15,000

November 5-	Filly Trot	\$15,000
November 5-	Filly Pace	\$15,000
November 6-	Colt Trot	\$15,000
November 6-	Colt Pace	\$15,000

November 26-	Filly Trot	\$15,000
November 26-	Filly Pace	\$15,000
November 27-	Colt Trot	\$15,000
November 27-	Colt Pace	\$15,000

November 20- 2 Year Old Championship Night

December 11- 3 Year Old Championship Night

Filly Trot	\$25,000
Filly Pace	\$25,000
Colt Trot	\$25,000
Colt Pace	\$25,000

Filly Trot	\$25,000
Filly Pace	\$25,000
Colt Trot	\$25,000
Colt Pace	\$25,000

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

D. LLC

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

E. OTHER: FAIR- CALIFORNIA EXPOSITION & STATE FAIR

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

F. Management and Staff

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

Norb Bartosik – General Manager

David Elliott- Director of Racing

Kate Snider- Racing Supervisor

Glen Harris- Mutuel Manager

Scott Ehrlich- Announcer and Export Simulcast Coordinator

J.R. Williams- Track Superintendent

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

Norbert Bartosik, General Manager/CEO

David Elliott, Director of Racing

5. PURSE PROGRAM

- A. Purse distribution: Prior Meet Actuals- 9/25/09-12/19/2009 - 43 Racing Days
8/13/2010-12/18/2010 - 55 Racing Days

1. All races other than stakes:
Current meet estimate: **2,223,151**
Prior meet actual: **1,738,100**

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

Current meet estimate: **40,421**

Prior meet actual: **40,421**

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

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

Current meet estimate: **N/A**

Prior meet actual:

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

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

Current meet estimate:

Prior meet actual:

B. Stakes races:

1. Purse distribution for all stakes races:
- California Sires Stakes 2 & 3 year olds**

Current meet estimate: **\$560,000**Prior meet actual: **\$560,000**

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

Current meet estimate: **\$10,181**Prior meet actual: **\$13,023**

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

Current meet estimate: **100%**Prior meet actual: **100%**

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

Current meet estimate: **1.82%**Prior meet actual: **2.33%**

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

Current meet estimate: **\$205,700**Prior meet actual: **\$171,062**

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

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

Current meet estimate:

Total- 101,700

Prior meet actual:

Total- 84,529

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

Current meet estimate: **3,090,151**Prior meet actual: **2,553,690**

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

Current meet estimate: **56,191**Prior meet actual: **59,390**

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

Current meet estimate: **2,936,870 (92%)**Prior meet actual: **2,349,395**

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

Current meet estimate: **53,400**Prior meet actual: **54,640**

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

Current meet estimate: **255,380 (8%)**

Prior meet actual: 204,295

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

Current meet estimate: 4,640

Prior meet actual: 4,750

- H. Bank and account number for the Paymaster of Purses account: **On File**
- I. Name, address and telephone number of the pari-mutuel audit firm engaged for the meeting:
Disher Accountancy Corporation, 1816 Maryal Drive, Sacramento, CA 95864
916-482-4224

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

6. STABLE ACCOMMODATIONS

- A. Number of usable stalls available for racehorses at the track where the meeting is held: **1024**
- B. Minimum number of stalls believed necessary for the meeting: **600**
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: **N/A**
- D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site: **N/A**
- E. Attach each contract or agreement between the association and the person(s) furnishing off-site stabling accommodations for eligible racehorses that cannot be provided stabling on-site.
N/A

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

- F. Total number of usable stalls made available on-site for the **1986** meeting:
- G. Estimated cost to provide off-site stalls for this meeting. Show cost per day per stall:

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

7. PARI-MUTUEL WAGERING PROGRAM

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

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

Proposed Wagering Format

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

Type		Rule Number
Exacta	(E)	1959
Trifecta	(TRI)	1979
Daily Double	(DD)	1957
Superfecta	(SF)	1979.1
PK 3	(1PK3)	1977
PK 4	(PNP)	1976.9
PK 6	(PNP)	1976.9

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

- B. Maximum carryover pool to be allowed to accumulate before its distribution OR the date(s) designated for distribution of the carryover pool: **December 18, 2010**
- C. List any options requested with regard to exotic wagering: **Respectfully request to alter exotic**

wagering format options when needed. Respectfully request the minimum wager on all exotic wagers to be \$1 with the exception of the Superfecta \$.10 and Trifecta \$.50. Request authority to offer BalCal Pick 4 wagering during specific periods.

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

E. Type(s) of pari-mutuel or totalizator equipment to be used by the association and the simulcast organization, name of the person(s) supplying equipment, and expiration date of the service contract:

Scientific Games, September 2012,

8. ADVANCE DEPOSIT WAGERING (ADW)

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

9. SIMULCAST WAGERING PROGRAM

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

B. Attach the agreement between the association and simulcast organization permitting the organization to use the association's live audiovisual signal for wagering purposes and providing access to its totalizator for the purpose of combining on-track and off-track pari-mutuel pools.

On file with the CHRB

C. California simulcast facilities the association proposes to offer its live audiovisual signal:
All CHRB licensed California simulcast wagering facilities, card rooms, Indian Gaming establishments, and racetracks.

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

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

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

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

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

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

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

ITEM 9E

OUT OF STATE SIMULCAST WAGERING LOCATIONS THAT WILL COMBINE THEIR
POOLS WITH CAL EXPO.

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

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

Schedule V

OUT OF STATE SIMULCAST WAGERING LOCATIONS

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

“selected feature and/or stakes races”:

QUARTER HORSE SIMULCAST RACES TO BE IMPORTED

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

HARNESS SIMULCAST RACES TO BE IMPORTED

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

Balmoral Park	TBD	Selected Feature
Monticello Raceway	TBD	Selected Feature
The Meadowlands	TBD	Selected Feature
Mohawk Raceway	TBD	Selected Feature
Northfield Park	TBD	Selected Feature
Maywood Park	TBD	Selected Feature
The Meadows	TBD	Selected Feature
Yonkers Raceway	TBD	Selected Feature
Pocono Downs	TBD	Selected Feature
Harrington Raceway	TBD	Selected Feature
Hawthorne Race Course	TBD	Selected Feature
Woodbine Racecourse	TBD	Selected Feature

HARNESS SIMULCAST RACES TO BE IMPORTED

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

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

OTHER BREED SIMULCAST RACES TO BE IMPORTED

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

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

Every association shall pay over to the simulcast organization within 3 calendar days following the closing of wagering for any day or night racing program, or upon receipt of the proceeds, such amounts that are retained from off-track simulcast wagering, interstate and out-of-state wagering, and which are obligated by statute for guest commissions, simulcast operator's expenses and promotions, equine research, local government in-lieu taxes, and stabling and vanning deductions. Every association shall pay to its Paymaster of Purses'

Patrol Judges-
Placing Judges-
Starter-
Timer-

Bill Vallandingham
Kathy Poor
Bill Vallandingham
Kathy Poor

B. Management officials in the racing department:

Director of Racing-	David Elliott
Racing Supervisor-	Kate Snider
Racing Secretary-	Fred Kuebler
Assistant Racing Secretary-	Joe Nefsky, Brent Bridges
Paymaster of Purses-	Donna Newman
Others (identify by name and title)	

B. Name, address and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards:

Wendy V. Frazier Reporting, 13136 Ivey Rd., Herald, CA 95638 916-956-3914

D. Photographic device to be used for photographing the finish of all races, name of the person supplying the service, and expiration date of the service contract:

Plusmic Corp USA-CDV-210 System- Bill O'Brien- contract through 12/2010

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

Pegasus Communications- Jim Porep, President. Contract through 12/2010.

Cameras (7)- Upper Pan, Lower Pan, 1/8 Pole Tower Head On, 5/8 Pole Tower Head On, Infield Warm Up, Paddock, Winners Circle/Finish Line Ground level.

F. Type of electronic timing device to be used for the timing of all races, name of the person supplying the service, and expiration date of the service contract:

In house owned electronic timing device maintained and serviced by Pegasus Communications. Contract Expires 12/2010

12. SECURITY CONTROLS

A. Name and title of the person responsible for security controls on the premises. Include an organizational chart of the security department and a list of the names of security personnel and contact telephone numbers: **Chief Robert Craft, Contact: 916-263-3000/3120, Organizational chart attached**

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

1. Attach a written plan for enhanced security for graded/stakes races, and races of \$100,000 or more, to include the number of security guards in the restricted areas during a 24-hour period and a plan for detention barns. **N/A**

2. Detention Barns:

- A. Attach a plan for use of graded stakes or overnight races.
- B. Number of security guards in the detention barn area during a 24-hour period.
Attached

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

3. TCO2 Testing:

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

Post race: Each winner of each race and a minimum of 7 random horses from each program as directed by the Board of Stewards

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

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

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

- C. Plan for detention barns for repeat offenders.

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

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

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

- C. Describe the electronic security system:

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

We will have one surveillance camera and monitor installed at the detention barn and there is a security camera and 24 hour security officers stationed at Gate 12.

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

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

Item 12 (2) - Detention Barns-

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

The detention barn will be used in the following events:

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

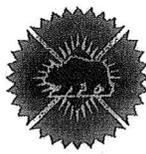
The detention barn will have one security officer assigned whenever the detention barn is being utilized. The security officer will be on duty before any horse arrives to serve detention and will not be relieved from duty until all horses have left the detention barn.

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

13. EMERGENCY SERVICES

- A. Name, address and emergency telephone number of the ambulance service to be used during workouts and the running of the races:
American Medical Response, 1779 Tribute Rd., Sacramento, CA 95815 916-563-0600
- B. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites: N/A
- C. Describe the on-track first aid facility, including equipment and medical staffing:
Mobile on track first aid facility staffed by two Emergency Medical Technicians and/or Paramedics.
- D. Name and emergency telephone number of the licensed physician on duty during the race meeting:
(If quarter horse racing association see D(1): N/A
1. Name address and emergency telephone number of hospital located within 1.5 miles of the racetrack, which whom an agreement is in place to provide emergency medical services: N/A
- E. Name, address and emergency telephone number of the hospital to be used for admittance and treatment of emergency injuries in the event of an on-track injury to a jockey: **Attached**
- F. Attach, in English and Spanish, the emergency medical plan procedures that will be posted in each jockey's room to be used in the event of an on-track injury to a jockey: **Attached**
- G. Name of health and safety manager and assistant manager responsible for compliance of health and safety provisions pursuant to B& P Code 19481.3(d): **David Elliott, Kate Phariss**
- H. Attach a fire clearance from the fire authority having jurisdiction over the premises.
- I. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details): **Self Insured through California Fairs Services Authority, certificate on file with CHRB**
- J. Attach a Certificate of Insurance for workers' compensation coverage. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of insurance that secures the liability of the association for payment of workers' compensation.
Attached

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



CAL EXPO

EMERGENCY MEDICAL PROCEDURES FOR ON TRACK INJURY TO DRIVERS

"FIRST RESPONSE"

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

"ON SITE EVALUATION"

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

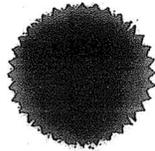
"INJURY TREATMENT"

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

CALIFORNIA EXPOSITION & STATE FAIR

P.O. Box 15649 • Sacramento, CA 95852-1649

State of California • Arnold Schwarzenegger, Governor



CAL EXPO

PRECUDIOS DE EMERGENCIA PARA MANEJADORES

“PRIMERA RESPUESTA”

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

“EVALUACIO AL INSTANTE”

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

“ATENCION AL ACSIDENTADO”

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

CALIFORNIA EXPOSITION & STATE FAIR

Item 13E-

Emergency Services-

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

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

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

Those hospitals and their specialties are:

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

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

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

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

a health and safety manager and assistant manager, who shall be responsible for compliance with the provisions of this section and one of whom shall be on duty at all times when live racing is conducted. The health and safety manager may, at the discretion of the racing association, be the person designated to perform risk management duties on behalf of the association.

14. CONCESSIONAIRES AND SERVICE CONTRACTORS

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

Food Service:

Ovations FanFare, LP
4501 Pleasanton Ave.
Pleasanton, CA 94566

15. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

A. Describe any promotional plans:

Local outreach to new on track customers through specific media buys, complimentary passes will be distributed throughout the local market, Exposition Blvd. banners and signage and Business 80 Highway signage. We will offer up cash giveaways on specific nights each week through drawings, "Tunnel of Cash" giveaways, and losing ticket cash drawing giveaways. We have food and drink specials each racing night with \$1 nights on Saturday nights. We will reach out to all California satellite facilities and offer up cash prizes and giveaways to support handicapping contests at the California satellites. We will co-promoting the "Back to the Track" promotion with the United States Trotting Association on August 13, 2010.

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

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

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

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

16. SCHEDULE OF CHARGES

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

Admission (general) **\$4.00**
Admission (clubhouse) **Free**
Reserved seating (general) **None**
Reserved seating (clubhouse) **None**
Parking (general) **Free**
Parking (preferred) **Free**
Parking (valet) **None**
Programs (on-track) **\$3.50**
(off-track) **\$4.00**

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

None

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

None

17. JOCKEYS/DRIVERS' QUARTERS

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

<input checked="" type="checkbox"/>	Corners (lockers and cubicles)	How many	<input type="text" value="46"/>
<input checked="" type="checkbox"/>	Showers	<input checked="" type="checkbox"/>	Steam room, sauna or steam cabinets
<input type="checkbox"/>	Masseur	<input checked="" type="checkbox"/>	Food/beverage service
		<input checked="" type="checkbox"/>	Lounge area
		<input type="checkbox"/>	Certified platform scale

B. Describe the quarters to be used for female jockeys/drivers: Same Type/Separated Quarters

18. BACKSTRETCH EMPLOYEE HOUSING

A. Inspection of backstretch housing was completed by (name) CHRB Investigator on (date) TBD.

B. Number of rooms used for housing on the backstretch of the racetrack: **104**

C. Number of restrooms available on the backstretch of the racetrack: **8**

D. Estimated ratio of restroom facilities to the number of backstretch personnel: **1/50**

19. TRACK SAFETY

A. Total distance of the racecourse - measured from the finish line counterclockwise (3' from the inner railing) back to the finish line: **5,280 feet.**

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

Inner rail is replaced by pylons; outer rail is a Steriline Aluminum Racing Safety Rail in full compliance with CHRB regulations

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

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

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

liability insurance certificate must be on file in the CHRB headquarters office prior to the conduct of any racing.

Finish line pole padded within 20 feet of racetrack. Current plans are to relocate Finish Line pole outside of 20 feet of racetrack to be in full compliance of track safety regulations without the need for waiver.

20. DECLARATIONS

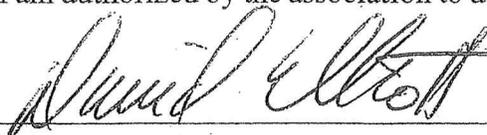
- A. All labor and lease agreements and concession and service contracts necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state): **No Exceptions**
- B. Attach each horsemen's agreement pursuant to CHRB Rule 2044.
Horsemen's Agreement on file with the CHRB.
- C. Attach a lease agreement permitting the association to occupy the racing facility during the entire term of the meeting. (In the absence of either a lease agreement or a horsemen's agreement, a request for an extension pursuant to CHRB Rule 1407 shall be made). N/A
- D. All service contractors and concessionaires have valid state, county or city licenses authorizing each to engage in the type of service to be provided and have valid labor agreements, when applicable, which remain in effect for the entire term of the meeting except as follows (if no exceptions, so state):
No Exceptions
- E. Absent natural disasters or causes beyond the control of the association, its service contractors, concessionaires or horsemen participating at the meeting, no reasons are believed to exist that may result in a stoppage to racing at the meeting or the withholding of any vital service to the association except as follows (if no exceptions, so state):
No Exceptions

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

21. CERTIFICATION BY APPLICANT

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

David Elliott
Print Name


Signature

Director of Racing
Print Title

6/1/10
Date

DISCUSSION BY THE BOARD REGARDING
A REPORT FROM MI DEVELOPMENTS, INC.
CONCERNING ITS FUTURE PLANS FOR HORSE RACING AT
SANTA ANITA PARK RACE TRACK AND
GOLDEN GATE FIELDS

Regular Board Meeting
June 22, 2010

BACKGROUND

On March 5, 2009, Magna Entertainment Corporation (MEC) filed voluntary petitions for relief under Chapter 11 of the US Bankruptcy Code. In April 2010, MI Developments, Inc. (MID) acquired control of Santa Anita Park Race Track, Golden Gate Fields and XpressBet by putting into effect the Plan of Reorganization for the assets of MEC, which was previously confirmed by the US Bankruptcy Court. On May 20, 2010, MID issued a letter that was intended to "...share with the California Horse Racing Board...and the California horse racing industry, MID's views on horse racing in California." At the May 22, 2010 Regular Board Meeting, MID executives addressed the Board and engaged in a lengthy conversation with Commissioners regarding the sentiments expressed in the MID letter, and possible MID initiatives for regulatory and legislative change in California. The Board reminded MID that its takeover of MEC assets, and its ensuing statements regarding the need for broad changes to California's horse racing industry, had raised industry-wide concern and uncertainty. In addition, the Board emphasized that the MID letter lacked specifics in its criticisms of the California industry and in the solutions it proposed. The MID executives explained that MID had been in possession of MEC assets for only a short period of time, and that the MID team – including its Chairman, Frank Stronach, would return to address the Board at the June 2010 Regular Meeting. At that time, MID would present a comprehensive plan that would detail MID's proposals to get its newly acquired assets in a profitable condition.

During the course of subsequent Board agenda items, the issue of MID having a financial interest in more than one California horse racing facility was raised. Business and Professions Code section 19483 provides that no license to conduct a horse racing meeting at any track shall be issued to any person or held by any person having any financial interest in the conduct of any horse racing meeting by any person at any other track in California. Business and Professions Code section 19484 provides that unless the Board finds that the purpose of horse racing law would be better served, no person licensed to conduct a horse racing meeting at any place, track or enclosure shall own or acquire any stock, or hold or obtain any other financial interest in any other track of another such licensee or in the operation thereof. The Board determined it did not have enough information to grant MID a waiver, so it voted to grant MID a short-term license to operate Santa Anita Park Race Track and Golden Gate Fields through July 22, 2010. The issue would be revisited at the Board's July 22, 2010 Regular meeting at the Del Mar Race Track.

RECOMMENDATION

This item is presented for Board discussion. Representatives of MID are prepared to address the Board.



MI Developments Inc.

455 Magna Drive, 2nd Floor
Aurora, Ontario
Canada L4G 7A9
Tel: (905) 713.6322
Fax: (905) 726.2095

AN OPEN LETTER TO THE CALIFORNIA HORSE RACING BOARD AND THE CALIFORNIA HORSE RACING INDUSTRY

May 20, 2010

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

Dear All,

On April 30, 2010, MI Developments Inc. ("MID") acquired direct control of Santa Anita Park, Golden Gate Fields, Gulfstream Park, The Maryland Jockey Club (Pimlico and Laurel Park), Portland Meadows, XpressBet and AmTote by going effective with a Plan of Reorganization for the assets of Magna Entertainment Corp. ("MEC") which was previously confirmed by the U.S. Bankruptcy Court.

At this time, MID would like to share with the California Horse Racing Board ("CHRB") and the California horse racing industry, MID's views on horse racing in California.

The California industry model is broken

- The California racing industry model is broken and not sustainable. The industry is still operating largely under antiquated legislation and regulation.
- There is a need to rebuild the racing model from a clean slate to come up with comprehensive solutions embraced by the entire California racing industry.

MID is a public company which must obtain an adequate rate of return on its assets

- As a public company, MID must obtain an adequate return on its assets.
- While MEC was in bankruptcy, MEC and its advisor, Miller Buckfire, ran a sale process for Santa Anita. To MID's knowledge, only one entity showed an interest in purchasing Santa Anita as a racing operation. All others were interested only in purchasing Santa Anita as a real estate asset.
- MID conducted detailed discussions with the entity interested in running Santa Anita as a racetrack and offered to lease Santa Anita to that entity. Unfortunately, that entity was

unwilling to pay rent on Santa Anita, as a racetrack, that provided anywhere near a market rate of return.

- SCOTWINC and NCOTWINC have been operating at deficits for a number of years.
- MEC's unsuccessful sales process and the SCOTWINC/NCOTWINC deficits are further evidence of a broken California horse racing industry.

MID wishes to work with the California Horse Racing Industry to achieve a sustainable business model

- In February of this year, our Chairman, Frank Stronach, visited California and told the industry that the horse racing business model was not working and that the future of Santa Anita as a horse racing venue was uncertain without changes to the model. Mr. Stronach said that he was not threatening, but instead that he was praying and pleading with the industry to come up with new solutions.
- Mr. Stronach also said that it did not make sense that legislation and regulation determined when a store could be open. To put it in another way, it doesn't make business sense to build or own a factory that operates only 17 weeks of the year.
- MID wishes to work collaboratively with the industry in achieving a comprehensive industry solution.

MID has shown its ability to take prompt and decisive action

- Until April 30, 2010, MID was focused on maximizing the value of its secured loans to MEC by completing the Plan of Reorganization presented to MEC's Bankruptcy Court.
- The Plan became effective on April 30, 2010 with MID acquiring the assets of Santa Anita, Golden Gate Fields, Gulfstream, The Maryland Jockey Club, Portland Meadows, XpressBet and AmTote.
- Since April 30, 2010, MID has shown action by completing the following:
 - (a) A very successful Preakness was run, backed by MID's support and revitalization;
 - (b) MID committed contractually to the State of Maryland not to move the Preakness from Maryland;
 - (c) MID announced a joint venture with Penn National to own and operate The Maryland Jockey Club;
 - (d) MID issued a joint press release with Churchill Downs announcing the dissolution of TrackNet; and
 - (e) MID and Churchill Downs jointly announced their recommitment to HRTV.

MID has supported the California industry with action and ideas

- In February 2010, MID was asked to help broker a solution concerning the stalemate in MEC's Bankruptcy Court over SCOTWINC, NCOTWINC and the other statutory claimants. MID did so. The claims of SCOTWINC and most statutory claimants have been settled and approved by the U.S. Bankruptcy Court. Discussions concerning NCOTWINC and the remaining statutory claimants are ongoing. MID is optimistic a settlement can be reached there as well.
- MID supports the current legislative changes that have been proposed to the California legislature concerning regulatory relief relating to waste water from concentrated animal feeding operations at racetracks.
- MID also supports the current legislative changes proposed concerning take-out rates.
- MID has engaged in discussions with Breeders' Cup but nothing concerning these discussions can be disclosed as a result of confidentiality obligations between MID and Breeders' Cup.
- MID has stated that Santa Anita requires less restrictions on racing days for Santa Anita to be commercially viable as a racing operation.
- MID hopes that it can work collaboratively with the California Racing Fairs.
- MID hopes it can arrive at a new working relationship with Oak Tree.
- MID wishes to work with the California industry in developing new types of bets that will appeal more broadly to the U.S. consumer and particularly to the younger demographic.
- MID has made a commitment to the California Thoroughbred Trainers to fund an initiative to examine alternative racing surfaces at Santa Anita.
- MID believes that the California industry should adopt unlimited out-of-state simulcasting. California residents can already bet on all out-of-state races through advance deposit wagering.
- MID believes that the California industry should better realize the benefit of mini-satellite locations. It is unfortunate in MID's view that Golden Gate Fields has been unable to open a downtown San Francisco mini-satellite location and that Santa Anita has not been able to benefit from additional mini-satellite locations in the greater Los Angeles area.

MID's Call to Action

- The California horse racing industry is at a crossroads. The current business model is not sustainable.
- MID wishes to work collaboratively and fairly with the California industry to achieve the legislative and regulatory changes necessary to make horse racing commercially viable.
- The California horse racing industry must be rebuilt from a clean slate with a comprehensive business solution.
- MID has proposed many ideas to and taken supportive action for the California industry.
- MID pleads with the California industry to propose ideas and suggestions for a comprehensive solution.
- As previously indicated to the Chair of the CHRB, MID and its Chairman intend to propose a comprehensive solution to the CHRB at its regular June meeting.
- Finally, this is MID's Call to Action: *"As an industry, let's collaborate to achieve a comprehensive solution to make California horse racing commercially viable."*

Sincerely,



Dennis Mills
Vice-Chairman and Chief Executive Officer

DISCUSSION AND ACTION BY THE BOARD
REGARDING AN UPDATE FROM OAK TREE RACING ASSOCIATION
CONCERNING WHERE IT WILL RUN ITS SEPTEMBER 29, 2010 THROUGH
OCTOBER 31, 2010 ALLOCATED RACE DATES

Regular Board Meeting
June 22, 2010

BACKGROUND

On March 5, 2009, Magna Entertainment Corporation (MEC) filed voluntary petitions for relief under Chapter 11 of the US Bankruptcy Court. The MEC bankruptcy filing impacted the Los Angeles Turf Club, Inc. (LATC) which was an MEC subsidiary.

The Oak Tree Racing Association (OTRA) has leased Santa Anita Park Race Track (SA) from LATC since 1969. OTRA's profits, after payments to LATC, are returned to the industry to improve horse racing in California, and to various charities. The OTRA "Audited Financial Statements May 31, 2009 and 2008" states the association leases SA from LATC under a lease agreement that expires May 31, 2016, subject to specified earlier termination provisions.

In April 2010, MI Developments, Inc. (MID) acquired control of LATC by putting into effect the Plan of Reorganization for the assets of MEC, which had been confirmed by the US Bankruptcy Court. MID subsequently determined it would void its lease with OTRA and engage in negotiations for a new lease. In early May 2010, OTRA reported it was prepared to agree to MID conditions for an extension of its lease; however, MID requested more time to return with a proposal. In mid-May 2010 MID submitted a proposal that was described by OTRA representatives as "well beyond" OTRA's economic capabilities. At the May 20, 2010, Regular Board Meeting an OTRA representative stated the total amount requested by MID was in excess of \$15 or \$16 million, which included an immediate loan of \$10 million to cover capital improvements at SA. In addition, MID wanted to take over OTRA's dates for the Breeders' Cup event, with no compensation for OTRA. An MID representative stated MID and OTRA would meet again on June 4, 2010 to discuss new terms for a lease at SA. After considerable discussion regarding the status of OTRA's lease with SA, and testimony from industry representatives, who spoke about the value of OTRA to California, the Board voted unanimously to find that the venue previously occupied by OTRA was not available for racing in 2010. So, in accordance with Business and Professions Code section 19532.1, the Board authorized OTRA to utilize its 2010 race dates at another thoroughbred horse racing venue in the Central or Southern Zones.

RECOMMENDATION

Staff recommends the Board hear from the OTRA representative.

STAFF ANALYSIS

June 22, 2010

Issue: DISCUSSION AND ACTION BY THE BOARD REGARDING 1) REALLOCATION OF AUGUST 25, 2010 THROUGH OCTOBER 3, 2010 RACE DATES FROM PACIFIC RACING ASSOCIATION TO THE LOS ANGELES TURF CLUB, AND 2) THE APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE LOS ANGELES TURF CLUB AT GOLDEN GATE FIELDS AUGUST 25, 2010 THROUGH OCTOBER 3, 2010

- The Los Angeles Turf Club (LATC) is proposing to conduct the race meeting at Golden Gate Fields (GGF) which will necessitate the reallocation of Pacific Racing Association's (PRA) previously allocated dates to LATC. Business and Professions Code section 19532(a) states any association licensed to conduct thoroughbred racing in the northern zone may receive no more than 35 weeks of racing. PRA was allocated 27 race days for their August - October 2010 race meet. It was allocated a total of 40 race weeks for the 2010 race meet calendar, providing it with five weeks over the 35 week limitation. The proposed Los Angeles Turf Club application is seeking permission to run a northern race meet using the 2010 calendar days allocated (6 weeks) to Pacific Racing Association. LATC has not conducted thoroughbred racing in the northern zone at any time during the calendar year 2010.

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

- August 25, 2010 through October 3, 2010, or 27 days. LATC proposes to race a total of 230 races, or 8.52 races per day. The LATC did not conduct a Northern California race meet during the prior year time frame. In 2009 fair racing occurred during this time frame. In the fall of 2009, PRA ran 42 days at GGF from October 21, 2009 through December 20, 2009. It ran a total of 356 races, or 8.48 races per day with an average of 7.75 runners per race during the 2009 fall meet. The average daily purse for the 2009 fall race meeting was \$143,359.56. The (estimated) average daily purse for this meet is \$134,983.61.

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

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

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

- Racing 4 to 5 days per week. Racing Wednesday through Sunday the first two weeks; Wednesday, Friday, Saturday, Sunday the third week; and Thursday through Sunday the last three weeks.

- 8 races weekdays and 9 on weekends and holidays. If horse population permits may run additional races, not to exceed an 8.52 average per day for the race meeting. Administrative approval will be requested if plans develop to exceed this amount.
- 2 stakes races are proposed (2 overnight / 0 non-overnight).
- First post 12:45 p.m. daily with the following exceptions:
 - Sunday, October 3, 2010 (Cal Cup) – 12:15p.m
 - Request the option to change post times to coordinate north/south signals.
- The officers and directors of LATC are listed as:
 - George Haines, President
 - Frank De Marco Jr., Vice-President Regulatory Affairs and Assistant Secretary
 - Gina Lavo, Vice-President, Controller
 - Scott Fischer, Vice-President Finance and Operations
 - Jane Lynn, Secretary
- Wagering program will use CHRB and ARCI rules.
 - Early wagering will not be offered.
- The Advance Deposit Wagering (ADW) providers are Xpressbet, Youbet, TwinSpire and TVG.

Pursuant to Business and Profession Code section 19604, specific provisions must be met before an ADW provider can accept wagers.

Summary of B&P code 19604

To accept wagers on races conducted in California from a resident of California.

- The ADW provider must be licensed by the Board.
- A written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made.
- The agreement shall have been approved in writing by the horsemen's organization responsible for negotiating purse agreements for the breed on which the wagers are made.

To accept wagers on races conducted outside of California from a resident of California.

- The ADW provider must be licensed by the Board.
- There is a hub agreement between the ADW provider and one or both of (i) one or more racing associations or fairs that together conduct no fewer than five weeks of live racing on the breed on which wagering is conducted during the calendar year during which the wager is placed, and (ii) the horsemen's organization responsible for negotiating purse agreements for the breed on which wagering is conducted.

No documents have been received in compliance with Business and Professions Code section 19604.

- Simulcasting conducted with out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- The simulcast agreement on file is between Pacific Racing Association and NCOTWINC.
- Request Patrick Kealy be appointed horse identifier pursuant to CHRB Rule 1525.
- Fire clearance from the City of Berkeley is on file and does not expire until January 14, 2011. A conditional fire clearance has been granted by the City of Albany for the period of June 14, 2010 through December 19, 2010.
- Schedule of charges for club house admission increased \$1, from \$6 to \$7 since the last submission of an application to conduct a horse racing meeting at Golden Gate Fields.
- Track safety inspection has been requested and will be completed before the race meeting begins.
- Inspection of backstretch worker housing has been requested and will be completed before the race meeting begins.

Specific information still needed to complete this application includes:

1. NCOTWINC simulcast agreement
2. Pertinent contract and/or agreements required pursuant to Business and Professions Code section 19604 that allows Los Angeles Turf Club designated ADW providers to accept wagers on races conducted in and outside of California for the applied license term.
3. Hub agreement
4. Horsemen's agreement
5. CTT agreement
6. Backside inspection
7. Track safety inspection

RECOMMENDATION:

Staff recommends the Board not approve the application until the outstanding documents have been received.

If the application is considered for approval, staff recommends a contingent approval upon the submission of outstanding items and recommends the applicant be required to appear again before the Board to address the status of the outstanding documents and to remove the contingency status from the Board's approval.

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

1. APPLICANT ASSOCIATION

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

Los Angeles Turf Club, Incorporated

Golden Gate Fields

1100 Eastshore Highway

Berkeley, California 94710

Phone (510) 559-7300

Administration Fax (510) 559-7464

B. Breed of horse: TB QH H

C. Racetrack name: Golden Gate Fields

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

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

2. DATES OF MEETING

A. Inclusive dates for the entire meeting: August 25, 2010 through October 3, 2010

B. Actual dates racing will be held: August 25-29; September 1-5, 6, 8, 10-12, 16-19, 23-26, 30; October 1-3.

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

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

Wed - Sun Tues - Sat Other (specify)

Exceptions; racing on Monday, September 6, 2010.

Dark on Thursday, 9-9-10, Wednesdays September 15, September 22, and September 29, 2010.

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

3. RACING PROGRAM

A. Total number of races: 230

CHRB CERTIFICATION

Application received: 5/27/10
Deposit received: ON File
Reviewed: CJ

Hearing date: 6/22/10
Approved date:
License number:



June 11, 2010

Hon. Keith Brackpool, Chairman
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, California 95825

Re: Application of Los Angeles Turf Club, Incorporated

Dear Mr. Brackpool:

Los Angeles Turf Club, Incorporated ("LATC") has placed before you its application for a license to conduct a Thoroughbred horse racing meet at the Golden Gate Fields racing concourse at Albany, California, for the period from August 25, 2010 to October 3, 2010, dates originally awarded to Pacific Racing Association that under the present state of the Horse Racing Law cannot legally be conducted by Pacific Racing Association. In support of this request LATC offers the following for your consideration.

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

BP Section 19532(a) limits a licensed racing association from conducting more than 35 weeks of racing in the northern zone.

At the November 17, 2009 meeting of the Race Dates Committee of the California Horse Racing Board, Golden Gate Fields was awarded a total of 40 weeks of racing to be conducted in the northern zone from December 26, 2009 to December 19, 2010. Thus, it appears that Golden Gate Fields has been allocated a total of 40 racing weeks in the northern zone for the calendar racing year of 2010, which is five weeks over the statutory limit of 35 weeks for one association in the northern zone.

Pacific Racing Association has conducted racing for 25 weeks thus far in the racing calendar year 2010 in the northern zone, from December 26, 2009 to June 13, 2010 and proposes to race the nine additional weeks authorized by the Race Dates Committee during the period October 20, 2010 to December 19, 2010.

Pacific Racing Association proposes to sublease the Golden Gate Fields racing grounds to LATC to conduct the race meet for the six-week period in question and thereby avoid exceeding the statutory limit of 35 weeks.

Hon. Keith Brackpool
June 11, 2010
Page 2

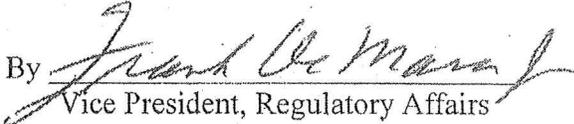
LATC has not conducted Thoroughbred racing in the northern zone at any time during the racing calendar year 2010. LATC management personnel, specified in the application, have had substantial experience in conducting successful Thoroughbred race meets in California. Absent the granting of the application of LATC to conduct a Thoroughbred racing meet in the northern zone for the six weeks requested by this application, the northern zone racing fans will be deprived of any Thoroughbred horse racing during the late summer of 2010.

This Board has authority under BP Section 19530 to specify such racing days, dates and hours for horse racing meetings "as will be in the public interest and will subserve the purposes of this chapter." It is submitted that absent the granting of the LATC application, northern California will be deprived of racing during the summer of 2010, which is not in the public interest. The procedure outlined herein is the same as requested by LATC and granted by the Board in connection with the extra dates granted to Pacific Racing Association during the 2008 racing year.

Under Section 1430 of the California Horse Racing Board Rules and Regulations which provides that racing dates and weeks previously allocated "may be subject to reconsideration or amendment" upon a showing of unforeseen circumstances, this Board has authority to reconsider its previous allocation of dates.

Very truly yours,

LOS ANGELES TURF CLUB,
INCORPORATED

By 
Vice President, Regulatory Affairs
and Assistant Secretary

FDM:sm

- B. Number of races for each day or night: 8.52 will be the average throughout the meet; we propose to conduct 8 races on weekdays and 9 races on weekends and holidays. If the horse population permits, we may run 10 races as long as we do not exceed an average of 8.52 races per day for the meet. If we plan to exceed this amount, we will request administrative approval.
- C. Total number of stakes races: 2
Two overnight stake races scheduled during the Summer/Fall race dates (8/25/10 – 10/3/10).
- D. Attach a listing of all stakes races and indicate the date to be run and the added money or guaranteed purse for each. Note the races that are designated for California-bred horses. Attached.
- E. Will provisions be made for owners and trainers to use their own registered colors?
 Yes No If no, what racing colors are to be used:
- F. List all post times for the daily racing program:

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

The following post time exceptions will be made to coordinate North/ South signals:
 Post time scheduled at 12:15 p.m. on Sunday, October 3, 2010 (Cal Cup)
 Request the option to change post time schedules in order to coordinate North/South signals.

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

4. RACING ASSOCIATION

- A. Association is a: Corporation (complete subsection C)
 LLC (complete subsection D)
 Other (specify, and complete subsection E)
- B. Complete the applicable subsection and attached Addendum, Background Information and Ownership. On File.

*Golden Gate Fields
Stakes Schedule
Summer meet 2010
August 25-October 3*

*The Rosie the Riveter
For Fillies, Two Years Old
Purse \$50,000 Added
1 1/16
Runs Monday, September 6, 2010
Closes Saturday, August 28, 2010*

*The Angel Island
For Two Year Olds
Purse \$50,000 Added
1 1/16
Runs Saturday, September 11, 2010
Closes Saturday, September 4, 2010*

C. CORPORATION

1. Registered name of the corporation: **Los Angeles Turf Club, Incorporated**
2. State where incorporated: **California**
3. Registry or file number for the corporation: **481360**
4. Names of all officers and directors, titles, and the number of shares of the corporation held by each:
George Haines, President
Frank De Marco Jr., Vice-President Regulatory Affairs and Assistant Secretary
Gina Lavo, Vice-President, Controller
Scott Fischer, Vice-President Finance and Operations
Jane Lynn, Secretary
The officers of the corporation hold zero shares in Los Angeles Turf Club, Incorporated
5. Names (true names) of all persons, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the corporation and the number of shares held by each:
MI Developments Investments, Inc.
6. Number of outstanding shares in the corporation: **25 Authorized Shares; 25 common shares issued to MI Developments Investments, Inc.**
7. Are the shares listed for public trading? Yes No
 If yes, on what exchange and how is the stock listed:
8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation: **Not applicable.**
9. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity: **Magna International Developments Investments, Inc.**
10. Attach the most recent audited annual financial statement for the licensee, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the corporation and/or the Securities and Exchange Commission and/or the California Corporations Commission. The licensee may submit the audited consolidated annual financial statements of its parent owner if the parent owner is a publicly traded company and guarantees the obligations of the licensee. **2009 MID financial statement on file with the Board.**

D. LLC

1. Registered name of the LLC: **Not applicable**
2. State where articles of organization are filed: **Not applicable**
3. Registry or file number for the LLC: **Not applicable**
4. Names of all officers and directors, titles, and the number of shares of the LLC held by each:
Not applicable
5. Names (true names) of all members, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the LLC and the number of shares held by each:
6. Are the shares listed for public trading? Yes No
 If yes, on what exchange and how is the stock listed:
7. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity: **Not applicable**
8. Attach the most recent audited annual financial statement for the licensee, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the LLC and/or the Securities and Exchange Commission and/or the California Corporations Commission. **Not applicable**

E. OTHER

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

F. Management and Staff

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

George Haines, President

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

Scott Fischer, Vice-President Finance and Operations

Jane Lynn, Secretary

Gina Lavo, Controller

Peter W. Tunney, Executive Vice-President

Calvin Rainey, Vice-President and Assistant General Manager

Robert Hartman, General Manager

Adam Njaa, Controller

Merry Scalzo, Director of Operations

Jerry Aldoroty, Director of Hospitality and Sales

Bryan Wayte, Manager of Mutuels

Tom Ferrall, Publicity Manager

Kristin Finkel, Marketing Manager

Robert Hemmer, Operations Manager

T.W. Johnson, Security Manager

Michael Wrona, Track Announcer

Juan Meza, Track Superintendent

Richard Somers, Price Maker

William Vassar, Track Photographer

Aaron Verduyse, Director of Simulcast

David Seftel, M.D., Track Physician

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

Robert Hartman, General Manager

5. PURSE PROGRAM

- A. Purse distribution: *Prior meet represents October 21, 2009 through December 20, 2009 (42 Days). Please note: Prior meets in August 2009 and September 2009 were not used because the meets belonged to CARF not PRA.*

1. All races other than stakes:
 Current meet estimate: **\$3,144,420.00**
 Prior meet actual: **\$5,053,534.00**

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

Current meet estimate: **\$116,460.00**

Prior meet estimate: **\$120,322.24**

- 2. Overnight stakes:
 Current meet estimate: **\$100,000.00**
 Prior meet actual: **\$248,200.00**

 Average Daily Purse (5A2 ÷ number of days):
 Current meet estimate: **\$3,703.70**
 Prior meet estimate: **\$5,909.52**

- 3. Non-overnight stakes:
 Current meet estimate: **\$0.00**
 Prior meet actual: **\$0.00**

 Average Daily Purse (5A3 ÷ number of days):
 Current meet estimate: **\$0.00**
 Prior meet estimate: **\$0.00**

B. Stakes races:

- 1. Purse distribution for all stakes races:
 Current meet estimate: **\$100,000.00**
 Prior meet actual: **\$248,200.00**

 Average Daily Purse (5B1 ÷ number of days):
 Current meet estimate: **\$3,703.70**
 Prior meet estimate: **\$5,909.52**

- 2. Percentage of the purse distribution for all stakes races that will be distributed for California-bred stakes races:
 Current meet estimate: **0%**
 Prior meet actual: **20%**

 Average Daily Purse (5B2 ÷ number of days):
 Current meet estimate: **0%**
 Prior meet estimate: **.48%**

- C. Funds to be generated for all California-bred incentive awards:
 Current meet estimate: **\$277,536.42**
 Prior meet actual: **\$488,616.90**

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

Recognized Horsemen's Organization

Current meet estimate:		Prior meet actual:	
TOC (NTRA Contribution)	\$ 50,482.81	TOC (NTRA Contribution)	\$ 95,014.93
TOC	\$ 28,847.32	TOC	\$ 54,294.25
CTT (Administration)	\$ 14,423.66	CTT (Administration)	\$ 27,147.12
CTT (Pension)	<u>\$ 28,847.32</u>	CTT (Pension)	<u>\$ 54,294.25</u>
Total	\$ 122,601.10	Total	\$230,750.55

- E. Amount from all sources to be distributed in the form of purses or other benefits to horsemen (5A+5C+5D):
 Current meet estimate: \$ 3,644,557.53
 Prior meet actual: \$6,021,101.45
- Average Daily Purse (5E ÷ number of days):
 Current meet estimate: \$134,983.61
 Prior meet estimate: \$143,359.56
- F. Purse funds to be generated from on-track handle and intrastate off-track handle:
 Current meet estimate: \$2,400,553.98
 Prior meet actual: \$4,066,205.35
- Average Daily Purse (5F ÷ number of days):
 Current meet estimate: \$88,909.41
 Prior meet estimate: \$96,814.41
- G. Purse funds to be generated from interstate handle:
 Current meet estimate: \$435,578.00
 Prior meet actual: \$1,305,835.53
- Average Daily Purse (5G ÷ number of days):
 Current meet estimate: \$16,132.52
 Prior meet estimate: \$31,091.32
- H. Bank and account number for the Paymaster of Purses' purse account:
 Account #: On File
- I. Name, address and telephone number of the pari-mutuel audit firm engaged for the meeting:
 Bowen & McBeth, 10722 Arrow Route, Suite 110, Rancho Cucamonga, California 91730,
 (909) 944-6465

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

6. STABLE ACCOMMODATIONS

- A. Number of usable stalls available for racehorses at the track where the meeting is held: **1325**
- B. Minimum number of stalls believed necessary for the meeting: **2000**
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: **680**
- D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site: **Pleasanton - 680 Stalls**
- E. Attach each contract or agreement between the association and the person(s) furnishing off-site stabling accommodations for eligible racehorses that cannot be provided stabling on-site. **On file.**

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

- F. Total number of usable stalls made available on-site for the **1986** meeting: **1405**
- G. Estimated cost to provide off-site stalls for this meeting. Show cost per day per stall:
Stabling costs for this meet: \$364,000.00
Stabling costs per day per stall: \$10.30
- H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse:
Vanning fees for this meet: \$31,050.00 **Vanning fee per horse: \$115.00**

7. PARI-MUTUEL WAGERING PROGRAM

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

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

	TYPE OF WAGERS	APPLICABLE RULES
Example Race:	\$1 E; \$1 Double	CHRB #1959; RCI #VE
Race #1	\$2 DD*; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1 PPN%; \$.10 SF# \$2 PAR^, \$1 PNP!	CHRB#1957; 1959; 1958; 1977; 1979; 1976.8; 1979.1; 1954.1; 1976.9
Race #2	\$2 DD*; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1 PPN%; \$.10 SF# \$2 PAR^, \$1 PNP!	CHRB#1957; 1959; 1958; 1977; 1979; 1976.8; 1979.1; 1954.1; 1976.9
Race #3	\$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$.10 SF#; \$1 PPN%; \$2 PAR^, \$1 PNP!	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1954.1, 1976.9
Race #4	\$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$.10 SF# \$1 PPN%; \$2 PAR^, \$1 PNP!	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1954.1, 1976.9
Race #5	\$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$.10 SF# \$1 PPN%; \$1 PNP!; \$2 PAR^	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1976.9; 1954.1

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

* - \$2 Daily Double on all races

@ - \$2 Pick 6 on last six races

+ - \$1 Pick 3 on every race

++ - \$1 Trifecta on every eligible race

- \$.10 cent Superfecta on all eligible races

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

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

^ - \$2 Parlay on every eligible race

B. Maximum carryover pool to be allowed to accumulate before its distribution **OR** the date(s) designated for distribution of the carryover pool: **October 3, 2010 for the period of August 25, 2010 through October 3, 2010.**

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

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

E. Type(s) of pari-mutuel or totalizator equipment to be used by the association and the simulcast organization, name of the person(s) supplying equipment, and expiration date of the service contract:
Scientific Games Racing, LLC, Bill Huntley, Expires: September 2012

8. ADVANCE DEPOSIT WAGERING (ADW)

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

Xpressbet
TVG
Youbet
TwinSpires

9. SIMULCAST WAGERING PROGRAM

A. Simulcast organization engaged by the association to conduct simulcast wagering:
Northern California Off-Track Wagering, Inc.

B. Attach the agreement between the association and simulcast organization permitting the organization to use the association's live audiovisual signal for wagering purposes and providing access to its totalizator for the purpose of combining on-track and off-track pari-mutuel pools. **On file.**

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

Northern California

- Alameda County Fair, Pleasanton
- Big Fresno Fair, Fresno
- California State Fair & Exposition, Sacramento
- Club One, Fresno
- Kern County Fair, Bakersfield
- Monterey County Fair, Monterey
- San Joaquin County Fair, Stockton
- San Mateo Event Center, San Mateo
- Santa Clara County Fair, San Jose
- Shasta District Fair, Anderson
- Solano County Fair, Vallejo
- Sonoma County Fair, Santa Rosa
- Stanislaus County Fair, Turlock
- Tulare County Fair, Tulare

Southern California

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

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

Los Angeles Turf Club, Inc. / Golden Gate Fields
 August 25, 2010 through October 3, 2010

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

OUT-OF-STATE TRACK
ARLINGTON
BELMONT PARK
CALDER RACECOURSE
DELAWARE PARK
EMERALD DOWNS
HAWTHORNE
KENTUCKY DOWNS
LAUREL PARK
LOUISIANA DOWNS
MONMOUTH PARK
PENN NATIONAL
PHILADELPHIA PARK
PRESQUE ISLE
SARATOGA
SUFFOLK DOWNS
TURF PARADISE
TURFWAY PARK
INTERNATIONAL TRACK
FORT ERIE
HASTINGS
WOODBINE

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

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

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

NOTICE TO APPLICANT: B&P Code Section 19596.2(a) stipulates that on days when live thoroughbred or fair racing is being conducted in the state, the number of thoroughbred races which may be imported by an association or fair during the calendar period the association or fair is conducting its racing meeting cannot exceed a combined daily total of 23 imported thoroughbred races

statewide. The limitation of 23 imported thoroughbred races per day statewide does not apply to those races specified in B&P Code Section 19596.2(a)(1), (2), (3) and (4).

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
See 8D above.	TBD	

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

QUARTER HORSE SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
Los Alamitos	Per CHRB calendar	Full Card

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

HARNESS SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
Cal Expo Harness	Per CHRB calendar	Full Card

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

OTHER BREED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Breed of Horse	Race Dates	Number of Races to be Imported
None			

- J. For ALL racing associations, if any out-of-state or out-of-country races will commence outside of the time constraints set forth in B&P Code Sections 19596.2 and 19596.3, attach a copy showing the agreement by the appropriate racing association(s). **Not applicable.**

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

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

10. CHARITY RACING DAYS

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

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

11. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

- A. Racing officials nominated:
- | | |
|-----------------------------|--|
| Association Veterinarian(s) | Heather Kerr, D.V.M (Track Veterinarian) |
| | Joan Hurley, D.V.M. (CHRB Veterinarian) |
| | Diane Isbell, D.V.M. (Examining Veterinarian) |
| Clerk of Scales | Ken Sjoldal |
| Clerk of the Course | Tina Walker |
| Film Specialist | Ross Allardyce |
| Horse Identifier | Patrick Kealy |
| Horseshoe Inspector | Butch Fyllingness |
| Paddock Judge | Linda Anderson |
| Patrol Judges | Tammy McDuffie-Morris & Joshua Wyatt |
| Placing Judges | Ella Robinson & Myra Troske |
| Starter | Todd Stephens |
| Timer | Richard Somers |
- A. Management officials in the racing department:
- | | |
|-------------------------------------|------------------------------|
| Director of Racing | Sean Greely |
| Racing Secretary | Sean Greely |
| Assistant Racing Secretary | C. Gregory Brent, Jr. |
| Associate Racing Secretary | David Jerkens |
| Paymaster of Purses | Patricia Prospero |
| Others (identify by name and title) | |
| Main Track Superintendent | Juan Meza |
| Turf Track Superintendent | Calvin Rainey |
| Price Maker | Richard Somers |
| Stable Superintendent | Carrie Fawcett |

- C. Name, address and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards: **Christine Niccoli
Niccoli Reporting Service, 619 Pilgrim Drive, Foster City, CA 94404-1707, (650) 573-9339**
- D. Photographic device to be used for photographing the finish of all races, name of the person supplying the service, and expiration date of the service contract:
Plusmic Corp., USA, Bill O'Brien, Expires: December 31, 2010
- E. Photo patrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract. Specify the number and location of cameras for dirt and turf tracks.
Pegasus Communications, Inc, Jim Porep, Jr., System maintained in house, Equipment contract expires: March 5, 2013
- F. Type of electronic timing device to be used for the timing of all races, name of the person supplying the service, and expiration date of the service contract:
Electronic timer is installed and maintained by on-site staff.

12. SECURITY CONTROLS

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

**Attachment to Los Angeles Turf Club / Golden Gate Fields License I Application
11 (E):**

Track Camera Equipment:

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

7/8 Pole

3/8 Pole

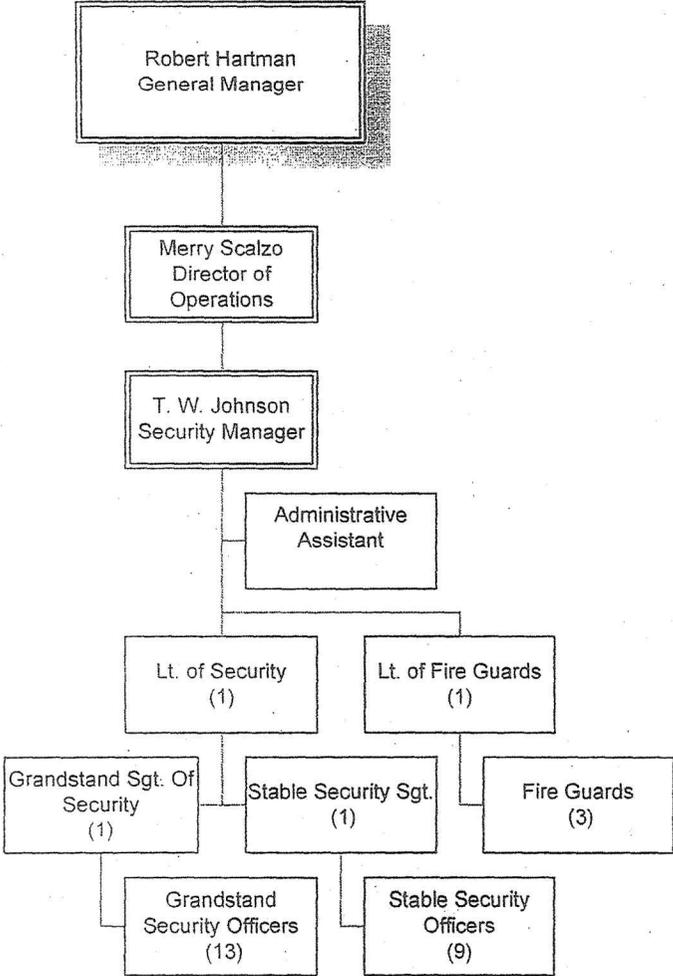
1/4 Pole

Paddock

Starting Gate

(2) Pan Cameras on Roof

LOS ANGELES TURF CLUB / GOLDEN GATE FIELDS
SECURITY DEPARTMENT ORGANIZATIONAL CHART
ATTACHMENT 12A



**Attachment to Los Angeles Turf Club / Golden Gate Fields License Application
12B (2) and 12C (1):**

Detention Barn Surveillance:

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

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

Stable Gate Surveillance:

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

Attachment to Los Angeles Turf Club / Golden Gate Fields License Application
12B (1) and 12B (2):

SECURITY CONTROLS

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

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

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

3. TCO2 Testing:

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

B. Plan for enhanced surveillance for trainers with high-test results.
24 Hour detention and video surveillance prior to the race.

C. Plan for detention barns for repeat offenders.
Assigned to detention barns with 24 hour surveillance

D. Number of security personnel assigned to the TCO2 program.
As needed per the direction of CHRB staff

C. Describe the electronic security system:

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

D. For night racing associations. Describe emergency lighting system: **Not Applicable.**

13. EMERGENCY SERVICES

A. Name, address and emergency telephone number of the ambulance service to be used during workouts and the running of the races:

**Brad Winding Turf Rescue, LLC, 19615 Barclay Road, Castro Valley, CA 94546,
(510) 581-8470**

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

Pleasanton – American Medical Response, 640-143rd Ave., San Leandro, CA 94577, 510-895-7600

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

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

Dr. David Seftel

Office Number: 510-559-7375, Cell Number: 650-520-6204

1. Name address and emergency telephone number of hospital located within 1.5 miles of the racetrack, which whom an agreement is in place to provide emergency medical services:

N/A

E. Name, address and emergency telephone number of the hospital to be used for admittance and treatment of emergency injuries in the event of an on-track injury to a jockey:

Alta Bates Summit Medical Center, 2450 Ashby, Berkeley, CA 94705 (510) 204-4444

F. Attach, in English and Spanish, the emergency medical plan procedures that will be posted in each jockey's room to be used in the event of an on-track injury to a jockey: **Attached.**

G. Name of health and safety manager and assistant manager responsible for compliance of health and safety provisions pursuant to B& P Code 19481.3(d):

Roy Roenbeck, Director of Safety and Compliance

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

LOS ANGELES TURF CLUB / GOLDEN GATE FIELDS
ATTACHMENT 12B (3)
TCO2 TESTING

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

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

EXHIBIT A

Track is entitled to perform physiological tests consisting of the taking of blood samples from owners' horses entered in races to be conducted at the 2009/2010 race meets. It is the understanding of the parties that such samples will be tested for bicarbonate levels. Trainers of horses showing a total carbon dioxide (TCO₂) of 37 millimoles per liter of plasma or more, and owners' horses within their control, will be subject to the following:

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

- B. **2nd Incidence** - For the second test that results in a total carbon dioxide (TCO₂) of 37 millimoles per liter of plasma or more, which occurs within three years of a prior incidence, the registered trainer of such horse shall have his/her barn, and all owners' horses stabled therein, under surveillance for a period of 75 days from the date set by the TCO₂ Committee. Such surveillance may include, but not be limited to, the placing of surveillance cameras with recording devices in any location within that barn that TRACK deems necessary and appropriate to ensure the integrity of racing. Additionally, owners' horses entered by said trainer anytime within a period of 60 days from the date set by the TCO₂ Committee, will be quarantined to a Protection Barn beginning at noon the day before said horse is scheduled to compete. The costs of such quarantine/surveillance including, but not limited to, \$150.00 for security and \$25.00 for stall renovation per horse/entrant for stall renovation, per day, being born by the trainer or owner of such horse.
- C. **3rd Incidence** - For the third test that results in a total carbon dioxide (TCO₂) of 37 millimoles per liter of plasma or more, which occurs within three years of a prior incidence, the registered trainer of such horse shall have his/her barn, and all owners' horses stabled therein, under surveillance for a period of 105 days from the date set by the TCO₂ Committee. Such surveillance may include, but not be limited to, the placing of surveillance cameras with recording devices in any location within that barn that TRACK deems necessary and appropriate to ensure the integrity of racing. Additionally, owners' horses entered by said trainer anytime within a period of 90 days from the date set by the TCO₂ Committee, will be quarantined to a Protection Barn beginning at noon the day before said horse is scheduled to compete. The costs of such quarantine/surveillance including, but not limited to, \$150.00 for security and \$25.00 for stall renovation per horse/entrant for stall renovation, per day, being born by the trainer or owner of such horse.

Track further agrees that it shall enforce these penalties when imposed as a result of similar contract provisions with other racing associations in California. By way of example only, Track agrees that should any horse running at its meet be subject to detention barn confinement as the result of a positive at another association, Track will continue to require detention barn confinement for the remainder of said 30 day period. Also by way of example, should a trainer have a TCO₂ positive or positives at a race meet other than its own and a subsequent positive at Track's race meet or at another associations meet, Track will enforce paragraph B, and may, at its discretion, enforce paragraph C above as though the original positive(s) had taken place at its meet.



EMERGENCY MEDICAL PROCEDURES FOR ON-TRACK INJURY TO JOCKEYS

"FIRST RESPONSE"

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



"ON-SITE EVALUATION"

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



"INJURY TREATMENT"

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

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

(REV 1.0, JUNE 2007)



PROCEDIMIENTOS MÉDICOS EN EMERGENCIAS

PARA LESIONES DE JOCKEYS EN LA PISTA

"PRIMERA RESPUESTA"

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



"EVALUACIÓN EN EL LUGAR"

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



"TRATAMIENTO DE LA LESIÓN"

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



Description of GGF Medical Clinic (Live Racing)

Services (Mission)

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

Staffing

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

Equipment

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

Availability

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

- H. Attach a fire clearance from the fire authority having jurisdiction over the premises.
Berkeley fire clearance attached.
Albany fire clearance attached.
- I. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details): **Liberty International - #WC1-B71-072827-030**
- J. Attach a Certificate of Insurance for workers' compensation coverage. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of insurance that secures the liability of the association for payment of workers' compensation.
Workers' Compensation certificate of insurance is attached; valid through January 1, 2011.

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

14. CONCESSIONAIRES AND SERVICE CONTRACTORS

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

Tip Sheets	Jack's Blue Card, 127 Sun Avenue, Hayward, CA 94544
Armored Car Services	Loomis Armored Car, P.O. Box 44196, San Francisco, CA 94144
Track Physician	Dr. David Seftel, Conocen Corp., 20066 Austin Lane, Castro Valley, CA 94546
Official Program	Del Mar Graphics, 1100 Eastshore Highway, Albany, CA 94706
Jockey's Laundry	F. Lorene Dutton, Bailey's Mobile Laundry, 3263 Vineyard Ave., Pleasanton, CA 94566
Starting Gate	Mike Costello, United Puett Starting Gate Co., P.O. Box 18, S. Salem, NY 10590
Track Photographer	Bill Vassar, Vassar Photography, 1167 Sapphire Drive, Livermore, CA 94550

15. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

Describe any promotional plans: **The tentative Summer/Fall 2010 promotional/giveaway schedule is listed below (subject to change).**

August 25, 2010 – Opening Day

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

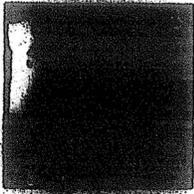
August 26, 2010

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

August 27, 2010

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

August 28, 2010



Department of Fire and Emergency Services
Division of Fire Prevention

Date: 14 January 2010

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

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

On January 14, 2010 the Berkeley Fire Prevention Division conducted an annual inspection of the Golden Gate Field Horse Stables. This inspection will be valid through January 14, 2011. Our fire life safety report indicates that there are no outstanding violations noted or corrections need to be made at this time.

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

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

A handwritten signature in black ink, appearing to read 'Stan Fernandez'.

Stan Fernandez
Fire Inspector / Investigator



City of Albany

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

FIRE DEPARTMENT
FIRE PREVENTION BUREAU

June 3, 2010

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

Dear Mr. Rainey,

On May 24 & 25, 2010, this office under the Fire Prevention Code, NFPA 1, conducted a Fire and Life Safety inspection and the Fundamental Requirements listed in the *Life Safety Code*, NFPA 101, Chapter 2, the 2007 California Fire Code and California Code of Regulations. Listed below are the results of the inspection and code references. All areas of Golden Gate Fields Race Track, within the jurisdiction of the Albany Fire Department have been inspected. Areas that have been inspected include the Administration Offices, kitchens, public areas and non-public areas of the Club House & Turf Club, public areas and non-public areas of A & B Decks, snack shops on all levels, underground level, Jockeys building and the Equine Hospital.

GENERAL

These buildings are in good condition. Housekeeping in the public and non-public areas are well maintained, most fire extinguishers and existing exit/panic hardware and egress doors are in operational condition. Several of the emergency illumination devices need replacement of their back-up battery; all other emergency illumination devices and Exit signs are in good working order. All other Fire & Life Safety requirements appear to be in order.

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

Conditional Fire Clearance

Conditional fire clearance is granted to Golden Gate Fields/ Pacific Racing Association for the June 14, 2010 – December 19, 2010. During the course of the June 2010 - December 2010

Racing Season, the Albany Fire Prevention Bureau will conduct periodic Fire & Life Safety Inspections. If a flagrant Fire or Life Safety violation is discovered during GGF's June 14, 2010 – December 19, 2010 racing season, their fire clearance shall be revoked.

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

Sincerely,



Brian J. Crudo
Battalion Chief/Fire Marshal

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

Ref. No. 320006178389



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

Re: Contractual Agreement

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

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

Insured

MI Developments Inc. a/o Los Angeles Turf Club,
Incorporated
1100 Eastshore Highway
Albany, CA 94706
USA

Coverage

Commercial General Liability	Insurer	Zurich American Insurance Company	
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Policy #	GLO 9302183-07		
Effective	01-Apr-2009	Expiry	01-Jul-2010
Limits of Liability	Bodily Injury & Property Damage, Each Occurrence USD2,000,000 Policy may be subject to a general aggregate and other aggregates where applicable		
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US Workers Comp/Employers Liability	Insurer	Liberty Mutual Insurance Company	
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Policy #	WC1-B71-072827-030		
Effective	01-Jan-2010	Expiry	01-Jan-2011
Limits of Liability	Workers Compensation As per applicable Law		
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Cancellation / Termination

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

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



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

August 29, 2010

- **\$1 Day / Summer Concert** – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer while enjoying live entertainment.

September 2, 2010

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

September 5, 2010

- **\$1 Day / Summer Concert** – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer while enjoying live entertainment.

September 6, 2010 – Labor Day

- **Blanket Giveaway** where all fans will receive one giveaway item with paid admission while supplies last.
- **Family Day** – Kid's Lunch Box Giveaway, Pony Rides, Petting Zoo, Face Painters, and Bounce Jumps.

September 11, 2010

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

September 12, 2010

- **\$1 NFL Sunday / Summer Concert** – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer while enjoying live entertainment. Fans will be able to enjoy football games throughout the facility provided by the NFL ticket.

September 16, 2010

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

September 18, 2010

- **Race for the Cure Pink Ribbon Day** – Partnership with Susan G. Komen Foundation where portion of the proceeds donated to breast cancer charity. Designated race where jockeys and other race track personnel will dress in pink to support the cause.

September 19, 2010

- **\$1 NFL Sunday / Summer Concert** – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer while enjoying live entertainment. Fans will be able to enjoy football games throughout the facility provided by the NFL ticket.

September 23, 2010

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

September 25, 2010

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

September 26, 2010

- **\$1 NFL Sunday / Summer Concert** – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer while enjoying live entertainment. Fans will be able to enjoy football games throughout the facility provided by the NFL ticket.

October 2, 2010 – Cal Cup

- **Secretariat Giveaway** in coordination with the release of Disney's film "Secretariat".

October 3, 2010 – Closing Day

- **\$1 NFL Sunday / Summer Concert** – Fans will receive \$1 General Admission, \$1 General Parking, \$1 Program, \$1 Hot Dog, \$1 Soda, and \$1 Beer while enjoying live entertainment. Fans will be able to enjoy football games throughout the facility provided by the NFL ticket.

B. Number of hosts and hostesses employed for meeting:

- 4 Customer Service Representatives
- 5 Group Sales Representatives

C. Describe facilities set aside for new fans:

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

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

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

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

Dollar Day “New Fan” Tent – Added a “New Fan” customer service tent in the \$1 Day Concert Series area to assist newcomers with racing questions and to promote wagering.

Wagering Kiosk in Concert Area – Added wagering machines in the Concert area to provide easy accessibility to wager.

- D. Describe any improvements to the physical facility in advance of the meeting that directly benefit:
1. Horsemen
 - Ongoing restroom, barn, and road renovations in the barn area.
 2. Fans
 - The End Zone in the Grandstand will be open for fans to watch professional football with the onset of the NFL season on September 13, 2010. The NFL Ticket allows GGF to play ALL NFL games throughout the day during live racing.
1. Facilities in the restricted areas Equine Hospital

16. SCHEDULE OF CHARGES

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

Admission (general)	\$4.00
Admission (club house)	\$7.00
Admission (turf club)	\$10.00 Weekdays
Admission (turf club)	\$15.00 Weekends & Holidays
Reserved seating (general)	N/A
Reserved seating (clubhouse)	\$3.00 (No charge with Thoroughbreds card)
Parking (general)	\$4.00
Parking (preferred)	\$8.00
Parking (valet)	\$8.00
Programs (on-track)	\$2.25
(off-track)	\$2.25

Thoroughbred Club Members

General Admission:

1-3 Visits	\$3.00
4-8 Visits	\$2.50
9-15 Visits	\$2.00
16-20 Visits	\$1.50
Over 20 Visits	\$1.00

Club House Admission:

1-3 Visits	\$4.00
4-8 Visits	\$3.50
9-15 Visits	\$3.00
16-20 Visits	\$2.50
Over 20 Visits	\$2.00
Reserved seating	Free

Thoroughbred Club Prepaid Admissions

Valid during live and ITW

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

TB Club Members can purchase a minimum of 15 Prepaid C/H admissions @ 3.50 each

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

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

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

17. JOCKEYS/DRIVERS' QUARTERS

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

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

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

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

18. BACKSTRETCH EMPLOYEE HOUSING

A. Inspection of backstretch housing was completed by (name) _____ on (date) _____.

CHRB to schedule inspection with Carrie Fawcett, Stable Superintendent.

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

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

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

19. TRACK SAFETY

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

5,280

 feet.
- B. Describe the type(s) of materials used for the inner and outer railings of the race course, the type of inner railing supports (i.e., metal gooseneck, wood 4" x 4" uprights, offset wood 4" x 4" supports, etc.), the coverings, if any, on the top of the inner railing, and the approximate height of the top of the inner railing from the level of the race course.
Inner and outer railings are metal gooseneck. Coverings are Rider Protection Rail by Horsemen's Track & Equipment, Inc. Approximate height of the top of the inner railing is 42 inches.
- C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474:
Juan Meza
- D. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474. **On File.**
- E. If the association is requesting approval to implement alternate methodologies to the provisions of Article 3.5, Track Safety Standards, pursuant to CHRB Rule 1471, attach a Certificate of Insurance for liability insurance which will be in force for the duration of the meeting specified in Section 2. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of liability insurance. Additionally, the CHRB must be listed as additionally insured on the liability policy at a minimum amount of \$3 million per incident. The liability insurance certificate must be on file in the CHRB headquarters office prior to the conduct of any racing. **Not applicable.**

20. DECLARATIONS

- A. All labor and lease agreements and concession and service contracts necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state): **No exceptions.**
- B. Attach each horsemen's agreement pursuant to CHRB Rule 2044.
CTT agreement forwarded to Board upon receipt.
TOC agreement forwarded to Board upon receipt.
- C. Attach a lease agreement permitting the association to occupy the racing facility during the entire term of the meeting. (In the absence of either a lease agreement or a horsemen's agreement, a request for an extension pursuant to CHRB Rule 1407 shall be made). **On file with the Board.**
- D. All service contractors and concessionaires have valid state, county or city licenses authorizing each to engage in the type of service to be provided and have valid labor agreements, when applicable, which remain in effect for the entire term of the meeting except as follows (if no exceptions, so state): **No exceptions.**
- E. Absent natural disasters or causes beyond the control of the association, its service contractors, concessionaires or horsemen participating at the meeting, no reasons are believed to exist that may result in a stoppage to racing at the meeting or the withholding of any vital service to the association except as follows (if no exceptions, so state): **No exceptions.**

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

21. CERTIFICATION BY APPLICANT

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

Robert Hartman
Print Name

[Signature]
Signature

General Manager
Print Title

5/24/10
Date