

CALIFORNIA HORSE RACING BOARD
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REGULAR MEETING

of the **California Horse Racing Board** will be held on **Tuesday, May 20, 2008**, commencing at **9:30 a.m.**, at the **California Exposition and State Fair, The Clubhouse, 2nd Floor, 1600 Exposition Boulevard, Sacramento, California.**

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

AGENDA

Action Items:

1. Approval of the **minutes of the regular meeting of March 27, 2008.**
2. Approval of the **minutes of the regular meeting of April 24, 2008.**
3. Discussion and action by the Board on the request by the **California Authority of Racing Fairs on behalf of Alameda, Fresno, Humboldt, San Joaquin, San Mateo, Solano, and Sonoma County fairs, to increase the takeout an additional one percent pursuant to Business and Professions Code section 19601.4. for deposit into the Inclosure Facilities Improvement Fund.**
4. Discussion and action by the Board on the **Application to Conduct a Horse Racing Meeting of the Solano County Fair (F) at Vallejo**, commencing from July 9 through July 21, 2008, inclusive.
5. 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 23 through August 4, 2008, inclusive.
6. 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 16 through September 3, 2008, inclusive.
7. Discussion by the Board regarding **existing procedures, precautions, and additional options to protect the safety of horses and riders at California race tracks and stabling facilities.**

8. Public hearing and action by the Board on the adoption of the proposed amendment to **CHRB Rule 1420, Definitions**, to revise the definition of a claiming race, and the proposed addition of **CHRB Rule 1634, Claiming Option Entry**, to provide that horses entered in a claiming race may be declared ineligible to be claimed under specified conditions.
9. Discussion and action by the Board on the proposed amendment to **CHRB Rule 1843.2, Classification of Drug Substances**, to reclassify the anabolic steroids boldenone, nandrolone, stanozolol and testosterone from class six to class three.
10. Discussion and action by the Board on the proposed amendment to **CHRB Rule 1843.2, Classification of Drug Substances**, to reclassify the anabolic steroids boldenone, nandrolone, stanozolol and testosterone from class four to class three and change the penalty class from category D to category B.
11. Discussion by the Board regarding **consideration of raising the minimum starter or participation fee in all Thoroughbred races and the impact on purses.**
12. Discussion and action by the Board regarding the request for approval from Southern California Off-Track Wagering, Inc. (SCOTWINC) to **adjust the stabling and vanning deduction from the off track handle applicable to racing at Hollywood Park, to facilitate the use of funds currently in SCOTWINC's possession to provide for improved racing and training facilities in the Central Zone of California pursuant to Business and Professions Code section 19607.1(f).**
13. Report from racing industry representatives on the status of the discussion regarding the **amending of Business and Professions Code section 19605.7 and 19605.71** to increase the two percent commission distributed to simulcast wagering facilities to a four percent distribution to all simulcast wagering facilities, including minisatellite wagering facilities, and **Business and Professions Code section 19605.25 (a)(1)** to reduce the placement restriction for minisatellite wagering facilities from 20 miles to 10 miles from an existing racetrack, simulcast wagering facility, or tribal casino that has a simulcast wagering facility.
14. Discussion and action by the Board on the **approval of service, Steward and Official Veterinarian contracts for fiscal year 2008-2009.**
15. **Public Comment:** Communications, reports, requests for future actions of the Board. **Note:** Persons addressing the Board under this item will be restricted to **three (3) minutes** for their presentation.

16. **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

Richard B. Shapiro, Chairman
John C. Harris, Vice Chairman
John W. Amerman, Member
John Andreini, Member
Jesse H. Choper, Member
Jerry Moss, Member
Kirk E. Breed, Executive Director

PROCEEDINGS of the Regular Meeting of the **California Horse Racing Board** held at the **Bay Meadows Race Track, Longchamps Room, 2600 South Delaware Street, San Mateo, California, on March 27, 2008.**

Present: Richard B. Shapiro, Chairman
 John C. Harris, Vice-Chairman
 John W. Amerman, Member
 Jesse H. Choper, Member
 Jerry Moss, Member
 Kirk E. Breed, Executive Director
 Derry L. Knight, Deputy Attorney General

MINUTES

Chairman Shapiro asked for approval of the minutes of the Regular Meeting of February 28, 2008. Commissioner Choper motioned to approve the minutes. Commissioner Moss seconded the motion, which was unanimously carried.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE STATUS OF THE CARD CHECK AGREEMENT BETWEEN THE PARI-MUTUEL EMPLOYEES GUILD, LOCAL 280 AND THE LICENSED ADVANCE DEPOSIT WAGERING PROVIDERS.

Chairman Shapiro stated Assembly Bill 765 (Evans), Chapter 613, Statutes of 2007, extended and renewed California's advance deposit wagering (ADW) law. A new provision of the ADW law was a requirement that ADW providers and the union representing pari-mutuel workers enter into a card-check agreement. The ADW providers would agree to remain neutral with regards to the use of a card-check system to determine if their employees wished to have union representation. As a condition of licensing the Board required that the ADW providers have such card-checks agreements be in place by December 31, 2007. In January 2007 the Pari-Mutuel Employee's Guild (Guild), Local 280, indicated there were some

problems with regards to the card-check agreements. On March 13, 2008, Chairman Shapiro, the Deputy Attorney General (DAG) Derry Knight, and Board staff held a conference call with representatives of the Guild, Twin Spires, XpressBet and Youbet. The purpose of the call was to see if a card-check agreement between the parties could be reached. During the call two issues were discussed. The first issue was the classification of employees, and if customer service representatives – in particular – were a class that were historically represented by the Guild. The second issue was the status of third party contractors; were they obligated or bound to the law? The parties reached no agreement, and the concept of binding arbitration was raised. Chairman Shapiro stated he was aware of a document in which the ADW providers agreed they would execute a neutrality agreement, but he was not aware of a response from the Guild. The Board wanted to see the neutrality agreements in place, and it did not wish to terminate ADW licenses. Chairman Shapiro added the Guild served the Board with a lawsuit on March 26, 2008. The Guild was suing the Board because the neutrality agreements were not in place. DAG Knight stated the lawsuit needed to be evaluated, but he understood it was an action to mandate that the existing ADW licenses be invalidated. Chairman Shapiro stated he asked the Guild if the ADW providers could execute the same neutrality agreement used by TVG. However, the Guild asked that it not be shared. Ann Yen, representing the Guild, said the problem with the agreements centered on the issues identified by Chairman Shapiro: who was covered by the agreements, and what was the scope of the coverage. Chairman Shapiro stated he was not sure that the statute delineated the various classifications of employees. The statute provided that the card check agreements would cover employees historically represented by the Guild. The Board did not know exactly which

classifications that included, and there was enough ambiguity in the statute that it was not clear. So, the proposed agreement that was circulated stated the ADW providers would agree to enter into a neutrality agreement, and would allow a third party to render a decision regarding the disputed employees. Chairman Shapiro asked if the Guild would agree to be bound by a third party arbitrator who was mutually selected by the parties. Richard Castro of the Guild stated there was an agreement with TVG; however, there were two parts to the agreement: a written part and the verbal understanding. The understanding with TVG was if it did business with a third party, the California statute would bind the third party. TVG acknowledged that customer service fell under the provisions of the statute. Chairman Shapiro stated the other ADW providers simply disagreed with that view, and did so in good faith. He asked why the Guild would not allow a third party to decide if the ADW providers were correct. If the third-party arbitrator decided in favor of the Guild, the ADW providers would sign the neutrality agreement. Mr. Castro said in 2000 the Guild believed it would get live telephone operators in California; eight years later there were no live operators. In 2000 the Guild agreed to the ADW legislation in good faith, and it was still waiting for the promise to be fulfilled. When the ADW statute was renewed in 2007 the Guild participated in the process, and now the Board was asking it to waive its rights. Chairman Shapiro said the Board was not asking any party to waive its rights. The Board was merely trying to meet its obligations under the law. The Guild was asking the Board to terminate the ADW licenses because the parties could not come to an agreement. Chairman Shapiro stated that would harm the horseracing industry, so why not find a neutral third party to decide the issue? Commissioner Choper said a judge would have to decide the lawsuit. He commented

arbitration was much quicker than a lawsuit, so why did the Guild object to having the issue decided by an arbitrator that was mutually agreed on by the parties? The arbitrator would be mutually agreed upon, while a judge was drawn and could lean one-way or another. Mr. Castro said the Guild waited eight years for phone jobs that never materialized. If the issues were heard before an arbitrator either party could appeal and the issues would be back in the courts. After eight years of excuses, the Guild was not willing to wait. Chairman Shapiro stated the ADW providers agreed not to appeal any arbitration. Mr. Castro stated anybody could appeal a decision. Chairman Shapiro said if it was a contractual agreement between the ADW providers and the Guild, no one had the right to appeal. Commissioner Choper asked if the parties could agree to binding, final arbitration. DAG Knight said his only concern was that the Board might have difficulty delegating its role to a private arbitrator. However, based on experience, the Board would go along with a private arbitrator's decision. Chairman Shapiro stated the Board's role was not to approve the terms of an agreement; it simply ensured there was an agreement. Commissioner Choper asked why the Guild would not compromise if that would settle the issue. Mr. Castro stated the Guild was not willing to compromise. It had waited eight years, and had been patient; now the Guild would take its chances with a judge because the issue would only end up before a judge on appeal. Gregg Scoggins of XpressBet said his organization had two categories of employees: mutual tellers located in Beaverton, Oregon, who took and processed wagers, and customer service representatives, who processed withdrawal and deposit requests, and answered general questions relative to customers' accounts. In October 2007 XpressBet attempted to reach an agreement with the Guild based on its interpretation of the statute, which was that the mutual

tellers who processed wagers were covered. Mr. Scoggins said during the negotiations for the legislation that extended ADW the meaning of the term "employees who process wagers" was discussed. The final language of the statute was intended to prevent either party from injecting additional terms into an agreement as a condition to executing an agreement. XpressBet tried to remain loyal to the language in the statute, as it understood the language. It presented an agreement in October 2007, and in December 2007 the Guild stated it wished to include customer service representatives, but XpressBet disagreed. Since neither party would agree to the other's views, arbitration was raised. XpressBet subsequently crafted an agreement to specify that an arbitrator's decision would define employees who would be subject to a neutrality agreement. Mr. Scoggins stated XpressBet was ready to arbitrate, and would abide by an arbitrator's decision. Furthermore, XpressBet would not seek to appeal the results of such arbitration. He said Youbet.com signed the document, and Twin Spires was also prepared to sign the document. Chairman Shapiro asked how many customer service employees worked for XpressBet. Gene Chabrier of XpressBet said his organization had fifteen full time equivalent customer service employees in Pennsylvania and the state of Washington. Vice-Chairman Harris asked if a state agency could impose the neutrality agreement on organizations in other states. DAG Knight stated there was an issue regarding the constitutionality of California mandating a labor relationship outside the state. He said he suspected the requirement would be thrown out in the litigation, should such litigation proceed. Vice-Chairman Harris commented that was why he favored arbitration; it could be more expedient than extended litigation over interstate commerce. Chairman Shapiro asked if the ADW providers would be willing to be bound by the arbitrator's decision regarding third-party

contract employees. Brad Blackwell of Twin Spires stated his organization was the only ADW provider with third-party contract employees. He said if an arbitrator decided the third-party contract employees fell under the requirements of the statute, Twin Spires would have to accept the decision. However, Mr. Blackwell stated Twin Spires could not force a third party to comply, but Twin Spires' license would be in jeopardy, so it could be forced to find a way out of its agreement, or rethink doing business in California. Chairman Shapiro said since the Board was being sued it should leave the issue to the courts. The Board could act as an arbitrator, but that would be ill advised since it did not have the labor expertise. Chairman Shapiro stated that was why the Board favored a third-party arbitrator. The Board was sympathetic to the issues that concerned the Guild, but it believed the Guild's decision to initiate a lawsuit was not productive. He commented the ADW providers had agreed any arbitrator's decision would be retroactive to the first of the year, which was something that might not happen in court. The Board made a good faith effort to implement the statute, and it was not in favor of terminating the ADW licenses, which would harm the industry. Chairman Shapiro asked if there were any way the Guild would reconsider its position and find a way to resolve the issues. Mr. Castro said the Board could ask the ADW providers to commit to neutrality agreements for customer service employees. Chairman Shapiro said the Guild was asking the Board to have the ADW providers concede to the Guild's opinion, which they did not agree with. Mr. Castro said TVG agreed with the Guild's opinion regarding customer service employees. Chairman Shapiro asked if the Guild had actually initiated a card-check with TVG employees. Mr. Castro stated the Guild had not initiated a card-check with TVG as it wished to first resolve its issues with the other ADW providers. The Guild had a good faith

agreement with TVG; why should the other providers get a different agreement? Chairman Shapiro stated the Guild had indicated it would not share the content of its agreement with TVG. If the Guild shared its TVG agreement with the other ADW providers, maybe they would agree. Commissioner Choper said there was obviously a dispute over the coverage of the statute. Until an agreement was signed, the providers should not get a license and the Guild did not gain any more employees. No decisions would be made until the Guild's lawsuit was resolved. The industry representatives indicated they would agree to binding arbitration, with no judicial appeals. If either side did not like what the arbitrator decided regarding the intent of the statute regarding coverage of customer service representatives and subcontractors, it could go back to the Legislature to change the statute. The statute currently did not contain explicit language about such employees, but an arbitrator or judge would make that decision. Commissioner Choper said he hoped the Guild would agree on arbitration because it would be quicker, and instead of getting a judge at random, the parties would have more confidence in who was the arbitrator. He urged the Guild to think about arbitration as it may find that was the best way to resolve the issues. Chairman Shapiro asked if the Guild would be willing to hold the agenda item open so it could talk to the ADW providers to hopefully reach an agreement. Mr. Castro stated he would be willing to talk to the parties. Chairman Shapiro said the Board would move on to other agenda items, and the parties could come back to state if they had reached an agreement. (After meeting with the ADW providers Mr. Castro returned and spoke regarding the outcome of the meeting.) Mr. Castro stated the parties did not have an agreement. He said some progress was made regarding the issues. The Guild agreed to give the ADW providers copies of the TVG agreement, and Mr. Castro stated he

explained the verbal part of that agreement. He added he was optimistic the issues would be resolved. Chairman Shapiro said all the Board wanted was for the parties to reach a point where a neutrality agreement could be executed, and the lawsuit dismissed. Mr. Castro stated the Guild would go forward with the lawsuit. Chairman Shapiro asked when the Board had to file a response to the lawsuit. DAG Knight said the soonest would be 30 days, but there was no hearing date scheduled. The attorneys representing the Board would have to talk to the Guild's attorneys regarding any actions that might, or might not be needed while the Guild and the ADW providers negotiated an agreement.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION TO CONDUCT A HORSE RACING MEETING OF THE HOLLYWOOD PARK RACING ASSOCIATION, LLC (T) AT HOLLYWOOD PARK, COMMENCING APRIL 23, 2008 THROUGH JULY 13, 2008, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said Hollywood Park Racing Association (HPRA) proposed to run 60 days for a total of 516 races. The first post time would be 1:20 p.m., daily, with a 7:05 p.m. post time on Fridays and a 12:30 p.m. post time on April 27, 2008, for the Gold Rush Day, and 12:00 p.m. on Kentucky Derby Day and the Preakness. The advance deposit wagering providers would be TVG, Youbet, XpressBet and Twin Spires. Ms. Wagner stated the horsemen's agreement was missing from the application. Chairman Shapiro said he understood there was a dispute regarding the horsemen's agreement. He asked if the parties could describe the issues and state if they could be resolved. Jack Liebau said the requirement that a horsemen's agreement be completed prior to approval of license put an association at a disadvantage. If the horsemen did not negotiate the association had to choose between running and not running. Chairman Shapiro said the Board did not wish to put any party at a

disadvantage. However, when applications were approved without the agreements in place, there was inevitably a problem that affected the meeting. That was why if the issue could not be resolved, there might need to be a special meeting. Mr. Liebau said the Board was the regulatory agency, and it was charged with settling disputes and interpreting questions of law. Chairman Shapiro said he agreed, but it seemed that some of the issues could be resolved between the parties, and it was unfortunate that the Board had to get involved in business decisions. Eual Wyatt of HPRA stated the Thoroughbred Owners of California (TOC) inserted language in the proposed agreement that provided if there were a surplus in the satellite expense fund under section 19605.71 of the Business and Professions Code, it would be split between the track and the horsemen in the form of purses. If there were a deficit in that fund, the track would bear the entire cost of the deficit and the purses would not share in the deficit. The fund in question required a 2.5 percent deduction on the simulcast handle, which was sent to Southern California Off Track Wagering, Inc. (SCOTWINC). Mr. Liebau said there would be no deficit with regards to the HPRA spring/summer meeting, but there would be a deficit with respect to Oak Tree, the HPRA fall meeting and the Del Mar meeting. The issue would not arise with respect to the fairs because they had a 6 percent expense fund, where as the racing associations only had a 2.5 percent expense fund. Commissioner Choper asked what happened if there was a deficit in the past. Mr. Liebau said to his knowledge, neither party made up the difference. Guy Lamothe of TOC stated the issue was contractual with language that was being negotiated between two parties to further the statute. He said he did not believe the Board meeting was the forum to discuss what the law actually meant. Mr. Lamothe stated TOC would not agree to binding arbitration regarding the meaning of the statute. Vice-

Chairman Harris asked if TOC would agree to arbitration on the issue in the contract. Mr. Lamothe stated Drew Couto had been negotiating with HPRA regarding the horsemen's agreement. The process was almost finalized, however, Mr. Couto was ill, and as of March 22, 2008, the deficit was the only remaining issue. Mr. Lamothe added he believed it was close to being resolved. Mr. Liebau stated HPRA did not believe the issue was close to being resolved. Chairman Shapiro said if there was a dispute the Board was the party that would have to act as an arbitrator. It appeared that HPRA would not agree to the TOC position. Commissioner Choper asked if the issue had been previously raised. Mr. Liebau stated the issue had never been inserted in a horsemen's agreement. Commissioner Choper asked what happened if there was a deficit at the end of a meeting. Mr. Liebau said the racing association funded its half of the deficit, and the cash flow of the organization (SCOTWINC) funded the remainder. Commissioner Choper asked if the racing association did not want to continue funding its half of the deficit. Mr. Liebau said the association would continue to put up its half; it did not want to fund the entire deficit. In the past, if there was a surplus, it was split between the horsemen and the racing association. Mr. Lamothe stated the statute provided for the satellite fund to pay monies for the expenses of running the satellite operations. For accounting and administrative reasons the full 2.5 percent was paid to the track on a periodic basis. After the meeting there was a true-up on the actual cost. If the cost came in above 2.5 percent it became the track obligation per the statute, which placed the cap at 2.5 percent. Chairman Shapiro asked how the difference was divided if a true-up showed the actual expenses were less than 2.5 percent. Mr. Lamothe said the difference would be divided as if it were not paid; it would be split. Chairman Shapiro asked if TOC was willing to agree that the

parties would continue to share any "surplus" and continue to negotiate in good faith with HPRA. Mr. Lamothe said TOC would not put that into the contract. TOC was attempting to clarify the statutory language. Commissioner Amerman asked if the issue would affect other racing associations. Mr. Liebau said the language would affect other racing associations because it would become precedent. Sherwood Chillingworth of Oak Tree said after June 30 in any given year there was a decrease of 40 percent in the total handle. That was due to wagering on other sports. In addition, when the ADW legislation was passed the Pari-Mutuel Employee's Guild insisted the associations increase their manning clauses. So, in the second half of the year, when the handle was lower, the associations were required to have the same number of employees as in the spring. The statute stated if there were a surplus the horsemen received half, but it was silent if the costs were over 2.5 percent. The TOC was taking the position that because the statute was silent, the racing associations paid the difference. The TOC stated there needed to be an industry wide solution, but it did not wish to agree to increase the fund. Mr. Chillingworth said there could be no solution unless TOC agreed to pick up part of the cost. He added the industry ought to go to arbitration, and the associations would accept any decision. Chairman Shapiro said the Board required a horsemen's agreement. The TOC inserted a provision into the agreement that was different from previous agreements. Mr. Lamothe said that was correct. Chairman Shapiro asked if TOC was willing to accept the language in prior horsemen's agreements. Mr. Lamothe stated the TOC wished to have a period of time to negotiate with the racing association to resolve the issue. Chairman Shapiro asked if there was only the one issue with the horsemen's agreement. Mr. Wyatt said the parties agreed the issue was not part of the discussion, and could be handled after the fact

by a side letter. Vice-Chairman Harris said the issue of the 2.5 percent did not affect the application before the Board. There was no reason it could not be extracted from the horsemen's agreement, and be resolved going forward. Chairman Shapiro commented the Board would like to see the issue resolved prior to the Oak Tree meeting, as it was a problem that would have to be dealt with. The parties should decide if they could revert to the prior language in the horsemen's agreement. Commissioner Moss asked if TOC was asking the Board not to approve the license application. Chairman Shapiro said the TOC did not want to hold up the application. There was simply a provision in the horsemen's agreement on which the parties could not come to terms. The Board was asking the parties to set the issue aside for the HPRA application so it could move forward. A second issue had to do with the amount of purse money that could be carried over from meet to meet, but the parties were close to an agreement on that issue. Mr. Wyatt said HPRA asked for an increase late in the process and TOC stated it would look at the issue. The parties jointly agreed they would talk about the issue aside from the horsemen's agreement. Vice-Chairman Harris stated he noted in the California Thoroughbred Trainers (CTT) agreement that there was language limiting the number of stalls a trainer could have. He asked if a trainer could be limited to "X" number of stalls. Mr. Wyatt said the language of the agreement allowed for some flexibility in the event there was stall space available. As long as more stalls were available, the limit would not apply. Chairman Shapiro asked if HPRA would run Wednesday through Sunday or Thursday through Monday. Mr. Wyatt stated HPRA would run Wednesday through Sunday. Vice-Chairman Harris **motioned** to approve the application for license to conduct a horse racing meeting of HPRA. Commissioner Choper **seconded** the motion. He stated he would like the

issue of the 2.5 percent shortfall to be on the agenda of the April 2008 Regular Board Meeting. Marsha Naify of TOC said while her organization did not agree with the racing association's position, it realized an industry solution was needed, and TOC was willing to take the disputed language out of the HPRA horsemen's agreement. Michael Power, a horse owner and breeder, spoke regarding horse racing related issues. The motion was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION TO CONDUCT A HORSE RACING MEETING OF THE PACIFIC RACING ASSOCIATION (T) AT GOLDEN GATE FIELDS, COMMENCING MAY 13, 2008 THROUGH JUNE 22, 2008, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the Pacific Racing Association (PRA) proposed to run 30 days for a total of 259 races. The first post time would be 1:05 p.m., and the advance deposit wagering providers would be XpressBet, TVG, Youbet, and Twin Spires. Ms. Wagner said the horsemen's agreement was missing from the application. Chairman Shapiro said he understood there were two issues related to the horsemen's agreement. The first issue had to do with the requirements for hot walker vendors. The second issue had to do with the number of extras that were permitted by the racing office. Robert Hartman of PRA said the hot walker issue would be resolved. Vice-Chairman Harris stated it seemed that was an issue for the California Thoroughbred Trainers (CTT) agreement. Mr. Hartman said the CTT agreement was signed without issues, but the hot walker issue surfaced in the Thoroughbred Owners of California (TOC) agreement. It was a surprise, as the trainers paid for the hot walking machines. Mr. Hartman stated he would work with Mr. Lamothe of TOC to resolve the issue. Chairman Shapiro said the second issue dealt with the number of extras the racing secretary could write. Mr. Hartman stated TOC believed there were too many extras, so the parties

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agreed the extras would be limited to eight per day. However, the language regarding extras in the agreement made little sense. There were only 2,000 horses in Northern California, and it would be difficult for racing secretaries to work under the language proposed by TOC. If the parties could agree to follow the eight-race limit, it would be a fair compromise. Chairman Shapiro said the racing associations had staff that knew their jobs. He asked why TOC wished to micromanage to such a degree. Tom Bachman of TOC it was more a matter of owners knowing when their horses might run. At one point there were up to 15 or 16 extras a day, and it was difficult to train a horse to run if the book did not go. Chairman Shapiro asked if Mr. Bachman had read the language in the horsemen's agreement. Mr. Bachman said he had not. He stated Drew Couto worked with the agreement, but unfortunately, he was ill and could not provide an explanation. The agreement was for eight extras because the situation was out of control. Mr. Lamothe said the language was previously in the Bay Meadows agreement. If the language was problematic, it could be changed. Chairman Shapiro asked if there were any differences between the Northern California horsemen and PRA regarding how the agreement would work. Mr. Hartman said the big difference was the language of the contract, and that the Northern California racing secretaries had to fill races with a population of only 2,000. Anything that kept racing secretaries from filling races could cause a race card not to go. Chairman Shapiro asked if Mr. Hartman agreed there were times when certain classes of horses needed to race, which meant five or six horse fields. Mr. Hartman agreed. He stated the language of the current horsemen's agreement was changed to allow overnight stakes to run with as few as four horses. Marsha Naify of TOC stated her organization was willing to talk to PRA and return with a solution. Mr. Hartman said PRA would also be

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willing to negotiate. Vice-Chairman Harris stated it looked as if PRA was cutting the amount of money in the stakes races. Mr. Hartman said PRA had to cut the San Francisco Mile, a grade two feature stake, because there was no natural slot within the 30-day meeting to run the race. Some of the money was supplemented back, but with the 30-day meeting not all of it could be returned. Vice-Chairman Harris asked if PRA would lose the grade if it did not run. Mr. Hartman said PRA was allowed a one-year exemption from the graded stakes committee. PRA planned to run the race in 2009 when it had late April dates. Commissioner Choper asked what the horse population would be for the spring meeting. Mr. Hartman said that depended on recruiting out-of-state horses. The racing secretary visited Arizona to meet with horsemen, and PRA was adding a financial incentive for Arizona shippers. Mr. Hartman added a few Canadian trainers were going to leave a string of horses in Northern California year round. Commissioner Choper **motioned** to approve the application for license to conduct a horse racing meeting of PRA conditioned on the resolution of the horsemen's agreement. Commissioner Moss **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE PROPOSED AMENDMENT TO CHRB RULE 1865, ALTERING OF SEX OF HORSE, TO PROVIDE FOR A MINIMUM ONE THOUSAND DOLLAR FINE FOR ANY HORSE ENTERED TO RACE NOT PROPERLY IDENTIFIED AS A FIRST TIME GELDING IN THE OFFICIAL PROGRAM, OR TO PROVIDE THAT ANY HORSE ENTERED TO RACE THAT HAS BEEN GELDED SINCE A PRIOR START SHALL BE SCRATCHED IF THE HORSE'S TRUE SEX IS NOT CORRECTLY IDENTIFIED IN THE OFFICIAL PROGRAM.

Chairman Shapiro stated the failure to properly report the true sex of a horse entered to race was a recurring problem in California. He stated during the 2006 - 2007 fiscal year the stewards issued 44 rulings regarding failure to report the gelding of a horse and the typical fine

was \$300. Chairman Shapiro added California was one of the few states that were attempting to address the issue. He stated action was necessary to protect the wagering fan. Vice-Chairman Harris said he was not in favor of fining trainers. The real issue was transparency, and there needed to be full disclosure regarding the condition of the horse entered to race. If a horse was racing as a gelding, but was formerly racing as a colt, that information needed to be public. The real solution was a database such as the one Encompass was developing. However, if the information was not correctly noted in the official program, the horse should be scratched. Commissioner Moss said the wagering public did not like late scratches because they interfered with pick-six and pick-four wagers. Trainers had been asked in every possible way to acknowledge when a horse was gelded, but the issue remained a problem because of the various ways in which the information could go wrong. Commissioner Moss stated that was why he favored fining the trainer. Dr. Rick Arthur, CHRB Equine Medical Director, said reporting a gelding should be simple, but there were many ways it could be messed up. California paid more attention to the issue than other jurisdictions, and that was probably because of its popular pick-six wager. Dr. Arthur stated the racing offices; Encompass and the Jockey Club were talking, and working on ways to resolve the issues. He commented he did not have a problem with the proposal to levy fines, but fines should not be directed only at trainers, rather than the licensee responsible for the error. Vice-Chairman Harris stated the trainer could look at the overnight, which was usually three days ahead of the race, and if the sex of the horse was not correct, he could report it to the racing office. The racing office could subsequently correct the error. Charles Dougherty of California Thoroughbred Trainers said there was nothing on the overnight that indicated if the horse was gelded since its last

start. Dr. Arthur said the overnights could be printed in different formats. Commissioner Amerman said the problem was complicated, but he did not agree that increasing fines to \$1,000 was going to change anything. He stated the Board ought to find a solution through Encompass or the Jockey Club. Vice-Chairman Harris stated he thought that could be done. He **motioned** to table the item for 60 days, and in the interim a database solution could be found. Commissioner Choper **seconded** the motion. Commissioner Moss said every time the item was tabled the fan committee and pari-mutuel people complained the Board was not addressing the issue. Commissioner Choper stated raising the fine would not solve the problem. Chairman Shapiro said at a certain point people would start paying more attention if there were a \$1,000 fine. It was time the Board took action to address the issue. Ed Moger of CTT said when the overnight came out the Daily Racing Form was already published. That was only one of the ways wagering fans could get the wrong information. Mr. Moger stated he was actually fined in 2007 because the wrong information was printed in the Daily Racing Form, and though he informed the racing office before the program was printed, he was still fined. If the horse were scratched at least the public would not be wagering with the wrong information. Vice-Chairman Harris said he would **withdraw** his motion to table the item if CTT favored scratching the horse. He stated he thought scratching the horse was the best way to protect the wagering public. Mr. Dougherty said the CTT board favored scratching the horse, as there were many ways a gelding could be misreported. The CTT did not believe the trainer should bear the brunt of a fine. Marsh Naify of TOC said her organization strongly favored the \$1,000 fine, or more. The TOC did not favor scratching the horse, as that would unfairly penalize the owner. Ms. Naify stated a telephone conference with the Jockey Club,

Encompass, the CTT, TOC and the racing secretaries would take place on April 16, 2008. The purpose of the telephone conference was to address and solve the issue. Vice-Chairman Harris **motioned** to amend Rule 1865 to require a scratch if the sex of the horse is not properly identified in the official program. He stated the amendment would have to be put out for a 45-day public comment period, and in the interim the database might be corrected to solve the problem. Commissioner Choper stated there was a conflict of views regarding the issue. The trainers did not wish to be fined, the owners did not want their horses scratched and the wagering fan wanted the correct information. It seemed the solution was in the Encompass system, and putting a proposal out for public notice might act as an impetus to updating Encompass. Cliff Goodrich of Fairplex Park Pomona suggested an alternative that would let the horse run for purse only. That would protect the wagering public and allow the owner to run the horse. Chairman Shapiro asked if it was possible to notice for public comment an "either/or" version of the regulation. One version would provide for a scratch and the other version would provide for a fine. A consensus could be reached during the 45-day public comment period. The Board would adopt one version or the other at the public hearing. Chairman Shapiro **motioned** to put out for public comment two versions of an amendment to Rule 1865: one version to provide for the scratch of the horse and another version to provide for a minimum \$1,000 fine. Commissioner Moss **seconded** the motion, which was **unanimously carried**.

PUBLIC HEARING AND ACTION BY THE BOARD ON THE ADOPTION OF THE PROPOSED AMENDMENT TO CHRB RULE 1420, DEFINITIONS, TO REVISE THE DEFINITION OF A CLAIMING RACE, AND THE PROPOSED ADDITION OF CHRB RULE 1634 CLAIMING OPTION ENTRY, TO PROVIDE THAT A HORSE ENTERED IN A CLAIMING RACE MAY BE DECLARED INELIGIBLE TO BE CLAIMED UNDER SPECIFIED CONDITIONS.

Chairman Shapiro said the addition of Rule 1634, Claiming Option Entry, would allow a horse that has been laid off for at least 180 days to run in a claiming race at a higher price than it last ran without being claimed. The option to be declared ineligible for claiming would only apply once, and failure to declare a horse ineligible for claiming could not be remedied. Tom Bachman of TOC stated the proposed addition of Rule 1634, Claiming Option Entry, would give horses the opportunity to be rested, and provide owners the ability to bring a horse back and run it one time without having to worry about the horse being claimed. Vice-Chairman Harris said he was not opposed to the proposal; however, he would favor the original TOC language, which would bring the horse back at the same or greater level. Mr. Bachman said TOC wanted to keep the proposal simple. TOC favored allowing the horse to be laid off for six months, and to be brought back at the same or higher claiming price with the ability to be declared ineligible for claiming. Asking a horse to return only at a higher level increased its chances of getting injured. Chairman Shapiro said the Board ought to move forward and allow the horse to return at the same level it previously started. If the horse rested 180 days it did not need a tougher race. Chairman Shapiro **motioned** to amend the proposed text to allow the horse to return at the same level or higher than the level at which it last started. Commissioner Amerman **seconded** the motion. Charles Dougherty of California Thoroughbred Trainers said his organization was in favor of the motion. The motion was **unanimously carried**.

PUBLIC HEARING AND ACTION BY THE BOARD ON THE ADOPTION OF THE PROPOSED ADDITION OF CHRB RULE 1843.3, PENALTIES FOR MEDICATION VIOLATIONS, AND THE PROPOSED AMENDMENT TO CHRB RULE 1843.2, CLASSIFICATION OF DRUG SUBSTANCES.

Jacqueline Wagner, CHRB staff, said the proposed addition of Rule 1843.3, Penalties for Medication Violations, and the amendment of Rule 1843.2, Classification of Drug Substances, were noticed for a 15-day public comment period to modify the maximum fine for a trainer's second lifetime Category "A" offense from \$100,000 to \$50,000. No comments were received during the 15-day comment period. Ms. Wagner stated staff recommended the Board adopt the proposed regulations as presented. Vice-Chairman Harris asked if the Board was going to start sanctioning horses with steroid positives. Dr. Rick Arthur, CHRB Equine Medical Director, said the Board could decide when it wanted to start penalizing for anabolic steroids. Vice-Chairman Harris asked how the Board would address an allegation that a horse at the Breeders' Cup was on anabolic steroids. Dr. Arthur said with the current penalty guidelines the Breeders' Cup would have no problems. Vice-Chairman Harris asked what Dr. Arthur would advise if a horse that might compete in the Breeders' Cup were on steroids. Dr. Arthur said a regime of anabolic steroids would not become an issue until August 2008. He stated he met with the Breeders' Cup to inform them of the changes and was writing an article on anabolic steroids for the California Thoroughbred Trainers magazine. Dr. Arthur added there would be plenty of time to warn the industry about what they would need to do to meet California's criteria. Michael Power, a horse owner and breeder, spoke regarding the proposed regulatory action. Chairman Shapiro said he would call the question, as a **motion** and a **second** were made. The motion was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE PROPOSED AMENDMENT TO CHRB RULE 1849, NERVING, TO PROHIBIT NERVED HORSES FROM THE GROUNDS OF THE RACING ASSOCIATION; FROM ENTRY IN A RACE; OR FROM BEING SOLD OR OFFERED FOR SALE ON THE GROUNDS OF A FACILITY UNDER THE JURISDICTION OF THE BOARD; AND THE PROPOSED REPEAL OF CHRB RULE 1850, POSTERIOR DIGITAL NEURECTOMY AND CHRB RULE 1851, LIST OF NERVED HORSES.

Chairman Shapiro said the item was heard at the February 2008 Regular Meeting, and was continued so members who were not present could comment. Dr. Rick Arthur, CHRB Equine Medical Director, said the practice of heel nerving was not allowed under international rules; it is only allowed in the Americas. He stated Australia once permitted the practice, but moved to prohibit it by placing a date certain after which time the procedure was not allowed. That permitted horses that had been heel nerved to continue racing. Dr. Arthur said he proposed language that would also grandfather in horses that were heel nerved, and that would allow heel nerved horses to run in the next two Breeders' Cups. The language would also allow the CHRB time to advocate uniform national rules on heel nerving. Chairman Shapiro said he agreed with Dr. Arthur's proposal, as it was not fair to penalize owners who followed the Board's regulations. The Board should also participate on a national basis in an effort to achieve uniform regulations. Commissioner Moss stated he agreed with the grandfather clause if it meant there would be no further heel nerving of racehorses. Vice-Chairman Harris said there was no clear scientific evidence that the practice of heel nerving was bad for racehorses, but he would favor a ban on the practice with a phase-in period. Commissioner Amerman stated he agreed the practice should be banned, but that a grandfather clause was needed. There was no need to punish owners who complied with the Board's regulations in good faith. Commissioner Amerman asked if there was an alternative that would accomplish the same

thing as heel nerving. Dr. Arthur said napivocaine was an alternative. There were also a number of horses that had percutaneous freeze nerving, where cryosurgery was done over the nerve. Dr. Arthur stated those horses should be reported as "nerved." Chairman Shapiro asked how such horses were identified. Dr. Arthur said an official veterinarian noticed scaring over the horses' nerves; however, scaring did not always occur. He stated that was one reason he objected to the proposed regulatory action: it was relatively unenforceable. Commissioner Amerman asked how many horses were nerved in California. Dr. Arthur said there were currently nine horses on the list in Southern California, but there could be more. Susan Branch, a horse owner, spoke regarding the proposed regulatory action. Allen Branch, a horse owner and breeder, spoke regarding the proposed regulatory action. Michael Power, a horse owner and breeder, spoke regarding the proposed regulatory action. Charles Dougherty of California Thoroughbred Trainers (CTT) stated his organization did not support the repeal of Rule 1849; however, the CTT would support the compromise proposed by Dr. Arthur. Chairman Shapiro said the heel nerving procedure was one that was not widely used. He stated he did not think heel nerving was a good procedure for racehorses as it presented a risk to the jockey. Vice-Chairman Harris said the Board should consider the grandfather clause, but not one as generous as that proposed. A clause that allowed a foal date of January 1, 2008, would mean any yearling of 2008 could be grandfathered in the regulation. Vice-Chairman Harris stated he did not see why yearlings needed to be exempted. Dr. Arthur stated that would preclude any Breeders' Cup issues, as any horse foaled after 2008 would not be running in the 2009 Breeders' Cup. Chairman Shapiro said another solution would be to simply pick a date. Chairman Shapiro **motioned** to amend Rule 1850 to provide that no horse

that was heel nerved after October 1, 2008, may participate in a race. Commissioner Choper seconded the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE PROPOSED AMENDMENT TO CHRB RULE 1606, COUPLING OF HORSES, TO ALLOW AN OWNER WITH PARTIAL INTEREST IN TWO HORSES WITH DIFFERENT PARTNERS, TO RUN UNCOUPLED IN THOROUGHBRED RACES IF THEY ARE TRAINED BY DIFFERENT TRAINERS.

Chairman Shapiro said the issue of coupling of horses was discussed at the February 2008 Regular Board Meeting. Commissioner Moss said Vice-Chairman Harris initiated the proposal to uncouple horses where there was an owner with partial interest in two horses with different partners and different trainers. He stated the racing secretaries agreed with the proposal. Vice-Chairman Harris said he looked at the proposal as a step towards further action regarding uncoupling horses. Robert Hartman of Golden Gate Fields suggested the Board conduct an experiment in uncoupling all horses. Commissioner Moss stated such an experiment had already been conducted. He said Ron Charles was going to talk to the fan's committee regarding the issue, but to date there was no response. Chairman Shapiro said the coupling rule was temporarily waived in 2006. However, the current proposal was preferred, as the waiver raised integrity and perception issues. Sherwood Chillingworth of Oak Tree Racing Association said the proposal had a lot of variables, which were a bit confusing. Coupling was a perception issue for the fans who might think there was some manipulation if horses were not coupled. Mr. Chillingworth said he believed that trainers, who under the Board's rules ran uncoupled, had a greater ability to affect the outcome of a race than an owner who had 20 percent or 30 percent of a horse. Jack Liebau said the reason the Board did not repeal the

coupling requirement in 2006 was opposition from Thoroughbred Owners of California (TOC). He stated the TOC now favored the idea. The 2006 experiment was a success, and the current economics were such that owners needed to run to win. There was no way owners had control over the performance of their horses, as compared to trainers. Mr. Liebau said the Board ought to simply repeal the coupling regulation. Commissioner Moss **motioned** to notice for a 45-day public comment period the proposed amendment to Rule 1606. Vice-Chairman Harris **seconded** the motion, which was **unanimously carried**.

REPORT AND PRESENTATION FROM REPRESENTATIVES OF THE SAN MATEO COUNTY EVENT CENTER REGARDING THEIR PREPARATIONS FOR OPENING A SATELLITE WAGERING FACILITY.

Chris Carpenter, of the San Mateo County Event Center and Fair spoke about the design and development of a satellite wagering facility, which would be located in Oak Hall at the San Mateo County Fair, and was scheduled to open in August 2008. Mr. Carpenter introduced the development team and talked about the groundwork and pre-planning for the facility. Chris Korby of California Authority of Racing Fairs (CARF) gave a PowerPoint presentation regarding the new satellite wagering facility at the San Mateo County Event Center. Commissioner Choper stated on a regular Saturday the facility at Bay Meadows seated up to 1,200 persons. He asked how many persons the new satellite facility would seat without its add on building. Mr. Carpenter said the new facility had a capacity of 780 with another 250 in the outdoor seating area; that was why it was going to add on Cypress Hall. The hall was about 150 feet from the facility and it would bring the capacity up to around 1,000 persons.

Commissioner Choper said his question was where would Bay Meadow's fans go if it were no longer open? Mr. Korby said the fans would probably go to Golden Gate Fields and the fairs. Commissioner Choper stated he hoped the facility would be able to accommodate more fans when Bay Meadows closed and there was no live racing. At the minimum the San Mateo facility should expect to have its projected capacity. There were fans who would not travel to Golden Gate Fields or Pleasanton. Mr. Korby said that was why it was fair to look at Bay Meadow's attendance when it was not racing. He added one of the calculations that went into the San Mateo satellite wagering facility was that persons who were at Bay Meadows because of the horses that were stabled and were training at the track generated a significant component of daily attendance and handle. When Bay Meadows closed that component of daily attendance and handle would likely go with it. To be on the conservative side, the financial projections were based on a 30 percent reduction in attendance and handle. Chairman Shapiro stated he understood the facility would open August 18, 2008. He asked if a seamless transfer of the facility from Bay Meadows had been worked out. Mr. Korby stated discussions with Bay Meadows were held regarding the transition, and the parties were very cooperative. Chairman Shapiro stated it was good that the fan base around Bay Meadows would have a place to go, and the Board appreciated the work that went into creating a seamless transition.

REPORT AND DISCUSSION BY THE BOARD REGARDING THE STATUS OF THE CLOSURE OF THE SACRAMENTO HARNESS ASSOCIATION.

Francisco Gonzales, CHRB staff, said on March 12, 2008, staff met with Donna Newman, Controller of the Sacramento Harness Association (SHA) to review its plans to cease operations. Staff received a list of SHA's accounts receivables and accounts payables. The list

would be changing due to any accounts receivables that were collected since March 12, 2008. The SHA payment plan would pay the horsemen and SHA employees first, the satellite expenses and then all other parties owed monies. On March 26, 2008, staff received a letter from Ivan Axelrod, which stated SHA expected to make its final payment to the horsemen's purse account by the end of March 2008. Jim Perez of California Harness Horsemen Association stated he was in discussions with SHA and the agreement was that the horsemen would start collecting their monies March 27, 2008. Vice-Chairman Harris asked if the overpayment issue was part of the agreement. Chairman Shapiro said he had a letter from the Standardbred Sires Stakes Committee (SSSC) that stated it was owed income of \$134,000. Mr. Gonzales said SHA showed that debt on its books. The agreement was that the horsemen and SHA employees, and satellite expenses would be paid, and then other parties would be paid. Chairman Shapiro said the monies owed the SSSC should have been held separately, as the take-out provided for the program to be funded. He asked where was that money? Mr. Gonzales said he did not know where the money was, but SHA clearly showed the debt on its books. Vice-Chairman Harris said he was not sure what the Board's role was in the process. SHA was essentially a bankrupt company with a lot of creditors. Chairman Shapiro said his concern was the Board's obligations if it was found that money was improperly used. Deputy Attorney General (DAG) Derry Knight said in terms of financial arrangements between third parties, it would be a matter of sorting through priorities. If there were trust funds that were misappropriated, there could be some legal issues. Until the facts were known it was difficult to determine the priorities; however, DAG Knight stated he was not sure the Board had a role in sorting it all out. Chairman Shapiro said he would like DAG Knight to advise the Board

regarding its obligations. He stated he had another letter from the Federation of California Racing Associations asking the Board to hold any disbursements from Southern California Off Track Wagering, Inc. to pay for \$244,000 in pension liabilities. Chairman Shapiro said the Board held a financial instrument for \$100,000 – but before the money went out the door he wanted to know what was the Board's role. DAG Knight said the Board should hold onto the funds until the creditors sorted out the issues. Commissioner Shapiro stated he would like advice from staff, in consultation with the DAG, regarding the Board's obligations to protect the interests of those whom SHA owed money. Mr. Gonzales commented in its letter of March 26, 2008, SHA stated it was liquidating its non-cash assets. That would take 30 to 45 days, and once that was done, SHA would pay its creditors in accordance with California law. SHA agreed to provide the Board with a monthly status report on its closure.

DISCUSSION AND ACTION BY THE BOARD TO DIRECT STAFF TO DEVELOP MINIMUM NET WORTH STANDARDS FOR RACING ASSOCIATIONS SUBMITTING APPLICATIONS FOR LICENSE TO CONDUCT A HORSE RACING MEETING AT BOTH PUBLIC AND PRIVATE RACE TRACKS.

Chairman Shapiro said there were shell corporations, limited liability companies (LLC) and other entities that were licensed, but that did not have real assets. However, the Board had not developed a policy regarding a minimum net worth standard for such entities. Chairman Shapiro said when Hollywood Park was acquired by an LLC it was required to post a bond. When Sacramento Harness Association (SHA) was licensed, it was required to post a letter of credit. The issue was: should the Board develop a minimum net worth standard to cover situations such as that of SHA? Chairman Shapiro stated he did not expect an immediate answer; instead, staff should develop some guidelines, and do research to see if standards that

would be applicable throughout the state could be developed. Commissioner Choper stated he noticed none of the states surveyed in the staff analysis had minimum net worth requirements. He said he could not believe a state would just license anyone who wanted to operate a horse racing meeting. Chairman Shapiro said California did not have a minimum standard. Vice-Chairman Harris said the issue should go beyond net worth, as an association could have an adequate net worth, but no liquid funds. The best way to accomplish the Board's objective would be a bond, or a letter of credit; something that was very clear-cut. Chairman Shapiro said he agreed.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE FEASIBILITY OF AMENDING CHRB RULE 1876, FINANCIAL RESPONSIBILITY, TO REQUIRE THAT FINANCIAL COMPLAINTS ABOVE AN AMOUNT THAT CAN BE ADJUDICATED BY SMALL CLAIMS NOT BE HEARD BY THE BOARD OR THE REPEAL OF CHRB RULE 1876, WHICH WILL ELIMINATE FINANCIAL COMPLAINTS FROM BEING HEARD BY THE BOARD.

Chairman Shapiro said the stewards were too often bogged down as bill collectors. There was a January 2005 directive regarding financial complaints, but a regulation should be in place to allow the stewards and staff to get out of the bill collecting business. Deputy Attorney General (DAG) Derry Knight said he received many enquiries regarding financial complaints, and based on the kinds of questions presented, it seemed the stewards did not have the required expertise. It was asking too much for the stewards to have the kind of expertise one needed, and there were legitimate issues with the stewards attempting to comply with Rule 1876. DAG Knight stated Rule 1876 was purely a policy issue, as the law did not mandate it, so the Board had a lot of discretion regarding what it might want to do with the Rule. Commissioner Choper said he did not see any objections to letting small claims courts and other parties

relieve the stewards of hearing financial complaints. There was a range of venues creditors could pursue, and unless there was a class of potential creditors that would not get relief by reasonable means, the stewards ought to be relieved of the responsibility. Commissioner Moss stated the stewards at least had knowledge of how the financial problems were generated. Explaining a racing matter to small claims courts could be intimidating to some. Vice-Chairman Harris said that was the same problem any business faced. He added labor problems should go to the Department of Industrial Relations. Charles Dougherty of California Thoroughbred Trainers (CTT) stated his organization felt it was necessary for the stewards to retain some of their financial complaint responsibilities. On occasion, some licensees fell behind in their payments to the California Horsemen's Safety Alliance (CHSA) industry-wide workman's compensation program. The CHSA would rely on the stewards to call in the particular trainer to get the payment made. The CTT felt it was important for the stewards to be involved as the issue involved industry money, and going to the courts cost time, and money. Mr. Dougherty added it was important for the Board to understand that the CTT often became involved in wager issues when an exercise rider, groom or pony person claimed they were not paid. If the CTT's involvement did not go well, it would recommend the parties go to the stewards. A lot of the persons who were not paid would not go outside the industry, and would rather not be paid than have to go to small claims court. The CTT would recommend that the workers in the barn area still have the ability to go to the stewards. Brian Pitnick of the CTT said the costs of training a horse rose significantly within the past year. The trainer performed his job in advance for the benefit of the client, and the only mechanism the trainer had to guarantee payment was the financial responsibility complaint. If Rule 1876 were

repealed, it would change the way trainers related to clients with regard to the financial aspect of managing horses. A trainer would either require contracts that could be taken to small claims courts to prove a breach of contract for not paying, or trainers would require deposits or payment in advance. Trainers were not allowed to hold papers on horses, and some owners who were behind in their bills simply walked away from horses, or transferred them to other trainers. Mr. Pitnick said it was a difficult situation, and there were other possibilities the industry could enact that would be no more expensive than going to small claims court. He added small claims courts presented problems, as it was one thing to get a judgment, and another to collect on them. If Rule 1876 were amended, would the stewards be willing to enforce a small claims judgment? The issue was more complicated than just stating the stewards did not want to be bill collectors. Before the Board changed current practice it should look at the practical ramifications and consider if another mechanism was available that took the burden off the stewards, but allowed trainers to continue to function. Vice-Chairman Harris said he sympathized with trainers, but anyone in business had to adjust, and it could benefit trainers to have contracts with owners, or require deposits or advance payment. If the owner could not pay, it did not matter what kind of judgment one had. Perhaps the CTT and Thoroughbred Owners of California (TOC) could work on developing an arbitration mechanism, but the Board was working on extracting the stewards from an area they did not have to be in. Mr. Dougherty said the threat of losing a license was a very powerful tool. Any licensee knew that if they did not comply with a steward's ruling they faced the threat of losing their license. Chairman Shapiro said the problem was that the state was bearing the burden of bill collecting. In addition, financial complaints were taking time from the stewards

and Board investigators, when there were other issues that could enhance horse racing. Chairman Shapiro said he was not opposed to the stewards keeping some sort of leverage, but there needed to be some way to manage the issue so the state was not paying for it, and the stewards were not over burdened. Chairman Shapiro said the stewards often dealt with \$50 or \$25 dollar issues, and became involved in unimaginable minutia. Mr. Pitnick stated for every small complaint there were clients who defaulted on training bills of \$2,000 or \$2,500. The client might move his horse to another trainer and the only resource for the original trainer was the threat of preventing the horse from running. Chairman Shapiro said he understood, but the Board wanted to see if there was a way to keep the threat of license suspension – not as the first course of action, but as the ultimate course of action. Commissioner Choper said he did not see any objection to creating a system that would involve an industry panel to handle financial complaints. If there were a civil judgment the stewards could use it as a lever to collect the debt, because the license was a thing of value that could be taken away. Commissioner Choper said he was also concerned about persons who worked on the backstretch, and who were realistically incapable of going through the Labor Commission process. Perhaps an internal group ought to be set up that could deal with such issues before they went to the stewards. Mr. Daugherty said there was a large Spanish speaking population on the backstretch. They felt comfortable going to the CTT, which tried to make sure they had a legitimate complaint, and would talk to the trainer. However, the mindset of such persons was that they simply would not go to an outside agency. Chairman Shapiro said going to the stewards was free and convenient. Perhaps the first step should be mediation before the issues went to the stewards. Tom Bachman of TOC said the same problems occurred on farms. One

of the tools farms used was a contract and an automatic lien on the horse. If trainers put liens on horses they would not be moved around because the papers could not transfer. Chairman Shapiro said an industry panel with CTT and TOC would be formed to address the issue.

STAFF REPORT ON THE FOLLOWING CONCLUDED RACE MEETS:

- A. BAY MEADOWS RACING ASSOCIATION AT BAY MEADOWS FROM FEBRUARY 14, 2007 THROUGH NOVEMBER 4, 2007.**
 - B. OAK TREE RACING ASSOCIATION AT SANTA ANITA FROM SEPTEMBER 26, 2007 THROUGH NOVEMBER 4, 2007.**
 - C. HOLLYWOOD PARK RACING ASSOCIATION, LLC AT HOLLYWOOD PARK FROM NOVEMBER 7, 2007 THROUGH DECEMBER 22, 2007.**
 - D. PACIFIC RACING ASSOCIATION AT GOLDEN GATE FIELDS FROM DECEMBER 26, 2006 THROUGH DECEMBER 22, 2007.**
 - E. LOS ALAMITOS QUARTER HORSE RACING ASSOCIATION AT LOS ALAMITOS FROM DECEMBER 28, 2006 THROUGH DECEMBER 23, 2007.**
 - F. SACRAMENTO HARNESS ASSOCIATION AT CAL EXPO FROM AUGUST 1, 2007 THROUGH DECEMBER 22, 2007.**
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Chairman Shapiro said the item was **deferred**.

PUBLIC COMMENT

Mr. Edward Murphy spoke about his concerns regarding horse racing related items. Michael Power, a horse owner and breeder, spoke about inaccuracies on the CHRB Veterinarians List. Chairman Shapiro stated the Board's Equine Medical Director and Information Technology staff was working to fix the problem.

MEETING ADJOURNED AT 3:00 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

PROCEEDINGS of the Regular Meeting of the **California Horse Racing Board** held at the **Hollywood Park Sunset Room**, 1050 South Prairie Avenue, Inglewood, California, on **April 24, 2008**.

Present: Richard B. Shapiro, Chairman
John C. Harris, Vice-Chairman
John W. Amerman, Member
John Andreini, Member
Jesse H. Choper, Member
Jerry Moss, Member
Kirk E. Breed, Executive Director
Derry L. Knight, Deputy Attorney General

DISCUSSION AND ACTION BY THE BOARD REGARDING THE STATUS OF THE CARD CHECK AGREEMENT BETWEEN THE PARI-MUTUEL EMPLOYEES GUILD, LOCAL 280 AND THE LICENSED ADVANCE DEPOSIT WAGERING PROVIDERS.

Chairman Shapiro said he there had been talks between the parties, and some progress was made. The Board was the subject of a lawsuit regarding the issue, so there was not much it could do, but it did encourage the parties to continue their talks and come to an agreement.

REPORT TO AND DISCUSSION BY THE BOARD REGARDING THE STATUS OF THE NEGOTIATIONS OF THE HORSEMEN'S AGREEMENTS FOR THE HORSE RACING MEETING OF THE HOLLYWOOD PARK RACING ASSOCIATION, LLC (T) AT HOLLYWOOD PARK, COMMENCING APRIL 23, 2008 THROUGH JULY 13, 2008, INCLUSIVE AND THE HORSE RACING MEETING OF THE PACIFIC RACING ASSOCIATION (T) AT GOLDEN GATE FIELDS, COMMENCING MAY 14, 2008 THROUGH JUNE 22, 2008, INCLUSIVE.

Chairman Shapiro stated at the March 27, 2008, Regular Meeting there were unresolved issues regarding the Hollywood Park Racing Association (HPRA) application for license and the Pacific Racing Association (PRA) application for license. Jack Liebau said the paragraph that caused the controversy was removed from the horsemen's agreement. That settled the

disagreement between the Thoroughbred Owners of California (TOC) and HPRA. The horsemen's agreement was signed the next day. Chairman Shapiro said the issues with PRA were the hot walking machines and writing extras. Robert Hartman of PRA stated that was correct. He said all the issues between PRA and TOC were resolved and the horsemen's agreement was signed.

REPORT TO AND ACTION BY THE BOARD REGARDING THE REPORT FROM THE RACING ASSOCIATIONS AND THE THOROUGHBRED OWNERS OF CALIFORNIA CONCERNING BUSINESS AND PROFESSIONS CODE SECTION 19605.71 IN PARTICULAR, THE 2.5 PERCENT OR THE AMOUNT OF ACTUAL OPERATING EXPENSES, AS DETERMINED BY THE BOARD, WHICHEVER IS LESS, DISTRIBUTED TO THE ORGANIZATION AUTHORIZED TO OPERATE THE AUDIOVISUAL SIGNAL SYSTEM AND HOW IT IS IMPACTED BY ANY DEFICIENCY IN ITS FUNDING.

Chairman Shapiro said the item was discussed at the March 27, 2008, Regular Board Meeting. There was a dispute regarding the disposition of any deficiency in the 2.5 percent distributed to the organization authorized to operate the audiovisual signal. The Thoroughbred Owners of California (TOC) contended any surplus would be divided equally between the horsemen and the racing association; however, any deficiency in the funding was the responsibility of the racing associations. The racing associations stated a deficiency was to be shared equally by the TOC and the racing associations. Jack Liebau of Hollywood Park and Bay Meadows said he was also authorized to speak for Oak Tree Racing Association. He stated the racing associations would like the issue submitted to arbitration by the Board, and to have the opportunity to submit their positions in more formal proceedings. Mr. Liebau said the TOC position was diametrically opposed to that of the three racing associations for which he spoke. Mr. Liebau added he did not know where the other racing associations stood on the issue. The

problem arose because the 2.5 percent set aside for operating costs was deflated somewhat by advance deposit wagering (ADW), which did not provide for any distributions to the expense fund, or other such funds. The manning clauses instituted when the ADW statute was initially passed also contributed to escalating labor costs. Chairman Shapiro said the issue was very complex, and it was a good idea to have some briefs describing the fund and its purpose submitted to the Board. That would provide Board members with a background understanding so they could better adjudicate the issue if needed. Drew Couto of TOC said it was correct to say TOC had a different view of the issue. One of the problems with the fund was the actual allocation of expenses. The intent of the legislation was to cover the incremental cost of handling wagers on races that originated off-track. Instead of treating them as incremental costs, they were treated as proportional costs and that over taxed the fund. Too much was being allocated as pari-mutuel and other operating expenses, and that was creating what was called a deficit. Mr. Couto stated TOC did not think arbitration was appropriate because the issue was a statutory matter, so an informational hearing would be fine. Mr. Liebau stated Business and Professions Code section 19440 empowered the Board to carry out the purposes of horse racing law, and subsection 19440(a)(3) provided that the responsibilities of the Board included adjudication of controversies arising from the enforcement of the law. The racing associations were asking the Board to adjudicate the issue pursuant to Business and Professions Code section 19440. Vice-Chairman Harris said the law only provided for 2.5 percent to cover expenses. If that were not enough the issue would have to be solved through legislation, or expenses would have to be cut. Mr. Couto stated the issue was complicated because there were a number of statutes that related to other fees and to the allocation of expenses. The 2.5

percent probably covered the expenses if they were allocated differently. If the issue went to arbitration, the Board might wish to audit how the expenses were actually allocated. Chairman Shapiro said he would suggest the Board hold a special hearing on the issue. Before any hearing the parties could submit briefs so the Board would have an historical understanding and background regarding the different positions. Commissioner Choper asked if the TOC disagreed with the proposition that the Board had authority to adjudicate the issue. Mr. Couto said TOC did not disagree with the concept, but any arbitration could not go beyond the 2.5 percent cap in the law. Mr. Liebau said the problem was that SCOTWINC and NOTWINC were operating on cash flow. If the horsemen and the tracks claimed they were not obligated to contribute more than the 2.5 percent, who would fund a deficiency? Some of the tracks had paid their half of a deficiency, but the other half was not paid, and that caused a financial crisis. That was why the issue needed to be adjudicated. Chairman Shapiro said he was asking each side to present a brief that outlined the issue from their perspective. Chairman Shapiro asked how long it would take the horsemen to brief their position. Mr. Couto said three weeks would be adequate. Mr. Liebau stated three weeks would be sufficient for the racing associations to summarize their position. Rod Blonien said it would be convenient to have a date by which each side would submit the issues they thought were relevant, so everyone could brief the issues. That way the Board would not have the tracks briefing one or two issues and the horsemen four issues. Chairman Shapiro said the parties should get together and agree on the nuances of the problem, so they could all brief the issue. He stated a special meeting would be scheduled in the near future so the issue could be dealt with appropriately.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION TO CONDUCT A HORSE RACING MEETING OF THE ALAMEDA COUNTY FAIR (F) AT PLEASANTON, COMMENCING JUNE 25, 2008 THROUGH JULY 6, 2008, INCLUSIVE.

Chairman Shapiro said the item was going to be deferred because the necessary agreements were not in place. However, due to the protests of numerous persons the item would be heard as scheduled. Chairman Shapiro commented the lack of completed agreements was not fair to the Board, as it did not have the opportunity to review the items before hearing the application. Vice-Chairman Harris stated the missing items were of particular concern because the Alameda County Fair (ACF) was the first fair and the agreements were templates for the other fair agreements. Jacqueline Wagner, CHRB staff, said the ACF proposed to run 11 days, the same number of days as in 2007, for a total of 120 races. ACF would race concurrently with Hollywood Park. The first post time would be 12:35 p.m. Ms. Wagner stated the horsemen's and California Thoroughbred Trainers agreements were received. She added the parties agreed to extend the 2007 stabling and vanning agreement through 2008. Chairman Shapiro said in 2007 ACF had an agreement regarding the average number of races it would run per day. He asked if ACF exceeded that number in 2007. Mr. Pickering stated in 2007 there was no overlap between the major tracks in Northern California and Stockton. Due to no overlap a number of horse owners and trainers from Bay Meadows and Golden Gate Fields contacted ACF to request additional thoroughbred races. ACF responded it could not add any thoroughbred races until Stockton had its last draw. Subsequently, ACF did add additional thoroughbred races, based on the previous requests. Mr. Pickering stated in 2008 there would be one racing secretary for the fairs in Northern California. That would ensure continuity of the purse structure, racing calendars and schedules. The racing secretary would go from fair

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to fair and manage the horse population on the entire fair circuit. Chairman Shapiro said he understood, but there were guidelines in 2007 and they were not followed, and he did not want to see anyone put at a disadvantage as a result. He stated he did not know if the horsemen believed the horse population would support 10 to 12 races per day. Chairman Shapiro said that was one of the items he wanted to see in the horsemen's agreement. Drew Couto of Thoroughbred Owners of California (TOC) stated the number of agreed upon races was a side letter with California Authority of Racing Fairs (CARF). In 2007 there were a number of fairs that went above the agreed cap on races because they felt they had demand, but they did not think about the overall impact on the inventory at other meetings. In 2008 there would be one racing secretary, who would be responsible for writing races at each fair meeting, using the same inventory. TOC and CARF were going to work together to ensure the horse inventory was not overburdened in 2008. Vice-Chairman Harris stated the fairs should have the flexibility they needed to work with TOC and the other meets to make the overall fair racing work well. There were too many things that could happen with the horse population between April and June. Mr. Couto said TOC was trying to provide some flexibility, but the majors were capped in terms of the number of races they could average per week. As the fairs became more important players they needed to understand how to manage the horse inventory for the sake of the entire circuit. Mr. Couto stated CARF understood, and in the future the issue would be dealt with differently. Chairman Shapiro asked why ACF would run on June 30. Hollywood Park would not be running and it created a six-day week. Mr. Pickering said it was a business decision. ACF would try to run more mixed breed races on that day and conserve the thoroughbred inventory. The fairs were essentially six-day weeks, and though the

day would be painful with regards to purse generation, there was another business model with regards to food, beverage and continuity of the program for the public of Alameda County. Vice-Chairman Harris asked if the thoroughbred stakes were overnight stakes that included the Cal-Bred bonus. Mr. Pickering said the Cal-Bred bonus was available. Vice-Chairman Harris stated there was a problem in 2007 where some stakes were Cal-Bred and some were not, but it would be nice if they all were. Chairman Shapiro asked if there was a horse ambulance and people ambulance available at each venue where horses trained in the morning. Chris Korby said CARF owned two equine ambulances that were used in leapfrog pattern. If there was racing at ACF with training at Vallejo, there would be a CARF equine ambulance at both locations. Mr. Korby stated he did not know if there was also an ambulance for people. Chairman Shapiro asked if people and horses were working at Bay Meadows, Golden Gate Fields and Solano and ACF, would there be ambulance services at all those locations? Mr. Pickering said ACF had a basic life support ambulance stationed at the track during morning workouts. During live racing there was an advanced life support ambulance on the track. In addition, there was a fire station directly across from the fairgrounds. Mr. Pickering stated he believed Golden Gate Fields and Bay Meadows had a similar arrangement. He added there would be a California Legislative Day at ACF on June 28, 2008, and the Senate and Assembly would issue a resolution congratulating Pleasanton on 150 years of racing. Mr. Pickering said he would keep the Board informed. Chairman Shapiro **motioned** to approve the application for license to conduct a horse racing meeting of ACF. Commissioner Moss **seconded** the motion, which was **unanimously carried**.

PUBLIC HEARING AND ACTION BY THE BOARD ON THE ADOPTION OF THE PROPOSED AMENDMENT TO CHRB RULE 1481, OCCUPATIONAL LICENSES AND FEES, RULE 1783, REGISTRATION OF STABLE NAMES, AND RULE 1784, REGISTRATION TO DISCLOSE ALL PARTNERS, TO PERMIT THE LICENSING OF “STABLE NAME GROUPS” WHICH WOULD ALLOW MULTIPLE ENTITIES, EACH OWNING MULTIPLE HORSES WITH DIFFERENT SETS OF OWNERS UNDER ONE STABLE NAME.

Jacqueline Wagner, CHRB staff, said the proposed amendment of Rule 1481, Occupational Licenses and Fees, Rule 1783, Registration of Stable Names, and Rule 1784, Registration to Disclose all Partners, would allow the licensing of “stable name groups” which would allow multiple entities to exist, each with the ability to own one or more horses, and each with different sets of owners, to run under one stable name. The proposed amendment of Rule 1481 would add the license class of “stable name group” to the list of entities that must register with the Board. The proposed amendment to Rule 1783 and 1784 would create a separate license classification for the groups, and a “stable name group” that would allow multiple entities to run under one stable name. Ms. Wagner stated the proposal was noticed for a 45-day public comment period, and no comments were received. Staff recommended the Board adopt the proposal as presented. Commissioner Moss commented the Board examined ownership credentials of applicants so if one were a felon a red flag would go up. Vice-Chairman Harris stated the proposal would allow an individual with ten percent or less ownership to not be licensed. One problem with some partners was that they did not have the time to get a license, or the desire; they just wanted to invest in a horse. The rules provided a way to circumvent some of the red tape. Commissioner Andreini **motioned** to adopt the amendment to Rule 1481, Rule 1783 and Rule 1784. Vice-Chairman Harris **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD REGARDING A PROPOSAL TO AMEND CHRB RULE 1481, OCCUPATIONAL LICENSES AND FEES AND RULE 1486, TERM OF LICENSE, TO INITIATE A PROVISIONAL EXERCISE RIDER PROGRAM, TO PROVIDE A TRAINING PROGRAM TO ALLOW ASPIRING EXERCISE RIDERS TO GAIN EXPERIENCE BEFORE BECOMING LICENSED EXERCISE RIDERS.

Jacqueline Wagner, CHRB staff, said the proposal to amend Rule 1481, Occupational Licenses and Fees, and Rule 1486, Term of License, was the result of a request of Leigh Ann Howard of San Luis Rey Downs. Ms. Howard asked that the Board consider initiating a program to provide an opportunity for aspiring exercise riders to gain the experience and knowledge that they would need to become an exercise rider. Ms. Howard stated there was currently no program in place wherein an aspiring exercise rider could ride a thoroughbred horse in a setting that duplicated the day-to-day experiences at a Board approved racetrack, or training track. To get an exercise rider license, a candidate must currently gallop a horse on the track, in front of the official outrider. The outrider must judge the rider's skills and knowledge of track rules. If the outrider believed the candidate was qualified, he signed an approval card. Once the candidate was licensed, there would be no way to distinguish him from other exercise riders. Trainers, who would be potential employers of the exercise rider, would have no way to know if the exercise rider was fully qualified. Ms. Wagner commented an applicant for license as exercise rider must first see the stewards, and then the outrider. The candidate was not directed to the racetrack without first being questioned by the stewards. Ed Halpern of California Thoroughbred Trainers stated his organization supported the concept. Commissioner Moss **motioned** to direct staff to initiate a 45-day public comment period regarding the proposed amendment to Board Rule 1481 and Rule 1486, as well as the addition

of Rule 1504.5, Provisional Exercise Rider. Commissioner Andreini **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE FEASIBILITY OF AMENDING CHRB RULE 1505, QUALIFICATIONS FOR LICENSE AS HORSE OWNER, TO PERMIT A HORSE OWNER WHOSE LICENSE HAS EXPIRED TO QUALIFY FOR RENEWAL OF THE LICENSE EVEN IF THEY ARE NOT AN OWNER OF A PROPERLY REGISTERED RACE HORSE WHICH IS IN THE CARE OF A LICENSED TRAINER AT THE TIME OF RENEWAL.

Vice-Chairman Harris said if a person who held a horse owner license did not own a horse for any reason at the time of renewal of their license, they could not renew the license. The Board's licensing office would ask the person attempting to renew the horse owner license if they owned a horse under the care of a licensed trainer. If the answer was "no" they could not get a license. Vice-Chairman Harris said it was kind of a catch-22 for some horse owners, and the process needed to be more user friendly. Horse racing needed to keep people in the sport, not put up roadblocks for them. Vice-Chairman Harris stated applicants were fingerprinted and had background checks. They should be able to renew a license without having a horse on the grounds in the care of a trainer. Chairman Shapiro said the Board should try to encourage people to be owners, and should not make it so difficult. If an owner was in good standing, they should not have to have a horse on the grounds. Drew Couto of Thoroughbred Owners of California (TOC) said the application of the rule was that one had to own a horse in training at the time of licensing. If one did not own a horse at licensing, there was still a license for that individual; a "horse owner by open claim" license. Vice-Chairman Harris said he has had owners of young horses try to get licensed as owners, but could not because the horse was not at the track. The Board needed to let anyone in if they met the criteria. Mr. Couto said the

TOC agreed to an extent; however, allowing anyone in good standing to renew a horse owner's license – regardless of actual horse ownership – would dilute the pool of legitimate owners that voted on issues and had interests that needed to be protected. If someone has not owned a horse in four or five years, but maintained a horse owner license, were they really owners? Vice-Chairman Harris said the person would have to pay for the license, which did not necessarily entitle one to free passes. Mr. Couto stated his point was that even if one did not own a horse, under the Board's rules there was a license one could buy. There was a difference in prices, and the less expensive license was premised on the fact that one had a horse in training that could run, or was about to run. The other license was for people who did not have a horse in training at that time. Vice-Chairman Harris **motioned** to initiate a 45-day public comment period regarding the proposed amendment to Board Rule 1505. Commissioner Andreini **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD REGARDING A PROPOSAL TO AMEND CHRB RULE 1853, EXAMINATION REQUIRED TO ALLOW THOROUGHBRED HORSES TO RACE UNSHOD.

Jacqueline Wagner, CHRB staff, said Vice-Chairman Harris raised the issue. Initially, the proposal to amend Rule 1853, Examination Required, was for synthetic surfaces only, but it was expanded to include all racing surfaces. Vice-Chairman Harris said the proposal would not require horses to race unshod, it simply allowed owners and trainer the option of racing unshod. He stated there was a lot of material that indicated sometimes it might be beneficial to the horse to race unshod. Commissioner Amerman **motioned** to initiate a 45-day public comment period regarding the proposed amendment to Rule 1853, Examination Required, to

allow thoroughbred horses to race unshod. Commissioner Choper seconded the motion, which was unanimously carried.

PRESENTATION TO AND DISCUSSION BY THE BOARD CONCERNING AB 241 AND THE FEASIBILITY AND POTENTIAL PROFITABILITY OF OPERATING A MINISATELLITE WAGERING FACILITY.

Chairman Shapiro stated Assembly Bill 241 (Price), Chapter 594, Statutes of 2007, provided that the Board could authorize an additional 15 minisatellite wagering facilities per racing zone in California. He stated there were some challenges with respect to opening the minisatellite wagering facilities. Commissioner Moss said the ability to authorize the minisatellite wagering facilities provided an opportunity to discuss the current 34 satellite wagering facilities. The Board could look at how well the satellite wagering facilities did, and an important requirement of the minisatellite wagering facilities, the requirement for a 20-mile buffer zone around the existing satellite wagering facilities. Satellite wagering generated a lot of revenue for horse racing in California and the additional minisatellite wagering facilities presented an opportunity for the industry to present its product in a new phase. George Krikorian, a horse owner and breeder, said he was intrigued when he read the Board could authorize additional minisatellite wagering facilities. He stated he was curious about the revenues generated by existing facilities and the opportunities for increasing those revenues by adding more locations. Mr. Krikorian said he marked the existing simulcast wagering facilities on a scale map, and then looked at the actual 2007 revenues and attendance generated by each of the facilities. The average daily attendance per site was 555 patrons, with an average handle per person, per site of \$287. Mr. Krikorian said he then examined the population and demographics for each

existing satellite wagering site for a 5, 10, and 20-mile radius from each site. Using Pleasanton as an example, an examination of the impact a facility had on a geographic market share revealed that in a 5-mile radius there were 111,000 persons and an average daily attendance of .56 percent of population; within a 10-mile radius there were 422,000 persons and an average daily attendance of .15 percent of population; within a 20-mile radius there were a million and a half persons and a daily attendance of four hundredths of a percent, which meant four people for every 10,000 in that market. Mr. Krikorian stated the most profound statistic was that in the 20-mile radius the average daily attendance was so negligible that its contribution was virtually irrelevant. In Pleasanton the average was four people per 10,000, but across the entire state it was three people per 10,000. The remaining pockets of opportunities available to locate new minisatellite wagering facilities provided few economically viable geographic choices. How would the new satellite sites generate substantial revenues? Mr. Krikorian stated his conclusion was that the 20-mile radius was totally unnecessary, and detrimental to the best interests of horse racing in California. The 20-mile radius restriction created a major impediment to the industry's ability to explore a vast, rich, and previously untapped market. While the 20-mile radius created the impression that existing facilities were being protected, the reality was that beyond a 5-mile radius, participation at satellite wagering facilities was negligible. The average daily attendance of only three hundredths of a percent in a 20-mile radius demonstrated one fact, people did not like to travel far, and they did not like to spend more than 10 or 15 minutes getting to a destination. Mr. Krikorian stated he also examined what might happen if the 20-mile radius were reduced to 10 miles. Using the Pleasanton example, and going ten miles north, south, east and west, one

could see the untapped substantial population pockets in each of the 5-mile circles outside the ten miles surrounding the facility. Ten miles to the east was a population pocket in a 5-mile radius of 61,000 persons; to the north, 85,000 persons; to the west, 324,000 persons; and to the south, 76,000 persons. If simulcast facilities were located in each direction, north, south, east and west, an additional 547,000 patrons would be available annually. That could mean an additional \$143 million dollars in revenues generated from just the one geographic market. If all the geographic markets were treated the same way, the average annual attendance could increase by almost 10 million persons, which could mean \$2.8 billion in simulcast revenues a year. With the existing simulcast facilities, the total annual simulcast wagering income would exceed over \$4 billion per year, and generate an additional estimated take out of more than \$550 million, which would mean an additional \$100 million per year in purses. For the new facilities to be successful the Board would have to insist on a high standard of quality for each facility. If the industry wanted to attract the masses, it needed to create a more compelling experience that patrons could enjoy. Customers wanted large screens, clear digital projection sound equipment, comfortable seating, clean and well-maintained facilities, and the convenience of automated machines. Patrons wanted to bet on horses and be entertained and watch other sporting events. They also wanted quality food and bars that were designed to socialize. To create such facilities, simulcast wagering sites would have to earn more than 2 percent to remain profitable. Mr. Krikorian stated the commission should be raised to at least 4 percent. It would be an investment that would cost nothing, as they would generate additional revenues and attract new fans to racing. Mr. Krikorian said, in addition, the term of license for a minisatellite wagering facility should be ten years, because it took that long to

amortize the investment costs to create such facilities. He stated he intended to have his analysis verified by a third-party consulting firm. Chairman Shapiro thanked Mr. Krikorian for his presentation and the interest he displayed in the problem. He said the most limiting issue was that the 20-mile restriction was imposed by the law, and was not something the Board could easily change. There were exceptions in the law to the 20-mile radius, but one had to get the permission of entities within the radius, and that was not likely. Rod Blonien, a lobbyist, said the minisatellite wagering legislation took five years to reach the Governor's desk. He stated the legislation took such a long time because there were competing interests that had invested a lot of money in infrastructure and they wanted to make sure they were not hurt. The minisatellite legislation was not the bill Mr. Blonien wanted; it was the bill the political reality of the industry dictated. Mr. Blonien said the legislation did allow for minisatellite wagering facilities within the 20-mile radius, but the consent of each existing facility within that radius had to be obtained. He stated Santa Anita and Hollywood Park indicated they would waive their consent. There was a possibility that minisatellite wagering could take place at one of the major card clubs in Los Angeles County where 2,000 to 2,500 people wager every day. Mr. Blonien commented Scientific Games was aggressively talking to business entities to get them interested in minisatellite wagering, but the 2 percent commission was a problem. A commission of 4 percent was ideal, but there were interests that would not give up an additional percent, and that would mean a higher takeout, which would be problematic. Mr. Blonien stated there were bills in the Legislature that could be amended to address the issues, but that would require industry consensus. Chairman Shapiro said there was legislation that authorized the fairs to charge an additional 1 percent takeout. He asked

how it would work. Commissioner Moss said the Board would have to approve the additional takeout and it would be for all fairs. Chairman Shapiro stated the advance deposit wagering (ADW) expansion clearly had an effect on on-track wagering, so what would that do to simulcast facilities? Should there be different payouts to persons who wagered on-track versus off-track? Mr. Krikorian said he was suggesting that instead of taking 2 percent off the top for satellite wagering facilities, 4 percent should be taken. Drew Couto of Thoroughbred Owners of California (TOC) said he appreciated Mr. Krikorian's presentation. However, the numbers were a bit off because the horsemen would have to contribute 1 percent of current income to allow for the 4 percent commission. That would reduce the projected increase of \$560 million by almost a third. Mr. Couto stated TOC had fought against the 20-mile radius, but the fairs' investments in infrastructure made it a difficult issue. In addition, the industry would like to see automation, but there was an issue regarding pari-mutuel labor. The role of pari-mutuel employees needed to be redefined to have a greater role in working with automated wagering machines, which would ensure their jobs long-term. Those three issues were hurdles that needed to be considered. Mr. Couto said the industry was looking at minisatellite wagers as conventional simulcast wagers, and the old simulcast model. That was confining the industry rather than helping. If the minisatellite wagers were viewed as ADW wagers, the 4 percent commission would be easy to reach. The ADW wager was under a different distribution scheme and it produced more revenue for tracks and horsemen. The state gave up income on ADW wagers, but the state should look at that as a reinvestment in the industry that would benefit it in many ways. Commissioner Choper asked if the ADW approach assumed the same payout to wagering patrons. Mr. Couto said it would mean a uniform takeout rate for all

parties. Vice-Chairman Harris said the entire system needed to be reformed because too many issues were dependent on other things. The industry started off with live racing, then introduced satellite wagering, then ADW, and now there were additional schemes. Everyone agreed there was a need for more satellite wagering, but how much more? The issue was that no more satellite wagering facilities could be built unless they produced more income. Commissioner Choper stated no one would be in favor of the suggested changes if their revenue were going to be reduced. However, if revenues were increased, then the cost to the entities was the cost of doing business. The industry needed to determine whose revenue might be decreased and take care of them. The problem could not be solved quickly, but it looked promising. Mr. Krikorian said he was willing to have third-party consultants verify his opinion. He stated he felt strongly enough about the issue that if the 4 percent commission were achieved, he would build such facilities. Statistics regarding wagering patterns demonstrated that on-track handle was about 20 percent of the total, while off-track handle represented 80 percent. The public wanted simulcast facilities, and that is where they would spend their money. If the facilities were not built, the public would not drive 20 miles to wager. Only three per 10,000 persons were currently driving that far to wager at existing simulcast facilities. Mr. Krikorian said he understood it would be an uphill battle, but it was in the best interests of the industry to make the necessary changes. The increased revenue would allow the industry to remain competitive in California. With respect to card clubs, Mr. Krikorian stated placing minisatellite facilities in card clubs might create additional revenue, but not on the scale he envisioned. Chairman Shapiro said it was an interesting contrast. People went to movie theaters to watch movies, but it was sort of a social thing, as other

people were involved. However, ADW could be done at home. He asked if people would actually leave their homes to wager. Mr. Krikorian said people left their homes to wager at the track and at existing satellite facilities – even though they could wager via ADW. The difference, and the draw was technology. A new simulcast facility could offer a hundred foot screen, and it could allow patrons to watch in 3-D. Commissioner Choper commented he thought Mr. Krikorian's numbers were probably low, as they were based on existing sites, which were not pristine. If Mr. Krikorian's vision was enacted the result would be far beyond expectations. Chairman Shapiro said the Board agreed. However, the problem was not with the Board, it was that legislation was need to make the desired changes in the law. The problems were the same problems the industry faced all the time; there were competing interests that were able to thwart any progress. Commissioner Moss stated TOC would be able to put together a proposal the industry could live with, and perhaps get the support of the State Legislature and the Governor. The industry could not wait five years to act. It was losing fans, and Hollywood Park could close, which would affect TVG. The Board and the industry needed to find a resolution everyone could accept. Craig Fravel of Del Mar Thoroughbred Club (DMTC) said if Mr. Krikorian was willing to engage outside consultants to work with the industry everyone should jump at the chance. He stated DMTC would fully cooperate and provide any data, learning or analysis of obstacles required. Mr. Fravel added there were examples of high-end entertainment and dining venues in other states that deserved consideration. Mr. Blonien said the Federation of California Racing Associations would meet in the near future. It was an appropriate venue to discuss the issues, and perhaps bring something back to the Board. Rick Hammerle of Santa Anita said California currently offered

the least attractive simulcast menu of any jurisdiction in the country. Opening new sites without an attractive menu of races did not sound encouraging. Mr. Blonien stated there was a bill passing through the Legislature that would lift the number of permitted simulcast races to 40 races per day. There was also a bill that would allow both night breeds to bring in an additional two races per night. Mr. Couto stated if the minisatellites operated under the ADW model there would be no limit on the number of races they could import; however, that would take legislation. Chairman Shapiro asked what was the opposition to such legislation. Mr. Couto stated the existing satellite wagering facilities would object. Chris Korby of California Authority of Racing Fairs (CARF) said the fairs were not against expansion. CARF believed there were underserved markets that deserved more satellite facilities, but it did not want any expansion that injured facilities already in place. Mr. Korby said the ADW model had other challenges, as there was a completely different distribution schedule. There were no license fees and it paid no money into the vanning and stabling fund, nor did it contribute to the 2.5 percent simulcast expense fund. The ADW distribution schedule was not a simple, one-fix solution. Commissioner Choper stated if it could be demonstrated that the revenue stream would expand as suggested, there had to be a way to take care of all the issues. It was a question of demonstrating that a revenue expansion would take place that would be of enormous benefit to the industry.

DISCUSSION BY THE BOARD REGARDING STRATEGIC PLANNING AND RACE DATES FOR 2009 AND BEYOND, TO INCLUDE REPORT FROM INDUSTRY STAKEHOLDERS REGARDING STATUS OF THE DEVELOPMENT OF A PLAN FOR RACE DATES, STABLING AND RELATED ISSUES.

Chairman Shapiro said at the October 2007 Strategic Planning Committee meeting the committee agreed to allow the stakeholders to discuss amongst themselves contingency plans for the loss of any of California's racing venues. He stated when the San Mateo County Fair meeting ended, Bay Meadows would close as a racing venue, and would no longer be available. That would leave a huge gap in the Northern California Racing Program. Chris Korby of California Authority of Racing Fairs (CARF) said the Northern California stakeholders held a series of meetings regarding the racing calendars. The parties were looking at a three-year plan that would allow for an orderly transition upon the closing of Bay Meadows, with Pleasanton taking on a more prominent role as an auxiliary stabling, training and racing venue. Mr. Korby said the parties blocked out dates and identified them with specific venues, although some of the actual racing locations for some dates were flexible because Pleasanton needed significant upgrades before it could step into a more prominent role. Drew Couto of Thoroughbred Owners of California (TOC) said the parties created a three-year calendar of allocated weeks. The precise breaks and gaps between the meets still needed to be determined. The finishing touches were identification of some breaks and four-day weeks. Mr. Couto commented the draft three-year racing schedule was a long-term improvement and it introduced certainty back into the Northern California racing calendar. Chairman Shapiro asked what would happen beyond August 2008 after Bay Meadows closed. Pleasanton was the track chosen to pick up more dates, but it needed to raise the capital to make improvements. In addition, there were 900 stalls at Bay Meadows that would be lost.

Robert Hartman of Golden Gate Fields stated the remaining racing dates from September 2008 through the end of the year would be run at Golden Gate Fields. Pleasanton and Golden Gate Fields would be able to accommodate the current Northern California horse population. Commissioner Amerman asked what percentage of the stalls would be occupied. Mr. Hartman stated the stalls would be close to one hundred percent full. Commissioner Amerman said that indicated adding stalls was be a high priority. Mr. Korby stated one of CARF's early priorities for improvements at Pleasanton was the addition of more stalls. He stated the pads with utilities were in place, so CARF was a bit ahead. Mr. Korby said that building additional stalls was dependent on funding, and the process to secure funding was ongoing. Mr. Couto said if there was construction going on at Pleasanton when there would otherwise be a race meeting, there were contingency plans that allowed those dates to be run at Golden Gate Fields. While there was construction at Pleasanton the horses could relocate to one of the other fair facilities, such as Vallejo or Santa Rosa. Chairman Shapiro asked what was happening with the funding for improvements. Mr. Korby said the parties preferred not to talk about funding at a public meeting, but the Board would be informed when there were concrete results to report. He stated more should be known about funding by the summer of 2008. Chairman Shapiro said a lot of people depended on the outcome of the industry's plans. While the Board was not asking for details regarding the financing, it certainly had an obligation to know it was being pursued in a prudent manner. Rick Pickering of Alameda County Fair stated Pleasanton's number one priority is to be the primary auxiliary training facility for Golden Gate Fields, and to keep Northern California's horse inventory in this state. The primary hurdle to reach that goal was wastewater. Pleasanton had three consultants working

on wastewater requirements. Pleasanton currently had 300 horses in training, and it could take 400, but that would trigger new wastewater requirements. Pleasanton was also working with the environmental consultant and the contractor used by Golden Gate Fields when it installed its synthetic surface. The third step in the renovation process would be the grandstands and the paddock. Mr. Pickering said TOC and California Thoroughbred Trainers issued a letter to the Governor and the industry stating they wanted Pleasanton as the primary auxiliary training facility. He also spoke about actions taken by the Alameda County Fair board, and the Alameda County Supervisors. Chairman Shapiro stated the Strategic Planning Committee would meet in the near future to examine the issues more closely. Mr. Pickering stated he wanted to make it clear that the City of Pleasanton and the Board of Supervisors of Alameda County have not taken a public position regarding improvements at the fair grounds. Chairman Shapiro asked if there was a government entity that could come forward to state it did not want Alameda County Fair to run additional dates. Mr. Pickering said the City or the County could come forward and object. The County of Alameda owned the property, but the fair was being encouraged to proceed because the officials it was working with understood Pleasanton supported the success of Golden Gate Fields, which was also located in Alameda County. Commissioner Choper asked if the industry looked at other fairs as backups in case something happened to make Pleasanton unavailable. Drew Couto said the parties spent nearly two years evaluating the different fairs as potential auxiliary facilities. The existing facilities were prioritized according to which was best suited for the task. Pleasanton was the number one choice of the parties, but using current law Golden Gate Fields could run more weeks at its facility using different racing associations. Mr. Hartman commented that in 2009 and 2010

none of the additional racing dates would be run at Pleasanton, so it had three years to gain the necessary approvals and financing. Commissioner Amerman asked if there had been any legislation to extend the number of days that could be run on the Northern fair circuit. Mr. Couto said TOC agreed there needed to be some changes, but the plan worked within existing law by the use of different associations. Rod Blonien, a lobbyist, said theoretically there could be 52 weeks of racing at Golden Gate Fields, provided no racing association had 22 weeks. There was a problem in the Southern zone but there was an Assembly bill that would allow additional weeks of racing at Del Mar or Los Alamitos. Mr. Pickering stated a 2007 statute allowed the fairs to increase the takeout by 1 percent. The funds would be used for the single purpose of capital improvements to enhance fair racing in California. However, the increase in the takeout was subject to the Board's approval. If the Board were to approve an increase it would be a key component in other financing mechanisms. Vice-Chairman Harris said raising the takeout was a tax on horse racing fans. The industry was losing fans and raising the takeout would cause more to leave. Mr. Pickering said the increased takeout would go for a singular purpose, which was capital improvement for racing fairs to enhance racing. The enhancements would improve and protect the product in California. Craig Fravel stated the Southern California industry held a series of meetings to plan for various contingencies. How long Hollywood Park would be available for racing as an auxiliary training facility was uncertain. The most critical issue for Southern California was stabling for 1,500 to 1,900 horses should Hollywood Park close at the end of 2008. Hollywood Park stabling supported the Santa Anita meeting, as well as Del Mar and Fairplex. The industry agreed that Fairplex would be the logical alternative for stabling. The issues that related to planning for stabling at

Fairplex involved developing a financial plan. Industry and Hollywood Park representatives were working on such a plan. The major objective was to have stabling ready in the event Hollywood Park closed on short notice. Chairman Shapiro asked how long Hollywood Park would continue racing. Jack Liebau of Hollywood Park said his organization was committed to running through its fall 2008 meeting. He stated he did not know what would happen in 2009. Chairman Shapiro said Hollywood Park was a vital piece of the Southern California industry; however, Hollywood Park was in flux. He asked what Mr. Liebau thought the Board should do to plan and protect the industry. Mr. Liebau said the Board should develop a contingency plan. If there was such a plan, and Hollywood Park did not make a commit, perhaps the Board would not issue it dates. Mr. Liebau added if there was no contingency plan the industry was better off if Hollywood Park remained in existence. He said the land company was processing entitlements through the City of Inglewood, but he did not know how long that would take. In a few months there could be more definite answers. Mr. Liebau stated Hollywood Park would meet with the industry and develop an agreement that would be subject to six months notice. Mr. Fravel said the industry did not know what would be available at Hollywood Park after the November/December 2008 timeframe. There were two contingent plans. The long-term plan was Fairplex. The short-term plan was to use the existing facilities during a transition period between the closure of Hollywood Park and the availability of a first-rate training facility at Fairplex. The options were not as advantageous as those in Northern California because there were not as many facilities available on a year-round basis. Mr. Liebau said he assumed that if Hollywood Park applied for dates beyond 2008 it would have to make a commitment that it would race. The industry was looking at a

worst-case scenario, but with the passage of time, the issues might not be as urgent. Mr. Fravel stated the industry was looking at the worst-case, and everyone was in agreement that Hollywood Park should run through 2010. That would give the industry time to adequately plan for the long-term. Commissioner Amerman asked if it would make sense to move forward quickly with 2009 dates that included Hollywood Park. Mr. Liebau said the answer could be difficult, as he was unable to make any commitments, so no dates could be allocated to Hollywood Park. Mr. Fravel said the Southern California industry would meet with Hollywood Park representatives in the near future to discuss the issue. Hopefully, the meeting would be productive and a framework to address the solutions would be developed, even if Hollywood Park could not state when it would close.

REPORT AND DISCUSSION BY THE BOARD REGARDING THE STATUS OF THE CLOSURE OF THE SACRAMENTO HARNESS ASSOCIATION.

Chairman Shapiro said Sacramento Harness Association (SHA) went out of business, and the harness meeting was taken over by California Exposition and State Fair as the operator. The harness meeting seemed to be doing well, but there were still issues regarding the closure of SHA. Commissioner Shapiro stated he was concerned there were statutory obligations SHA was not fulfilling. The Board was not involved in creditor obligations, but it did have a duty with regards to statutory matters. Jack Liebau of Hollywood Park stated SHA owed his organization approximately \$120,000 in location fees. Mr. Liebau stated the fairs and probably Golden Gate were also owed such fees, and in his opinion, the Board had jurisdiction. The Board should take some action, but if the Board did not act, the law provided that the Attorney General and every District Attorney would enforce the law to their capacity.

Chairman Shapiro said he agreed with Mr. Liebau regarding the statutory issues. The Board should be involved with issues relating to simulcast operations, purse funds, sires stakes funds and other items that were deducted from the handle per statute. Mr. Liebau stated the industry was holding funds because they did not want to send them to SHA and get back 75 cents on the dollar. Chairman Shapiro said SHA was trying to avoid bankruptcy, but it had retained bankruptcy counsel. The Board did have a statutory obligation, so staff and counsel should be involved in those issues. Commissioner Choper asked if Mr. Liebau was suggesting staff identify monies that had not been paid to SHA, and identify parties that had claims against SHA. Mr. Liebau said SHA should agree that the parties holding funds could distribute them to make the parties whole under the statutory distributions. Chairman Shapiro stated if there was not enough money to go to all the parties, the funds should be distributed on a pro-rata basis before general obligations were paid. The Board needed to tell whomever was holding funds due SHA that they needed to remit the money. Based on the way the takeout was divided the Board knew who was supposed to be paid. It just needed to make sure the monies were distributed. Board staff, working with counsel, could order the parties to make the payments pursuant to Horse Racing Law. Chris Korby of California Authority of Racing Fairs (CARF) said CARF's legal counsel sent a demand letter for the monies owed to fair satellites as location fees. The letter had a 14-day period for payment. If payment were not made CARF would ask the Board to direct that monies owed SHA, and held by other licensed entities, be distributed to the recipients identified in statute.

STAFF REPORT ON THE FOLLOWING CONCLUDED RACE MEETS:

- A. **BAY MEADOWS RACING ASSOCIATION AT BAY MEADOWS FROM FEBRUARY 14, 2007 THROUGH NOVEMBER 4, 2007.**
 - B. **OAK TREE RACING ASSOCIATION AT SANTA ANITA FROM SEPTEMBER 26, 2007 THROUGH NOVEMBER 4, 2007.**
 - C. **HOLLYWOOD PARK RACING ASSOCIATION, LLC AT HOLLYWOOD PARK FROM NOVEMBER 7, 2007 THROUGH DECEMBER 22, 2007.**
 - D. **PACIFIC RACING ASSOCIATION AT GOLDEN GATE FIELDS FORM DECEMBER 26, 2006 THROUGH DECEMBER 22, 2007.**
 - E. **LOS ALAMITOS QUARTER HORSE RACING ASSOCIATION AT LOS ALAMITOS FROM DECEMBER 28, 2006 THROUGH DECEMBER 23, 2007.**
 - F. **SACRAMENTO HARNESS ASSOCIATION AT CAL EXPO FROM AUGUST 1, 2007 THROUGH DECEMBER 22, 2007.**
-

Chairman Shapiro said the item was self-explanatory. Commissioner Choper said he wanted to complement Bay Meadows for keeping its facility clean and attractive despite its immanent closure. He stated the numbers for Bay Meadows were due to the size of its fields, which resulted in fans not being as interested in placing wagers, or in attending the meeting. Chairman Shapiro stated that in Northern California the field sizes increased dramatically with the synthetic surfaces. If one compared the Bay Meadows numbers with Pacific Racing Association's there was a dramatic increase in the field sizes.

PUBLIC COMMENT

Chairman Shapiro said a lot of the comment cards dealt with the same issues. Vice-Chairman Harris stated if the issue was Rule 1876, Financial Responsibility, he did not know if the Board could hear them if the issue was not on the agenda. Deputy Attorney General Derry Knight said the issue would have to be placed on an agenda. Karen Klawither of the Southern California Equine Foundation spoke about her concerns regarding CHRB Directive 02-08 regarding Rule 1876, Financial Responsibility. Jeff Blea, a veterinarian and president of

Southern California Equine Foundation, stated his organization was requesting that the issue related to Rule 1876 be placed on a future Board agenda. Chairman Shapiro said the issue would be placed on a future Board agenda. Sharla Sanders of the Grant Allen Vocational Academy of Northern California and the California Equine Retirement Foundation read a prepared statement regarding the financial needs of retired racehorses in California. Edward Murphy, a concerned citizen, spoke regarding horse racing related issues. Madeline Auerbach, a horse owner, spoke regarding horse racing related items.

MEETING ADJOURNED AT 2:00 P.M.

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

Chairman

Executive Director

STAFF ANALYSIS
REQUEST BY THE CALIFORNIA AUTHORITY OF RACING FAIRS (CARF)
TO INCREASE THE TAKEOUT AN ADDITIONAL ONE PERCENT

Regular Board Meeting
May 20, 2008

BACKGROUND

AB 765, (Evans), Chapter 613 Statutes of 2007 added Business and Professions Code (B&P) section 19601.4, which provides that a fair, combination of fairs, or an association conducting racing at a fair, may, with California Horse Racing Board (CHRB) approval, deduct an additional 1% from its handle to be used for maintenance and improvements at a fair's racetrack inclosure. Specifically, B&P code section, 19601.4, provides that:

1. The additional deduction on its conventional and exotic wagers shall be deposited in the Inclosure Facilities Improvement Account created for this purpose at the Department of Food and Agriculture.
2. Funds derived pursuant to this section shall be used solely for the purpose of facilities maintenance and improvements at a fair's racetrack inclosure.
3. The Secretary of the California Department Food and Agriculture (CDFA) shall appoint a committee of 3-to-5 individuals with expertise in financing, constructing, and managing horse racing facilities to advise in the administration of the funds. The Secretary shall have oversight over the committee.
4. The Secretary shall include in the annual expenditure plan any allocations made pursuant to B&P Section 19601.4.

ANALYSIS

According to its author, the purpose of AB 765 was to allow racing fairs in California, which choose to participate, contribute one percent of the total amount handled daily in conventional and exotic pools to the Inclosure Facilities Improvement Account. The revenue generated from this action will be held by CDFA and will be strategically distributed to fairs that conduct live racing in California for capital improvements.

CARF on behalf of its fairs, Alameda, Fresno, Humboldt, San Joaquin, San Mateo, Solano and Sonoma Count Fairs, have requested an additional one percent increase in the takeout at its live racing fair race meetings, pursuant to B&P Code 19601.4, for deposit into the Inclosure Facilities Improvement Account fund. Doing so will allow for the increase in take out to be included in contract negotiations with out of state satellite providers and other vendors participating in the 2008 fair racing season.

The CARF Board has formally adopted a funding plan that directs the new funding to improvement at the Alameda County Fair, however, the final decision remains with the CDFA Secretary. CARF requests that the additional one percent takeout increase be effective indefinitely so the proceeds can be used to bond debt service.

Handle at the participating California racing fairs for calendar year 2007 was \$126,453,252. An additional one percent of takeout would generate an additional \$1,264,532.52, if handle remains consistent. The average takeout rate for that year at the participating California Racing Fairs was 20.14% of handle see table below for additional details.

Participating California Fairs - 2007 Race Year

Track	Total Handle	Total Takeout	% Takeout	Additional 1 % of Handle
Alameda County Fair	25,251,746.17	5,081,413.51	20.12%	252,517.46
Fresno District Fair	10,365,444.30	2,069,202.48	19.96%	103,654.44
Humboldt County Fair	4,138,140.50	818,514.46	19.78%	41,381.41
San Joaquin County Fair	16,645,848.45	3,361,350.47	20.19%	166,458.48
San Mateo County Fair	18,121,571.90	3,645,273.20	20.12%	181,215.72
Wine Country Racing	51,930,500.91	10,491,437.94	20.20%	519,305.01
Total	126,453,252.23	25,467,192.06	20.14%	1,264,532.52

The California Authority of Racing Fairs has stated: "Due to the current economic climate facing the racing industry, we believe the future of racing in California will increasingly move to publicly-owned facilities at Fairgrounds. In order to prepare for this future, Fairs need to invest significant resources to upgrade current facilities. Unfortunately, no one Fair can accomplish this task on its own. Implementation of B&P Code section 19601.4 will allow those Fairs that choose to participate to increase the take out from horse racing by one percent. This money will be placed in a fund at the Department of Food and Agriculture. A committee of experts appointed by the Secretary will review applications for the funds and make recommendations to the Secretary in order to maximize the benefit of the funds to improve fair racing facilities in California."

The fairs have suggested that the announced closure of Bay Meadows at the end of 2008 accelerates the need to improve California's fair racetracks. Fair racing facilities are in need of maintenance and improvement to their facilities in order to provide a high quality product for its racing fans and participants.

Implementation of B& P Code section 19601.4 will improve racing at California's fairs and improve California racing by providing additional necessary funds needed to upgrade fair tracks in California so that they can host prominent races and entertain today's horseracing enthusiasts.

RECOMMENDATION

Staff recommends that the Board hear from CARF representatives and other interested parties.



a California joint powers agency

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

May 5, 2008

The Honorable Richard Shapiro, Chairman
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

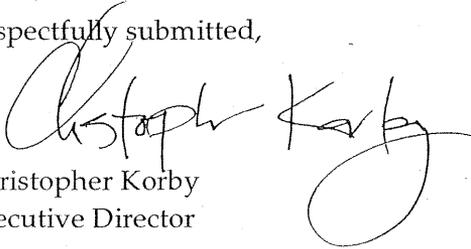
Dear Chairman Shapiro:

AB 765, introduced by Assembly Member Noreen Evans in the 2007 legislative session and signed by Governor Schwarzenegger, authorized Fairs to contribute 1% of the total amount handled daily in conventional and exotic pools into the Inclosure Facilities Improvement Fund, held at the California Department of Food and Agriculture. The purpose of the fund is to pool money from racing Fairs for the improvement of Fair racing facilities. The bill (now B&P Code 19601.4) requires that a Fair notify the California Horse Racing Board of its decision to utilize this program.

The Fairs listed on the attached page indicate their Fairs' participation in this program and will include this letter in their respective license applications.

Thank you for your consideration. Please contact me if you have any questions.

Respectfully submitted,

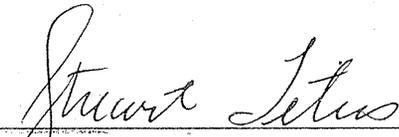

Christopher Korby
Executive Director

Cc: Kirk Breed, California Horse Racing Board
Assembly Member Noreen Evans
Cynthia Bryant, Office of Governor Schwarzenegger
Michael Treacy, California Department of Food and Agriculture

FAIRS SIGNING LETTER TO
CALIFORNIA HORSE RACING BOARD
IN SUPPORT OF
IMPLEMENTING AB 765 (EVANS)

X 
ALAMEDA COUNTY FAIR
RICK PICKERING

X 
FRESNO DISTRICT FAIR
JOHN ALKIRE

X 
HUMBOLDT COUNTY FAIR
STUART TITUS

X 
SAN JOAQUIN FAIR
FORREST WHITE

X 
SAN MATEO COUNTY FAIR
CHRIS CARPENTER

X 
SOLANO COUNTY FAIR
JOE BARKETT

X 
SONOMA COUNTY FAIR
TAWNY TESCONI

COMMITTEES
 DEMOCRATIC CAUCUS, CHAIR
 BUDGET
 ENVIRONMENTAL SAFETY & TOXIC
 MATERIALS
 GOVERNMENTAL ORGANIZATION
 JUDICIARY

SUBCOMMITTEES
 BUDGET #3: NATURAL RESOURCES

SELECT COMMITTEES
 CALIFORNIA WINE, CHAIR
 FOSTER CARE

Assembly California Legislature



NOREEN EVANS
 ASSEMBLYMEMBER, SEVENTH DISTRICT

April 30, 2008

STATE CAPITOL
 P.O. BOX 942849
 SACRAMENTO, CA 94249-0007
 (916) 319-2007
 FAX (916) 319-2107

SANTA ROSA
 50 "D" STREET, SUITE 301
 SANTA ROSA, CA 95404
 (707) 546-4500
 FAX (707) 546-9031

VALLEJO
 1713 SONOMA BOULEVARD
 VALLEJO, CA 94590
 (707) 649-2307
 FAX (707) 649-2311

NAPA
 1040 MAIN STREET, SUITE 205
 NAPA, CA 94559-2605
 (707) 258-8007
 FAX (707) 258-8205

EMAIL: assemblymember.evans@assembly.ca.gov
 Website: democrats.assembly.ca.gov/members/a07

The Honorable Richard Shapiro
 Chairman, California Horse Racing Board
 1010 Hurley Way, Suite 300
 Sacramento, CA 95825

Dear Chairman Shapiro:

Last year I authored, and the Governor signed, AB 765 (Ch. 613, Stats. 2007), which authorizes fairs to contribute 1% of the total amount handled daily in conventional and exotic pools to the Inclosure Facilities Improvement Fund at the California Department of Food and Agriculture. The Fund will provide a pool of money for much needed investments at racing fairs to improve racing facilities. In order for fairs to participate in this program, however, they must apply to your Board for authorization.

California's racing fairs will soon submit requests to your Board to authorize their participation in this new funding program. I urge your support of these requests.

As you are well aware, horseracing in California is in transition. Its future will rely on the success of the fair racing network. But investments need to be made to the tracks, stables, and related facilities. Although each fair has invested in the improvement of its facilities, time has proven that no single fair can adequately raise the money necessary to make the investments needed for a state of the art race meet. The funding mechanism created by AB 765 will provide a jump start to this effort.

Thank you for your consideration of my views. Please do not hesitate to contact me if you have any questions.

Yours very truly,

NOREEN EVANS
 Assemblymember, 7th District

NE:am

cc: Members, California Horseracing Board
 Kirk Breed, California Horseracing Board
 Cynthia Bryant, Office of Governor Schwarzenegger
 Michael Treacy, California Department of Food and Agriculture
 Christopher Korby, California Authority of Racing Fairs



California Business and Professions Code

19601.4. (a) Notwithstanding any other provision of law, a fair, combination of fairs, or an association conducting racing at a fair, may, after approval from the board, deduct an additional 1 percent from the total amount handled daily in its conventional and exotic pools. The additional 1 percent shall be deposited into the Inclosure Facilities Improvement Fund, which is hereby created as a special fund in the State Treasury, the moneys of which are available upon appropriation by the Legislature in the annual Budget Act. Any moneys deducted from the handle pursuant to this section shall be used solely for the purpose of facilities maintenance and improvements at a fair's racetrack inclosure for those fairs that contribute to, or for those fairs where an association conducting racing at that fair contributes to, the Inclosure Facilities Improvement Fund.

(b) The secretary shall appoint a committee of not more than five and no fewer than three individuals with expertise in financing, constructing, and managing horse racing facilities, to advise in the administration of the funds. The secretary shall have oversight over the committee. The secretary shall adhere to the same oversight responsibilities as outlined in Section 19620 when administering the funds contributed and disbursed pursuant to this section.

(c) The secretary shall include in the annual expenditure plan required pursuant to Section 19621 any allocations made pursuant to this section.

(d) For purposes of this section, "secretary" means the Secretary of Food and Agriculture.

STAFF ANALYSIS
May 20, 2008

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE SOLANO COUNTY FAIR AT VALLEJO JULY 9-21, 2008.

Solano County Fair filed its application to conduct a horse racing meeting at Vallejo:

- July 9-21, 2008, or 11 days, the same as 2006. The fair proposes to race a total of 120 races, five more than 2006.
- In 2007 the Solano County Fair Association and the Sonoma County Fair and Exposition, Inc. ran a combined horseracing meeting. The “Sonoma Solano Wine Country Racing” commencing with Solano County Fair July 11-15, running five days and then continuing on to the Sonoma County Fair July 18 through August 6, 2007 running 18 days.
- The proposed race dates are the approved dates allocated to the fair with the exception of July 21, 2008. The applicant is requesting one additional race day Monday, July 21st to coincide with the Del Mar Thoroughbred Club racing schedule.
- California Authority of Racing Fairs and Solano County fair request permission to deduct an additional one percent from the total amount handled daily in the conventional and exotic pools, pursuant to Business and Professions Code 19601.4. for deposit into the Inclosure Facilities Improvement Fund.

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

- Racing 5 days the first week, Wednesday through Sunday and 6 days the second week, Wednesday through Monday. 10 races per day Monday, Wednesday, Thursday and Friday July 11th. 12 races on Saturday, Sunday and Friday July 18th.
 - Number of horses available determines the number of daily races programmed by breed.

	2006 Solano	2007 Solano
Race Meeting: Average number of runners per race (TB):	7.29	7.68
Race Meeting: Average number of runners per race (Arabian):	6.75	7.75
Race Meeting: Average number of runners per race (Quarterhorse):	6.67	6.50
Race Meeting: Average number of runners per race (Mules):	6.71	7.17

- Racing concurrently with Hollywood Park July 9-13 and Del Mar July 16-21.
- First post 12:35 p.m.

- Request Patrick Kealy be appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety requirements have been fulfilled.
- Wagering program will use CHRB rules.
 - \$1 pick 4 on the first 4 and last 4 races and \$2 pick 6 on the last 6 races.
 - \$1 place pick all on last 10 races.
 - Early wagering will not be offered.
- Simulcasting conducted with other out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- Inspection of backstretch worker housing completed.

RECOMMENDATION:

Staff recommends the Board approve the application.

SOLANO COUNTY FAIR

900 FAIRGROUNDS DRIVE, VALLEJO, CALIFORNIA 94589-4003
(707) 551-2000 (707) 642-7947 FAX
WWW.SCFAIR.COM

April 21, 2008

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

Re: Solano County Fair 2008 Race Meet

Dear Kirk:

This request is to be included with our application for race meet at the Solano County Fairgrounds. The pending application requests eleven days of racing on July 9-13 and 16-21. The eleventh day of racing (July 21) was not included on the 2008 CHRБ calendar; although, historically this Monday race day has been added by the Solano County Fair and approved by the CHRБ as part of the Solano County Fair race meet when Del Mar is also running on that day. Del Mar is scheduled to race on Monday, July 21, 2008.

By this letter we are making formal request for the race meet at Solano County Fair to include July 21 as the eleventh day of racing for its annual race meet.

Thank you for your consideration of this request.

Sincerely,
Solano County Fair Association



Joseph Barkett
General Manager

c. Jacqueline Wagner



May 8, 2008

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

Re: Solano County Fair 2008 Race Meet

Dear Kirk:

This request is to be included with our application for race meet at the Solano County Fairgrounds. As you know, AB 765 (Evans) was adopted by the Legislature in the 2007 session and signed by the Governor. By this letter we are making formal request for the authorization during our 2008 race meet to withhold 1% as authorized under Business and Professions Code section 19601.4.

Thank you for your consideration of this request.

Sincerely,
Solano County Fair Association

Joseph Barkett
General Manager

c. Jacqueline Wagner



a California joint powers agency

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

May 5, 2008

The Honorable Richard Shapiro, Chairman
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

Dear Chairman Shapiro:

AB 765, introduced by Assembly Member Noreen Evans in the 2007 legislative session and signed by Governor Schwarzenegger, authorized Fairs to contribute 1% of the total amount handled daily in conventional and exotic pools into the Inclosure Facilities Improvement Fund, held at the California Department of Food and Agriculture. The purpose of the fund is to pool money from racing Fairs for the improvement of Fair racing facilities. The bill (now B&P Code 19601.4) requires that a Fair notify the California Horse Racing Board of its decision to utilize this program.

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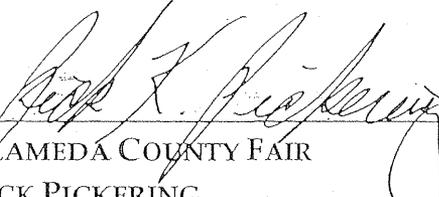
Thank you for your consideration. Please contact me if you have any questions.

Respectfully submitted,

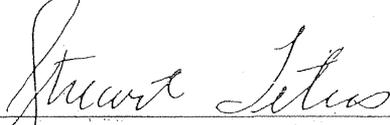
Christopher Korby
Executive Director

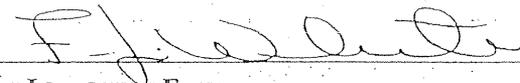
Cc: Kirk Breed, California Horse Racing Board
Assembly Member Noreen Evans
Cynthia Bryant, Office of Governor Schwarzenegger
Michael Treacy, California Department of Food and Agriculture

FAIRS SIGNING LETTER TO
CALIFORNIA HORSE RACING BOARD
IN SUPPORT OF
IMPLEMENTING AB 765 (EVANS)

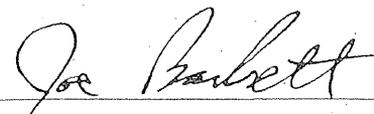
X 
ALAMEDA COUNTY FAIR
RICK PICKERING

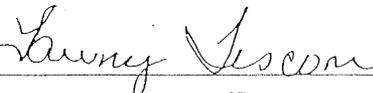
X 
FRESNO DISTRICT FAIR
JOHN ALKIRE

X 
HUMBOLDT COUNTY FAIR
STUART TITUS

X 
SAN JOAQUIN FAIR
FORREST WHITE

X 
SAN MATEO COUNTY FAIR
CHRIS CARPENTER

X 
SOLANO COUNTY FAIR
JOE BARKETT

X 
SONOMA COUNTY FAIR
TAWNY TESCONI

APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF A CALIFORNIA FAIR
CHRB-18 (Rev. 12/06)

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

1. APPLICANT FAIR ASSOCIATION

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

Solano County Fair Association (707) 551-2000
900 Fairgrounds Drive (707) 642-7947 (fax)
Vallejo, CA 94589

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: **Wednesday, July 9, 2008 – Monday, July 21, 2008**

B. Dates racing will NOT be held: **Monday, July 14 and Tuesday, July 15, 2008**

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

3. RACING PROGRAM

A. Total number of races: **120**

B. Number of races by breed:

<input type="text" value="92"/>	Thoroughbreds	<input type="text" value="7"/>	Quarter Horses	<input type="text" value="0"/>	Appaloosas
<input type="text" value="12"/>	Arabians	<input type="text" value="0"/>	Paints	<input type="text" value="9"/>	Mules

C. Number of races daily:

	Wed 7/9	Thurs 7/10	Fri 7/11	Sat 7/12	Sun 7/13	Wed 7/16	The 7/17	Fri 7/18	Sat 7/19	Sun 7/20	Mon 7/21
Thoroughbred	7	8	8	9	9	8	8	9	9	9	8
Other Breeds	3	2	2	3	3	2	2	3	3	3	2
Total	10	10	10	12	12	10	10	12	12	12	10

CHRB CERTIFICATION

Application received: **4/16/08**
Reviewed: *[Signature]*

Hearing date: **5/20/08**
Approved date:
License number:

D. Total number of stakes races by breed:

<input type="text" value="3"/>	Thoroughbreds	<input type="text" value="1"/>	Quarter Horses	<input type="text" value="0"/>	Appaloosas
<input type="text" value="1"/>	Arabians	<input type="text" value="0"/>	Paints	<input type="text" value="0"/>	Mules

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

SOLANO COUNTY FAIR ASSOCIATION OVERNIGHT 2008 STAKES SCHEDULE

THOROUGHBRED:

Solano County Juvenile Stakes – 45 th Running 2 Years Old – 6 Furlongs	\$50,000 Added	Sat., July 12 th
Vacaville Handicap – 28 th Running Fillies and Mares 3 years and up – 6 furlongs	\$50,000 Added	Sun., July 13 th
Fairfield Stakes – 30 th Running (NW of a Sweepstakes in 08) Fillies 3 Years Old – 6 Furlongs	\$50,000 Added	Sat., July 19 th

QUARTER HORSE:

Solano Quarter Horse Derby – 16 th Running 3 Year Olds – 400 Yards	\$10,000 Guaranteed	Sun., July 13 th
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ARABIANS:

Vallejo Arabian Handicap – 10 th Running 3 Year Olds and Upward – 6 Furlongs	\$10,000 Guaranteed	Sat., July 12 th
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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:

Race Number	Weekdays	Weekends
Race # 1	12:35 p.m.	12:35 p.m.
Race # 2	1:05 p.m.	1:05 p.m.
Race # 3	1:35 p.m.	1:35 p.m.
Race # 4	2:05 p.m.	2:05 p.m.
Race # 5	2:35 p.m.	2:35 p.m.
Race # 6	3:05 p.m.	3:05 p.m.
Race # 7	3:35 p.m.	3:35 p.m.
Race # 8	4:05 p.m.	4:05 p.m.
Race # 9	4:35 p.m.	4:35 p.m.
Race # 10	5:05 p.m.	5:05 p.m.
Race # 11		5:35 p.m.
Race # 12		6:05 p.m.

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:

Denise Allen	Donald Heinitz	Norma Placido		
Raymond Bell	Joe Lopez	Marilyn Royse		
John Cronin	William Luiz	Raymond Simons		
Gary Falati	Richard Martinez			
Cyndy Gill	Steve Messina			
David Hamilton	Patricia Moreira			

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

Raymond Bell	Joe Lopez	Cyndy Gill		
Cyndy Gill	Richard Martinez			
Don Heinitz	Raymond Simons			

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

Name	Title
Joe Barkett	General Manager and Director of Racing
Tom Doutrich	Racing Secretary
Larry Swartzlander	Racing Operations Manager On Site
Richard Horner	Mutuel Manager
Frank Mirahmadi	Track Announcer
Rene Edens	Satellite Manager
Trackmaster Inc. (Steve Wood)	Racetrack Superintendent/Maintenance

5. PURSE PROGRAM

A. Purse distribution:

1. All races other than stakes:

Current meet estimate: **\$1,260,202**
 Prior meet actual: **\$1,260,202**

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

Current meet estimate: **\$ 114,563**
 Prior meet actual: **\$ 114,563**

2. Overnight stakes:

Current meet estimate: **\$ 170,000**
 Prior meet actual: **\$ 60,000**

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

Current meet estimate: \$ 15,455
 Prior meet actual: \$ 5454

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: \$ 137,212
 Prior meet actual: \$ 137,212

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

	Current Meet Estimate	Prior Meet Actual
CTT	\$ 4,344	\$ 4,344
TOC	\$ 8,688	\$ 8,688
NTRA	\$ 6,661	\$ 6,661
PCQHRA	\$ 3,474	\$ 3,474
CWAR	\$ 0	\$ 0
ARAC	\$ 9,866	\$ 9,866
AMRA	\$ 11,206	\$ 11,206
CHBPAPEN	\$ 13,031	\$ 13,031
CTHF	\$ 13,031	\$ 13,031
TOTAL	\$ 70,301	\$ 70,301

D. Amount from all sources to be distributed at the meeting in the form of purses or other benefits to horsemen (5A+5B+5C):
 Current meet estimate: \$ 1,637,715
 Prior meet actual: \$ 1,527,715

Average Daily Purse (5D ÷ number of days):
 Current meet estimate: \$ 148,883
 Prior meet actual: \$ 138,883

E. Purse funds to be generated from on-track handle and intrastate off-track handle:
 Current meet estimate: \$1,302,592
 Prior meet actual: \$1,302,592

Average Daily Purse (5E ÷ number of days):
 Current meet estimate: \$ 118,417
 Prior meet actual: \$ 118,417

F. Purse funds to be generated from interstate handle:
 Current meet estimate: \$ 162,108
 Prior meet actual: \$ 162,108

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

Current meet estimate: \$ 14,737

Prior meet actual: \$ 14,737

G. Bank and account number for the Paymaster of Purses' purse account:
West America Bank (C.A.R.F.) Account No: 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. 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:
864

B. Minimum number of stalls believed necessary for the meeting:
2,000

C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers:
3,024

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

Bay Meadows, San Mateo, California	900 stalls
Alameda County Fair, Vallejo, California	684 stalls
Golden Gate Fields	1,440 stalls

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

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: **964**

- G. Estimated cost to provide off-site stalls for this meeting. Show cost per-day per stall:
Northern California Stabling and Vanning Fund (TBP)
- H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse: **None**

7. PARI-MUTUEL WAGERING PROGRAM

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

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

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

Race #9	\$1E, \$1PK3, \$1PK4*, \$1TRI, \$2Q \$2DD, \$.10SF, \$2PNP@, \$1PPN%	CHRB #1959, CHRB #1977, CHRB #1978, CHRB #1979 CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.9, CHRB #1976.8
Race #10	\$1E, \$1PK3, \$1PK4*, \$1TRI, \$2Q \$2DD, \$.10SF, \$2PNP@, \$1PPN%	CHRB #1959, CHRB #1977, CHRB #1978, CHRB #1979 CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.9, CHRB #1976.8
Race #11	\$1E, \$1TRI, \$2Q, \$1PK4* \$2DD, \$.10SF, \$2PNP@, \$1PPN%	CHRB #1959, CHRB #1979, CHRB #1958, CHRB #1978 CHRB #1957, CHRB #1979.1 CHRB #1976.9, CHRB #1976.8
Race #12	\$1E, \$1TRI, \$2Q, \$1PK4* \$2DD, \$.10SF, \$2PNP@, \$1PPN%	CHRB #1959, CHRB #1979, CHRB #1958, CHRB #1978 CHRB #1957, CHRB #1979.1 CHRB #1976.9, CHRB #1976.8

B. Maximum carryover pool to be allowed to accumulate before its distribution OR the date(s) designated for distribution of the carryover pool:
July 21, 2008 (Closing Day)

C. List any options requested with regard to exotic wagering:
\$1pk4* on first race and last 4 races
@\$2Pick 6 on last 6 races
% \$1 Place Pick All on the last 10 races

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 (George Brannon) Expiration: September 30, 2012.
Equipment description on file with Board.

8. ADVANCE DEPOSIT WAGERING (ADW)

A. Identify the ADW provider(s) to be used by the fair for this race meeting:
Express Bet, T.V.G. (Television Games Network), Twin Spires, You Bet

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, including:

NORTHERN CALIFORNIA

SOUTHERN CALIFORNIA

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

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

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

F. List the host tracks from which the fair proposes to import out-of-state and/or out-of-country thoroughbred races. Include the dates imported races will be held and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races":

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

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
Arlington Park	7/9/08-7/20/08	Full or Partial Cards
Assiniboia Downs	7/9/08-7/20/08	Full or Partial Cards (International)
Calder	7/9/08-7/20/08	Full or Partial Cards
Canterbury	7/9/08-7/20/08	Full or Partial Cards
Charles Town	7/9/08-7/20/08	Full or Partial Cards
Colonial Downs	7/9/08-7/20/08	Full or Partial Cards
Delaware Park	7/9/08-7/20/08	Full or Partial Cards

Ellis Park	7/9/08-7/20/08	Full or Partial Cards
Emerald Downs	7/9/08-7/20/08	Full or Partial Cards
Evangeline	7/9/08-7/20/08	Full or Partial Cards
Fort Erie	7/9/08-7/20/08	Full or Partial Cards (International)
Grand Prairie	7/9/08-7/20/08	Full or Partial Cards
Hastings Park	7/9/08-7/20/08	Full or Partial Cards (International)
Horsemen's Park	7/9/08-7/20/08	Full or Partial Cards
Lone Star	7/9/08-7/20/08	Full or Partial Cards
Louisiana Downs	7/9/08-7/20/08	Full or Partial Cards
Monmouth	7/9/08-7/20/08	Full or Partial Cards
Mountaineer Park	7/9/08-7/20/08	Full or Partial Cards
NYRA (Belmont)	7/9/08-7/20/08	Full or Partial Cards
Northlands Park	7/9/08-7/20/08	Full or Partial Cards (International)
Penn National	7/9/08-7/20/08	Full or Partial Cards
Philadelphia Park	7/9/08-7/20/08	Full or Partial Cards
Prairie Meadows	7/9/08-7/20/08	Full or Partial Cards
Presque Isle Downs	7/9/08-7/20/08	Full or Partial Cards
Red Mile	7/9/09-7/19/08	Full or Partial Cards
River Downs	7/9/08-7/20/08	Full or Partial Cards
South America	7/9/08-7/20/08	Full or Partial Cards (International)
Suffolk Downs	7/9/08-7/20/08	Full or Partial Cards
Thistledown	7/9/08-7/20/08	Full or Partial Cards
Woodbine	7/9/08-7/20/08	Full or Partial Cards (International)
Yavapai Downs	7/9/08-7/20/08	Full or Partial Cards

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

N/A

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

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

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

Northern California Racing Fairs

July 9 -20, 2008

Prepared 4/6/08

Vallejo-Solano County Fair

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

Separate Pool Locations
Hipodromo Presidente Remon
NV Disseminator
MIR/Caliente

10. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

A. Racing officials nominated:

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

B. Management officials in the racing department:

Director of Racing	Joseph Barkett
Racing Secretary	Tom Doutrich
Assistant Racing Secretary	Linda Anderson
Paymaster of Purses	Victoria Layne (C.A.R.F.)
Others (identify by name and title)	

C. Name, address and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards:

Niccoli Reporting Associates, 619 Pilgrim Drive, Foster City, CA 94404 (650) 573-9339.

D. Photographic device to be used for photographing the finish of all races, name of the person supplying the service, and expiration date of the service contract:

Plusmic Corporation, USA – Bill O'Brien (Expires 12/7/10)

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) (4/30/2013)
3 Camera in tower, 1 hand held camera, 1 pan camera in announcer's booth and a camera at 3/16 pole which is remotely mounted on pole.
Equipment to be used – Exhibit B

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) (4/30/2013)
Equipment to be used – Exhibit B

EXHIBIT B

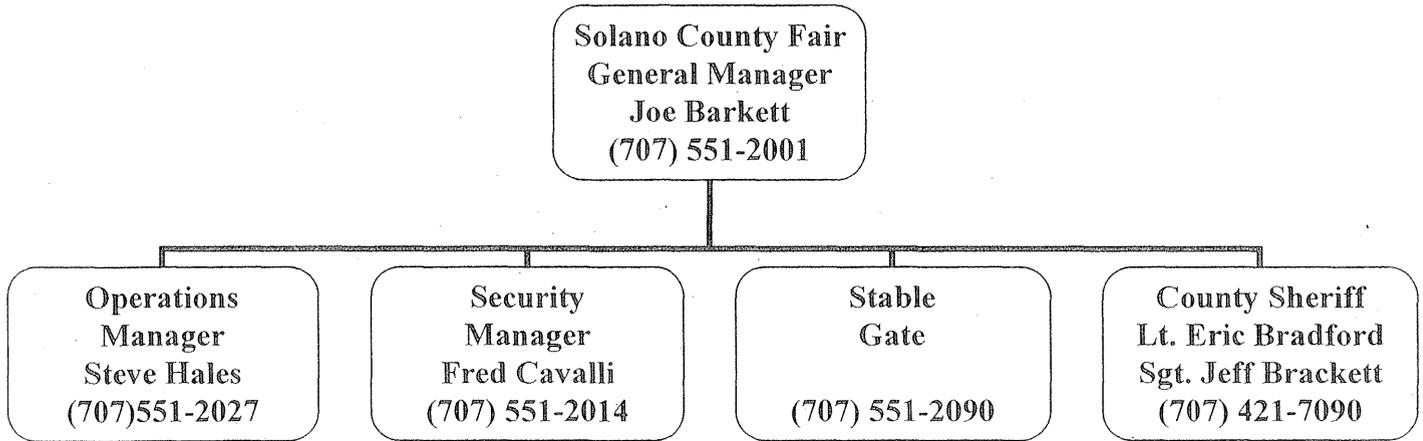
EQUIPMENT

- A. 2 Sony SP870 Video Tape Recorders; 2 Panasonic MII Digital Video Tape Recorders
- B. Yamaha 1604 Audio Mixer
- C. Sierra Video systems Routing Switcher
- D. 6 DXC M-7 Cameras with lenses, viewfinders, pan heads, support equipment
- E. Window NT Running Lightware
- F. FORE-A Video Typewriter
- G. FORE-A Frame Sync
- H. AUX Frame Syuc
- I. VIDEO FLYER
- J. 4 Sony 9800 Video Tape Recorders
- K. Microtime IMPACT DVE
- L. GVG 200 with Chroma Key, Silhouette Key, Borderline Option
- M. Remote Production Vehicle
- N. Onboard Isolation Transformer & Voltage Regulator

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.

Fred Cavalli, Solano County Fair Security Coordinator, (707) 551-2013



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

Security Guards – Average of 6 per day; Stable Gate Personnel – 3

Stable Watchmen – 2; Grandstand – 2 Sheriff’s Deputies; Backstretch Rovers - 2

1. Attach a written plan for enhanced security for graded/stakes races, and races of \$100,000 or more, to include the number of security guards in the restricted areas during a 24-hour period and a plan for detention barns.

N/A

2. Detention Barns:

(The Fair is not running graded stakes)

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

N/A

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

N/A

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

N/A

3. TCO2 Testing:

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

All horses in thoroughbred races

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

Trainer with high test results will be moved to the detention area

C. Plan for detention barns for repeat offenders.

Ten (10) stalls adjacent to Test Barn, which are under 24-hour video surveillance

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

One (1) 24-hour security guard when detention stalls are occupied.

C. Describe the electronic security system.

Ten (10) Stalls adjacent to Testing Barn under 24 hour video surveillance.

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

4 surveillance cameras monitoring this area

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:

Medic Ambulance Service, 506 Couch Street, Vallejo, CA 94590, (707) 644-8989

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

Bay Meadows	Alameda County Fair	Golden Gate Fields
Bayshore Ambulance	American Medical Response	Turf Rescue
P.O. Box 4622	640 143rd Street	19615 Barclay Road
Foster City, CA 94404	San Leandro, CA 94577	Castro Valley, CA 94546
650-525-9700	(510) 895-7600	(510) 581-8470

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

D. Name and emergency telephone number of the licensed physician on duty during the race meeting:

Dr. Rupert Visaya (707) 552-9601 and Dr. Ruben Velasquez - (707)644-5297

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:

Kaiser Permanente Medical Center, 975 Sereno Drive, Vallejo, CA - 94589 (707)651-1030.
Sutter Solano Medical Center, 300 Hospital Drive, Vallejo, 94589 (707)554-5201

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:

(Attachment)

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):

Steve Hales, Safety Manager
Lewis McGaffe, Assistant Manager

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

Attached

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

Attachment to SCF License Application – Section 12 C

Solano County Fair Emergency Care and Medical Facilities

Solano County Fair as well as all Racing Fairs provide emergency care which provides for comprehensive medical 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.

Staffing

Two Emergency Medical Technicians from American Medical Response staff located in an on-track ambulance that follows at a safe distance from the horses racing during each race. 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 Physician on duty is responsible for care on an ongoing basis of jockeys, track staff and allied personnel requiring non-emergency medical care.

Physical Resources

Solano County Fair provides the services of a state of the art Kimzey Horse Ambulance as well as a senior experienced driver who is responsible for the evacuation and disposition of injured horses at all racing fairs.

Redundant communications 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.

Attachment to SCF License Application – Section 12 F in English

Sonoma County Fair Racing Accident Procedures

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

Track Ambulance

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

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 the accident scene management. 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 and prevent visitation from bystanders away from 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 and 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. The 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 for the management of the accident scene.

Announcer

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 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 member 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.

Attachment to SCF License Application – Section 12 F in Spanish

Procedimiento en caso de Accidente en Sonoma 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) victima(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. 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 o caballo accidentado haya sido trasladado del lugar.

Personal de Planta/Plant Staff

1. La Ambulancia de Caballos debera trasladarse inmediatamente al lugar del accidente siempre que un caballo este severamente lesionado y necesite transporte.
2. Los miembros del departamento de planta que esten cerca del accidente deberan ayudar a fapar el lugar para que el pulico no pueda ver lo que sucede, ademas deberan recibir instrucciones del Paramedico responsable del lugar del accidente.

Locutor

El locator debera informar a los jinetes acerca de los detalles de la situacion (como la ubicacion 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 hoipodromo. El genente informara a los otros gerents sobre las lesions sufridas.
2. Otro representante de la gerencia debera informar al departamento de videio 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 familiars de los heridos. Se debe hacer lo necesario para acompanar a los familiars a los hospitals, 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. Todos 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.

Todo 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.



April 4, 2008

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

Re: Solano County Fair Association
900 Fairgrounds Drive
Vallejo, CA 94589

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

I. COMPREHENSIVE GENERAL LIABILITY PROGRAM

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

II. WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY

- A. Primary Coverage \$500,000 self-insured retention California Fair Services Authority
Coverage continuous until cancelled
- B. Excess Coverage (a) Workers' Compensation: \$299,500,000 in excess of \$500,000
(b) Employers' Liability: \$4,500,000 in excess of \$500,000
Coverage provided by CSAC Excess Insurance Authority
Term: 07/01/2007 to 07/01/2008

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

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

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

Sincerely,

Lianne Lewellen
Risk Analyst

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:

CONCESSION/SERVICE	COMPANY	OWNER	ADDRESS
Food & Beverage (Alcoholic & Non)	Ovations Fanfare, LP	Nick Nicora	244 Crystal Grove Blvd., Lutz, FL 33548
Tip Sheets	Nikki's Secret	Jan Reed	P.O. Box 70207, Pt. Richmond, CA 94950
Race Program and Daily Racing Form	Daily Racing Form	Wicks Sports Information Grp	100 Broadway, 7 th floor, New York City, N.Y. 10005
Winners Circle Photographs	Photos by Frank	Patricia Visco	5024 Katella Avenue, #214, Los Alamitos, CA 90720-2822
Jockey Laundry Service	Bailey Mobile	Lorene Dutton	3263 Vineyard venue, #35, Pleasanton, CA 94566
Starting Gate	United/Puett Start Gate	Michael Costello	1 Soundview Loop, S. Salem, N.Y. 10590
Sound System	Ken's Pro Sound		P.O. Box 371, Suisun City, CA 94585 877-577-6863
Armor Car Service	NOTWINC		11875 Dublin Blvd., #D275, Dublin, CA 94568

14. ON- TRACK ATTENDANCE/FAN DEVELOPMENT

A. Describe any promotional plans:

Advertising includes over two months of electronic message board presentations on Interstate 80 (over 275,000 cars per day). In addition, advertising for Fair includes over \$10,000 in TV, Radio and Newspaper Ads in the Bay Area plus over \$10,000 in TV, radio, newspaper and racing posters in Bay Area Locations. Promotions include Win/Place/Show cash giveaways after the 8th race daily, souvenir giveaways to season box seat holders, golf putting contest, free admission coupons for patrons returning for second week of racing, wine giveaways and \$1 hot dog days.

B. Number of hosts and hostesses employed for meeting: **8**

C. Describe facilities set aside for new fans: **N/A**

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

1. Horsemen – Stall upgrades, hot walker electrical upgrades, jock’s quarters upgrades and backstretch kitchen upgrades.
2. Fans – New front entrance area, new landscaping inside gate at entrance to the grandstand, painting of some grandstand areas and improvements to posts and tables on first floor.
3. Facilities in the restricted areas – New chairs and other improvements to box seats.

15. SCHEDULE OF CHARGES

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

General Admission/Grand Stand	Free with Fair Admission
Fair Admission/Adults (13 & older)	\$ 8.00
Advanced Sale Tickets (On-line)	Yes
Fair Admission/Children (6-12)	\$ 4.00
Fair Admission/Seniors	\$ 4.00
Fair Admission/V.I.P. Discount	\$ None
Admission (clubhouse)	N/A
Reserved Seating (general)	\$ None
Reserved Seating (clubhouse)	\$ None
Reserved Box Seats	\$ 4.00
Parking (valet)	N/A
Programs/on track	\$ 1.00
Programs/off track	\$ 2.25

B. Describe any "Season Boxes" or other special accommodation fees:
 Daily sales of box seats at upper boxes and \$4.00 for lower boxes, \$3.50 for Clubhouse.

Season Box Seats:

Lower (Premier) Box (8seats) \$450

Lower Box (8seats) \$400

Upper and Lower Box (6seats) \$350

Clubhouse Box (4seats) \$200

(All Box Packages include season gate admission and season parking passes)

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

16. JOCKEYS' QUARTERS

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

- Corners (lockers and cubicles) How many
- Showers Steam room, sauna or steam cabinets Lounge area
- Masseur Food/beverage service Certified platform scale

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

Modular locker room facility provided with: showers, restrooms, lounge area, steam cabinet and masseuse. Certified scale shared by both jockeys and jockettes.

17. BACKSTRETCH EMPLOYEE HOUSING

A. Inspection of backstretch housing was completed by Anne Glasscock May 2, 2008.

- B. Number of rooms used for housing on the backstretch of the racetrack:
20 sleeping rooms with the potential of 40 occupants; 16 dormitory rooms with the potential of 32 occupants and four dormitory trailer that will house 50 occupants.
- C. Number of restrooms available on the backstretch of the racetrack:
9 Men and 9 Women
- D. Estimated ratio of restrooms to the number of backstretch personnel:
25 to 1

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:

4,604

 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: "The Fontana Safety Rail" installed in 1991 - aluminum
Outer rail: New Fontana Rail – average height 42"
Safety Cover is of patented rubber and thermoplastic. Average height of inside rail is 42".
- C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474:
Steve Wood, Trackmaster, Track Superintendent.
- 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.

Joseph Burkett
 Print Name

Joseph Burkett
 Signature

General Manager
 Print Title

4-10-08
 Date

STAFF ANALYSIS
May 20, 2008

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE SONOMA COUNTY FAIR AT SANTA ROSA JULY 23, 2008 THROUGH AUGUST 4, 2008.

Sonoma County Fair filed its application to conduct a horse racing meeting at Santa Rosa:

- July 23 through August 4, 2008, or 12 days, the same as 2006. The fair proposes to race a total of 130 races, two less than 2006.
- In 2007 the Solano County Fair Association and the Sonoma County Fair and Exposition, Inc. ran a combined horseracing meeting. The "Sonoma Solano Wine Country Racing" commencing with Solano County Fair July 11-15, running five days and then continuing on to the Sonoma County Fair July 18 through August 6, 2007 running 18 days.
- California Authority of Racing Fairs and Sonoma County fair request permission to deduct an additional one percent from the total amount handled daily in the conventional and exotic pools, pursuant to Business and Professions Code 19601.4. for deposit into the Inclosure Facilities Improvement Fund.

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

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

- Racing Wednesday through Monday the first week, with 10 races per day Monday, Wednesday, Thursday and Friday July 25, 12 Saturday and Sunday and Friday August.
 - Number of horses available determines the number of daily races programmed by breed.

	2006 Sonoma	2007 Sonoma
Race Meeting: Average number of runners per race (TB):	7.59	7.89
Race Meeting: Average number of runners per race (Arabian):	6.73	6.81
Race Meeting: Average number of runners per race (Quarterhorse):	6.20	6.63
Race Meeting: Average number of runners per race (Mules):	7.08	7.37

- First post 12:45 p.m. daily.
- Request Patrick Kealy be appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety requirements have been fulfilled.

- Wagering program will use CHRB rules.
 - Early wagering will not be offered.
- Simulcasting conducted with other out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- Inspection of backstretch worker housing completed.

RECOMMENDATION:

Staff recommends the Board approve the application.



Sonoma County Fairgrounds
Post Office Box 1536
1350 Bennett Valley Road
Santa Rosa, California 95402
Tel (707) 545-4200
Fax (707) 573-9342
www.sonomacountyfair.com

Mr. Kirk E. Breed, CHRB Director
California Horse Racing Board
1010 Hurly Way, Suite 300
Sacramento, CA 95825

Dear Mr. Breed,

AB 765, introduced by Assembly Member Noreen Evans in the 2007 legislative session and signed by Governor Schwarzenegger, authorized Fairs to contribute 1% of the total amount handled daily in conventional and exotic pools into the Inclosure Facilities Improvement Fund, held at the California Department of Food and Agriculture. The purpose of the fund is to pool money from racing Fairs for the improvement of Fair racing facilities. The bill (now B&P Code 19601.4) requires that a Fair notify the California Horse Racing Board of its decision to utilize this program.

The Sonoma County Fair & Exposition, Inc. is formally requesting permission to deduct an additional 1% from the total amount handled daily in the conventional and exotic pools, as per Business and Professions code 19601.4.

Please call me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Tawny Tesconi". The signature is fluid and cursive.

Tawny Tesconi
Manager

Cc: Jacqueline Wagner
Andrea Ogden, CHRB
Christopher Korby, CARF



a California joint powers agency

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

May 5, 2008

The Honorable Richard Shapiro, Chairman
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

Dear Chairman Shapiro:

AB 765, introduced by Assembly Member Noreen Evans in the 2007 legislative session and signed by Governor Schwarzenegger, authorized Fairs to contribute 1% of the total amount handled daily in conventional and exotic pools into the Inclosure Facilities Improvement Fund, held at the California Department of Food and Agriculture. The purpose of the fund is to pool money from racing Fairs for the improvement of Fair racing facilities. The bill (now B&P Code 19601.4) requires that a Fair notify the California Horse Racing Board of its decision to utilize this program.

The Fairs listed on the attached page indicate their Fairs' participation in this program and will include this letter in their respective license applications.

Thank you for your consideration. Please contact me if you have any questions.

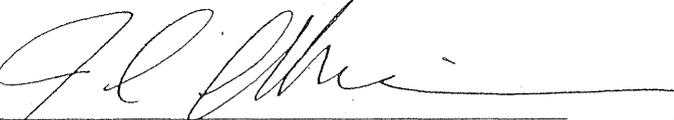
Respectfully submitted,

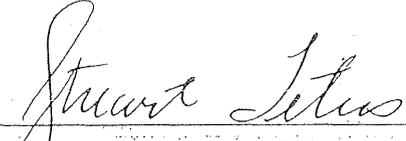
Christopher Korby
Executive Director

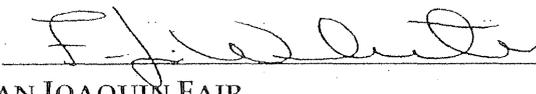
Cc: Kirk Breed, California Horse Racing Board
Assembly Member Noreen Evans
Cynthia Bryant, Office of Governor Schwarzenegger
Michael Treacy, California Department of Food and Agriculture

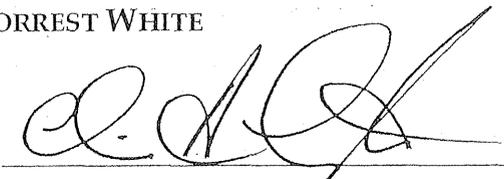
FAIRS SIGNING LETTER TO
CALIFORNIA HORSE RACING BOARD
IN SUPPORT OF
IMPLEMENTING AB 765 (EVANS)

X 
ALAMEDA COUNTY FAIR
RICK PICKERING

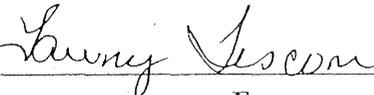
X 
FRESNO DISTRICT FAIR
JOHN ALKIRE

X 
HUMBOLDT COUNTY FAIR
STUART TITUS

X 
SAN JOAQUIN FAIR
FORREST WHITE

X 
SAN MATEO COUNTY FAIR
CHRIS CARPENTER

X 
SOLANO COUNTY FAIR
JOE BARKETT

X 
SONOMA COUNTY FAIR
TAWNY TESCONI

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:

Sonoma County Fair (707) 545-4200
P.O. Box 1536 (707) 573-9342 (fax)
Santa Rosa, CA 95402

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: **Wednesday, July 23, 2008 – Monday, August 4, 2008**

B. Dates racing will NOT be held: **Tuesday, July 29, 2008**

C. Total number of racing days: **12**

3. RACING PROGRAM

A. Total number of races: **130**

B. Number of races by breed:

Thoroughbreds Quarter Horses Appaloosas
 Arabians Paints Mules

C. Number of races daily:

D. Total number of stakes races by breed:

Thoroughbreds Quarter Horses Appaloosas

	Wed 7/23	Thurs 7/24	Fri 7/25	Sat 7/26	Sun 7/27	Mon 7/28	Wed 7/30	The 7/31	Fri 8/1	Sat 8/2	Sun 8/3	Mon 8/4
Thoroughbred	7	8	8	9	9	7	8	8	9	9	9	8
Other Breeds	3	2	2	3	3	3	2	2	3	3	3	2
Total	10	10	10	12	12	10	10	10	12	12	12	10

CHRB CERTIFICATION

Application received: *4/24/08*
 Reviewed: *apc*

Hearing date: *5/20/08*
 Approved date:
 License number:

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

SONOMA COUNTY FAIR ASSOCIATION 2008 OVERNIGHT STAKES SCHEDULE

THOROUGHBRED OVERNIGHT STAKES

Luther Burbank Handicap - 38th Running \$50,000 Added Sat., Jul 26
 Fillies and Mares Three-year olds and Upward (Plus up to \$15,000 for Cal-breds)
 One and 1/16 Miles (Turf)

Wine Country Juvenile - 2nd Running \$50,000 Added Sun., Jul 27
 Fillies - Two Year Olds - Six Furlongs (Plus up to \$15,000 for Cal-breds)

Joseph T. Grace Handicap - 37th Running \$50,000 Added Sat., Aug 2
 Three-year olds and Upward - One and 1/16 Miles (Turf) (Plus up to \$15,000 for Cal-breds)

Cavonnier Juvenile Stakes - 41st Running \$50,000 Added Sun., Aug 3
 Two-year olds - Six Furlongs (Plus up to \$15,000 for Cal-breds)

QUARTER HORSE

Santa Rosa Marathon - 20th Running \$10,000 Guaranteed Sun., Jul 27
 Three-year olds and Upward - 870 Yards

Wine Country Derby - 19th Running \$10,000 Guaranteed Sun., Aug 3
 Three-year olds - 440 Yards

ARABIAN

Santa Rosa Arabian Handicap - 13th Running \$10,000 Guaranteed Sat., Jul 26
 Three-year olds and Upward - Six Furlongs

- 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:

Race Number	Weekdays	Weekends
Race # 1	12:45 p.m.	12:45 p.m.
Race # 2	1:15 p.m.	1:15 p.m.
Race # 3	1:45 p.m.	1:45 p.m.
Race # 4	2:15 p.m.	2:15 p.m.
Race # 5	2:45 p.m.	2:45 p.m.
Race # 6	3:15 p.m.	3:15 p.m.
Race # 7	3:45 p.m.	3:45 p.m.
Race # 8	4:15 p.m.	4:15 p.m.
Race # 9	4:45 p.m.	4:45 p.m.
Race # 10	5:15 p.m.	5:15 p.m.
Race # 11	5:45 p.m.	5:45 p.m.
Race # 12	6:15 p.m.	6:15 p.m.

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:

Ralph Bettinelli	Steve Butler	Shari DeGraffenreid	Herman Hernandez	Dave Lewers
Ross Liscum	Tom Nunes	Annette O'Kelley	Bev Palm	Les Perry
Mike Runyan	John Serres	Johanna Vanoni	Gerald Villarreal	Tony Withington

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

Ralph Bettinelli	Steve Butler	Ross Liscum	Tom Nunes	Mike Runyan
John Serres	Gerald Villarreal	Tony Withington		

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

Name	Title
Tawny Tesconi	General Manager
Tom Doutrich	Racing Secretary
Richard Lewis	Director of Racing
Bryan Wayte	Mutuel Manager
Vic Stauffer	Track Announcer
Claudia Christy	Satellite Supervisor
Chuck George	Racetrack Superintendent/Maintenance

5. PURSE PROGRAM

A. Purse distribution:

1. All races other than stakes:

Current meet estimate:	\$1,374,756
Prior meet actual:	\$1,374,756

Average Daily Purse (5A1 ÷ number of days):	
Current meet estimate:	\$ 114,563
Prior meet actual:	\$ 114,563

2. Overnight stakes:

Current meet estimate:	\$ 230,000
Prior meet actual:	\$ 180,000

Average Daily Purse (5A2 ÷ number of days):	
Current meet estimate:	\$ 19,167
Prior meet actual:	\$ 15,000

3. Non-overnight stakes:
 Current meet estimate: \$ 0
 Prior meet actual: \$ 50,000

Average Daily Purse (5A3 ÷ number of days):
 Current meet estimate: \$ 0
 Prior meet actual: \$ 4167

B. Funds to be generated for all California-bred incentive awards:
 Current meet estimate: \$ 149,676
 Prior meet actual: \$ 149,676

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

	Current Meet Estimate	Prior Meet Actual
CTT	\$ 4,740	\$ 4,740
TOC	\$ 9,480	\$ 9,480
NTRA	\$ 7,260	\$ 7,260
PCQHRA	\$ 3,792	\$ 3,792
CWAR	\$ 0	\$ 0
ARAC	\$ 10,764	\$ 10,764
AMRA	\$ 12,228	\$ 12,228
CHBPAPEN	\$ 14,220	\$ 14,220
CTHF	\$ 14,220	\$ 14,220
TOTAL	\$ 76,704	\$ 76,704

D. Amount from all sources to be distributed at the meeting in the form of purses or other benefits to horsemen (5A+5B+5C):
 Current meet estimate: \$ 1,831,136
 Prior meet actual: \$ 1,831,136

Average Daily Purse (5D ÷ number of days):
 Current meet estimate: \$ 152,595
 Prior meet actual: \$ 152,595

E. Purse funds to be generated from on-track handle and intrastate off-track handle:
 Current meet estimate: \$1,421,004
 Prior meet actual: \$1,421,004

Average Daily Purse (5E ÷ number of days):
 Current meet estimate: \$ 118,417
 Prior meet actual: \$ 118,417

F. Purse funds to be generated from interstate handle:
 Current meet estimate: \$ 176,844
 Prior meet actual: \$ 176,844

Average Daily Purse (5F ÷ number of days):
 Current meet estimate: \$ 14,737
 Prior meet actual: \$ 14,737

G. Bank and account number for the Paymaster of Purses' purse account:
West America Bank (C.A.R.F.) Account No: 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:
1100

B. Minimum number of stalls believed necessary for the meeting:
2,000-2,300

C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers:
3,024

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

Bay Meadows, San Mateo, California	900 stalls
Alameda County Fair, Vallejo, California	684 stalls
Golden Gate Fields	1,440 stalls

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

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:
1000

- G. Estimated cost to provide off-site stalls for this meeting. Show cost per-day per stall:
Northern California Stabling and Vanning Fund (TBP)
- H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse:
None

7. PARI-MUTUEL WAGERING PROGRAM

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

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

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

Race #9	\$1E, \$1PK3, \$1PK4*, \$1TRI, \$2Q \$2DD, \$.10SF, \$2PNP@, \$1PPN%	CHRB #1959, CHRB #1977, CHRB #1978, CHRB #1979 CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.9, CHRB #1976.8
Race #10	\$1E, \$1PK3, \$1PK4*, \$1TRI, \$2Q \$2DD, \$.10SF, \$2PNP@, \$1PPN%	CHRB #1959, CHRB #1977, CHRB #1978, CHRB #1979 CHRB #1958, CHRB #1957, CHRB #1979.1 CHRB #1976.9, CHRB #1976.8
Race #11	\$1E, \$1TRI, \$2Q, \$1PK4* \$2DD, \$.10SF, \$2PNP@, \$1PPN%	CHRB #1959, CHRB #1979, CHRB #1958, CHRB #1978 CHRB #1957, CHRB #1979.1 CHRB #1976.9, CHRB #1976.8
Race #12	\$1E, \$1TRI, \$2Q, \$1PK4* \$2DD, \$.10SF, \$2PNP@, \$1PPN%	CHRB #1959, CHRB #1979, CHRB #1958, CHRB #1978 CHRB #1957, CHRB #1979.1 CHRB #1976.9, CHRB #1976.8

B. Maximum carryover pool to be allowed to accumulate before its distribution OR the date(s) designated for distribution of the carryover pool:
Monday, August 4, 2008 (Closing Day)

C. List any options requested with regard to exotic wagering:
\$1pk4* on first 4 races and last 4 races
@\$2Pick 6 on last 6 races
% \$1 Place Pick All on the last 10 races

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 (George Brannon) Expiration: September 30, 2012.
Equipment description on file with Board.

8. ADVANCE DEPOSIT WAGERING (ADW)

A. Identify the ADW provider(s) to be used by the fair for this race meeting:
Express Bet, T.V.G. (Television Games Network), Twin Spires, You Bet

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, including:

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

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

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

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
Arlington Park	7/23/08-8/4/08	Full or Partial Cards
Assiniboia Downs	7/23/08-8/4/08	Full or Partial Cards (International)
Calder	7/23/08-8/4/08	Full or Partial Cards
Canterbury	7/23/08-8/4/08	Full or Partial Cards
Charles Town	7/23/08-8/4/08	Full or Partial Cards
Colonial Downs	7/23/08-8/4/08	Full or Partial Cards

Delaware Park	7/23/08-8/4/08	Full or Partial Cards
Ellis Park	7/23/08-8/4/08	Full or Partial Cards
Emerald Downs	7/23/08-8/4/08	Full or Partial Cards
Evangeline Downs	7/23/08-8/4/08	Full or Partial Cards
Fort Erie	7/23/08-8/4/08	Full or Partial Cards (International)
Grand Prairie	7/23/08-8/4/08	Full or Partial Cards
Hastings Park	7/23/08-8/4/08	Full or Partial Cards (International)
Lone Star	7/23/08-7/27/08	Full or Partial Cards
Louisiana Downs	7/23/08-8/4/08	Full or Partial Cards
Monmouth	7/23/08-8/4/08	Full or Partial Cards
Mountaineer Park	7/23/08-8/4/08	Full or Partial Cards
NYRA (Saratoga)	7/25/08-8/4/08	Full or Partial Cards
Northlands Park	7/23/08-8/4/08	Full or Partial Cards (International)
Penn National	7/23/08-8/4/08	Full or Partial Cards
Philadelphia Park	7/23/08-8/4/08	Full or Partial Cards
Prairie Meadows	7/23/08-8/4/08	Full or Partial Cards
Presque Isle Downs	7/23/08-8/4/08	Full or Partial Cards
River Downs	7/23/08-8/4/08	Full or Partial Cards
South America	7/23/08-8/4/08	Full or Partial Cards (International)
Suffolk Downs	7/23/08-8/4/08	Full or Partial Cards
Thistledown	7/23/08-8/4/08	Full or Partial Cards
Woodbine	7/23/08-8/4/08	Full or Partial Cards (International)
Yavapai Downs	7/23/08-8/4/08	Full or Partial Cards

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

N/A

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

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.)

Northern California Racing Fairs

July 23-August 4, 2008

Prepared 5/2/08

Santa Rosa-Sonoma County Fair

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

Separate Pool Locations
Hipodromo Presidente Remon
NV Disseminator
MIR/Caliente

10. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

A. Racing officials nominated:

Association Veterinarian(s)	Dr. Robert Connelly (Track) & (Fitness) Dr. Don Dooley
Clerk of Scales	Gary Lawless
Assistant Clerk of Scales	Danny Winnick
Clerk of the Course	Dolores Collins (E-Breeds) & Tina Walker (Thoroughbreds)
Assistant Clerk of the Course	Lisa Jones
Film Specialist	Cheryl White
Horse Identifier	Patrick Kealy
Horseshoe Inspector	Jack Hammonds
Paddock Judge	Joe Gibson
Patrol Judges	Cheryl White & Kenneth Sjoldal
Placing Judges	Greg Brent & Ella Robinson
Starter	Chuck Burkes
Timer	Melody Trutt

B. Management officials in the racing department:

Director of Racing	Richard Lewis
Racing Secretary	Tom Doutrich
Assistant Racing Secretary	Linda Anderson
Paymaster of Purses	Victoria Layne (C.A.R.F.)
Others (identify by name and title)	

C. Name, address and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards:
Coastal Reporting Services, 131-A Stony Circle, Suite 500, Santa Rosa, CA 95401, (707)573-9766.

D. Photographic device to be used for photographing the finish of all races, name of the person supplying the service, and expiration date of the service contract:
Plusmic Corporation, USA – Bill O’Brien (Expires 12/7/10)

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)
3 Camera in tower, 1 hand held camera, 1 pan camera in announcer's booth and a camera at 3/16 pole which is remotely mounted on pole.
Equipment to be used – Exhibit A

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)
Equipment to be used – Exhibit A

11. SECURITY CONTROLS

A. Name and title of the person responsible for security controls on the premises. Include an

EXHIBIT A

EQUIPMENT

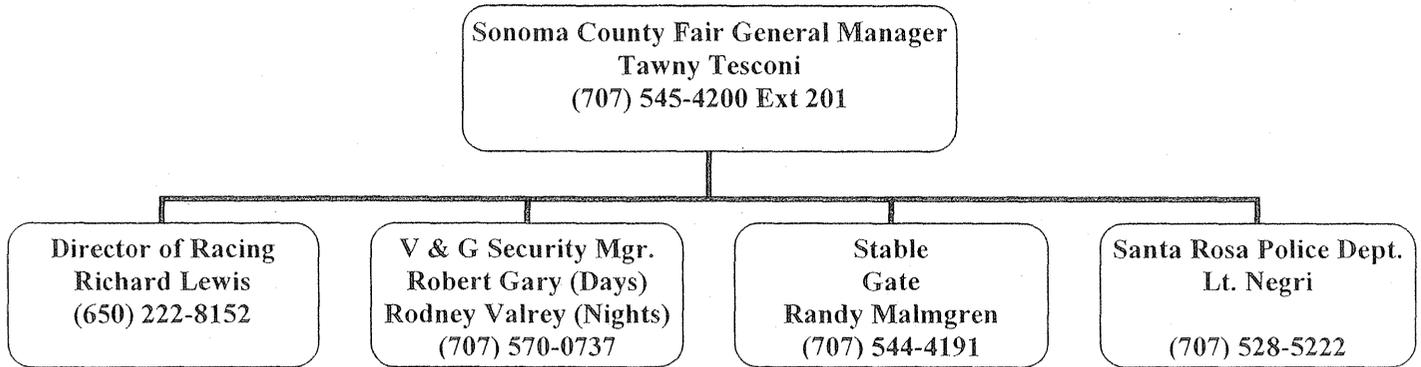
- A. 2 Sony SP870 Video Tape Recorders; 2 Panasonic MII Digital Video Tape Recorders
- B. Yamaha 1604 Audio Mixer
- C. Sierra Video systems Routing Switcher
- D. 6 DXC M-7 Cameras with lenses, viewfinders, pan heads, support equipment
- E. Window NT Running Lightware
- F. FORE-A Video Typewriter
- G. FORE-A Frame Sync
- H. AUX Frame Syuc
- I. VIDEO FLYER
- J. 4 Sony 9800 Video Tape Recorders
- K. Microtime IMPACT DVE
- L. GVG 200 with Chroma Key, Silhouette Key, Borderline Option
- M. Remote Production Vehicle
- N. Onboard Isolation Transformer & Voltage Regulator

organizational chart of the security department and a list of the names of security personnel and contact telephone numbers.

Each day a different Lt. will be on grounds for supervision of patrolmen. A list of these supervisors will be made available to CHRB Staff when supplied by SRPD. They are all dispatched from the same 707-528-5222 numbers.

Private security supplied by V & G Security:

Robert Gary, Owner on duty days; Rodney Valrey, Owner on duty nights; Randy Malmgren, Stable Manager; Stable Gate



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

Racetrack/Grandstands

Uniformed Security Guards (7), Gate Men (8), Night Patrol Man (1)

Uniformed Police Officers (2) periodically throughout the fair in Racing Grandstands

Security personnel will be stationed at the receiving barn gate, at the door to the jockey's quarters, on all gates leading to the racetrack and all doors providing access to behind the mutuel lines.

1. Attach a written plan for enhanced security for graded stakes races, and races of \$100,000 or more, to include the number of security guards in the restricted areas during a 24-hour period and a plan for detention barns.

N/A

2. Detention Barns:

(The Fair is not running graded stakes)

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

N/A

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

N/A

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

N/A

3. TCO2 Testing:

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

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

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

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

C. Describe the electronic security system.
Ten (10) Stalls adjacent to Testing Barn under 24 hour video surveillance.

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

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:
Sonoma Life Support, 1415 N. Dutton, Suite C, Santa Rosa, CA 95401, (707)579-9542.

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

Alameda County Fair	Golden Gate Fields	Bay Meadows
American Medical Response	Turf Rescue LLC	Bay Shore Ambulance
640 143rd Street	19615 Barclay Road	P.O. Box 4622
San Leandro, CA 94577	Castro Valley, CA 94546	Foster City, CA 94404
(510) 895-7600	(510) 581-8470	(650) 525-9700

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

D. Name and emergency telephone number of the licensed physician on duty during the race meeting:
David Fichman, M.D. 707-829-1811

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:
Santa Rosa Memorial Hospital – 1165 Montgomery Dr., Santa Rosa, CA 95405 - Emergency Room # 707-525-5207.

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:
(Attachment)

Attachment to SCF License Application – Section 12 F in English

Sonoma County Fair Racing Accident Procedures

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

Track Ambulance

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

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 the accident scene management. 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 and prevent visitation from bystanders away from 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 and 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. The 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 for the management of the accident scene.

Announcer

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 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 member 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.

Attachment to SCF License Application – Section 12 F in Spanish

Procedimiento en caso de Accidente en Sonoma 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) victima(s).

Seguridad

1. Tan pronto como sea posible, un miembro de seguridad del hipodromo debera reportarse al lugar del accidente y desde ahi recibir las instrucciones del Paramedico responsable del lugar del accidente. El miembro de seguridad sera responsable de mantener a los transeuntes fuera del lugar del accidente..
2. Un miembro del departamento de seguridad del hipodromo se acercara al cuart del jockey para aguardar el area donde la ambulancia estara y prevenir que transeuntes y personas ajenas se acerquen.
3. Un miembro de seguridad del hipodromo sera responsable de escoltar a los vehiculos de emergencia..
4. Los miembros de seguridad seran responsable de controlar a la multitud.

Personal de Carreras/Veterinario del hipodromo

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

Personal de Planta/Plant Staff

1. La Ambulancia de Caballos debera trasladarse inmediatamente al lugar del accidente siempre que un caballo este severamente lesionado y necesite transporte.
2. Los miembros del departamento de planta que esten cerca del accidente deberan ayudar a fapar el lugar para que el pulico no pueda ver lo que sucede, ademas deberan recibir instrucciones del Paramedico responsable del lugar del accidente.

Locutor

El locutor debera informar a los jinetes acerca de los detalles de la situacion (como la ubicacion 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 hoipodromo. El genente informara a los otros gerents sobre las lesions sufridas.
2. Otro representante de la gerencia debera informar al departamento de videio 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 familiars de los heridos. Se debe hacer lo necesario para acompanar a los familiars a los hospitals, 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. Todos 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.

Todo 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.

- 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):
Larry McClure – Superintendent Maintenance (Safety Manager)
Richard Lewis – Director of Racing (Assistant Manager)
- H. Attach a fire clearance from the fire authority having jurisdiction over the premises.
Fire Inspection scheduled for July 7, 2008
- 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:

CONCESSION/SERVICE	COMPANY	OWNER	ADDRESS
Food & Beverage (Alcoholic & Non)	Five Star Catering	Don Delahoyde	585 N. State Street, Ukiah, CA 95482
Tip Sheets	Jack’s Blue Card	Lisa Wasserman	127 sun Avenue, Hayward, CA 94544
Race Program and Daily Racing Form	Daily Racing Form	Wicks Sports Information Grp	100 Broadway, 7 th floor, New York City, N.Y. 10005
Winners Circle Photographs	Vassar Photography	Bill Vassar	5075 Double Point Way, discovery Bay, CA 94514
Jockey Laundry Service	Bailey Mobile	Lorene Dutton	3263 Vineyard venue, #35, Pleasanton, CA 94566
Starting Gate	United/Puett Start Gate	Michael Costello	1 Soundview Loop, S. Salem, N.Y. 10590
Sound System	Golden Gate Sound		Santa Rosa, CA
Armor Car Service	NOTWINC		11875 Dublin Blvd., #D275, Dublin, CA 94568

14. ON- TRACK ATTENDANCE/FAN DEVELOPMENT

- A. Describe any promotional plans:
The total advertising, publicity and promotions budget for the 2008 Fair and Race Meet exceeds \$349,000. Although these funds are used to promote all aspects of the two week Fair, 90% of these efforts involve promotion of live racing.



April 4, 2008

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

Re: Sonoma County Fair
PO Box 1536
Santa Rosa, CA 95403-1536

Please be advised that the Sonoma 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:

II. WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY

- A. Primary Coverage \$500,000 self-insured retention California Fair Services Authority
Coverage continuous until cancelled
- B. Excess Coverage (a) Workers' Compensation: \$299,500,000 in excess of \$500,000
(b) Employers' Liability: \$4,500,000 in excess of \$500,000
Coverage provided by CSAC Excess Insurance Authority
Term: 07/01/2007 to 07/01/2008

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

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

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

Sincerely,

Lianne Lewellen
Risk Analyst

For the first time, we are going to hire a Racing Grandstands Promotion Coordinator to improve the quality of our product and to keep race fans entertained at the races during our meet.

Specific Wine Country Racing Promotions:

- Text messaging campaign focused on impulse messages to get people to the races and to keep them entertained in between races.
- Emailing campaign focused on impulse messages to get people to the races.
- On-line discounted group tickets sales.
- Improved signage at the entrance to the Race Grandstands emphasizing “free” admission to the horse races and welcoming patrons to the venue
- Interactive drawings and contests in between races to keep race fans at the races.
- Promotion associates in the Grandstands assisting fans and first time betters.
- Free daily racing seminars each fair day geared at educating the new race fan.
- Signage promoting reserved seats and Free daily racing seminars.
- On track souvenir giveaways during the meet.
- Service club and group outreach promoting “bringing the gang” to the races.
- New for 2008, a “Company Picnic” VIP experience offered to businesses or companies with over 50 guests. Includes tented hospitality area, meal and beverage service.

B. Number of hosts and hostesses employed for meeting:

Upstairs Grandstand Upper Level Guest Information Booth and wait service in Box Seats. In addition: 25 Ushers, 6 Guest Service Attendants and 5 Self-Service Attendants.

C. Describe facilities set aside for new fans:

- Admission gate coupons or vouchers to encourage fairgoers to go to the races during their fair visit.
- Promotion associates in the Grandstands assisting fans and first time betters.
- Signage promoting reserved seats and Free daily racing seminars.
- New for 2008, a “Company Picnic” VIP experience offered to businesses or companies with over 50 guests. Includes tented hospitality area, meal and beverage service.
- Upper Level Information Booth, Designated New Fan Promotion includes seminar and reserved seating. Additionally, Fair representatives will be visiting more than 25 service organizations to speak about Horse Racing at the Fair.
- Free daily racing seminar each fair day (more than 20 years continuously running). The Seminar is hosted by Track Announcer, Vic Stauffer and features daily high profile guest. Prizes and tips are given throughout the one hour seminar.
- Returning promotions and information services include novice fan information booth, staffed featuring wagering information, terms and interactive items such as riding saddle, silks, etc. and a continuously running video on “how to play” from NTRA and DRF.

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

New Turf Track installed in 2005

1. Horsemen **Improved RV Lot, parking and lighted cross walks.**
2. Fans **New box seat chairs; Wait service in box seats.**
3. Facilities in the restricted areas **Painting and general clean-up of Jockey Quarters and offices.**

15. SCHEDULE OF CHARGES

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

General Admission/Grand Stand	Free with Fair Admission
Fair Admission/Adults (13 & older)	\$ 7.00
Advanced Sale Tickets (On-line)	\$ 7.00
Fair Admission/Children (6-12)	\$ free
Fair Admission/Seniors	\$ 7.00
Fair Admission/V.I.P. Discount	\$ 7.00
Admission (clubhouse)	N/A
Reserved Seating (general)	\$ 3.00
Reserved Seating (clubhouse)	\$ N/A
Reserved Box Seats	\$ 5.00
Parking (valet)	N/A
Programs/on track	\$ 1.00
Programs/off track	\$ 2.25

B. Describe any "Season Boxes" or other special accommodation fees:

**Lower box seats \$175 season, Upper box seats \$125 season
Daily sales of box seats, both upper and lower, at \$5.00 per seat**

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

Special Horse Racing Group packages offer one admission, parking and one upper box seat a \$15.00 value for \$7.00. For groups of 10 or more.

16. JOCKEYS' QUARTERS

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

- Corners (lockers and cubicles) How many
- Showers Steam room, sauna or steam cabinets Lounge area
- Masseur Food/beverage service Certified platform scale

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

Separate area containing a dressing room, lounge area, sauna, showers, restroom facilities, lockers & bunks. Jockeys & Jockettes share the scale.

17. BACKSTRETCH EMPLOYEE HOUSING

A. Inspection of backstretch housing to be completed by **Anne Glasscock**.

B. Number of rooms used for housing on the backstretch of the racetrack:
100 rooms available to horsemen.

C. Number of restrooms available on the backstretch of the racetrack:
Total of 14 urinals, 20 toilets, 20 sinks and 27 showers.

D. Estimated ratio of restrooms to the number of backstretch personnel: **25 to 1**

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:

5,143.9

 feet. Turf Track 7/8 Mile.
- 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.
Dirt Track – Inner Rail is aluminum wrap gooseneck posts covered by rubber and thermoplastic; Outer rail is steel posts and steel rail. Approximate height is 40 inches.
Turf Track – Inner rail is aluminum wrap, moveable rail on gooseneck posts. Outer rail is aluminum rail on gooseneck posts permanently mounted.
- C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474:
Tawny Tesconi
- 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.

Tauney Tosconi
Print Name

Tauney Tosconi
Signature

Tauney Tosconi
Print Title

4/23/08
Date

STAFF ANALYSIS
May 20, 2008

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE DEL MAR THOROUGHBRED CLUB AT DEL MAR JULY 16, 2008 THROUGH SEPTEMBER 3, 2008.

Del Mar Thoroughbred Club filed its application to conduct a thoroughbred horse racing meeting at Del Mar:

- July 16 through September 3, 2008, or 43 days, the same as 2007. The association proposes to race a total of 372 races, or 8.65 races per day. In 2007 they raced 8.63 races per day with an average of 8.6 runners per race. In 2007 they were allocated to race 43 days the (actual) average daily purse for the meet was \$550,184. The (estimated) average daily purse for this meet is \$553,136.
- The race dates proposed are the dates allocated by the Board.

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

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

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

- Racing 6 days per week, Wednesday through Monday, with 8 races per day weekdays, 9 races opening day and certain weekend days and 10 races certain weekend days, Labor Day and closing day and 11 races Pacific Classic Day, August 24, 2008.
- Racing concurrently with the dates allocated to Santa Rosa, Solano, Ferndale, Cal Expo and Pacific Racing Association.
- First post will be 2:00 p.m. daily.
 - 2:00 p.m. Sunday, August 24.
 - 3:30 p.m. Friday, August 15, 22 and August 29.
 - 4:00 p.m. Friday, July 18, 25 and August 1 and 8.
- Specific changes from the 2007 license application:
 - Increases: Admission – Daily Turf Club (member guests) \$35 to \$40, opening day \$75 to \$100. Daily Turf Club (non- member) from \$50 to \$60, opening day \$100 to \$125. Membership - season turf club (2 person) from \$1050 to \$1150, season turf club (1 person) from \$800 to \$850. Seating - season reserved from \$240 to \$260, stretch run and clubhouse season box seats from \$255-\$280 to \$275-\$300.
- Request Dianne Piper be appointed horse identifier pursuant to CHRB Rule 1525.

- Track safety requirements have been fulfilled.
- Wagering program will use CHRB rules.
 - Early wagering will start at 8:00 a.m.
- The Advance Deposit Wagering (ADW) providers are TVG.
- Simulcasting conducted with out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- Inspection of backstretch worker housing completed.

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

1. Thoroughbred horsemen's agreement – in negotiations.

RECOMMENDATION:

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

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:

Del Mar Thoroughbred Club
P.O. Box 700, Del Mar, CA 92014
Phone: 858-755-1141
Fax: 858-794-1007

B. Breed of horse: TB QH H

C. Racetrack name: **Del Mar Thoroughbred Club (DMTC)**

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: **July 16 through September 03, 2008**

B. Actual dates racing will be held: **July 16 through September 03, 2008, everyday except Tuesdays 7/22, 7/29, 8/5, 8/12, 8/19, 8/26, 9/2**

C. Total number of days or nights of racing: **43 days**

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

Wed - Sun Tues - Sat Other (specify) **Wednesday - Monday**

E. Number of days or nights of racing per week: **6**

3. RACING PROGRAM

A. Total number of races: **372**

B. Number of races for each day or night:

8 - Weekdays

9 - Opening Day and certain weekend days

10 - Certain weekend days, Labor Day and Closing Day

11 - Pacific Classic Day, August 24, 2008

CHRB CERTIFICATION

Application received: **4/15/08**
Deposit received: **on file**
Reviewed: **cap**

Hearing date: **5/20/08**
Approved date:
License number:

- C. Total number of stakes races: **42 (31 stakes and 11 overnight stakes)**
- D. Attach a listing of all stakes races and indicate the date to be run and the added money or guaranteed purse for each. Note the races that are designated for California-bred horses.
Exhibit 1
- 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: **Exhibit 2**

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.
Full Disclosure Statement already on file with CHRB

C. CORPORATION

- 1. Registered name of the corporation: **Del Mar Thoroughbred Club**
- 2. State where incorporated: **California**
- 3. Registry or file number for the corporation: **559096**
- 4. Names of all officers and directors, titles, and the number of shares of the corporation held by each:

Robert S. Strauss	Chairman of the Board	1 Share
Joseph W. Harper	President, General Manager, Director	1 "
David H. Batchelder	Director	1 "
Rollin W. Baugh	Director	1 "
James R. Buell	Director	1 "
Jon S. Kelly	Director	1 "
Terrence Lanni	Director	1 "
Warner Lusardi	Director	1 "
Marie G. Moretti	Director	1 "
Thomas C. Stickel	Director	1 "
Martin J. Wygod	Director	1 "
Craig R. Fravel	Executive VP & Corporate Secretary	0
Michael R. Ernst	Senior VP & Chief Financial Officer	0
Thomas S. Robbins	Vice President, Racing	0
Craig A. Dado	Vice President, Marketing	0
Josh Rubinstein	Vice President, Development	0
Lynn Wright	Controller	0

Exhibit 1 - 2008 Del Mar Stakes Schedule

Closing Date	Running Date	Event	Distance	2008 Value
Thu. Jul 10, 2008	Wed. Jul 16, 2008	OCEANSIDE STAKES Three-year-olds, N/W S/S of \$50,000 in 2008	One Mile (Turf)	\$100,000 Added
Thu. Jul 10, 2008	Fri. Jul 18, 2008	CTBA STAKES Fillies, two years old, bred in CA	5 1/2 Furlongs	\$125,000 Added
Thu. Jul 10, 2008	Sat. Jul 19, 2008	SAN DIEGO HANDICAP (Gr. II) Three-year-olds and upward	1 1/16 Miles	\$300,000 Guaranteed
Thu. Jul 10, 2008	Sun. Jul 20, 2008	FLEET TREAT STAKES Fillies, three years old, bred in CA	Seven Furlongs	\$100,000 Added
Thu. Jul 10, 2008	Sun. Jul 20, 2008	EDDIE READ HANDICAP (Gr. I) Three-year-olds and upward	1 1/8 Miles (Turf)	\$400,000 Guaranteed
Thu. Jul 17, 2008	Wed. Jul 23, 2008	GRADUATION STAKES Two-year-olds, bred in CA	5 1/2 Furlongs	\$125,000 Added
Thu. Jul 17, 2008	Sat. Jul 26, 2008	SAN CLEMENTE HANDICAP (Gr. II) Fillies, three years old	One Mile (Turf)	\$150,000 Guaranteed
Thu. Jul 17, 2008	Sun. Jul 27, 2008	BING CROSBY HANDICAP (Gr. I) Three-year-olds and upward	Six Furlongs	\$300,000 Guaranteed
Thu. Jul 24, 2008	Wed. Jul 30, 2008	COUGAR II HANDICAP Three-year-olds and upward	1 1/2 Miles	\$150,000 Guaranteed
Thu. Jul 24, 2008	Sat. Aug 02, 2008	CALIFORNIA DREAMIN' HANDICAP Three-year-olds and upward, bred in CA	1 1/16 Miles (Turf)	\$125,000 Added
Thu. Jul 24, 2008	Sat. Aug 02, 2008	CLEMENT L. HIRSCH HANDICAP (Gr. II) Fillies and mares, three years old and upward	1 1/16 Miles	\$300,000 Guaranteed
Thu. Jul 24, 2008	Sun. Aug 03, 2008	JOHN C. MABEE HANDICAP (Gr. I) Fillies and mares, three years old and upward	1 1/8 Miles (Turf)	\$400,000 Guaranteed
Thu. Jul 31, 2008	Wed. Aug 06, 2008	SORRENTO STAKES (Gr. III) Fillies, two years old	6 1/2 Furlongs	\$150,000 Guaranteed
Thu. Jul 31, 2008	Fri. Aug 08, 2008	REAL GOOD DEAL STAKES Three-year-olds, bred in CA	Seven Furlongs	\$100,000 Added
Thu. Jul 31, 2008	Sat. Aug 09, 2008	LA JOLLA HANDICAP (Gr. II) Three-year-olds	1 1/16 Miles (Turf)	\$150,000 Guaranteed
Thu. Jul 31, 2008	Sun. Aug 10, 2008	BEST PAL STAKES (Gr. II) Two-year-olds	6 1/2 Furlongs	\$150,000 Guaranteed
Thu. Aug 07, 2008	Sat. Aug 16, 2008	DEL MAR OAKS (Gr. I) Fillies, three years old	1 1/8 Miles (Turf)	\$400,000 Guaranteed
Thu. Aug 07, 2008	Sun. Aug 17, 2008	SOLANA BEACH HANDICAP Fillies and mares, three years old and upward, bred in CA	One Mile (Turf)	\$125,000 Added
Thu. Aug 14, 2008	Sat. Aug 23, 2008	DEL MAR HANDICAP (Gr. II) Three-year-olds and upward	1 3/8 Miles (Turf)	\$250,000 Guaranteed
Thu. Aug 14, 2008	Sun. Aug 24, 2008	RANCHO BERNARDO HANDICAP (Gr. III) Fillies and mares, three years old and upward	6 1/2 Furlongs	\$200,000 Guaranteed
Thu. Aug 14, 2008	Sun. Aug 24, 2008	PAT O'BRIEN HANDICAP (Gr. II) Three-year-olds and upward	Seven Furlongs	\$300,000 Guaranteed
Thu. Aug 14, 2008	Sun. Aug 24, 2008	DEL MAR MILE (Gr. II) Three-year-olds and upward	One Mile (Turf)	\$400,000 Guaranteed
Thu. Aug 14, 2008	Sun. Aug 24, 2008	PACIFIC CLASSIC (Gr. I) Three-year-olds and upward	1 1/4 Miles	\$1,000,000 Guaranteed
Thu. Aug 21, 2008	Wed. Aug 27, 2008	GENEROUS PORTION STAKES Fillies, two years old, bred in CA	Six Furlongs	\$100,000 Added
Thu. Aug 21, 2008	Fri. Aug 29, 2008	EL CAJON STAKES Three-year-olds	One Mile	\$125,000 Added
Thu. Aug 21, 2008	Sat. Aug 30, 2008	PALOMAR HANDICAP (Gr. II) Fillies and mares, three years old and upward	1 1/16 Miles (Turf)	\$200,000 Guaranteed
Thu. Aug 21, 2008	Sun. Aug 31, 2008	TORREY PINES STAKES Fillies, three years old	One Mile	\$125,000 Added
Thu. Aug 21, 2008	Sun. Aug 31, 2008	DEL MAR DERBY (Gr. II) Three-year-olds	1 1/8 Miles (Turf)	\$400,000 Guaranteed
Thu. Aug 21, 2008	Mon. Sep 01, 2008	I'M SMOKIN STAKES Two-year-olds, bred in CA	Six Furlongs	\$100,000 Added
Fri. May 30, 2008	Mon. Sep 01, 2008	DEL MAR DEBUTANTE (Gr. I) Fillies, two years old	Seven Furlongs	\$250,000 Guaranteed
Fri. May 30, 2008	Wed. Sep 03, 2008	DEL MAR FUTURITY (Gr. I) Two-year-olds	Seven Furlongs	\$250,000 Guaranteed

Gross Purses	\$7,350,000
Less Breeders' Cup / Cal Stakes Fund	-315,000
Less Nom/Entry/Start Fees (Estimated)	-700,000
	<u>\$6,335,000</u>

POST TIMES FOR PROPOSED DAILY RACING PROGRAM

Race	Regular	Fridays 7/18, 7/25, 8/1, & 8/8	Fridays 8/15, 8/22 & 8/29	Sunday, 8/24
1 st	2:00 p.m.	4:00 p.m.	3:30 p.m.	2:00 p.m.
2 nd	2:32 p.m.	4:30 p.m.	4:00 p.m.	2:30 p.m.
3 rd	3:03 p.m.	5:00 p.m.	4:30 p.m.	3:00 p.m.
4 th	3:34 p.m.	5:30 p.m.	5:00 p.m.	3:30 p.m.
5 th	4:05 p.m.	6:00 p.m.	5:30 p.m.	4:00 p.m.
6 th	4:35 p.m.	6:30 p.m.	6:00 p.m.	4:35 p.m.
7 th	5:05 p.m.	7:00 p.m.	6:30 p.m.	5:05 p.m.
8 th	5:35 p.m.	7:30 p.m.	7:00 p.m.	5:35 p.m.
9 ^{th*}	6:05 p.m.			6:05 p.m.
10 ^{th*}	6:35 p.m.			6:40 p.m.
11 ^{th*}	7:05 p.m.			7:10 p.m.

* On certain days to be determined.

5. Names (true names) of all persons, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the corporation and the number of shares held by each:

None

6. Number of outstanding shares in the corporation: **8**

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: **Craig R. Fravel, Secretary**

9. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity: **None**

10. Attach the most recent audited annual financial statement for the licensee, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the corporation and/or the Securities and Exchange Commission and/or the California Corporations Commission. The licensee may submit the audited consolidated annual financial statements of its parent owner if the parent owner is a publicly traded company and guarantees the obligations of the licensee. **On file.**

D. LLC

1. Registered name of the LLC:

2. State where articles of organization are filed:

3. Registry or file number for the LLC:

4. Names of all officers and directors, titles, and the number of shares of the LLC held by each:

5. Names (true names) of all members, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the LLC and the number of shares held by each:

6. Are the shares listed for public trading? Yes No

If yes, on what exchange and how is the stock listed:

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

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

E. OTHER

1. Name(s) of partners/sole proprietor:

2. If a partnership, attach partnership agreement.

F. Management and Staff

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

Joseph W. Harper	President & General Manager
Craig R. Fravel	Executive VP & Corporate Secretary
Michael R. Ernst	Senior VP & Chief Financial Officer

Thomas S. Robbins	Vice President, Racing and Racing Secretary
Craig A. Dado	Vice President, Marketing
Josh Rubinstein	Vice President, Development
Timothy A. Read	Director of Operations
Ann Hall	Director of Human Resources
Mac McBride	Director of Media
Lynn Wright	Controller
Jacquelyn King	Director of Group Sales & Retail Operations
Martha Gilson	Customer Service Manager
Paul Porter	Simulcast Director
Mary Shepardson	Director of Publications
Chris Bahr	Promotions Manager
William Navarro	Director of Parimutuels
Nancy Bonforte	Director, Private Turf Club
Robert Sanchez	Plant Superintendent
Bill Sullivan	Director of Security
Trevor Denman	Public Address Announcer
Steve Wood	Track Superintendent
Leif Dickinson	Turf Course 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:
Joseph W. Harper – President & General Manager
Craig R. Fravel – Executive VP & Corporate Secretary

5. PURSE PROGRAM

A. Purse distribution:

1. All races other than stakes:

Current meet estimate:	\$ 13,830,478
Prior meet actual:	13,619,223
Average Daily Purse (5A1 ÷ number of days):	
Current meet estimate:	\$ 321,639
Prior meet actual:	316,726

2. Overnight stakes:

Current meet estimate:	\$ 935,000
Prior meet actual:	1,020,000
Average Daily Purse (5A2 ÷ number of days):	
Current meet estimate:	\$ 21,744
Prior meet actual:	23,721

3. Non-overnight stakes:

Current meet estimate:	\$ 6,335,000
Prior meet actual:	6,328,100

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

Current meet estimate: \$ 147,326
 Prior meet actual: 147,163

B. Stakes races:

1. Purse distribution for all stakes races:

Current meet estimate: \$ 7,270,000
 Prior meet actual: 7,348,100

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

Current meet estimate: \$ 169,070
 Prior meet actual: 170,886

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

Current meet estimate: 12.38 %
 Prior meet actual: 12.25 %

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

Current meet estimate: 0.29 %
 Prior meet actual: 0.28 %

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

Current meet estimate: \$ 2,020,000
 Prior meet actual: 2,020,909

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 Administration	219,137	218,892
CTT Administration	109,568	109,445
CTT Backstretch Pension	219,137	218,892
NTRA Dues	<u>116,542</u>	<u>122,468</u>
Total	664,384	669,697

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

Current meet estimate: \$ 23,784,862
 Prior meet actual: 23,657,929

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

Current meet estimate: \$ 553,136
 Prior meet actual: 550,184

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

Current meet estimate: \$ 17,040,664
 Prior meet actual: 17,040,179

Average Daily Purse (5F ÷ number of days):
 Current meet estimate: \$ 396,295
 Prior meet actual: 396,283

G. Purse funds to be generated from interstate handle:
 Current meet estimate: \$ 4,724,198
 Prior meet actual: 4,596,841

Average Daily Purse (5G ÷ number of days):
 Current meet estimate: \$ 109,865
 Prior meet actual: 106,903

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

Bank of America, 450 B Street Suite 1500, San Diego CA 92101, Account # On File

I. Name, address and telephone number of the pari-mutuel audit firm engaged for the meeting:
Bowen, McBeth, Inc., 10722 Arrow Route, Suite 110, Rancho Cucamonga, CA 91730 (909) 944-6465

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

6. STABLE ACCOMMODATIONS

- A. Number of usable stalls available for racehorses at the track where the meeting is held: **2,100**
- B. Minimum number of stalls believed necessary for the meeting: **2,100**
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: **2,900**
- D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site: **Fairplex – 500 Santa Anita – 1,900 San Luis Rey Downs – 500**
- E. Attach each contract or agreement between the association and the person(s) furnishing off-site stabling accommodations for eligible racehorses that cannot be provided stabling on-site.
SCOTWINC agreement is on file with CHRB

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

- F. Total number of usable stalls made available on-site for the **1986** meeting: **2,100**
- G. Estimated cost to provide off-site stalls for this meeting. Show cost per day per stall:
\$1,130,011
\$8.69 per day per stall
- H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse:
Estimated vanning cost: \$181,030

Vanning per horse (one way):

Santa Anita	\$160
Hollywood Park	\$160
Pomona	\$160
San Luis Rey Downs	\$90
Los Alamitos	\$160

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 Wager(s):	Applicable Rule(s):
Example Race:	\$5E, \$2DD	CHRB#1959; RCI #VE
Race #1	\$2Q, \$1E, \$1PK3, \$2DD ² , \$1 PPN, \$2PARLAY, \$1TRI, .10¢SF,	CHRB#1958, 1959, 1977, 1957, 1976.8, 1954.1, 1979, 1979.1
Race #2	\$2Q, \$1E, \$1PK3, \$2PARLAY, \$1TRI, .10¢SF, \$2DD ²	CHRB#1958, 1959, 1977, 1954.1, 1979, 1979.1, 1957
Race #3	\$2Q, \$1E, \$1PK3, \$2PARLAY, \$1TRI, .10¢SF, \$2P(n)P (Pick 6), \$2DD ²	CHRB#1958, 1959, 1977, 1954.1, 1979, 1979.1, 1976.9, 1957
Race #4	\$2Q, \$1E, \$1PK3, \$2PARLAY, \$1TRI, .10¢SF, \$2DD ²	CHRB#1958, 1959, 1977, 1954.1, 1979, 1979.1, 1957
Race #5	\$2Q, \$1E, \$1PK3, \$2PARLAY, \$1TRI, .10¢SF, \$2DD ² , \$1PK4 ¹	CHRB#1958, 1959, 1977, 1954.1, 1979, 1979.1, 1957, 1978
Race #6	\$2Q, \$1E, \$1PK3, .10¢SF, \$2PARLAY,	CHRB#1958, 1959, 1977, 1979.1, 1954.1,

	\$1TRI, \$2DD ² , \$1PK4 ¹	1979, 1957, 1978
Race #7	\$2Q, \$1E, \$2PARLAY, \$1TRI, .10¢SF, \$2DD ² , \$1PK4 ¹	CHRB#1958, 1959, 1954.1, 1979, 1979.1, 1957, 1978
Race #8	\$2Q, \$1E, \$1TRI, .10¢SF, \$2DD ² , \$1PK4 ¹	CHRB#1958, 1959, 1979, 1979.1, 1957, 1978
Race #9*	\$2Q, \$1E, \$1TRI, .10¢SF, \$2DD ² , \$1PK4 ¹	CHRB#1958, 1959, 1979, 1979.1, 1957, 1978
Race #10*	\$2Q, \$1E, \$1TRI, .10¢SF, \$1PK4 ¹ , \$2DD ²	CHRB#1958, 1959, 1979, 1979.1, 1978, 1957
Race #11*	\$2Q, \$1E, \$1TRI, .10¢SF, \$1PK4 ¹	CHRB#1958, 1959, 1979, 1979.1, 1978

¹ \$1PK4 offered in the last four races daily

² \$2DD offered every race daily, except the last race.

* Days with 9, 10, or 11 races, the types of wagers offered based on this schedule will be rolled forward or backward accordingly.

- B. Maximum carryover pool to be allowed to accumulate before its distribution OR the date(s) designated for distribution of the carryover pool: **None**
- C. List any options requested with regard to exotic wagering: **None**
- D. Will "advance" or "early bird" wagering be offered? Yes No
If yes, when will such wagering begin: **8:00 a.m.**
- E. Type(s) of pari-mutuel or totalizator equipment to be used by the association and the simulcast organization, name of the person(s) supplying equipment, and expiration date of the service contract:
Quantum System Data Center, Scientific Games Racing/Autotote, Terry McWilliams, Expires: September 2012

8. ADVANCE DEPOSIT WAGERING (ADW)

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

Del Mar conducts advanced deposit wagering pursuant to an exclusive agreement with TVG that has in prior years limited distribution within California to TVG. Under an agreement amongst Hollywood Park, Track Media (Santa Anita and Golden Gate) and the Thoroughbred Owners of California, an "experiment" was agreed to that terminates upon the conclusion of the Hollywood Park summer meet that permits in state distribution and wagering through TVG, XPressbet, and Youbet.com as well as Twin Spires. Del Mar intends to seek of an extension of the current experiment through the Del Mar, Fairplex, Hollywood Fall and Oak Tree meets but such an extension will require the agreement of the foregoing parties as well as Track Media, Golden Gate Fields and the TOC. Del Mar will update the CHRB on the progress of negotiations. Unless an agreement is reached Del Mar will conduct ADW through TVG within California.

9. SIMULCAST WAGERING PROGRAM

- A. Simulcast organization engaged by the association to conduct simulcast wagering:
Southern California Off Track Wagering, Inc. "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.
SCOTWINC Agreement is on file with CHRB
- C. California simulcast facilities the association proposes to offer its live audiovisual signal:
Exhibit 3
- D. Out-of-state wagering systems the association proposes to offer its live audiovisual signal:
Exhibit 4
- E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the association:
Exhibit 5
- 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": **Exhibit 6**

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

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

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

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": **N/A**

HARNESS SIMULCAST RACES TO BE IMPORTED

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

Alameda County Fair, Pleasanton
Antelope Valley Fair, Lancaster
Barona Casino, Lakeside
Bay Meadows, San Mateo
Big Fresno Fair, Fresno
Cabazon Fantasy Springs Casino, Indio
California State Fair & Expo, Sacramento
Earl Warren Showground's, Santa Barbara
Fairplex Park, Pomona
Fresno Club One, Fresno
Golden Gate Fields, Albany
Hollywood Park, Inglewood
Humboldt County Fair, Ferndale
Kern County Fair, Bakersfield
Los Alamitos Racecourse, Los Alamitos
Monterey County Fair, Monterey
National Orange Show, San Bernardino
Redwood Acres Fair, Eureka
San Bernardino County Fair, Victorville
San Joaquin County Fair, Stockton
Santa Clara County Fair, San Jose
Santa Anita Park, Arcadia
Shalimar Sports Center, Indio
Shasta District Fair, Anderson
Solano County Fair, Vallejo
Sonoma County Fair, Santa Rosa
Sports Pavilion The Farmers Fair, Lake Perris
Stanislaus County Fair, Turlock
The Horsemen's Club, Santa Maria
Tulare County Fair, Tulare
Ventura County Fair, Ventura
Viejas Casino & Turf Club, Alpine

AmericaTab, Ohio
 Arapahoe Park, Colorado
 Arlington International Race Course, Illinois
 Assiniboia Downs, Canada
 Atlantic City Casino Assn., New Jersey
 Atlantic City Race Course, New Jersey
 Atokad Park, South Dakota
 Balmoral Park, Illinois
 Bangor Raceway, Maine
 Barrie Raceway, Ontario
 Batavia Downs, New York
 Belmont Gaming, New Hampshire
 Beulah Park, Ohio
 Birmingham Race Course, Alabama
 Blue Ribbon Downs, Oklahoma
 Buffalo Trotting Association, New York
 Calder Race Course, Florida
 Caliente, Mexico
 Canterbury Park, Minnesota
 Capital District OTB, New York
 Catskill Regional OTB, New York
 Caymanas Race Track, Jamaica
 Charles Town Races, West Virginia
 Chester Downs - Pennsylvania
 Churchill Downs, Kentucky
 Choctaw Racing Services, Oklahoma
 Colonial Downs, Virginia
 Columbus Races, Nebraska
 Connaught Park, Canada
 Connecticut OTB, Connecticut
 Corpus Christi Greyhound, Texas
 Dairyland Greyhound Park, Wisconsin
 Delaware Park, Delaware
 Delta Downs, Louisiana
 Dover Downs, Delaware
 Downs at Albuquerque, New Mexico
 Downs at Santa Fe, (PTE Inc.), New Mexico
 Edmonton Northlands, Canada
 Elite Turf Club, Curacao
 Ellis Park, Kentucky
 Elmira Raceway, Ontario
 European Simulco, Europe
 Evangeline Downs, Louisiana
 Fairgrounds Racecourse, Louisiana
 Fairmount Park, Illinois
 Finger Lakes Race Track, New York
 Flamboro Downs, Ontario
 Fonner Park, Nebraska
 Fort Erie Racetrack, Canada
 Foxboro Park, Massachusetts
 Foxwoods Casino (LVDC), Connecticut
 Fraser Downs, British Columbia
 Freehold Raceway, New Jersey
 Gulf Greyhound, Texas
 Gulfstream Park, Florida
 Hanover Raceway, Canada
 Harrington Raceway & Simulcast, Delaware
 Hastings Park, Canada
 Hawthorne Race Course, Illinois
 Hazel Park, Michigan
 Hiawatha Downs, Ontario
 Hinsdale Greyhound Park, New Hampshire
 Hipodromo Camarero, Puerto Rico
 Hipodromo Presidente Remon, Panama
 Hoosier Park, Indiana
 Horsemen's Park, Nebraska
 Indiana Downs, Indiana
 Jackson Harness Raceway, Michigan
 Kawartha Downs, Ontario
 Keeneland, Kentucky
 Kentucky Downs, Kentucky
 Kentucky OTB, Kentucky
 L' Hippodrome de Montreal, Canada
 Las Vegas Dissemination Company, Nevada
 Lebanon Trotting Club, Ohio
 Les Bois Park, Idaho
 Lewiston Raceway, Maine
 Lien Games, North Dakota
 Lincoln Greyhound Park, Rhode Island
 Lone Star Race Park, Texas
 Louisiana Downs, Louisiana
 Manor Downs, Texas
 Marquis Downs, Saskatchewan
 Maryland Jockey Club, Maryland
 Maywood Park, Illinois
 Meskwaki Casino (LVDC), Oklahoma
 Mile High Greyhound, CO
 Mobile Greyhound Park, Alabama
 Monmouth Park, New Jersey
 Montana State Fair, Montana

Monticello Raceway, NY
 Mountaineer Park, West Virginia
 Mt. Pleasant Meadows, Michigan
 Multnomah Greyhound Park, Oregon
 Muskegon Race Course, Michigan
 Nassau Regional OTB, New York
 Nebraska State Fair Park, Nebraska
 Nevada Pari-Mutuel Association, Nevada
 NJSEA, New Jersey
 New Mexico State Fair, New Mexico
 New York City OTB, New York
 New York Racing Association, New York
 Newport Jai-Alai, Rhode Island
 North Dakota Horse Park, North Dakota
 Northfield Park, Ohio
 Northville Downs, Michigan
 Northwest Racing Associates, Washington
 Oaklawn Park, Arkansas
 Ocean Downs, Maryland
 Penn National Race Course, Pennsylvania
 Philadelphia Park, Pennsylvania
 Phumelela Gold, South Africa
 Picov Downs, Canada
 Pimlico Race Course, Maryland
 Plainfield Greyhound Park, Connecticut
 Pocono Downs, Pennsylvania
 Portland Meadows, Oregon
 Prairie Meadows, Iowa
 Queensbury Downs, Saskatchewan
 Raceway Park, Ohio
 Racing and Gaming Services, St Kitts
 Racing World UK, England
 Remington Park, Oklahoma
 Retama Park, Texas
 Rideau Carleton Raceway, Canada
 River Downs, Ohio
 Roberts Television International, NV
 Rockingham Park, New Hampshire
 Royal River Racing, South Dakota
 Ruidoso Downs, New Mexico
 Saginaw Harness Raceway, MI
 Sam Houston Park, Texas
 Saratoga Raceway, New York
 Scarborough Downs, Maine
 Scioto Downs, Ohio
 Seabrook Greyhound Park, NH
 Southland Greyhound Park, Arkansas
 Sports Creek Raceway, Michigan
 Sportsman's Park, Illinois
 St. Croix Greyhound Park, Wisconsin
 Stampede Park, Alberta
 Sudbury Downs, Canada
 Suffolk Downs, Massachusetts
 Sunland Park Racetrack, New Mexico
 Sun Ray Park, New Mexico
 Tampa Bay Downs, Florida
 Texas Hub, Texas
 The Meadows, Pennsylvania
 The Racing Channel, Pennsylvania
 The Racing Channel International, Europe
 Thistledown Racing Club, Ohio
 Thunder Ridge, Kentucky
 Tioga Downs, New York
 Tri-State Greyhound, West Virginia
 Trinity Meadows, Texas
 Turf de Venezuela, Venezuela
 TVG, Los Angeles
 Turf Paradise, Arizona
 Turfway Park, Kentucky
 Twin Spires, Kentucky
 US Off-Track, Oregon
 Valley Greyhound Park, Texas
 Vernon Downs, New York
 Western Fair, Ontario
 Western Regional OTB, New York
 Wheeling Downs, Canada
 Windsor Raceway, Ontario
 Wichita Greyhound Park, Kansas
 Woodbine Entertainment Corp, Ontario
 Wonderland Park, Massachusetts
 Woodlands, Kansas
 Wyoming OTB, Wyoming
 XpressBet, Pennsylvania
 Yavapai Downs, Arizona
 Yonkers Raceway, New York
 YouBet, Los Angeles
 Zia Park, New Mexico

AmericaTab, Ohio
Amwest Entertainment, Kentucky
Arapahoe Park, Colorado
Arlington International Race Course, Illinois
Atlantic City Casino Assn., New Jersey
Atlantic City Race Course, New Jersey
Atokad Park, Nebraska
Balmoral Park, Illinois
Bangor Raceway, Maine
Batavia Downs, New York
Beulah Park, Ohio
Birmingham Race Course, Alabama
Blue Ribbon Downs, Oklahoma
Buffalo Trotting Association, New York
Calder Race Course, Florida
Canterbury Park, Minnesota
Capital District OTB, New York
Catskill Regional OTB, New York
Charles Town Races, West Virginia
Chester Downs - Pennsylvania
Churchill Downs, Kentucky
Choctaw Racing Services, Oklahoma
Colonial Downs, Virginia
Columbus Races, Nebraska
Connaught Park, Canada
Connecticut OTB, Connecticut
Corpus Christi Greyhound, Texas
Dairyland Greyhound Park, Wisconsin
Delaware Park, Delaware
Delta Downs, Louisiana
Dover Downs, Delaware
Downs at Albuquerque, New Mexico
Downs at Santa Fe, (PTE Inc.), New Mexico
Ellis Park, Kentucky
Elmira Raceway, Ontario
European Simulco, Europe
Evangeline Downs, Louisiana
Fairgrounds Racecourse, Louisiana
Fairmount Park, Illinois
Finger Lakes Race Track, New York
Flamboro Downs, Ontario
Fonner Park, Nebraska
Foxboro Park, Massachusetts
Foxwoods Casino (LVDC), Connecticut
Fraser Downs, British Columbia
Freehold Raceway, New Jersey
Gulf Greyhound, Texas
Gulfstream Park, Florida
Hanover Raceway, Canada
Harrington Raceway & Simulcast, Delaware
Hastings Park, Canada
Hawthorne Race Course, Illinois
Hazel Park, Michigan
Hinsdale Greyhound Park, New Hampshire
Hoosier Park, Indiana
Horsemen's Park, Nebraska
Indiana Downs, Indiana
Jackson Harness Raceway, Michigan
Kawartha Downs, Ontario
Keeneland, Kentucky
Kentucky Downs, Kentucky
Kentucky OTB, Kentucky
Las Vegas Dissemination Company, Nevada
Lebanon Trotting Club, Ohio
Les Bois Park, Idaho
Lewiston Raceway, Maine
Lien Games, North Dakota
Lincoln Greyhound Park, Rhode Island
Lone Star Race Park, Texas
Louisiana Downs, Louisiana
Manor Downs, Texas
Marquis Downs, Saskatchewan
Maryland Jockey Club, Maryland
Maywood Park, Illinois
Meskwaki Casino (LVDC), Oklahoma
Mile High Greyhound, CO
Mobile Greyhound Park, Alabama
Monmouth Park, New Jersey
Montana State Fair, Montana
Monticello Raceway, NY
Mountaineer Park, West Virginia
Mt. Pleasant Meadows, Michigan
Multnomah Greyhound Park, Oregon
Nassau Regional OTB, New York
Nebraska State Fair Park, Nebraska
Nevada Pari-Mutuel Association, Nevada
NJSEA, New Jersey
New Mexico State Fair, New Mexico
New York City OTB, New York
New York Racing Association, New York

EXHIBIT 5

Newport Jai-Alai, Rhode Island
 North Dakota Horse Park, North Dakota
 Northfield Park, Ohio
 Northville Downs, Michigan
 Northwest Racing Associates, Washington
 Oaklawn Park, Arkansas
 Ocean Downs, Maryland
 Penn National Race Course, Pennsylvania
 Philadelphia Park, Pennsylvania
 Phumelela Gold, South Africa
 Picov Downs, Canada
 Pimlico Race Course, Maryland
 Plainfield Greyhound Park, Connecticut
 Pocono Downs, Pennsylvania
 Portland Meadows, Oregon
 Prairie Meadows, Iowa
 Raceway Park, Ohio
 Racing and Gaming Services, St Kitts
 Racing World UK, England
 Remington Park, Oklahoma
 Retama Park, Texas
 Rideau Carleton Raceway, Canada
 River Downs, Ohio
 Roberts Television International, NV
 Rockingham Park, New Hampshire
 Royal River Racing, South Dakota
 Ruidoso Downs, New Mexico
 Saginaw Harness Raceway, MI
 Sam Houston Park, Texas
 Saratoga Raceway, New York
 Scarborough Downs, Maine
 Scioto Downs, Ohio
 Seabrook Greyhound Park, NH
 Southland Greyhound Park, Arkansas
 Sports Creek Raceway, Michigan
 Sportsman's Park, Illinois
 St. Croix Greyhound Park, Wisconsin
 Stampede Park, Alberta
 Sudbury Downs, Canada
 Suffolk Downs, Massachusetts
 Sunland Park Racetrack, New Mexico
 Sun Ray Park, New Mexico
 Tampa Bay Downs, Florida
 Texas Hub, Texas
 The Meadows, Pennsylvania
 The Racing Channel, Pennsylvania
 The Racing Channel International, Europe
 Thistledown Racing Club, Ohio
 Thunder Ridge, Kentucky
 Tioga Downs, New York
 Tri-State Greyhound, West Virginia
 Trinity Meadows, Texas
 Turf de Venezuela, Venezuela
 Turf Paradise, Arizona
 Turfway Park, Kentucky
 TVG, Los Angeles
 Twin Spires, Kentucky
 US Off-Track, Oregon
 Valley Greyhound Park, Texas
 Vernon Downs, New York
 Western Fair, Ontario
 Western Regional OTB, New York
 Wheeling Downs, Canada
 Wichita Greyhound Park, Kansas
 Windsor Raceway, Ontario
 Wonderland Park, Massachusetts
 Woodbine Entertainment, Ontario
 Woodlands, Kansas
 Wyoming OTB, Wyoming
 XpressBet, Pennsylvania
 Yavapai Downs, Arizona
 Yonkers Raceway, New York
 YouBet, Los Angeles
 Zia Park, New Mexico

Date	Host Track	Selected Feature and/or Stakes	GR	Purse	Distance
7/19/08	Belmont	The Coaching Club American Oaks	I	\$300,000	1 1/4 Miles
7/19/08	Ellis Park	Don Bernhardt		\$50,000	6 1/2 Furlongs
7/20/08	Belmont	The Evan Shipman Hcp	I	\$100,000	1 1/16 Miles
7/23/08	Saratoga	Schuylerville Stakes	III	\$100,000	6 Furlongs
7/24/08	Saratoga	Sanford Stakes	II	\$150,000	6 Furlongs
7/25/08	Saratoga	Lake George	III	\$100,000	1 1/16 Miles (turf)
7/26/08	Saratoga	The Diana	I	\$500,000	1 1/8 Miles (turf)
7/26/08	Saratoga	Go For Wand	I	\$250,000	1 1/8 Miles
7/26/08	Saratoga	Whitney Handicap	I	\$750,000	1 1/8 Miles
7/26/08	Saratoga	The Alfred G. Vanderbilt Handicap	II	\$200,000	6 Furlongs
7/26/08	Ellis Park	HBPA Handicap		\$50,000	1 Mile
7/26/08	Arlington	Sea o' Erin		\$150,000	1 Mile (turf)
7/27/08	Saratoga	The Jim Dandy	II	\$500,000	1 1/8 Miles
8/1/08	Saratoga	Honorable Miss Handicap	II	\$150,000	6 Furlongs
8/2/08	Arlington	The Arlington Oaks	III	\$100,000	1 1/8 Miles
8/2/08	Ellis Park	Regaey Island		\$50,000	1 1/16 Miles (turf)
8/2/08	Saratoga	The Darley Test	I	\$250,000	7 Furlongs
8/2/08	Delaware Park	Nick Shuk		\$75,000	1 1/16 Miles (turf)
8/3/08	Emerald Downs	Seattle Slew BC		\$65,000	1 1/16 Miles
8/3/08	Monmouth Park	The Taylor Made Matchmaker	III	\$150,000	1 1/8 Miles (turf)
8/3/08	Monmouth Park	The Oceanport Hcp	III	\$150,000	1 1/16 Miles (turf)
8/3/08	Monmouth Park	The Haskell Invitational Handicap	I	\$1,000,000	1 1/8 Miles
8/3/08	Saratoga	Fourstardave Handicap	II	\$150,000	1 1/16 Miles (turf)
8/4/08	Saratoga	National Museum Hall of Fame Hcp	II	\$150,000	1 1/8 Miles (turf)
8/6/08	Saratoga	NY Stallion Series Cab Calloway		\$150,000	1 1/8 Miles (turf)
8/7/08	Saratoga	NY Stallion Series Statue of Liberty		\$150,000	1 1/8 Miles (turf)
8/9/08	Arlington	Secretariat Stakes	I	\$400,000	1 1/4 Miles (turf)
8/9/08	Arlington	Beverly D. Stakes (BC)	I	\$750,000	1 3/16 Miles (turf)

8/9/08	Arlington	Arlington Million XXIV (BC)	I	\$1,000,000	1 1/4 Miles (turf)
8/9/08	Ellis Park	The Governor's Hcp		\$50,000	1 Mile
8/9/08	Saratoga	The Yaddo		\$100,000	1 1/8 Miles (turf)
8/10/08	Saratoga	The West Point		\$100,000	1 1/8 Miles (turf)
8/10/08	Monmouth Park	Monmouth BC Oaks	III	\$200,000	1 1/16 Miles
8/13/08	Saratoga	The Adirondack	II	\$150,000	6 1/2 Furlongs
8/14/08	Saratoga	The Saratoga Special	II	\$150,000	6 1/2 Furlongs
8/15/08	Saratoga	Lake Placid Handicap	II	\$150,000	1 1/8 Miles (turf)
8/16/08	Ellis Park	Anna M. Fisher Debutante		\$50,000	7 Furlongs
8/16/08	Ellis Park	James C. Ellis Juvenile		\$50,000	7 Furlongs
8/16/08	Ellis Park	The Gardenia	III	\$150,000	1 Mile
8/16/08	Saratoga	Sword Dancer Invitational Hcp	I	\$500,000	1 1/2 Miles (turf)
8/16/08	Calder	Desert Vixen Stakes		\$100,000	6 Furlongs
8/16/08	Calder	Dr. Fager Stakes		\$100,000	6 Furlongs
8/16/08	Monmouth Park	The Phillip H. Iselin Handicap	III	\$300,000	1 1/8 Miles
8/16/08	Saratoga	Alabama Stakes	I	\$600,000	1 1/4 Miles
8/16/08	Emerald Downs	Washington BC Oaks		\$100,000	1 1/8 Miles
8/17/08	Emerald Downs	Emerald Breeders' Cup Distaff		\$100,000	1 Mile
8/17/08	Emerald Downs	Longacres Mile	III	\$300,000	1 Mile
8/20/08	Saratoga	The Albany		\$100,000	1 1/8 Miles
8/22/08	Saratoga	Personal Ensign Handicap	I	\$400,000	1 1/4 Miles
8/23/08	Arlington	Arlington BC Sprint		\$150,000	6 Furlongs
8/23/08	Saratoga	Travers Stakes	I	\$1,000,000	1 1/4 Miles
8/23/08	Saratoga	King's Bishop	I	\$250,000	7 Furlongs
8/23/08	Saratoga	The Victory Ride	III	\$100,000	6 Furlongs
8/23/08	Saratoga	Bernard Baruch	II	\$200,000	1 1/8 Miles (turf)
8/23/08	Ellis Park	Ellis Park Breeders' Cup Turf		\$100,000	1 1/16 Miles (turf)
8/24/08	Monmouth Park	The Molly Pitcher BC	II	\$300,000	1 1/16 Miles
8/24/08	Saratoga	Ballerina Handicap	I	\$250,000	7 Furlongs
8/30/08	Monmouth Park	The Red Bank	III	\$150,000	1 Mile (turf)
8/30/08	Saratoga	Forego Handicap	I	\$250,000	7 Furlongs

8/30/08	Saratoga	The Woodward	I	\$500,000	1 1/8 Miles
8/30/08	Delaware Park	Kent BC	III	\$500,000	1 1/8 Miles (turf)
8/30/08	Ellis Park	The Tri-State Handicap		\$50,000	1 1/16 Miles (turf)
8/31/08	Saratoga	The Spinaway	II	\$250,000	7 Furlongs
8/31/08	Saratoga	Saranac Handicap	III	\$100,000	1 3/16 Miles (turf)
8/31/08	Monmouth Park	The Sapling	III	\$150,000	6 Furlongs
9/1/08	Saratoga	Glen Falls Handicap	III	\$100,000	1 3/8 Miles (turf)
9/1/08	Saratoga	Hopeful Stakes	I	\$250,000	7 Furlongs
9/1/08	Emerald Downs	Emerald Downs BC Derby		\$100,000	1 1/8 Miles
9/1/08	River Downs	Miller G.D. Cradle Stakes		\$200,000	1 1/16 Miles
9/1/08	Philadelphia Park	Pennsylvania Derby	II	\$750,000	1 1/8 Miles
9/1/08	Thistledown	The Governors Buckeye Cup		\$75,000	1 1/4 Miles

Full & Partial Cards

Arlington Park: July 16, 2008 – September 3, 2008

Belmont Park: July 16, 2008 – July 20, 2008

Calder Race Course: July 16, 2008 – September 3, 2008

Canterbury Park – Claiming Crown Day – August 2, 2008

Ellis Park: July 16, 2008 – September 1, 2008

Monmouth Park: August 3, 2008

Saratoga Race Course: July 23, 2008 – September 1, 2008

Thistledown: July 19, 2008 – September 3, 2008

Woodbine: July 16, 2008 – September 3, 2008

Hastings Park: July 18, 2008 – September 1, 2008

Fort Erie: July 19, 2008 – September 1, 2008

South America via Maryland Hub: July 16, 2008 – September 3, 2008

OTHER BREED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Breed of Horse	Race Dates	Number of Races to be Imported
09/01/08	Ruidoso	All American Futurity I	\$2,200,000 440 Yards

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). N/A

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

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

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:

Del Mar Thoroughbred Club, P.O. Box 700, Del Mar, CA 92014

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

David H. Batchelder 12400 High Bluff Drive, Ste. 600 San Diego, CA 92130	Rollin Baugh P.O. Box 2461 Rancho Santa Fe, CA 92067
Dr. James R. Buell 4790 Caughlin Pkwy # 518 Reno, NV 89509	Joseph W. Harper P.O. Box 700 Del Mar, CA 92014
Jon S. Kelly Tres Palomas P.O. Box 2574 Rancho Santa Fe, CA 92067	Terrence J. Lanni MGM Mirage 3600 Las Vegas Blvd., South Las Vegas, NV 89109
Warner C. Lusardi Lusardi Construction Company 1570 Linda Vista Drive San Marcos, CA 92078	Marie G. Moretti 1140 35 th Street Sacramento, CA 95816
Thomas C. Stickel 50 Blue Anchor Cay Road Coronado, CA 92118	Robert S. Strauss Akin, Gump Strauss, Hauer & Feld 1333 New Hampshire Ave., N.W. Washington DC 20036
Martin J. Wygod The Wygod Group P.O. Box 676306 Rancho Santa Fe, CA 92067	

- 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. Association Veterinarian(s) **Jill Bailey, DVM**
 Clerk of Scales **Ruben Hernandez**
 Assistant Clerk of Scales **Charles McCaul**
 Clerk of the Course **Melanie Stubblefield**
 Film Specialist **Charles McCaul**
 Horse Identifier **Dianne Piper**
 Horseshoe Inspector **Victor Tovar**
 Paddock Judge **Dawn Jackson**
 Patrol Judges **Sue Brent**

 Placing Judges **Heather Correa**
Robert Moreno
Tora Yamaguchi
Merry Young
 Starter **Gary Brinson**
 Timer **Dane Nelson**
- B. Management officials in the racing department:
 Vice President, Racing **Thomas S. Robbins**
 Racing Secretary **Thomas S. Robbins**
 Assistant Racing Secretary **Rick Hammerle**
 Paymaster of Purses **Bridget Crawford**
 Others (identify by name and title) **N/A**
- C. Name, address and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards:
Barbara Weinstein, PMB 265
9582 Hamilton Ave, Huntington Beach, CA 92646, (714) 964-7102
- D. Photographic device to be used for photographing the finish of all races, name of the person supplying the service, and expiration date of the service contract:
Plusmic Corporation, William O'Brien, Digital Photo Finish Only
Contract expires: 12/31/2008

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

David Loignon, Churchill Downs Simulcast Productions, Inc.

Expiration: 12/31/09 Equipment list on file with the Board.

For all dirt and turf races, video patrol will utilize five manned cameras. Four tower cameras show the backstretch head-on (Training Track Camera Tower), far turn and stretch run back view (Quarter Chute Camera Tower) and stretch run head-on (Livestock Barn Camera Tower). Two pan cameras located adjacent to the placing judges room in the Press Box cover the entire race. Additionally, we have a pan camera on the 7th floor, which covers the entire race in 16 x 9 format for our video board presentation.

- 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: **Solely owned by Association.**

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. **Exhibit 7**

- B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis: **75**

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. **Exhibit 8**

2. Detention Barns:

- A. Attach a plan for use of graded stakes or overnight races. **Exhibit 9**

- B. Number of security guards in the detention barn area during a 24-hour period.
12 (as needed) in detention barn area

- C. Describe number and location of surveillance cameras in detention barn area.
For the meet we will be utilizing five or more Barn Master stalls, as needed, located east of Barn "A" as our detention barn. The exact layout has yet to be determined, but we will install fixed cameras in each of the five detention stalls as well as fixed cameras viewing the shedrow from both directions. As with the barn area, surveillance control and viewing will be from the CHRB Investigators' office on the Frontside.

3. TCO2 Testing:

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

All

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

Exhibit 10

- C. Plan for detention barns for repeat offenders.

Exhibit 10

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

Assigned as needed

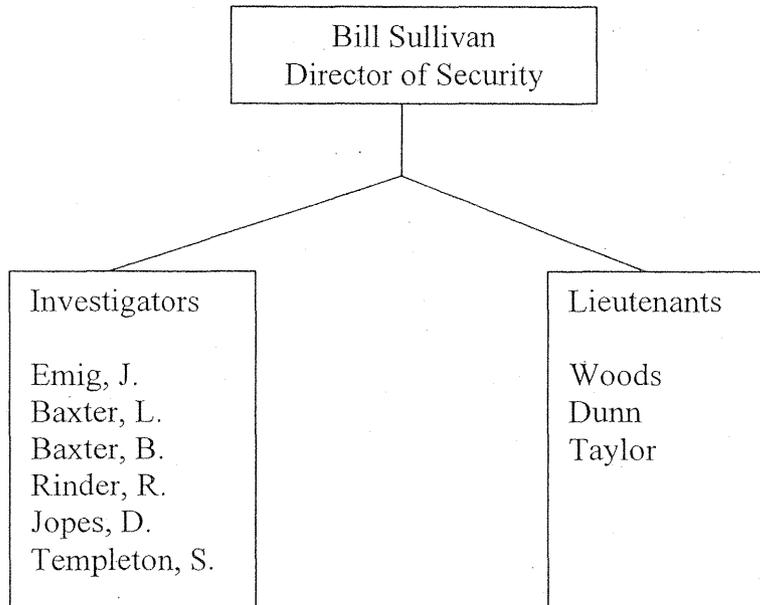
Exhibit 7

Security Personnel

Person responsible for security controls on the premises:

Bill Sullivan, Director of Security.

Security Department:*



Contact Information

Bill Sullivan	Work 858-755-1141 ext. 3652, Home 760-753-6003
Sam Templeton	Work 858-755-1141 ext. 3698
All others	Work 858-755-1141 ext. 3650

*List of Security Personnel subject to change. Individuals will be hired by the union on a seniority basis.

Exhibit 7 Continued

2008 Gate Schedule

Gate	Shifts																							
	12am	1am	2am	3am	4am	5am	6am	7am	8am	9am	10am	11am	12pm	1pm	2pm	3pm	4pm	5pm	6pm	7pm	8pm	9pm	10pm	11pm
24 hr Main Gate	[Shaded]						[Shaded]						[Shaded]						[Shaded]					
	[Shaded]						[Shaded]						[Shaded]						[Shaded]					
	[Shaded]						[Shaded]						[Shaded]						[Shaded]					
24 hr Solana Gate	[Shaded]						[Shaded]						[Shaded]						[Shaded]					
	[Shaded]						[Shaded]						[Shaded]						[Shaded]					
	[Shaded]						[Shaded]						[Shaded]						[Shaded]					
19 hr Offical Gate					[Shaded]						[Shaded]						[Shaded]							
					[Shaded]						[Shaded]						[Shaded]							
					[Shaded]						[Shaded]						[Shaded]							
7 hr Stable Gate											[Shaded]						[Shaded]							
											[Shaded]						[Shaded]							
											[Shaded]						[Shaded]							

Exhibit 8

This memorandum provides additional detail regarding enhanced security for graded stakes at the 2008 race meet. In 2004, Del Mar was the first track in California to implement enhanced security for all graded stakes. Working in conjunction with TOC and CTT, Del Mar set the stage for further development of security procedures at Fairplex, Oak Tree, Santa Anita and Hollywood Park.

Components of the 2008 plan include the following:

1. Assignment of event security personnel to each graded stakes entry beginning no less than six (6) hours prior to post-time for the race;
2. Training of event security personnel by the Del Mar racing office, Del Mar security supervisors and CHRB investigators;
3. Provision and monitoring of log/surveillance sheets requiring all individuals entering the stall of an entrant to provide license information and purpose of entry;
4. Hand-held digital video cameras for all event surveillance personnel to record activity by persons entering stalls;
5. Total carbon dioxide (TCO₂) level testing of entries in all races consistent with the testing at preceding race meets;
6. Compliance with TCO₂ detention barn procedures, protocols and disciplinary procedures as set forth in agreements with TOC and CTT. A copy of current protocols and procedures is attached as Exhibit 10.
7. Enhanced authority to conduct additional supplementary testing as set forth in Section 22 of Del Mar's 2008 stall application, a copy of which is attached.

**STALL APPLICATION
2008 MEETING**

APPLICATIONS CLOSE WEDNESDAY, June 4

(DO NOT LIST OVER 50 HORSES)



THOROUGHbred CLUB
2008 MEETING - JULY 16-SEPT. 3

P.O. Box 700, Del Mar, CA 92014-0700 • (800) 874-8443 • Fax (858) 794-1049

Primary consideration for approval of all first-time starters or horses without recent racing records (three-year-olds and upward) will be given to such horses with significant workout patterns by June 4, indicating fitness to run in the first two weeks of the meeting. Stall approvals will be mailed July 1, with all two-year-olds and maidens approved on the basis of a balanced stable.

ELIGIBILITY RULES

For three-year-olds and up which have broken their maiden:

1) Any horse which has started for \$6,500 or less and has not won for \$8,000 or more in 2007-2008 or has not finished second, third, fourth or fifth for \$8,000 or more since running for \$6,500 or less is not eligible.

Eligibility for maidens which have started in a maiden claiming race for \$32,000 or less:

1) A maiden which has started in a maiden race of \$16,000 or less will not be eligible, unless, after such start, that horse finishes 2nd, 3rd or 4th in a race for \$22,500 or greater.

2) A maiden which has started in a maiden race for a value of \$32,000 or less but greater than \$16,000 at ANYTIME, and has not finished 2nd, 3rd, 4th or 5th in a maiden race greater than \$18,000 within its last four starts will not be eligible. Maiden special races and any winners race of \$12,500-\$10,500 or higher will be disregarded when applying this rule, unless the horse places 2nd, 3rd, 4th or 5th. A horse must start in at least four maiden claiming races for this rule to apply.

Once a horse has started at Del Mar, it may not lose eligibility during the meeting. However, any eligible horse which leaves during the meeting and races elsewhere must again satisfy the original eligibility requirements before being approved to return.

DO NOT WRITE IN THIS COLUMN	NAME OF HORSE (List dam if unnamed)	MAIDEN	SEX	YEAR FOALED	LATEST START/ WORKOUT	DATE EXPECTED TO START	OWNER (All bonafide owners must be named)
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							

ALL INFORMATION, INCLUDING THE LATEST START, MUST BE FILLED OUT COMPLETELY. MUST BE SIGNED ON REVERSE SIDE. BE SURE TO INDICATE NON-STARTERS OR LATEST START, DATE AND TRACK

- Please give present stabling and all information possible on horses appearing on this application that do not have recent racing records or are not in training at a current race meeting.

I wish to remain stabled at: Santa Anita/Hollywood Park Fairplex or San Luis Rey Downs
during the Del Mar meeting. SEE OTHER SIDE

Horses to be trained by: _____
(SIGNATURE REQUIRED/SEE REVERSE SIDE)

Trainer's Mailing Address _____
TO WHICH NOTIFICATION MAY BE SENT

Phone _____ Cell Phone _____

e-mail address _____

UNIFORM STALL APPLICATION

CONDITIONS APPLICABLE TO OCCUPATION OF STALL SPACE AT CALIFORNIA RACING ASSOCIATIONS

The undersigned Trainer ("Applicant") hereby agrees to each of the following terms and conditions in consideration for and as a condition of the granting of permission by the Racing Association designated on the reverse side of this application ("Track") for the stabling of horses being trained by the undersigned at Track, or at any approved auxiliary training facility, during the race meeting identified on the face of this application (the "Race Meet")

- 1. Track reserves the right without notice to the Applicant, (a) to refuse this application for stable space in whole or in part, or (b) to refuse the entry or the acceptance of any entry in any race or (c) to refuse the transfer of an entry for any cause, so long as said refusal is not in violation of the terms of the race meet agreements with either the Thoroughbred Owners of California or California Thoroughbred Trainers.
2. If any horse is denied stable space or the privilege of registration for racing for any reason, all nomination fees and payments for eligibility to stake races that have been paid with respect to the horse shall be refunded and such sum will be deducted from the total amount subscribed for the particular race or races.
3. A flier submitting this application for stalls, the undersigned shall notify Track immediately of any change in stall requirements and, if stalls have been allocated, of any shipping schedules or change in shipping arrangements.
4. Applicant has inspected the stalls and other accommodations at Track, or if applicable at any approved auxiliary training facility, and agrees to accept any stalls or accommodations assigned pursuant to this application in an "as is" condition.
5. Applicant agrees to remove his horses and/or those in his possession, charge, or control together with all personal property belonging to him or of which he has possession, charge or control from Track forthwith upon the expiration of seventy-two (72) hours after Track has given notice in writing to vacate the stabling accommodation, which notice may be given in the absolute discretion of Track without any reason or cause existing or being stated or given, any such notice or any other given hereunder shall be sufficiently given by posting up such notice on some portion of the stabling accommodation allotted to him and such notice shall be deemed to be given at the time when the same is posted up.
6. The undersigned Applicant represents that Applicant is familiar with and has read the Rules of Racing and Regulations of the California Horse Racing Board, and all conditions applicable to the Race Meet, as well as the rules and regulations of Track, and agrees to be bound by and to comply with the same.
7. The Stewards of the Race Meet or the California Horse Racing Board shall decide all disputes, claims and objections relating to the conduct of racing, or with respect to interpretation of any rules or conditions of racing or otherwise.
8. In all stakes, entries may be made only through the entry box by the usual time of closing of entries, on the day before the race, or at other times when the conditions for the race specifically so state.
9. Subject to any required approval of the TOC, Track reserves the right to cancel any stakes or other race, which has not filled without liability to any person, except for the return of nomination and entrance fees, paid.
10. Horses claimed by, or transferred or sold to, any person or stable which is not registered for racing at Track must be removed from the grounds within twenty-four (24) hours after they are claimed, transferred or sold unless their continued presence is approved by the racing association then conducting racing at Track.
11. Track will in no event be considered to have responsibility for the care, custody or control of horses kept at Track or elsewhere.
12. The Applicant understands that there may be numerous hazards and risks of injury to Applicant, and Applicant's agents, owners, or employees, upon the Track premises at Applicant's invitation and to their property, which hazards, and risks inherently incidental to accepting stalls at, practicing for, and participating in thoroughbred horse racing at Track.
13. Applicant shall maintain an accurate Stable Employee Registration List and shall submit a copy thereof to Track.
14. In making this application to participate in thoroughbred racing, Applicant understands that an investigative report may be made whereby information is obtained by Track through personal interviews with third parties, such as family members, business associates, financial sources, friends, neighbors, or others with whom he is acquainted.
15. Each party to this stall application shall be liable for its own acts and omissions as well as those of its agents, employees and express invitees to the same extent as would be provided at law without such provision.
16. Applicant agrees to indemnify and hold harmless Track and its affiliates against any and all claims, liabilities, losses, costs, damages and attorneys' fees incurred by reason of the negligence of Applicant or Applicant's agents, employees and invitees, or resulting from Applicant or Applicant's agents, employees and invitees, violation of this agreement, including, but not limited to, violation of the rules and regulations of the CHRB and Track and violation of city and county fire, health or law enforcement, ordinances, rules and regulations.
17. If horses accepted for racing at Track are assigned to an approved auxiliary training facility, then the provisions of this application shall also apply to such other facility.
18. Applicant agrees to be responsible for any damages to rooms assigned to Applicant caused by Applicant or Applicant's employees, agents and invitees.
19. Emergency Action Plan: Applicant shall be responsible for complying with all OSHA regulations as they pertain to Applicant's employees.
20. The granting of stalls and other accommodations pursuant to this application in whole or in part shall not constitute a lease of space but a revocable license only and may be revoked at any time by Track in its absolute discretion.
21. The undersigned Applicant acknowledges that each additional starter in a race is projected to produce an increase in mutuel handle, which, in turn projected to increase purse revenues.
22. Track is entitled to perform physiological tests consisting of the taking of blood samples from owners' horses entered into races to be conducted at the Race Meet.
23. In order to assure the protection of the public, to maintain and encourage confidence in the integrity of horse racing and to safeguard the health and safety of human and equine participants, Applicant acknowledges that Applicant and Applicant's agents, employees and affiliates have no expectation of privacy with respect to stalls and living quarters and appurtenant facilities provided by Track.

To Request a Duplicate Sample

- Trainer must pick up Duplicate Sample Request form in the Racing Office
• Trainer must complete Duplicate Sample Request form and deliver the request to the Receiving Barn no later than 10:00 a.m. the day of the race
• Trainer must submit two (2) checks with the Duplicate Sample Request:
- One check in the amount of \$100 to the chosen laboratory.
- One check in the amount of \$65 to the CHRB for shipping and handling.
• A separate form must be submitted for each horse requesting a duplicate sample.

THIS IS NOT A LEASE OF ANY SPACE BUT IS MERELY A REVOCABLE LICENSE OR PERMIT ON THE TERMS OUTLINED

TRAINER'S SIGNATURE _____

PRINT NAME _____ DATE _____

Worker's Compensation Insurance Carrier _____ Policy Number _____ Date of Expiration _____

Address of Carrier _____

Exhibit 9

Detention Barn Plan for Use of Graded Stakes or Overnight Races

1. Assignment of event security personnel to each graded stakes entry beginning no less than six (6) hours prior to post-time for the race;
2. Training of event security personnel by the Del Mar racing office, Del Mar security supervisors and CHRB investigators;
3. Provision and monitoring of log/surveillance sheets requiring all individuals entering the stall of an entrant to provide license information and purpose of entry;
4. Hand-held digital video cameras for all event surveillance personnel to record activity by persons entering stalls

Exhibit 10

Track is entitled to perform physiological tests consisting of the taking of blood samples from owners' horses entered in races to be conducted at the 2008 Meet. 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:

- A. **1st Offense** – For the first test that results in a total carbon dioxide (TCO₂) of 37 millimoles per liter of plasma or more, the registered trainer of such horse may have his/her barn, and all owners' horses stabled therein, subject to “earned surveillance” for a period of 45 days from the date of the infraction. Such earned surveillance will be conducted at TRACK’s sole discretion, and 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 after notification of the first offense, may be subject to confinement in a detention barn beginning at noon on the day before said horse is scheduled to compete. Such detention barn will be established at management’s sole discretion, with the costs of such detention/surveillance including, but not limited to, \$150.00 for security and \$25.00 for stall renovation per horse/entrant, being born by the trainer or owner of such horse.
- B. **2nd Offense** – For the second 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 be prohibited from entering any owners' horse within his/her care in a race for a period of 15 race days.
- C. **3rd Offense** – For the third 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 be expelled from TRACK’s enclosure for a period of one year, and shall further be precluded from entering any owners' horses within his care for the balance of Track’s 2007 Meet.

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.

C. Describe the electronic security system:

Del Mar Thoroughbred Club uses a door alarm management system for its Executive and Operations offices utilizing Proximity cards and Proximity Access Keyfobs via door controllers located at entrances. The system comes with related door alarm management software.

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

Del Mar Thoroughbred Club utilizes seven pan/tilt/zoom cameras located at various places in the barn area. The images from these cameras are recorded on disk drives and stored for up to three weeks before being rerecorded. Control of these cameras is located in the Investigators' Office of the CHRB during the meet.

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

13. EMERGENCY SERVICES

A. Name, address and emergency telephone number of the ambulance service to be used during workouts and the running of the races:

Huntington Ambulance, Box 145, Sunset Beach, CA 90742, (562) 904-1550

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

Fairplex: Cole-Schaefer Ambulance Service, 324 N. Towne Avenue, Pomona, CA 91767, (800) 966-4727

Santa Anita: Huntington Ambulance Service – See (A) above

San Luis Rey Downs: Fallbrook/Bonsall Fire Department/Paramedics (760) 723-2005

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

The on-site medical clinic at Del Mar Thoroughbred Club is located at the east end of the grandstand facility, with easy access from the track. The facility includes 4 patient beds (1 private room, 3 curtain areas). There are 4 EMTs, 1 nurse and 1 doctor on site every racing day. There are two ambulances on site as well. The equipment contained in the medical clinic includes:

- **Oxygen at each station**
- **Cardiac monitor**
- **AED**
- **Otoscope**
- **Ophthalmoscope**
- **Surgical equipment (used for laceration repair and suture removal)**

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

All medical doctors can be reached by contacting the medical clinic directly at (858) 755-1141 ext. 2814 or through our Security Office by calling ext. 3650. The medical clinic and all EMTs also have radios that monitor the security channel. Medical calls are dispatched by way of radio. Our doctors come from Del Mar Medical and rotate on site for the racing days. The doctors include:

Monica S. Moore, MD

John K. Agostino, MD

Athanasios J. Foster, MD

Melinda E. Nevins, DO

Philip A. Sanderson, MD

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:
Refer to the Del Mar Thoroughbred Club Jockey, On-Track Accident Response Program for specifics regarding hospital selection.
- Scripps La Jolla**
988 Genesee Ave., La Jolla, CA 92037 858-626-4123
- Scripps Encinitas**
354 Santa Fe Drive, Encinitas, CA 92024 760-753-4123
- 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:
Exhibit 11
- 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):
Health and Safety Manager (Risk Manager): Kimberly Jacobson
Assistant Manager to be hired in July.
- H. Attach a fire clearance from the fire authority having jurisdiction over the premises.
Inspection scheduled for July 14, 2008
- I. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details):
Zenith Insurance Company, Policy No.: On File, Effective 3/31/08 – 3/31/09
- 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.
Exhibit 12

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.

Exhibit 11
Del Mar Thoroughbred Club
Jockey, On-Track Accident Response Program

Overview: The Del Mar Thoroughbred Club (DMTC) is committed to the overall health and safety of the riding professionals that are valued members of the racing community and DMTC. A large part of this commitment is the provision of professional medical and first aid services, should a jockey need to avail themselves of such services or be involved in an accident that requires first aid or emergency medical aid. DMTC takes their role in providing first aid and emergency medical care and transportation, when required, seriously. This program defines the plan elements and procedures DMTC will follow, should such events occur where medical aid becomes necessary.

Program Elements:

I. Medical Professionals On-Site During Racing - Summary

DMTC maintains licensed medical and first aid professionals that comply with the levels established by the horse racing industry. In addition to a full time nurse and physician, who are on duty during live racing, DMTC maintains an ambulance crew, staffed by two certified Emergency Medical Technicians (EMT's). Other EMT's are on site should an incident occur where more than two are required for response. In addition, municipal fire department (with EMT's) and paramedic services are readily available as these services are co-located with the track.

II. Area Hospitals and Rapid Admittance

- a. DMTC maintains a working relationship with two area hospitals, both members of the Scripps Hospital and Healthcare family of operations. The hospitals are found in either La Jolla, just south of the DMTC track, or Encinitas, just north of the track.
- b. The Scripps triage and base station is located at the La Jolla hospital and all decisions on where a rider will be seen are made there at the time of a reported incident and subsequent transport. DMTC will not know where a rider is being taken until such time that municipal transport has been initiated and we are advised as to which facility they are directed to.
- c. The addresses of the hospitals are:
 - a. Scripps La Jolla
9888 Genesee Avenue
La Jolla, CA 92037
Tel: 858.626.4123

Exhibit 11
Del Mar Thoroughbred Club
Jockey, On-Track Accident Response Program

- b. Scripps Encinitas
354 Santa Fe Drive
Encinitas, CA 92024
Tel: 760.633.6501

III. The DMTC Safety and Health and Program Manager

- a. The DMTC Risk Manager serves as the Safety Manager and coordinator of the Jockey medical treatment and on-track accident program.
- b. DMTC also maintains an Assistant Safety and Health Manager (the Risk Management Assistant) during the live meet period in the event the Safety Manager is unavailable.

Both the Safety and Assistant Safety Manager can be reached at the following extensions, Ext. 4233 or Ext. 3225 respectively. As needed, the DMTC Operator or security Dispatch can assist with obtaining alternate contact numbers as well.

IV. On-site First Aid Facilities and Staffing

- a. Physicians and Nurses – the DMTC program includes a licensed physician and nurse during all live racing periods. During training periods, certified Emergency Medical Technicians are on site.
- b. Emergency Medical Technicians – EMT's are on site at all times that either training or live racing is taking place. EMT's follow the field during live racing and are in radio contact with the on-site medical clinic and Safety Manager at all times.
- c. Municipal Response Capabilities- DMTC is located on a State of California Fairgrounds. As such, we enjoy the benefits of the Del Mar Fire Department municipal fire service and Emergency Medical Technicians or Paramedics that are stationed on the grounds. If the on-site station has responded to an off-site emergency, the Rancho Fire Service dispatch will send the closest responding unit available.

V. Ambulance and Medical Transport Protocols

- a. Contracted ambulance service – DMTC contracts with the Huntington Ambulance Service who provide on-track emergency medical response and may provide transport services during training hours. Depending on the time and nature of an incident as well as the number of riders involved, transport may be referred to or in conjunction with the local municipal services.
- b. Local municipal services – The Del Mar Fire Department or others within the Rancho Fire Service area may respond as needed or called upon. The Rancho Fire Service will respond with EMT's on the fire trucks as well as Paramedics assigned to the municipal ambulances.

Exhibit 11
Del Mar Thoroughbred Club
Jockey, On-Track Accident Response Program

VI. The Emergency Medical Plan

These steps will be followed in the event of an on-track accident:

General Conditions

- On-site EMT's will respond to any observed rider on-track accident or as otherwise summoned for assistance. Such response will occur during training and/or live racing periods,
- If an incident requires transport the hospital will be contacted and notified of the patient transport. (The La Jolla location of Scripps Hospital serves as the triage and base station for all incidents requiring hospital emergency care; they will direct the medical transport team as to which hospital to respond to.)

Response During Training Periods

- During training periods, EMT's will determine the nature and extent of any injuries and whether transport to a medical facility is necessary,
- The DMTC Security Dispatch will be notified immediately of any rider incident on-track or otherwise during training periods and will assist the Huntington Ambulance EMT's with securing additional medical help or directions to which medical facility the rider(s) shall be transported,
- Incidents with injuries not requiring transport to one of the local hospitals identified within this program, will be treated on-track or at the DMTC medical clinic based upon EMT judgment,
- Any on-track accidents during training periods will be immediately reported to the Safety Manager, for analysis review and additional reporting as might be required.

Accidents During Live Racing

- EMT's following the racing field will immediately respond to on-track accidents; simultaneously, the on-track physician and nurse will be made aware the incident via radio contact, observation of the race via closed -circuit television or as advised by the DMTC Safety or Security Staff,
- As needed, additional medical assistance will be summoned from local municipal resources,
- Riders will be transported to the on-site medical facility for initial review, observation and triage,

Exhibit 11

Del Mar Thoroughbred Club
Jockey, On-Track Accident Response Program

- To the extent possible, all medical care will be provided by the professionals within the DMTC medical clinic,
- DMTC Safety and Security staff will immediately respond to the medical clinic to assist with event management and access control to the medical clinic,
- Depending on the nature and severity of injuries, the rider(s) may be transported to one of the local hospitals noted within this plan for further emergency medical care and treatment as is needed,
- Any on-track accidents during live racing will be immediately reported to the Safety Manager, for analysis review and additional reporting as might be required.

Please note: Under no circumstances will information regarding the medical condition of a rider be provided to members of the media or others. Any such request should immediately be referred to the member of the DMTC Risk Management staff at the medical clinic who will assure proper DMTC personnel are notified of the request.

VII. Posting This Plan

The DMTC, Jockey, On-Track Accident Response Plan will be posted in English and Spanish in the following locations:

- a. The Jockey's Room located on the first floor of the Clubhouse Grandstands
- b. The DMTC on-site medical facilities, and
- c. DMTC Security Dispatch

Additional copies of the plan will be maintained in the DMTC Risk Manager's office, found in the Operations Building.

IX. Version

This plan is version 7-07.2. The plan will be reviewed annually prior to the DMTC live racing meet and appropriate changes and updates will be made. Regulatory and/or legislative changes that may modify this plan will be included as will any changes in medical providers and/or ambulance transport services.

Exhibit 11 Continued
 Del Mar Thoroughbred Club
 Programa de Repuesta a Accidentes de Jinetes en la Pista

Resumen: El Club Del Mar Thoroughbred (siglas en Ingles DMTC) esta comprometido a la salud y seguridad en general de todos los jinetes profesionales que son miembros de la comunidad de carreras y del (DMTC). Una gran parte de este compromiso es el de proveer servicios médicos y de primeros auxilios, en el caso de que algún jinete necesite de esos servicios, o al estar involucrado en un accidente que requiera primeros auxilios o asistencia medica de emergencia. El DMTC toma muy seriamente este papel de proveer primeros auxilios, cuidados médicos y transportación, cuando se necesiten. Este programa define el plan, elementos y procedimientos que el DMTC seguirá, en caso de que suceda un evento donde una asistencia médica pueda ser necesaria.

Elementos del Programa:

I. Profesionales Médicos En-Sitio Durante las Carreras - Sumario

El DMTC mantiene médicos y de técnicos de primeros auxilios profesionales y certificados que cumplen con todos los niveles establecidos por la industria de caballos de carreras. Además de contar con la presencia de una enfermera y un doctor de tiempo completo prestando servicios durante las carreras, el DMTC mantiene un equipo de ambulancia cubierto por dos Técnicos de Emergencias Médicas (siglas en Ingles EMT's). Otros EMT's adicionales se encuentran en el sitio por si algún incidente llegara a ocurrir en el que se necesitaran mas de dos personas para responder a la emergencia. Adicionalmente, el Departamento Municipal de Bomberos (con EMT's) y Servicios Paramédicos están disponibles ya que estos servicios se encuentran localizados en el hipódromo.

II. Admisión Rápida en Hospitales del Área

- a. El DMTC mantiene relaciones laborales con dos hospitales del área, ambos son miembros de la familia de operaciones del Hospital Scripps y Cuidados de Salud (nombre en Ingles Healthcare). Los hospitales se encuentran en la Jolla, o al sur del hipódromo del DMTC, o Encinitas al norte del hipódromo.
- b. La base de emergencia del hospital Scripps esta localizada en la Jolla y todas las decisiones para determinar si el jinete va a ser visto en ese lugar son hechas al tiempo de reportar el incidente y durante la transportación. El DMTC no tendrá conocimientos hacia donde se llevara al jinete hasta que el transporte municipal haya sido iniciado y se nos haga saber a cual hospital se dirigen.
- c. Las direcciones de los hospitales son:
 - a. Scripps La Jolla
 9888 Genesee Avenue
 La Jolla, CA 92037
 Tel: 858.626.4123

Exhibit 11 Continued
Del Mar Thoroughbred Club
Programa de Repuesta a Accidentes de Jinetes en la Pista
b. Scripps Encinitas
354 Santa Fe Drive
Encinitas, CA 92024
Tel: 760.633.6501

III. El Administrador del Programa de Seguridad y Salud del DMTC

- a. El Administrador de Riesgos del DMTC actúa como Administrador de Seguridad y coordinador del Programa de Tratamiento de los Jinetes en caso de accidentes en la pista de carreras.
- b. El DMTC también mantiene un Asistente de Seguridad y un Administrador de Salud (El Asistente al Administrador de Riesgos) durante el periodo de carreras en vivo en caso de que le Administrador de Seguridad no este disponible.

Los dos Administradores de Seguridad y su Asistente pueden se localizados en las extensiones a continuación, Ext. 4233 o Ext. 3225 respectivamente. Cuando sea necesario, la Operadora o Despacho de Seguridad del DMTC pueden ser contactados para obtener otros números pertinentes.

IV. Facilidades y Personal de Primeros Auxilios En-Sitio

- a. Médicos y Enfermeras – el programa del DMTC incluye un medico certificado y una enfermera durante todos los periodos de carreras en vivo. Durante los periodos de entrenamiento, Técnicos de Emergencias Medicas están a la disposición en la pista.
- b. Técnicos de Emergencias Medicas – Los EMT's se encuentran en la pista todo el tiempo ya sea durante entrenamientos o cuando las carreras en vivo estén sucediendo. Los EMT's siguen la carrera en vivo durante su duración y están en contacto radiofónico siempre con la clínica de la pista y el Administrador de Seguridad.
- c. Capabilidades de Respuesta por parte del Municipio- El DMTC esta localizado en la zona de ferias del Estado de California. Por consecuencia, disfrutamos de los beneficios de servicios proporcionados por el Departamento de Bomberos y de los Técnicos de Emergencias Medicas de la ciudad de Del Mar que se encuentran localizados en los terrenos del Hipódromo. Si la estación que se encuentra en nuestras facilidades responde a una emergencia fuera de los terrenos del Hipódromo, entonces el servicio de despachadores del Departamento de Bomberos del Rancho mandara la unidad disponible más cercana.

V. Protocolos para los Transportes Médicos y de Ambulancia

- a. Servicios Contratados de Ambulancias – El DMTC tiene contratos con el Servicio de Ambulancias de Huntington que proveen respuestas a emergencias médicas en la pista y que también puede proveer servicios de transportación durante horas de entrenamiento. Dependiendo del tiempo y la naturaleza del incidente, y el número de jinetes

Exhibit 11 Continued

Del Mar Thoroughbred Club

Programa de Repuesta a Accidentes de Jinetes en la Pista

involucrados, el transporte puede ser referido o hacerse con la ayuda de los servicios municipales.

- b. Servicios Municipales Locales – El Departamento de Bomberos de la ciudad de Del Mar y otros localizados en el área de servicios de incendios del Rancho pueden responder en caso de necesidad o si se les llama al sitio. El Servicio de Bomberos del Rancho, responderá con Técnicos de Emergencias Medicas en los Camiones de Bomberos y Paramédicos que están asignados a las ambulancias municipales.

VI. El Plan de Emergencias Médicas

Estos pasos deberán ser seguidos en el caso de que suceda un accidente en la pista:

Condiciones Generales

- Los Técnicos de Emergencias Medicas en el sitio responderán a cualquier accidente en el que encuentre involucrado un jinete o cuando se le pida su ayuda. Esa respuesta ocurrirá durante periodos de entrenamiento o carreras en vivo.
- Si un incidente requiere transportación, el hospital será contactado y notificado de la transportación del paciente. (El Hospital Scripps de La Jolla sirve como coordinador de servicios de emergencia (triage) y es la base para todos los incidentes que requieran cuidados de emergencia, ellos son responsables de dirigir al equipo de transportación médica a que hospital deben responder.)

Respuestas Durante Periodos de Entrenamiento

- Durante los periodos de entrenamiento, los Técnicos de Emergencias Medicas deberán determinar la naturaleza y magnitud de cualquier lesión y determinar si es necesario trasportar a la persona a una facilidad medica,
- El Despachador de Seguridad del DMTC será notificado inmediatamente de cualquier incidente de jinetes en la pista o de otro modo durante periodos de entrenamiento y asistirá a los Técnicos de Emergencias Medicas de la ambulancia de Huntington a asegurar otra asistencia medica o direcciones a la facilidad medica donde deberá ser transportado el jinete(s),
- Incidentes con lesiones que no necesiten transportación a alguno de los hospitales locales identificados dentro de este programa, serán tratados en la pista o en la clínica medica del DMTC basándose en el criterio del Técnico de Emergencia Medica,
- Cualquier accidente en la pista durante periodos de entrenamiento será reportado inmediatamente al Administrador de Seguridad para ser analizado y repasado y para proveer reportes adicionales que puedan ser requeridos.

Exhibit 11 Continued

Del Mar Thoroughbred Club

Programa de Respuesta a Accidentes de Jinetes en la Pista

Accidentes Durante las Carreras en Vivo

- Los Técnicos de Emergencias Medicas EMT's que siguen la carrera de caballos en vivo responderán inmediatamente a accidentes en la pista; simultáneamente el Medico y Enfermera serán notificados por radio, observación de la carrera vía circuito de televisión cerrado o al ser asesorados por el personal de Seguridad del DMTC,
- Cuando sea necesario, asistencia medica adicional será convocada de los recursos municipales locales,
- Los Jinetes serán transportados a la facilidad medica en la pista para un examen inicial, observación y para determinar que tipo de cuidado medico ameritan sus lesiones (triage),
- Cuando se posible, todo el cuidado medico será proveído por los profesionales dentro de la clínica medica del DMTC,
- El personal de Seguridad y Vigilancia del DMTC responderá inmediatamente a la clínica medica para asistir con supervisión del evento y acceso y control a la clínica medica,
- Dependiendo de la naturaleza y gravedad de las lesiones, el/los jinete(s) podrán ser transportados a hospitales locales incluidos en este plan para recibir cuidados o tratamientos médicos conforme sean requeridos,
- Cualquier accidente en la pista durante una carrera en vivo será reportado inmediatamente al Administrador de Seguridad para ser analizado y repasado y para proveer reportes adicionales que puedan ser requeridos.

Por favor observe: Bajo ninguna circunstancia se proveerá información sobre la condición médica de un jinete a las fuentes informativas o a otros medios. Cualquier petición de información será referida inmediatamente al miembro del personal de Administración de Riesgos en la clínica que se asegurara de que el personal apropiado del DMTC es notificado de la solicitud.

VII. Como se Exhibirá este Plan

El Plan del DMTC para Respuesta a Accidentes en la Pista para Jinetes será exhibido en Ingles y en Español en las áreas a continuación:

- a. El Cuarto de Jinetes localizado en el primer piso de la Tribuna del Clubhouse (Sede del Club)
- b. Las facilidades medicas en-sitio del DMTC, y
- c. El Despacho de Seguridad del DMTC

Copias adicionales del plan serán mantenidas en la oficina del Administrador de Riesgos localizada en el Edificio de Operaciones.

Exhibit 11 Continued
Del Mar Thoroughbred Club
Programa de Respuesta a Accidentes de Jinetes en la Pista

IIIX. Versión

Este plan es la versión 7-07.2. El plan se revisara anualmente antes del principio de la temporada de carreras del DMTC y se harán los cambios y actualizaciones apropiados. Cambios de tipo regulatorio/legislativo podrán modificar este plan y serán incluidos al la ves que cualquier otro cambio a los proveedores médicos o de servicios de transporte de ambulancias.

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
4/29/2008

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
 Del Mar Thoroughbred Club
 P. O. Box 700
 Del Mar CA 93104

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Zenith Insurance Co.	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

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

INSR	ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
			GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
			AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
			GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
			EXCESS/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? If yes, describe under SPECIAL PROVISIONS below		3/31/2008	3/31/2009	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
			OTHER				

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

CERTIFICATE HOLDER

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

CANCELLATION

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

AUTHORIZED REPRESENTATIVE
 S Przemielewski/SPR *Sara R. Przemielewski*

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:

Exhibit 13

15. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

A. Describe any promotional plans:

Last year, DMTC submitted a binder with an extensive overview of the marketing efforts at Del Mar that included information on Del Mar branding, advertising, promotions, publicity, on-line marketing, corporate sponsors and more. In an effort not to overwhelm you with materials, which tend to be somewhat similar from one year to the next, we will submit such a report again next year and continue to do so every other year.

The 2008 Del Mar season will feature an extensive promotional calendar that will include events and activities for seasoned fans, young adults and families. From festivals and concerts to giveaways and family days, the 2008 season at Del Mar will offer something for everyone. Please see Exhibit 14 for details.

B. Number of hosts and hostesses employed for meeting:

We employ approximately 52 customer service representatives on weekdays (Monday, Wednesday and Thursday) and 62 on weekends (Friday, Saturday and Sunday).

C. Describe facilities set aside for new fans:

At Del Mar, virtually the entire facility is considered a new fan area, with customer service locations on every floor and in every betting area and with a complete staff of customer service representatives moving about the facility. In addition, a large portion of new fans are introduced to racing through our Group Sales department which provides customized introductions to racing or the day's card tailored to individual groups. Del Mar also offers a variety of free seminars and handicapping education for more serious newcomers.

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

1. Horsemen

Ongoing replacement of stairways and balconies in the stable area living quarters (restricted area)

Ongoing replacement of flooring, doors, locks, window screens in living quarters (restricted area)

Replacement of wash racks to improve water runoff (restricted area)

Ongoing replacement of exterior lighting fixtures and electrical panels in stable area (restricted area)

Ongoing upgrade of morning workout lights (restricted area)

Replacement of water and sewer lines beneath the main and turf tracks

New portable horse stalls east of KK and west of LL (restricted area)

New portable horse stalls inside Barn W (restricted area)

Increase size of "Surf and Turf" Trailer Park to accommodate more RVs

Renovation of miscellaneous restrooms in stable area (restricted area)

CONCESSIONS:

George Karetas, President
Premier Food Services, Inc.
7966 Arjons Drive
San Diego, CA 92126

TIP SHEETS:

Bruce M. Andrews, Jr.
Deuce Bruce
5910 Rancho Mission Rd. #33
San Diego, CA 92108

Bob Baedeker
Baedeker, Inc.
130 West El Portal
San Clemente, CA 92672

Harry Acquarelli
Duke Racing Selections
4615 Triesta
Carlsbad, CA 92010

Toby Turrell
Winners
14112 Enfield Circle
Westminster, CA 92683

Tiffany Bohland
Bob's Card, Inc.
6288 Highland Meadow Dr.
Medina, OH 44256

SADDLERY SERVICES:

Jarry Hobson
Hobson Saddlery
28 North 1st Avenue
Arcadia, CA 91066

Frank Wipfli
Western Saddlery, Inc.
7038 Commerce Circle
Pleasanton, CA 94588

RACING COLORS:

June Gee
West Coast Racing Colors
11920 Goldring Rd. Ste G
Arcadia, CA 91006

MISCELLANEOUS CONCESSIONS/SERVICES:

H.E. Copeland
**Armored Transport of
California**
3610 Barnett Street
San Diego, CA 92110

Robert Benoit
Benoit & Associates, Inc.
Track Photographers
2011 Cedar Ave.
Manhattan Beach, CA
90266

Michael Costello
**United/Puett Electrical Starting
Gates**
224 Tater Hill Rd.
East Haddam, CT 06423

John Agostino, M.D.
Del Mar Medical Clinic
Track Physicians
1335 Camino Del Mar
Del Mar, CA 92014

Steve Stiles
**Stiles Animal Removal
Inc.**
P.O. Box 428
Alta Loma, CA 91701

Steve Warner
Thoroughbred Feed
6200 Vista Del Mar # 115
Playa Del Ray, CA 90293

Gary S. Bell
Citrus Feed
PO Box 249
La Verne, CA 91750

Angel P. Unamuno
Angel's Feed
4518 Rowland Ave
El Monte, CA 91731

Bob Gordon
Gordon Feed Co.
5450 E. Katella # 111
Los Alamitos, CA 90720

Michael Brunner
Westwalk Corp.
Hotwalkers
2905-A Sepulvada Blvd. # 312
Manhattan Beach, CA 90266


JULY 2008


Sun	Mon	Tue	Wed	Thu	Fri	Sat		
<div style="border: 1px solid black; padding: 5px;"> <p><u>Season Promotions:</u> -Daybreak at Del Mar-Every Saturday and Sunday, 7:30-9:30 am -Newcomers' Seminars-Everyday -Camp Del Mar- Everyday except Sept. 3</p> </div>		<div style="border: 1px solid black; padding: 10px;"> <p style="font-size: 1.5em; font-weight: bold; margin: 0;">PROMOTIONS CALENDAR</p> <p style="font-size: 1.2em; margin: 5px 0;">Season Dates- July 16-September 3</p> <p style="font-size: 0.8em; margin: 0;">Tentative as of 4/14/08 For Internal Use Only</p> </div>			11	12	<div style="border: 1px solid black; padding: 5px; margin-left: auto; margin-right: auto;"> <p>*Guaranteed \$500k Pick 4 pool every Saturday and Sunday</p> </div>	
13	14	15	16 OPENING DAY -The One and Only Truly Fabulous Hats Contest -Coors Light Party (Cabana) -Red Bull Air Force Skydivers	17 -Free Admission Bounce Back Redemption -All Seniors Free Admission & Seat	18 -4 O' Clock Friday band- -DRF Handicapping Seminar	19 -Mystery Mutuel Voucher Redemption -Family Weekends -DRF Handicapping Seminar		
20 -Family Fun Day Kids Only Giveaway Item -DRF Handicapping Seminar	21 -Restaurant/Bar Employee Appreciation Day	22	23 -Direct Mailer Passes -Breeders' Cup Ticket Giveaway	24 -Direct Mailer Passes -Diamond Club Seniors Free Admission	25 -4 O' Clock Friday band- SUPER DIAMOND -DRF Handicapping Seminar	26 -Microbrew Festival band- GNARLS BARKLEY -Del Mar Handicapping Challenge -Donuts Day- 8:00 am -Family Weekends -DRF Hcp Seminar -Pro Bull Riding- arena		
27 -Del Mar Handicapping Challenge -Family Weekends -Diamond Club Free SR & CH Admission -DRF Hcp Seminar -Professional Bull Riding- horse arena	28	29	30 -Breeders' Cup Ticket Giveaway	31 -Diamond Club Seniors Free Admission				



AUGUST 2008



<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
					1 -4 O' Clock Friday band- PINBACK -DRF Handicapping Seminar	2 -Beach Towel Giveaway -Chili Cookoff -Family Weekends -DRF Handicapping Seminar
3 -Family Weekends -Diamond Club Postcard Redemption (Pint Glass giveaway) -DRF Hcp Seminar -First Responders Day	4	5	6 -Breeders' Cup Ticket Giveaway	7 -Diamond Club Seniors Free Admission	8 -4 O' Clock Friday band-THE BRAVERY -DRF Handicapping Seminar	9 -Cap Giveaway -Family Weekends -DRF Handicapping Seminar
10 -Family Weekends -DRF Handicapping Seminar -Ladies Day (Cabana)	11	12 -Horsemen's Beach Party & Volleyball Tournament	13 -Direct Mailer Passes -Breeders' Cup Ticket Giveaway	14 -Direct Mailer Passes -Diamond Club Seniors Free Admission	15 -4 O' Clock Friday (3:30 p.m. first post) band- -DRF Handicapping Seminar	16 -Reggae Festival -Family Weekends -TOC Luncheon -DRF Handicapping Seminar
17 -Family Weekends -Diamond Club Free SR & CH Admission -DRF Hcp Seminar -Golf Day (Cabana)	18	19	20 -Pacific Classic Post Position Draw -All Seniors Free Admission & Seat -Breeders' Cup Ticket Giveaway	21 -Diamond Club Seniors Free Admission	22 -4 O' Clock Friday (3:30 p.m. first post) band- -DRF Handicapping Seminar	23 -Donuts Day- 8:00 am -Family Weekends -DRF Handicapping Seminar
24 -PACIFIC CLASSIC (1:00 p.m. first post) -Shirt Giveaway -\$1 Million Guar Pick 6 -Family Weekends	25 -Free Admission Bounce Back	26	27 -"Day On Us" Promotion -Breeders' Cup Ticket Giveaway	28 -Diamond Club Seniors Free Admission	29 -4 O' Clock Friday (3:30 p.m. first post) band- STEEL PULSE -DRF Handicapping Seminar	30 -Infield Concert -Family Weekends -DRF Handicapping Seminar
31 -Mystery Mutuel Voucher Redemption -Direct Mailer Passes -Family Weekends -DRF Hcp Seminar						



SEPTEMBER 2008



<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
	1 LABOR DAY -Mystery Mutuel Voucher Redemption -Direct Mailer Passes -Jockey Photo Day -Family Weekends	2	3 CLOSING DAY -Party in the Paddock band- -Breeders' Cup Ticket Giveaway	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27

2. Fans

- Ongoing replacement of television monitors throughout facility with flat-screen monitors
- Ongoing replacement of grandstand and patio furniture
- New asphalt paving in misc. parking lots

3. Facilities in the restricted areas

See D1

16. SCHEDULE OF CHARGES

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

Stretch Run Admission (includes official program)	\$6.00 (regular), \$10.00 (Opening Day)*, \$3.00 (Diamond Club)
Clubhouse Admission (includes official program)	\$10.00 (regular), \$20 (Opening Day)*, \$5.00 (Diamond Club)
Reserved Seating (Stretch Run)	\$5.00 (\$15 Opening Day & Pacific Classic, \$10 Sat & Sun, \$8 Fri)
Reserved Seating (Clubhouse)	\$5.00 (\$15 Opening Day & Pacific Classic, \$10 Sat & Sun, \$8 Fri)
Parking (general)	\$8.00*
Parking (valet)	\$20.00
Programs (on-track)	Included with paid admission, \$2.00 without paid admission
Programs (off-track)	\$2.25

*Price Changes from 2007:

- Stretch Run Admission Opening Day, increase of \$4.00
- Clubhouse Admission Opening Day, increase of \$10.00
- General Parking, increase of \$2.00

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

Season Turf Club Membership (2 persons):	\$1150.00
Season Turf Club Membership (1 person):	\$850.00
Daily Turf Club Admission (member guests):	\$40.00 (\$100 on Opening Day)
Daily Turf Club Admission (non-member):	\$60.00 (\$125 on Opening Day)
Stretch Run & Clubhouse Season Box Seats:	\$275.00 to \$300.00 per seat
Season Reserved Seat:	\$260.00

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

Turf Club memberships include valet parking. All paid admissions include official programs.

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="73"/>
<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:

Includes a locker area (2), shower area, sauna area, lounge area, food and beverage service and a certified scale.

18. BACKSTRETCH EMPLOYEE HOUSING

- A. Inspection of backstretch housing will be completed by **Jim Hamilton on May 27, 2008.**
- B. Number of rooms used for housing on the backstretch of the racetrack: **666**
- C. Number of restrooms available on the backstretch of the racetrack: **83**
- D. Estimated ratio of restroom facilities to the number of backstretch personnel:
14.45 workers to 1 restroom facility

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.
Fontana Inner rail: Aluminum. Outer rail: Galvanized Steel Tubing. Inner rail supports: Aluminum with 33" offset. Coverings: Fontana Safety panels. Approximate height of the top inner rail: 40".
- C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474: **Robert Sanchez, Plant Superintendent**
- D. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474. **On file.**
- E. If the association is requesting approval to implement alternate methodologies to the provisions of Article 3.5, Track Safety Standards, pursuant to CHRB Rule 1471, attach a Certificate of Insurance for liability insurance which will be in force for the duration of the meeting specified in Section 2. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of liability insurance. Additionally, the CHRB must be listed as additionally insured on the liability policy at a minimum amount of \$3 million per incident. The liability insurance certificate must be on file in the CHRB headquarters office prior to the conduct of any racing. **N/A**

20. DECLARATIONS

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

- 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.

Craig R. Fravel
Print Name

Craig R Fravel
Signature

Executive Vice President
Print Title

4/11/2008
Date

CALIFORNIA HORSE RACING BOARD

MAY 20, 2008

There is no board package material for item 7

STAFF ANALYSIS
PROPOSED AMENDMENT OF
RULE 1420, DEFINITIONS
AND THE PROPOSED ADDITION OF
RULE 1634, CLAIMING OPTION ENTRY

Regular Board Meeting
May 20, 2008

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, but not be limited to, adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. Business and Professions Code section 19562 states the Board may prescribe rules, regulations, and conditions, consistent with the provisions of this chapter, under which all horse races with wagering on their results shall be conducted in this state. Business and Professions Code section 19408.2 defines a claiming race as a race in which any horse entered therein may be claimed in conformity with the rules established by the Board.

At its October 2007 Regular Meeting, the Board heard a Thoroughbred Owners of California (TOC) proposal to add a rule that would allow an owner to enter a horse in a claiming race with a declaration that such horse was ineligible to be claimed if the horse was returning from a lay-off of at least 180 days, and was entered for a claiming price equal to or greater than the price at which it last started. TOC stated many horse owners wished to give their horses time to rest, but they ran the risk of losing such horses as soon as they returned to racing. The TOC believed that horse owners who made an investment in their horses' health deserved a limited, optional protection from being claimed. At the October 2007 discussion the Deputy Attorney General (DAG) stated the Board faced a nomenclature issue. If horses were entered in a claiming race they could not be declared ineligible for claiming, as Business and Professions Code section 19408.2 provided a definition of a claiming race, which stated that any horse entered may be claimed in conformity with rules established by the Board. If the race were named something other than a "claiming race" the issue may "possibly" be solved. The Board directed staff to work with TOC and the DAG to develop a rule to implement TOC's proposal. A proposal to add Rule 1634, Alternative Claiming Races, was subsequently noticed for a 45-day public comment period.

A hearing for adoption of the proposed addition of Rule 1634 and the proposed amendment of Rule 1420 was held at the February 2008 Regular Board Meeting. At the hearing TOC stated the proposed addition of Rule 1634 was inconsistent with what it originally proposed. TOC added it could not support the rule as drafted. The intention of the TOC proposal was not to create a separate category of race, as there would rarely be enough horses coming back at any given time to write/offer a race limited to such horses. Other comments were received which questioned the "fairness" of giving horses that were returning from a layoff a "free pass" in claiming races. The Board determined that TOC's original conditions for claiming option entries should be incorporated into the text of the proposed Rule 1634; however, to address the

issue of fairness, the horse must be entered at a higher claiming price than the price at which it last started. The revised text was subsequently noticed for a 15-day public comment period.

After the February 28, 2008, hearing, staff and the Deputy Attorney General conferred with TOC and determined that the TOC proposal could be supported from a legal perspective sufficient to receive approval by the Office of Administrative Law. The initial legal concerns were that allowing a horse entered in a claiming race to be ineligible for claiming would be viewed as inconsistent with Business and Professions Code section 19408.2, which defines "claiming race." There are two arguable bases for support of the proposed regulation:

1. Business and Professions Code section 19408.2 states horses may be "claimed in conformity with rules established by the Board." This provides some support for making non-claimable horses eligible for a claiming race.
2. The word "any" in Business and Professions Code section 19408.2 is ambiguous and subject to clarification by a regulation. The claiming race definition refers to a race "in which any horse entered" rather than a race "in which all horses entered" may be claimed.

Under the language of the statute if only two horses were entered which were subject to being claimed, the race arguably would be a "claiming race" as defined Business and Professions Code section 19408.2. While current Board rules and administrative practice have been only to refer to a "claiming race" as one in which all horses can be claimed, the interpretation appears to be open to alternative interpretation by Board regulation.

At the March 27, 2008, Regular Board Meeting TOC objected to the proposal that the horse must be entered for a higher claiming price than the price at which it last started. The TOC stated its objective was merely to allow a horse to be rested and to come back at the same level at which it last started without the owner having to worry about it being claimed. Often a race that was one level higher did not exist, or did not go. Bringing the horse back at a higher level was asking the horse to extend himself even more, and increased the chance the horse would get injured. The Board agreed and directed staff to modify the text to conform to TOC's original proposal, and to put the text out for an additional 15-day public comment period.

ANALYSIS

The proposed addition of Rule 1634 would allow a horse that is entered in a claiming race to be declared ineligible for claiming under certain conditions. The conditions are: 1) the horse must not have started for a period of at least 180 days since its last race; 2) the horse must be entered for a claiming price equal to or higher than at which it last started; 3) failure to declare the horse ineligible for claiming may not be remedied; and 4) ineligibility shall apply only to the first start after each layoff. The proposed regulation is identical to TOC's original proposal.

One comment was received during the 15-day public comment period. A Northern California trainer commented that the proposed rule would give horsemen an incentive to drop their horse in claiming price before they lay it off. As an example he stated a \$40,000 horse that was

going bad would be dropped to \$10,000 so it would have a free pass at that level when it returned from its layoff.

RECOMMENDATION

One comment was received during the 15-day public comment period. This item is presented for Board consideration and action.

To: California Horse Racing Board

This is an argument against the proposed new rule voted on by the California Horse Racing Board to allow horses with a lay off of one hundred eighty (180) or more days to run claim proof in its first start back at an equal or higher claim price.

The rational of this proposed rule is to give Owners a financial incentive to do the right thing. That is to stop on a horse that needs rest.

This proposed rule has exploitation written all over it. Suppose you have a \$40,000 horse that is going bad and needs time off, with the implementation of this rule, it gives the owners and trainers an incentive to run their horse one more time. By plunging the horse in claiming price to say \$10,000 or less, with the possibility of being claimed and transferring your financial burden, one of two things is going to happen.

1. The horse breaks down putting itself and rider in peril.
2. The horse makes it through the race and now receives a free pass when it returns to the races after getting its needed rest.

Both these scenarios are unacceptable.

It's not fair to the owners of the legitimate \$10,000 horses to have to race against a \$40,000 horse, rested with a claim proof pass. It's not fair to the welfare of the horse and it's rider to plunge an injured horse in claiming price to make sure it has that free pass at a discounted level when it returns to the races. It is inevitable that this will happen on a regular basis.

The claiming game is hard enough without giving horsemen an incentive to do the wrong thing. What we need are owners and trainers that act a little more responsible for the welfare of their horses. Horsemen should not need an incentive to do the right thing. If they can't afford a horse- DON'T HAVE ONE.

This proposed rule is a bad idea and I urge the Board to reconsider its vote.

Tim Bellasis
Northern California Trainer

CALIFORNIA HORSE RACING BOARD
 TITLE 4. CALIFORNIA CODE OF REGULATIONS
 ARTICLE 7. CLAIMING RACES
 PROPOSED ADDITION OF
RULE 1634. ~~ALTERNATIVE CLAIMING RACE~~ CLAIMING OPTION ENTRY

Single Underlined text represents the original language as noticed January 11, 2008, through February 25, 2008, and heard by the Board on February 28, 2008.

Deletions to the proposed text appear as ~~Double Strikethrough~~ and new and revised text appears as *Italicized Double Underlined* as noticed March 10, 2008, through March 25, 2008.

Subsequent deletions to the proposed text appear as ~~**Bold Italicized Double Strikethrough**~~ and new and revised text appears as **Bold Double Underlined** as noticed April 24, 2008 through May 9, 2008

Regular Board Meeting
 May 20, 2008

1634. ~~Alternative Claiming Race~~ *Claiming Option Entry.*

(a) At the time of entry into ~~a~~ ~~an~~ ~~alternative~~ claiming race, the owner may opt to declare a horse ineligible to be claimed provided:

(1) The horse has been laid off and has not started for a minimum of 180 days since its last race, and

(2) The horse is entered for a claiming price ~~equal to or greater~~ ~~at least one level~~ ~~higher~~ **equal to or greater** than the price at which it last started.

(b) Failure to declare the horse ineligible at the time of entry may not be remedied.

(c) Ineligibility shall apply only to the first start following each such layoff.

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

Reference: Sections 19408.2 and 19562,
Business and Professions Code.

STAFF ANALYSIS
PROPOSED AMENDMENT TO
CHRB RULE 1843.2, CLASSIFICATION OF DRUG SUBSTANCES,
TO RECLASSIFY THE ANABOLIC STEROIDS BOLDENONE, NANDROLONE,
STANOZOLOL AND TESTOSTERONE FROM CLASS SIX TO CLASS THREE.

Regular Board Meeting
May 20, 2008

BACKGROUND

Business and Professions Code section 19580 provides that the Board shall adopt regulations to establish policies, guidelines and penalties relating to equine medication to preserve and enhance the integrity of horse racing in this state. Section 19581 of the Business and Professions Code states that no substance of any kind shall be administered by any means to a horse after it has been entered to race in a horse race, unless the Board has, by regulation, specifically authorized the use of the substance and the quantity and composition thereof. Business and Professions Code section 19582 provides that violations of Business and Professions Code section 19581, as determined by the Board, are punishable in regulations adopted by the Board, and that the Board may classify violations based upon each class of prohibited drug substances, prior violations within the previous three years and prior violations within the violator's lifetime.

A proposal to reclassify drug substances and establish penalties for medication violations by amending Rule 1843.2, Classification of Drug Substances, and adding Rule 1843.3, Penalties for Medication Violations is currently undergoing a 30-day review at the Office of Administrative Law (OAL). The review of these regulations will not be completed until late May 2008.

The following anabolic steroids and the specified levels have been added to Rule 1844, Authorized Medication:

Nandrolone; 1 nanograms per milliliter for geldings, fillies and mares;

45 nanograms for males other than geldings.

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

Testosterone; 20 nanograms per milliliter in geldings.

(a) Testosterone at any level in males other than geldings is not a violation of Rule 1844.

Testosterone; 55 nanograms per milliliter in fillies or mares

The process of reclassifying anabolic steroids for placement in the appropriate drug substance category requires an amendment to Rule 1843.2, Classification of Drug Substances.

The Board's Equine Medical Director, Dr. Rick Arthur, has stated that the long delay in moving the reclassification and penalty proposal through the regulatory process has put the Board in a precarious position relative to the anabolic steroid regulation timeline that he presented to the Board in December 2007. Initiating a proposal to amend the current Rule 1843.2, in the event the reclassification and penalty proposal is not approved, will help to ensure anabolic steroids are properly classified.

ANALYSIS

The proposed amendment to current Rule 1843.2, Classification of Drug Substances, reclassifies anabolic and androgenic steroids with the exception of endogenous testosterone in non-gelded males and pregnant fillies and mares, from Class 6 drug substances to Class 3 drug substances.

Under the Board's current medication classification, anabolic and androgenic steroids are Class 6 drug substances. Fines for a Class 6 violation are typically \$500 or less. The purse is not redistributed. Under this proposal to amend Rule 1843.2, anabolic and androgenic steroids with the exception of endogenous testosterone in non-gelded males and pregnant fillies and mares would be reclassified as Class 3 substances. Fines for violation of a class 3 drug substance is typically \$3000 on average. The purse must be redistributed.

This proposal is necessary if the Board wishes to move forward with purse redistribution for a violation pertaining to the presence of anabolic steroids in the event the OAL does not approve the reclassification and penalty amendment that is currently under review by that agency.

RECOMMENDATION

This item is presented for Board discussion and action.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 15. VETERINARY PRACTICES
PROPOSED AMENDMENT OF
RULE 1843.2. CLASSIFICATION OF DRUG SUBSTANCES

Regular Board Meeting
May 20, 2008

1843.2. Classification of Drug Substances.

The stewards, when adjudicating a hearing for the finding of a drug substance(s) in a test sample taken from a horse participating in a race, shall consider the classification level of the substance as established below:

CLASS 1: Drug substances not approved by the Food and Drug Administration (FDA) for use or sale in the United States, and drug substances both medicinal and non-medicinal which have high abuse potential. These drug substances include, but are not limited to, stimulant and depressant drug substances, including opiates, opium derivatives, synthetic opioids, psychoactive drugs, amphetamines, and Drug Enforcement Agency Schedule I and Schedule II drugs, listed in Title 21 Code of Federal Regulations, Section 1308.11 and Section 1308.12, respectively, which is hereby incorporated by reference.

CLASS 2: Drug substances which are pharmacologically active in altering consciousness or the psychic state, or therapeutic drug substances with potential for abuse. These drug substances include, but are not limited to:

- a. Opiate partial agonists, or agonist-antagonists.
- b. Non-opiate psychotropic drugs.
- c. Drug substances which have as their major pharmacological effect-stimulation of the central nervous system.

d. Drug substances which have as their major pharmacological effect-depression of the central nervous system.

e. Antidepressant and antipsychotic drugs.

f. Neuromuscular blocking agents.

g. Parenteral local anesthetics, excluding procaine.

h. Snake venoms and other biologic substances that may be used as nerve blocking agents.

CLASS 3: Drug substances whose major pharmacological effects are on the cardiovascular, respiratory and/or autonomic nervous systems. These drug substances include but are not limited to:

a. Bronchodilators.

b. Procaine.

c. Antihistamines that exert an excitatory or depressant action on the central nervous system.

d. Primary vasodilators or hypotensive agents.

e. Cardiac glycosides and antiarrhythmics:

1. Cardiac glycosides.

2. Antiarrhythmic agents (exclusive of lidocaine, bretylium and propranolol).

f. Topical Anesthetics-agents not available in injectable formulations.

g. Anabolic and androgenic steroids with the exception of endogenous testosterone in non-gelded males and pregnant fillies and mares.

CLASS 4: Drug substances which are approved by the FDA for human use, or used under extra-label guidelines as defined by the FDA. These drug substances include, but are not limited to, human-labeled non-steroidal anti-inflammatory agents, antihistamines, and some analgesics.

- a. Non-opiate drug substances which have a mild central analgesic effect.
- b. Drug substances pharmacologically active on the autonomic nervous system, not affecting the central nervous system, cardiovascular, or respiratory systems.
 1. Drug substances used solely as topical vasoconstrictors or decongestants.
 2. Drug substances used as gastrointestinal antispasmodics.
 3. High ceiling and loop diuretics other than those authorized by the CHRB and carbonic anhydrase inhibitors.
 4. Drug substances which have a major pharmacological effect on the central nervous system vasculature or smooth muscle of visceral organs.
- c. Antihistamines whose pharmacological action is mediated by H1-receptors.

CLASS 5: Drug substances which have accepted therapeutic use in the horse. These drug substances include, but are not limited to, non-steroidal anti-inflammatory agents approved for equine veterinary use by the FDA, but not authorized by the CHRB.

- a. Expectorants with minimal other pharmacologic action.
- b. Non-steroidal anti-inflammatory drug substances (NSAIDs) approved for veterinary use in the United States, but not authorized by the CHRB.

CLASS 6: Drug substances which are therapeutically used in the maintenance of the health care of the horse. These drug substances include, but are not limited to, skeletal muscle

relaxants, mucolytic agents, glucocorticoids, mineralocorticoids, osmotic and thiazide diuretics, ~~anabolic and androgenic steroids~~, and specific peripheral vasodilators appearing in official test samples, as well as authorized medication exceeding the CHRB's authorized levels as established in Rule 1844(c)(1-4) of this division.

CLASS 7: Drug substances which are routinely used therapeutically to maintain the health of the horse. These drug substances include, but are not limited to, anthelmintic agents other than phenothiazine derivatives, oral adsorbent antidiarrheal agents, antihistamines whose pharmacological action is mediated by H2-receptors, antimicrobial such as sulfonamides, tetracyclines, and anti-fungal agents.

Authority: Sections 19580, 19581 and 19582,
Business and Professions Code.

Reference: Sections 19580, 19581 and 19582,
Business and Professions Code.

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

Regular Board Meeting
May 20, 2008

BACKGROUND

Business and Professions Code section 19580 provides that the Board shall adopt regulations to establish policies, guidelines and penalties relating to equine medication to preserve and enhance the integrity of horse racing in this state. Section 19581 of the Business and Professions Code states that no substance of any kind shall be administered by any means to a horse after it has been entered to race in a horse race, unless the Board has, by regulation, specifically authorized the use of the substance and the quantity and composition thereof. Business and Professions Code section 19582 provides that violations of Business and Professions Code section 19581, as determined by the Board, are punishable in regulations adopted by the Board, and that the Board may classify violations based upon each class of prohibited drug substances, prior violations within the previous three years and prior violations within the violator's lifetime.

A proposal to reclassify drug substances and establish penalties for medication violations by amending Rule 1843.2, Classification of Drug Substances, and adding Rule 1843.3, Penalties for Medication Violations is currently undergoing a 30-day review at the Office of Administrative Law (OAL). The review of these regulations will not be completed until late May 2008.

The following anabolic steroids and the specified levels have been added to Rule 1844,
Authorized Medication:

Nandrolone; 1 nanograms per milliliter for geldings, fillies and mares;

45 nanograms for males other than geldings.

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

Testosterone; 20 nanograms per milliliter in geldings.

(a) Testosterone at any level in males other than geldings is not a violation of Rule 1844.

Testosterone; 55 nanograms per milliliter in fillies or mares

The process of reclassifying anabolic steroids for placement in the appropriate drug substance category requires an amendment to Rule 1843.2, Classification of Drug Substances.

The Board's Equine Medical Director, Dr. Rick Arthur, has stated that the long delay in moving the reclassification and penalty proposal through the regulatory process has put the Board in a precarious position relative to the anabolic steroid regulation timeline that he presented to the Board in December 2007.

ANALYSIS

The proposed amendment to, not yet OAL approved, Rule 1843.2, Classification of Drug Substances, reclassifies anabolic steroids as listed in the form *California Horse Racing Board (CHRB) Penalty Categories Listing by Classification*, which is incorporated by reference in the not yet approved Rule 1843.2, from Drug Class 4/Penalty Class "D" drug substances to Drug Class 3/Penalty Class "B" drug substances. Initiating a proposal to amend Rule 1843.2, currently under review by OAL, serves to assist the timely completion of this new phase of addressing anabolic steroid medication violations.

Under the proposed classification and penalty rules, currently under review by OAL, Nandrolone, Boldenone, Testosterone are Class 4 /Penalty Class "D" drug substances. Violations due to the presence of a drug substance in an official test sample, which CHRB drug classification is categorized as warranting a Category "D" penalty, may result in a written warning to the licensed trainer and owner. A Category "D" penalty is a written warning to the licensed trainer or owner.

Under this proposal to amend the not yet approved Rule 1843.2, Nandrolone, Boldenone, Testosterone and will be reclassified to Drug Class 3/Penalty Class B. Category "B" Penalties, under review by OAL, are:

CATEGORY "B" PENALTIES

Penalties for violations due to the presence of a drug substance in an official ~~pre- or post-race-test~~ sample, which CHRB drug classification is categorized as warranting a Category B penalty are as follows:

LICENSED TRAINER:		
1st offense	2nd offense (365-day period)	3rd offense (365-day period)
<ul style="list-style-type: none"> ◦ <u>Minimum 30 -day suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of a-60-day suspension.</u> <p style="text-align: center;"><u>AND/OR</u></p> <ul style="list-style-type: none"> ◦ <u>Minimum fine of \$500 absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum fine of \$10,000.</u> 	<ul style="list-style-type: none"> ◦ <u>Minimum 60-day suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of a 180-day suspension.</u> <p style="text-align: center;"><u>AND/OR</u></p> <ul style="list-style-type: none"> ◦ <u>Minimum fine of \$1,000 absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum fine of \$20,000.</u> 	<ul style="list-style-type: none"> ◦ <u>Minimum 90-day suspension absent mitigating circumstances. The presence of aggravating factors could be used to impose a maximum of a one-year suspension.</u> <p style="text-align: center;"><u>AND/OR</u></p> <ul style="list-style-type: none"> ◦ <u>Minimum fine of \$2,500 absent mitigating circumstances. The presence of aggravating factors could be used to impose-a maximum fine of \$50,000 or 10% of purse (greater of the two).</u> <p style="text-align: center;"><u>AND</u></p> <ul style="list-style-type: none"> ◦ <u>May be referred to the Board for any further action deemed necessary by the Board.</u>

LICENSED OWNER:		
<u>1st offense</u>	<u>2nd offense in stable (365-day period)</u>	<u>3rd offense in stable (365-day period)</u>
<ul style="list-style-type: none"> ◦ <u>Disqualification of horse and loss of purse <i>in the absence of mitigating circumstances.</i></u> <u>AND</u> ◦ <u>Horse must pass a Board-approved examination pursuant to Rule 1846 before becoming eligible to be entered.</u> <u>AND</u> ◦ <u>Be subject to drug testing at the owner's expense and be negative for prohibited drug substances as defined in Rule 1843.1.</u> 	<ul style="list-style-type: none"> ◦ <u>Disqualification of horse and loss of purse <i>in the absence of mitigating circumstances.</i></u> <u>AND</u> ◦ <u>Horse must pass a Board-approved examination pursuant to Rule 1846 before becoming eligible to be entered.</u> <u>AND</u> ◦ <u>Be subject to drug testing at the owner's expense and be negative for prohibited drug substances as defined in Rule 1843.1.</u> 	<ul style="list-style-type: none"> ◦ <u>Disqualification of horse, loss of purse and <i>absent mitigating circumstances</i> minimum fine of \$5,000 <i>absent mitigating circumstances.</i></u> The presence of <u>aggravating factors could be used to impose a maximum <i>fine</i> of \$20,000.</u> <u>AND</u> ◦ <u>Horse shall be placed on the veterinarian's list for up to 45 days and must pass a Board-approved examination pursuant to Rule 1846 before becoming eligible to be entered.</u> <u>AND</u> ◦ <u>Be subject to drug testing at the owner's expense and be negative for prohibited drug substances as defined in Rule 1843.1.</u>

The proposal to reclassify anabolic steroids is necessary if the Board wishes to move forward with purse redistribution for a violation pertaining to the presence of anabolic steroids in an official test sample and is proposed in the event the regulatory amendment now under review by the OAL is approved.

RECOMMENDATION

This item is presented for Board discussion and action.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 15. VETERINARY PRACTICES
PROPOSED AMENDMENT OF
RULE 1843.2. CLASSIFICATION OF DRUG SUBSTANCES

Regular Board Meeting
May 20, 2008

1843.2. Classification of Drug Substances.

The Board, the board of stewards, the hearing officer, or the administrative law judge, when adjudicating a hearing for a violation of Business and Professions Code section 19581, shall consider the classification of the substance as referenced in the California Horse Racing Board (CHRB) Penalty Categories Listing by Classification (Revised 04/5/08), hereby incorporated by reference, which is based on the Association of Racing Commissioners International (ARCI) Uniform Classification Guidelines for Foreign Substances (4/05), as modified by the Board.

Authority: Sections 19580, 19581 and 19582,
Business and Professions Code.

Reference: Sections 19580, 19581 and 19582,
Business and Professions Code.

California Horse Racing Board (CHRB)

Penalty Categories

Listing by Classification

Class 1: Stimulant and depressant drugs that have the highest potential to affect performance and that have no generally accepted medical use in the racing horse. Many of these agents are Drug Enforcement Agency (DEA) schedule II substances. These include the following drugs and their metabolites: Opiates, opium derivatives, synthetic opioids and psychoactive drugs, amphetamines and amphetamine-like drugs as well as related drugs, including but not limited to apomorphine, nikethamide, mazindol, pemoline, and pentylentetrazol.

Drug	Trade Name	Drug Class	Penalty Class	Drug	Trade Name	Drug Class	Penalty Class
Alfentanil	Alfenta	1	A	Metaraminol	Aramine	1	A
Amphetamine		1	A	Methadone	Dolophine	1	A
Anileridine	Leritine	1	A	Methamphetamine	Desoxyn	1	A
Apomorphine		1	A	Methaqualone	Quaalude	1	A
Benzylpiperazine (BZP)		1	A	Methylphenidate	Ritalin	1	A
Carfentanil		1	A	Metopon (methyldihydromorphinone)		1	A
Cocaine		1	B	Morphine		1	B
Darb-erythropoetin		1	A				
Dextromoramide	Palfium, Narcolo	1	A	Nikethamide	Coramine	1	A
Diamorphine		1	A	Oxycodone	Percodan	1	A
Endorphins		1	A	Oxymorphone	Numorphan	1	A
Enkephalins		1	A	Pemoline	Cylert	1	A
Ethylmorphine	Dionin	1	A	Pentylentetrazol	Metrazol, Nioric	1	A
Etorphine HCl	M99	1	A	Phenazocine	Narphen	1	A
Fentanyl	Sublimaze	1	A	Phencyclidine (PCP)	Sernylan	1	A
Hydromorphone	Dilaudid	1	A	Phendimetrazine	Bontril, etc.	1	A
Hydroxyamphetamine	Paradrine	1	A	Phenmetrazine	Preludin	1	A
Levorphanol	Levo-Dremoran	1	A	Picrotoxin		1	A
Lofentanil		1	A	Piritramide		1	A
				Recombinant equine-Growth Hormone		1	A
				Recombinant human-Growth Hormone		1	A
Mazindol	Sanorex	1	A	Remifentanil	Ultiva	1	A
				Recombinant human-erythropoetin		1	A
Meperidine	Demerol	1	A	Strychnine		1	B
Mephentermine		1	A	Sufentanil	Sufenta	1	A

Listing by Classification

Class 2: Drugs that have a high potential to affect performance, but less of a potential than Class 1. These drugs are 1) not generally accepted as therapeutic agents in racing horses, or 2) they are therapeutic agents that have a high potential for abuse.

Drug	Trade Name	Drug Class	Penalty Class	Drug	Trade Name	Drug Class	Penalty Class
Acecarbromal		2	A	Benzazepam	Tiadipona	2	A
Acetophenazine	Tindal	2	A	Benzactizine	Deprol, Bronchodiletten	2	A
Adinazolam		2	A	Benzocetamine		2	A
Alclofenac		2	B				
Alcuronium	Alloferin	2	A	Benzphetamine	Didrex	2	A
Alphaprodine	Nisentil	2	A	Benztropine	Cogentin	2	A
Alpidem	Anaxyl	2	A	Biriperone		2	A
Alprazolam	Xanax	2	A	Bromazepam	Lexotan, Lectopam	2	A
Althesin	Saffan	2	A	Bromisovalum	Diffucord, etc.	2	A
Amisulpride	Solian	2	A	Bromocriptine	Parlodol	2	A
Amitriptyline	Elavil, Amitril, Endep	2	A	Bromperidol	Bromidol	2	A
Amobarbital	Amytal	2	A	Brotizolam	Brotocol	2	A
Amoxapine	Asendin	2	A	Bupivacaine	Marcaine	2	A
Amperozide		2	A	Buprenorphine	Temgesic	2	A
Anilopam	Anisine	2	A	Buspirone	Buspar	2	A
Aprobarbital	Alurate	2	A	Buspropion	Wellbutrin	2	A
Azacylonol	Frenque	2	A	Butabarbital (Secbutobarbitone)	Butacaps, Butasol, etc.	2	A
Azaperone	Stresnil, Suicalm, Fentaz (with Fentanyl)	2	A	Butalbital (Talbutal)	Fiorinal	2	A
Barbital	Veronal	2	A	Butanilcaine	Hostacain	2	A
Bemegrade	Megimide, Mikedimide	2	A	Butaperazine	Repoise	2	A
Benoxapofen		2	B				
Benperidol		2	A	Butoctamide	Listomin	2	A

Listing by Classification

Class 2: Drugs that have a high potential to affect performance, but less of a potential than Class 1. These drugs are 1) not generally accepted as therapeutic agents in racing horses, or 2) they are therapeutic agents that have a high potential for abuse.

Drug	Trade Name	Drug Class	Penalty Class	Drug	Trade Name	Drug Class	Penalty Class
Caffeine		2	B	Clocapramine		2	A
Camazepam	Paxor	2	A	Clomethiazole		2	A
Captodiame	Covatine	2	A	Clomipramine	Anafranil	2	A
Carbidopa + levodopa	Sinemet	2	A	Clonazepam	Klonopin	2	A
Carbromol	Mifudorm	2	A	Clorazepate	Tranxene	2	A
Carphenazine	Proketazine	2	A	Clothiapine	Entermin	2	A
Carpipramine	Prazinil	2	A	Clotiazepam	Trecalmo, Rize	2	A
Chloralose (Alpha-Chloralose)		2	A	Cloxazolam	Enadel, Sepazon, Tolestan	2	A
Chloral betaine	Beta-Chlor	2	A	Clozapine	Clozaril, Leponex	2	A
Chloral hydrate	Nactec, Oridrate, etc.	2	A	Codeine		2	B
Chloraldehyde (chloral)		2	A	Conorphone		2	A
Chlordiazepoxide	Librium	2	A	Corticaïne	Ultracain	2	A
Chlormezanone	Trancopal	2	A	Crotetamide		2	A
Chloroform		2	A	Cyamemazine	Tercian	2	A
Chlorhexidol		2	A	Cyclobarbital	Phanodorm	2	A
Chloroprocaine	Nesacaine	2	A	Decamethonium	Syncurine	2	A
Chlorproethazine	Newiplege	2	A	Demoxepam		2	A
Chlorpromazine	Thorazine, Largactil	2	A	Desipramine	Norpromine, Pertofrane	2	A
Chlorprothixene	Taractan	2	A	Dezocine	Dalgan®	2	A
Citalopram	Celex	2	A	Diazepam	Valium	2	B
Clobazam	Urbanyl	2	A	Dichloralphenazone	Febenol, Isocom	2	A

Listing by Classification

Class 2: Drugs that have a high potential to affect performance, but less of a potential than Class 1. These drugs are 1) not generally accepted as therapeutic agents in racing horses, or 2) they are therapeutic agents that have a high potential for abuse.

Drug	Trade Name	Drug Class	Penalty Class	Drug	Trade Name	Drug Class	Penalty Class
Diethylpropion	Tepanil, etc.	2	A	Ethylisobutrazine	Diquel	2	A
Diethylthiambutene	Themalon	2	A	Etidocaine	Duranest	2	A
Dihydrocodeine	Parcodin	2	A	Etifoxin	Stresam	2	A
Dilorazepam	Briantum	2	A	Etizolam	Depas, Pasaden	2	A
Diprenorphine	M50/50	2	A	Etodroxizine	Indunox	2	A
Dixyrazine	Esucos	2	A	Etomidate		2	A
Dopamine	Intropin	2	A	Fenarbamate	Tymium	2	A
				Fenclozic acid	Myalex	2	B
Doxapram	Dopram	2	A	Fenfluramine	Pondimin	2	A
Doxefazepam	Doxans	2	A	Fluanisone	Sedalande	2	A
Doxepin	Adapin, Sinequan	2	A	Fludiazepam	Erispam	2	A
Droperidol	Inapsine, Droleptan, Innovar-Vet (with Fentanyl)	2	A	Flunitrazepam	Rohypnol, Narcozep, Darkene, Hypnodorm	2	A
Enciprazine		2	A	Fluopromazine	Psyquil, Siquil	2	A
Ephedrine		2	A	Fluoresone	Caducid	2	A
Epibatidine		2	A	Fluoxetine	Prozac	2	A
Epinephrine		2	A	Flupenthixol	Depixol, Fluanxol	2	A
Erythropoietin (EPO)	Epogen, Procrit, etc.	2	A	Fluphenazine	Prolixin, Permitil, Anatensol	2	B
Estazolam	Domnamid, Eurodin, Nuctalon	2	A	Flurazepam	Dalmane	2	A
Ethamivan		2	A	Fluspirilene	Imap, Redeptin	2	A
Ethanol		2	B	Flutoprazepam	Restas	2	A
Ethchlorvynol	Placidyl	2	A	Fluvoxamine	Dumirox, Faverin, etc.	2	A
Ethinamate	Valmid	2	A	Gallamine	Flaxedil	2	A
Ethopropazine	Parsidol	2	A	Gepirone		2	A

Listing by Classification

Class 2: Drugs that have a high potential to affect performance, but less of a potential than Class 1. These drugs are 1) not generally accepted as therapeutic agents in racing horses, or 2) they are therapeutic agents that have a high potential for abuse.

Drug	Trade Name	Drug Class	Penalty Class	Drug	Trade Name	Drug Class	Penalty Class
Glutethimide	Doriden	2	A	Lithium	Lithizine, Duralith, etc.	2	A
Halazepam	Paxipam	2	A	Lobeline		2	A
Haloperidol	Haldol	2	A	Loflazepate, Ethyl	Victan	2	A
				Loperamide	Imodium	2	B
Haloxazolam	Somelin	2	A	Loprazolam	Dormonort, Havlane	2	A
Hemoglobin glutamers	Oxyglobin, Hemopure	2	A	Lorazepam	Ativan	2	A
Hexafluorenum	Myalexen	2	A	Lormetazepam	Noctamid	2	A
Hexobarbital	Evipal	2	A	Loxapine	Laxitane	2	A
Homophenazine	Pelvichthol	2	A	Maprotiline	Ludiomil	2	A
Hydrocodone (dihydrocodeinone)	Hycodan	2	A	Mebutamate	Axiten, Dormate, Capla	2	A
Hydroxyzine	Atarax	2	B	Meclofenoxate	Lucidril, etc.	2	A
Ibomal	Noctal	2	A	Medazepam	Nobrium, etc.	2	A
Imipramine	Imavate, Presamine, Tofranil	2	A	Melperone	Eunerpan	2	A
Isapirone		2	A	Meparfynol	Oblivon	2	A
Isocarboxazid	Marplan	2	A	Mepazine	Pacatal	2	A
Isomethadone		2	A	Mephenoxalone	Control, etc.	2	A
Isoproterenol	Isoprel	2	A	Mephenytoin	Mesantoin	2	A
Isoxicam	Maxicam	2	B				
Ketamine	Ketalar, Ketaset, Vetalar	2	B	Mephobarbital (Methylphenobarbital)	Mebaral	2	A
Ketazolam	Anxon, Laftram, Solatran, Loftran	2	A	Mepivacaine	Carbocaine	2	B
Lenperone	Elanone-V	2	A	Meprobamate	Equanil, Miltown	2	B
Levomethorphan		2	A	Mesoridazine	Serentil	2	A
Lidocaine	Xylocaine	2	B	Metaclazepam	Talis	2	A

Listing by Classification

Class 2: Drugs that have a high potential to affect performance, but less of a potential than Class 1. These drugs are 1) not generally accepted as therapeutic agents in racing horses, or 2) they are therapeutic agents that have a high potential for abuse.

Drug	Trade Name	Drug Class	Penalty Class	Drug	Trade Name	Drug Class	Penalty Class
Metazocine		2	A	Nortriptyline	Aventyl, Pamelor	2	A
Metharbital	Gemonil	2	A	Olanzapine	Zyprexa	2	A
Methohexital	Brevital	2	A	Oxazepam	Serax	2	A
Methotrimeprazine	Levoprome, Neurocil, etc.	2	A	Oxazolam	Serenal	2	A
Methyprylon	Noludar	2	A	Oxyperitine	Forit, Integrin	2	A
Metocurine	Metubine	2	A	Pancuronium	Pavulon	2	A
Metomidate	Hypnodil	2	A	Paraldehyde	Paral	2	A
Mexazolam	Melex	2	A	Paroxetine	Paxil, Seroxat	2	A
Midazolam	Versed	2	A	Penfluridol	Cyperon	2	A
Mirtazepine	Remeron	2	A	Pentobarbital	Nembutal	2	A
Modafinil	Provigil	2	A	Perazine	Taxilan	2	A
Molindone	Moban	2	A	Periciazine	Alodept, etc.	2	A
Moperone	Luvatren	2	A	Perlazine	Hypnodin	2	A
Mosaprimine		2	A	Perphenazine	Trilafon	2	A
Nalbuphine	Nubain	2	A	Phenaglycodol	Acalo, Alcamid, etc.	2	A
Nalorphine	Nalline, Lethidrone	2	A	Phenelzine	Nardelzine, Nardil	2	A
Nefazodone	Serzone	2	A	Phenobarbital	Luminal	2	A
Nimetazepam	Erimin	2	A	Phentermine	Iomamin	2	A
Nitrazepam	Mogadon	2	A	Piminodine	Alvodine, Cimadon	2	A
Nordiazepam	Calmday, Nordaz, etc.	2	A	Pimozide	Orap	2	A
Norepinephrine		2	A	Pinazepam	Domar	2	A

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Class 2: Drugs that have a high potential to affect performance, but less of a potential than Class 1. These drugs are 1) not generally accepted as therapeutic agents in racing horses, or 2) they are therapeutic agents that have a high potential for abuse.

Drug	Trade Name	Drug Class	Penalty Class	Drug	Trade Name	Drug Class	Penalty Class
Pipamperone	Dipiperon	2	A	Quetiapine	Seroquel	2	A
Pipequaline		2	A	Racemethorphan		2	A
Piperacetazine	Psymod, Quide	2	A	Racemorphan		2	A
Piperocaine	Metycaine	2	A	Raclopride		2	A
Pipotiazine	Lonseren, Piportil	2	A	Remoxipride	Roxiam	2	A
Pipradrol	Dataril, Gerondyl, etc.	2	A	Reserpine	Serpasil	2	B
Piquindone		2	A	Rilmazafone		2	A
Prazepam	Verstran, Centrax	2	A	Risperidone		2	A
Prilocaine	Citanest	2	A	Ritanserlin		2	A
Prochlorperazine	Darbazine, Compazine	2	A	Rivastigmine	Exelon	2	A
				Rofecoxib	Vioxx	2	B
Propanidid		2	A	Romifidine	Sedivet	2	B
Propiomazine	Largon	2	A	Ropivacaine	Naropin	2	A
Propionylpromazine	Tranvet	2	B	Secobarbital (Quinalbarbitone)	Seconal	2	A
Propiram		2	A	Selegiline	Eldepryl, Jumex	2	A
Propofol	Diprivan, Disoprivan	2	A	Sertraline	Lustral, Zoloft	2	A
Propoxycaine	Ravocaine	2	A	Snake Venoms		2	A
Prothipendyl	Dominal	2	A	Spiclomazine		2	A
Protriptyline	Concordin, Triptil	2	A	Spiperone		2	A
Proxibarbitol	Axeen, Centralgol	2	A	Succinylcholine	Sucostrin, Quelin, etc.	2	A
Pyrrithyldione	Hybersulfan, Sonodor	2	A	Sulfondiethylmethane		2	A
Quazipam	Doral	2	A	Sulfonmethane		2	A

Listing by Classification

Class 2: Drugs that have a high potential to affect performance, but less of a potential than Class 1. These drugs are 1) not generally accepted as therapeutic agents in racing horses, or 2) they are therapeutic agents that have a high potential for abuse.

Drug	Trade Name	Drug Class	Penalty Class	Drug	Trade Name	Drug Class	Penalty Class
Sulfonidazine	Inofal	2	A	Tribromethanol		2	A
Sulpiride	Aiglonyl, Sulpitol	2	A	Tricaine methanesulfonate	Finquel	2	A
Sultopride	Barnetil	2	A	Trichloroethanol		2	A
Talbutal	Lotusate	2	A	Trichloroethylene	Trilene, Trimar	2	A
Tandospirone		2	A	Triclofos	Triclos	2	A
Temazepam	Restoril	2	A	Trifluomeprazine	Nortran	2	A
Tetrabenazine	Nitoman	2	A	Trifluoperazine	Stelazine	2	A
Tetracaine	Pontocaine	2	B	Trifluperidol	Triperidol	2	A
Tetrazepam	Musaril, Myolastin	2	A	Triflupromazine	Vetame, Vesprin	2	A
Thebaine		2	A	Trimipramine	Surmontil	2	A
Thialbarbital	Kemithal	2	A	Tubocurarine (Curare)	Metubin	2	A
Thiamylal	Surital	2	A	Tybamate	Benvil, Nospan, etc.	2	A
Thiethylperazine	Torecan	2	A	Urethane		2	A
Thiopental	Pentothal	2	A	Valdecobix		2	B
Thiopropazate	Dartal	2	A	Valnoctamide	Nirvanyl	2	A
Thiopropazine	Majeptil	2	A	Venlafaxine	Efflexor	2	A
Thioridazine	Mellaril	2	A	Veralipride	Accional, Veralipril	2	A
Thiothixene	Navane	2	A	Vercuronium	Norcuron	2	A
Tiapride	Italprid, Luxoben, etc.	2	A	Viloxazine	Catatrol, Vivalan, etc.	2	A
Tiletamine	Component of Telazol	2	A	Vinbarbital	Delvinol	2	A
Timiperone	Tolopelon	2	A	Vinylbital	Optanox, Speda	2	A
Tofisopam	Grandaxain, Seriel	2	A	Yohimbine		2	A
Topirimate	Topamax	2	A	Zolazepam		2	A
Tramadol	Ultram	2	A	Zolpidem	Ambien, Stilnox	2	A
				Zomepirac	Zomax	2	B
Tranlycypromine	Parnate	2	A	Zopiclone	Imovan	2	A
Trazodone	Desyrel	2	A	Zotepine	Lodopin	2	A
Triazolam	Halcion	2	A	Zuclopenthixol	Ciatyl, Cesordinol	2	A

Listing by Classification

Class 3: Drugs that may or may not have generally accepted medical use in the racing horse, but the pharmacology of which suggests less potential to affect performance than drugs in Class 2.

Drug	Trade Name	Drug Class	Penalty Class	Drug	Trade Name	Drug Class	Penalty Class
19-Norandrostenediol		3	B	Bumetanide	Bumex	3	B
19-Norandrostenedione		3	B	Butorphanol	Stadol, Torbugesic	3	B
4-Hydroxytestosterone		3	B	Candesartan	Atacand	3	B
Acebutolol	Sectral	3	B	Captopril	Capolen	3	B
Acepromazine	Atrovet, Notensil, PromAce®	3	B	Carazolol	Carbacel, Conducton	3	A
Albuterol (Salbutamol)	Proventil, Ventolin	3	B	Carbachol	Lentin, Doryl	3	B
Alprenolol		3	A	Carbamezapine	Tegretol	3	B
Ambenonium	Mytelase, Myeuran	3	B	Carbinoxamine	Clistin	3	B
Aminophylline	Aminophyllin, etc.	3	B	Carteolol	Cartrol	3	B
Amlodipine	Norvasc	3	A	Carvedilol	Coreg	3	B
				Celecoxib	Celebrex	3	B
				Cimeterol		3	A
Amyl nitrite		3	A	Clausterone	Methosorb	3	B
Arecoline		3	A				
Atenolol	Tenormin	3	B	Clenbuterol	Ventipulmin	3	B
Atropine		3	B	Clonidine	Catapres	3	B
				Clostebol		3	B
Betaxolol	Kerlone	3	B	Cyclandelate	Cyclospasmol	3	A
Bethanidine	Esbatal	3	A	Cycrimine	Pagitane	3	B
				Danazol	Danocrine	3	B
Biperiden	Akineton	3	A	Dehydrochloromethyl-testosterone		3	B
				Deracoxib ²		3	C
Bisoprolol	Zebeta, Bisobloc, etc.	3	B	Desoxymethyl-testosterone		3	B
Bitolterol	Effectin	3	B	Detomidine	Dormosedan	3	B
Bolasterone		3	B	Dextropropoxyphene	Darvon	3	B
Boldenone	Equipoise	3	B	Diazoxide	Proglycem	3	B
Boldione		3	B	Diflunisal		3	C
Bretylium	Bretylol	3	B	Dimeflin		3	A
Brimonidine	Alphagan	3	B	Diphenhydramine	Benadryl	3	B
Bromfenac	Duract	3	A	Dipyridamole	Persantine	3	B
Bromodiphenhydramine		3	B	Dobutamine	Dobutrex	3	B
Bufexamac		3	B				

Listing by Classification

Class 3: Drugs that may or may not have generally accepted medical use in the racing horse, but the pharmacology of which suggests less potential to affect performance than drugs in Class 2.

Drug	Trade Name	Drug Class	Penalty Class	Drug	Trade Name	Drug Class	Penalty Class
Doxylamine	Decapryn	3	B	Irbesarten	Avapro	3	A
Dyphylline		3	B	Isoetharine	Bronkosol	3	B
Edrophonium	Tensilon	3	B	Isosorbide dinitrate	Isordil	3	B
Enalapril (metabolite enalaprilat)	Vasotec	3	B	Kebuzone		3	B
Ergoloid mesylates		3	C	Ketorolac	Toradol	3	B
Erthryl tetranitrate	Cardilate	3	A	Labetalol	Normodyne	3	B
Esmolol	Brevibloc	3	B	Losartan	Hyzaar	3	B
Ethylestrenol	Maxibolin, Organon	3	B				
Etamiphylline		3	B	Mabuterol		3	A
Ethacrynic acid	Edecrin	3	B	Mecamylamine	Inversine	3	B
Ethylnorepinephrine	Bronkaphrine	3	A	Medetomidine	Domitor	3	B
Etodolac	Lodine	3	C	Mefenamic acid	Ponstel	3	B
Fenbufen	Gincopal	3	B				
Fenoldopam	Corlopam	3	B	Mestanolone		3	B
Fenopropfen	Nalfon	3	B				
Fenoterol	Berotec	3	B	Mesterolone		3	B
Fenspiride	Respiride, Respan, etc	3	B	Metaproterenol	Alupent, Metaprel	3	B
Fentiazac		3	B	Metenolone		3	B
Flufenamic acid		3	B				
Fluoxymesterone	Halotestin	3	B				
Flupirtine	Katadolone	3	A	Methacholine		3	A
Flurbiprofen	Froben	3	B	Methandienone		3	B
Formebolone		3	B	Methandriol	Probolic	3	B
Formoterol	Altram	3	B	Methasterone		3	B
Furazabol		3	B	Methixene	Trest	3	A
Gabapentin	Neurontin	3	B	Methoxamine	Vasoxyl	3	A
Gestrinone		3	B	Methoxyphenamine	Orthoxide	3	A
Glycopyrrolate	Robinul	3	B	Methyl-1-testosterone		3	B
Guanadrel	Hylorol	3	A	Methylatropine		3	B
Guanethidine	Ismelin	3	A	Methyldienolone		3	B
Guanabenz	Wyntensin	3	B	Methyldopa	Aldomet	3	A
Heptaminol	Corofundol	3	B	Methylnortestosterone		3	B
Homatropine	Homapin	3	B	Methyltestosterone	Metandren	3	B
Hydralazine	Apresoline	3	B	Metolazone		3	B
Indomethacin	Indocin	3	B	Metoprolol	Lopressor	3	B
Ipratropium		3	B	Mibefradil	Posicor	3	B

Listing by Classification

Class 3: Drugs that may or may not have generally accepted medical use in the racing horse, but the pharmacology of which suggests less potential to affect performance than drugs in Class 2.

Drug	Trade Name	Drug Class	Penalty Class	Drug	Trade Name	Drug Class	Penalty Class
Mibolerone		3	B	Phenylpropanolamine	Propadrine	3	B
Midodrine	Pro-Amiline	3	B	Physostigmine	Eserine	3	A
Minoxidil	Loniten	3	B	Pindolol	Viskin	3	B
Moexipril (metabolite moexiprilat)	Uniretic	3	B	Pirbuterol	Maxair	3	B
Muscarine		3	A	Piretanide	Arelix, Tauliz	3	B
Nabumetone	Anthraxan, Relafen, Relifex	3	B	Piroxicam	Feldene	3	B
Nadolol	Corgard	3	B	Prazosin	Minipress	3	B
Naratriptan	Amerge	3	B	Primidone	Mysoline	3	B
<u>Nandrolone</u>	<u>Nandrolin, Laurabolin, Durabolin</u>	3	B				
Nefopam		3	A	Procaine		3	B
Neostigmine	Prostigmine	3	B	Procaterol	Pro Air	3	A
Niflumic acid	Nifluril	3	B				
Nimesulide		3	B				
Nitroglycerin		3	B	Procyclidine	Kemadrin	3	B
Norbolethone		3	B	Promazine	Sparine	3	B
Norclostebol		3	B	Promethazine	Phenergan	3	B
Norethandrolone		3	B	Propentophylline	Karsivan	3	B
Oxabolone		3	B	Propranolol	Inderal	3	B
Oxandrolone	Anavar	3	B				
Oxprenolol	Trasicor	3	B	Prostanazol		3	B
Oxymesterone		3	B	Protokylol	Ventaire	3	A
Oxymetholone	Adroyd, Andarol	3	B				
Papaverine	Pavagen, etc.	3	A	Pseudoephedrine	Cenafed, Novafed	3	B
Paramethadione	Paradione	3	A	Pyridostigmine	Mestinon, Regonol	3	B
Pargyline	Eutonyl	3	A	Pyrilamine	Neoantergan, Equihist	3	B
Penbutolol	Levatol	3	B	Quinbolone		3	B
Pentaerythritol tetranitrate	Duotrate	3	A	Ractopamine	Raylean	3	B
Pentazocine	Talwin	3	B	Ritodrine	Yutopar	3	B
Phenoxybenzamine	Dibenzylamine	3	B	Rizatriptan	Maxalt	3	B
Phentolamine	Regitine	3	B	Salmeterol		3	B
Phenylephrine	Isophrin, Neo-Synephrine	3	B	Scopolamine (Hyoscine)	Triptone	3	B

Listing by Classification

Class 3: Drugs that may or may not have generally accepted medical use in the racing horse, but the pharmacology of which suggests less potential to affect performance than drugs in Class 2.

Drug	Trade Name	Drug Class	Penalty Class
Sibutramine	Meridia	3	B
Sotalol	Betapace, Sotacor	3	B
<u>Stanozolol</u>	<u>Winstrol-V</u>	<u>3</u>	<u>B</u>
Stenbolone		3	B
Sulindac	Clinoril	3	B
Sumatriptan	Imitrex	3	B
Telmisartin	Micardis	3	B
Tenoxicam	Alganex, etc.	3	B
Tepoxalin		3	C
Terbutaline	Brethine, Bricanyl	3	B
Testolactone	Teslac	3	B
<u>Testosterone</u>		<u>3</u>	<u>B</u>
Tetrahydrogestrinone		3	B
Theophylline	Aqualphyllin, etc.	3	B
Tiaprofenic acid	Surgam	3	B
Timolol	Blocadrin	3	B
Tolazoline	Priscoline	3	B
Tolmetin	Tolectin	3	B
Torsemide (Torasemide)	Demadex	3	B
Trandolapril (and metabolite, Trandolaprilat)	Tarka	3	B
Trenbolone	Finoplix	3	B
Trihexylphenidyl	Artane	3	A
Trimethadione	Tridione	3	B
Trimethaphan	Arfonad	3	A
Tripelennamine	PBZ	3	B
Valerenic acid		3	C
Valsartan	Diovan	3	B
Xylazine	Rompun, Bay Va 1470	3	B
Zolmitriptan	Zomig	3	B
Δ -1-androstene-3,17-diol		3	B
Δ -1-androstene-3,17-dione		3	B
Δ -1-dihydrotestosterone		3	B
Zonisamide	Zonegran	3	B

Listing by Classification

Class 4: This class includes therapeutic medications that would be expected to have less potential to affect performance than those in Class 3.

Drug	Trade Name	Drug Class	Penalty Class	Drug	Trade Name	Drug Class	Penalty Class
Acetaminophen (Paracetamol)	Tylenol, Tempra, etc.	4	C	Baclofen	Lioresal	4	B
Acetanilid		4	B	Beclomethasone	Propaderm	4	C
Acetazolamide	Diamox, Vetamox	4	B	Benazepril	Lotrel	4	B
Acetophenetidin (Phenacetin)		4	B	Bendroflumethiazide	Naturetin	4	B
Acetylsalicylic acid (Aspirin)		4	C				
				Benoxinate	Dorsacaine	4	C
Acclomethasone	Aclovate	4	C	Benzocaine		4	C
Aldosterone	Aldocortin, Electro cortin	4	B	Benzthiazide		4	B
Ambroxol	Ambriol, etc.	4	B	Bepidil	Bepadin	4	B
Amcinonide	Cyclocort	4	C	Betamethasone	Betasone, etc.	4	C
Aminocaproic acid	Amicar, Caprocid	4	C	Bethanechol	Urecholine, Duvoid	4	C
Aminodarone		4	B	Boldenone	Equipoise	4	D
2-Aminoheptaine	Tuamine	4	B	Bromhexine	Oletor, etc.	4	C
Aminopyrine		4	B	Brompheniramine	Dimetane, Disomer	4	B
Amisometradine	Rolictron	4	B	Budesonide	Pulmacort, Rhinocort	4	C
Amlopidine	Norvasc, Ammivin	4	B	Butacaine	Butyn	4	B
Amrinone		4	B	Butamben (butyl aminobenzoate)	Butesin	4	C
Anisotropine	Valpin	4	B	Butoxycaine	Stadacain	4	B
Antipyrine		4	B				
Apazone (Azapropazone)	Rheumox	4	B	Camphor		4	C
Aprindine		4	B	Carisoprodol	Relo, Soma	2	B

Listing by Classification

Class 4: This class includes therapeutic medications that would be expected to have less potential to affect performance than those in Class 3.

Drug	Trade Name	Drug Class	Penalty Class	Drug	Trade Name	Drug Class	Penalty Class
Carprofen		4	C	Cyproheptadine	Periactin	4	C
Chlomerodrin	Neohydrin	4	B	Dantrolene	Dantrium	4	C
Chlorophenesin	Maolate	4	C	Dembroxol (Dembrexine)	Sputolysin	4	C
Chloroquine	Avloclor	4	C	Deoxycorticosterone	Percortin, DOCA, Descotone, Dorcostrin	4	C
Chlorothiazide	Diuril	4	B				
Chlorpheniramine	Chlortrimeton, etc.	4	B	Desonite	Des Owen	4	C
Chlorthalidone	Hydroton	4	B	Desoximetasone	Topicort	4	C
Chlorzoxazone	Paraflex	4	B	Dexamethasone	Azium, etc.	4	C
Cinchocaine	Nupercaine	4	C	Dextromethorphan		4	C
Clanobutin		4	C				
Clibucaine	Batrax	4	C	Dibucaine	Nupercainal, Cinchocaine	4	C
Clidinium	Quarezan, Clindex, etc.	4	B	Dichlorphenamide	Daramide	4	C
Clobetasol	Temovate	4	C	Diclofenac	Voltaren, Voltarol	4	C
Clocortolone	Cloderm	4	C	Diflorasone	Florone, Maxiflor	4	C
Clofenamide		4	B	Diflucortolone	Flu-Cortinest, etc.	4	C
Clormecaine	Placacid	4	C				
Colchicine		4	B	Digitoxin	Crystodigin	4	B
Cortisone	Cortone, etc.	4	C	Digoxin	Lanoxin	4	B
Cyclizine	Merazine	4	B	Dihydroergotamine		4	C
Cyclobenzaprine	Flexeril	4	B	Diltiazem	Cardizem	4	B
Cyclomethylcaine	Surfacaine	4	C	Dimethisoquin	Quotane	4	B
Cyclothiazide	Anhydron, Renazide	4	B	Diphenoxylate	Difenoxin, Lomotil	4	B

Listing by Classification

Class 4: This class includes therapeutic medications that would be expected to have less potential to affect performance than those in Class 3.

Drug	Trade Name	Drug Class	Penalty Class	Drug	Trade Name	Drug Class	Penalty Class
Dipyron	Novin, Methampyrone	4	C	Floctafenine	Idalon, Idarac	4	B
Disopyramide	Norpac	4	B	Flucinolone	Synalar, etc.	4	C
Dromostanolone	Drolban	4	C	Fludrocortisone	Alforone, etc.	4	C
Dyclonine	Dyclone	4	C				
Eltenc		4	C	Flumethasone	Flucort, etc.	4	C
Ergonovine	Ergotrate	4	C	Flumethiazide	Ademol	4	B
Ergotamine	Gynergen, Cafergot, etc.	4	C	Flunarizine	Sibelium	4	B
Etanercept	Enbrel	4	B	Flunisolide	Bronilide, etc.	4	C
Ethoheptazine	Zactane	4	B	Flunixin	Banamine	4	C
Ethosuximide	Zarontin	4	B	Fluocinolone	Synalar	4	C
Ethotoin	Peganone	4	B	Fluocinonide	Licon, Lidex	4	C
Ethoxzalamide	Cardrase, Ethamide	4	C	Fluoroprednisolone	Predef-2X	4	C
Ethylaminobenzoate (Benzocaine)	Semets, etc.	4	C				
				Fluprednisolone	Alphadrol	4	C
				Flurandrenolide	Cordran	4	C
Felodipine	Plendil	4	B				
				Fluticasone	Flixonase, Flutide	4	C
				Guaifenesin (glycerol guiacolate)	Gecolate	4	C
				Halcinonide	Halog	4	C
Fexofenadine	Allegra	4	C	Halobetasol	Ultravate	4	C
Firocoxib		4	C	Hexocyclium	Tral	4	B
Flecainide	Idalon	4	B				

Listing by Classification

Class 4: This class includes therapeutic medications that would be expected to have less potential to affect performance than those in Class 3.

Drug	Trade Name	Drug Class	Penalty Class	Drug	Trade Name	Drug Class	Penalty Class
Hexylcaine	Cyclaine	4	C	Meloxicam	Mobic	4	C
Hydrochlorothiazide	Hydrodiuril	4	C	Mepenzolate	Cantil	4	B
Hydrocortisone (Cortisol)	Cortef, etc.	4	C	Mephenesin	Tolserol	4	B
Hydroflumethiazide	Saluron	4	B	Meralluride	Mercuhydrin	4	B
Ibuprofen	Motrin, Advil, Nurpin, etc.	4	B or C	Merbaphen	Novasural	4	B
				Mercaptomerin	Thiomerin	4	B
Infliximab	Remicade	4	B	Mercumalilin	Cumertilin	4	B
Isoflupredone	Predef	4	C	Mersalyl	Salyrgan	4	B
Isometheptene	Octin, Octon	4	B	Metaxalone	Skelaxin	4	B
Isopropamide	Darbid	4	B				
				Methandrostenolone	Dianabol	4	C
Isoxsuprine	Vasodilan	4	C	Methantheline	Banthine	4	B
Isradipine	DynaCirc	4	B	Methapyrilene	Histadyl, etc.	4	B
Ketoprofen	Orudis	4	C	Methazolamide	Naptazane	4	C
Letosteine	Viscotiol, Visiotal	4	C	Methdilazine	Tacaryl	4	B
				Methocarbamol	Robaxin	4	C
Loratidine	Claritin	4	B	Methotrexate	Folex, Nexate, etc.	4	B
Meclizine	Antivert, Bonine	4	B	Methscopolamine	Pamine	4	B
Meclofenamic acid	Arquel	4	C	Methsuximide	Celontin	4	B
Medrysone	Medriusar, etc.	4	C	Methylchlorothiazide	Enduron	4	B
				Methandrostenolone	Dianabol	4	C

Listing by Classification

Class 4: This class includes therapeutic medications that would be expected to have less potential to affect performance than those in Class 3.

Drug	Trade Name	Drug Class	Penalty Class	Drug	Trade Name	Drug Class	Penalty Class
Methylergonovine	Methergine	4	C	Orphenadrine	Norfex	4	B
Methylprednisolone	Medrol	4	C				
				Oxaprozin	Daypro, Deflam	4	C
Methysergide	Sansert	4	B	Oxymetazoline	Afrin	4	B
Metiamide		4	B				
Metoclopramide	Reglan	4	C	Oxyphenbutazone	Tandearil	4	C
Mexilitine	Mexilil	4	B	Oxyphencyclimine	Daricon	4	B
Milrinone		4	B	Oxyphenonium	Antrenyl	4	B
Mometasone	Elocon	4	C	Paramethasone	Haldrone	4	C
Montelukast	Singulair	4	C	Pentoxyfylline	Trental, Vazofirin	4	C
				Phenacemide	Phenurone	4	B
Naepaine	Amylsine	4	C	Phensuximide	Milontin	4	B
Nandrolone	Nandrolin, Laurabolin, Durabolin	4	D	Phenylbutazone		4	C
Naphazoline	Privine	4	B	Phenytoin	Dilantin	4	B
Naproxen	Equiproxen, Naprosyn	4	C				
Nicardipine	Cardine	4	B	Polythiazide	Renese	4	B
Nifedipine	Procardia	4	B	Pramoxine	Tronothaine	4	C
				Prednisolone	Delta-Cortef, etc.	4	C
				Prednisone	Meticorten, etc.	4	C
Nimodipine	Nemotop	4	B	Probenecid		4	C
Norethandrone		4	C	Procainamide	Pronestyl	4	B
Nortestosterone		4	C				

Listing by Classification

Class 4: This class includes therapeutic medications that would be expected to have less potential to affect performance than those in Class 3.

Drug	Trade Name	Drug Class	Penalty Class	Drug	Trade Name	Drug Class	Penalty Class
Propafenone	Rythmol	4	B	Tocainide	Tonocard	4	B
Propantheline	Pro-Banthine	4	B				
Proparacaine	Ophthaine	4	C	Tranexamic acid		4	C
Propylhexedrine	Benzedrex	4	B				
Quinidine	Quinidex, Quinocardine	4	B	Triamcinolone	Vetalog, etc.	4	C
				Triamterene	Dyrenium	4	B
Salicylamide		4	C	Trichlormethiazide	Naqua, Naquasone	4	C
Salicylate		4	C	Tolmetin	Tolectin	4	B
Spironalactone	Aldactone	4	B	Tridihexethyl	Pathilon	4	B
Stanozolol	Winstrol-V	4	D	Trimeprazine	Temaril	4	B
Sulfasalazine	Azulfidine, Azaline	4	C	Tripolidine	Actidil	4	B
				Tuaminoheptane	Tuamine	4	C
				Vedaprofen		4	C
Terfenadine	Seldane, Triludan	4	B	Verapamil	Calan, Isoptin	4	B
Testosterone		4	D	Xylometazoline	Otrivin	4	B
Tetrahydrozoline	Tyzine	4	B	Zafirlukast	Accolate	4	C
Theobromine		4	C	Zeranol	Ralgro	4	C
Thiosalicylate		4	C	Zileuton	Zyflo	4	C
Thiphenamil	Trocinate	4	B				

Listing by Classification

Class 5: This class includes *the following* therapeutic medications for which concentration limits have been established.

Drug	Trade Name	Drug Class	Penalty Class
Anisindione		5	D
Cilostazol	Pletal	5	D
Cimetidine	Tagamet	5	D
Cromolyn	Intel	5	D
Dicumarol	Dicumarol	5	D
Dimethylsulfoxide (DMSO)	Domoso	5	D
Dimethylsulphone (MSM)		5	D
Diphenadione		5	D
Famotidine	Gaster, etc.	5	D
Lansoprazole		5	D
Misoprostel	Cytotec	5	D
Nedocromil	Tilade	5	D
Nizatidine	Axid	5	D
Omeprazole	Prilosec, Losec	5	D
Phenindione	Hedulin	5	D
Phenprocoumon	Liquamar	5	D
Pirenzapine	Gastrozepin	5	D
Ranitidine	Zantac	5	D
Warfarin	Coumadin, Coufarin	5	D

STAFF ANALYSIS
DISCUSSION REGARDING CONSIDERATION OF RAISING THE MINIMUM
STARTER OR PARTICIPATION FEE IN ALL THOROUGHBRED RACES AND
THE IMPACT ON PURSES

Regular Board Meeting
May 20, 2008

BACKGROUND

Business and Professions Code section 19420 provides that jurisdiction and supervision over meetings in this State where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings, is vested in the California Horse Racing Board. Business and Professions Code section 19440 states the Board shall have all powers necessary and proper to enable it to carry out 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 pari-mutual wagering.

Business and Professions Code section 19613.1 (a) provides that with respect to thoroughbred racing, the Board shall determine which matters shall be the subject of negotiation and contract between the owners' organization and the association, and which matters shall be the subject of negotiation and contract between the trainers' organization and the association. Subdivision (b) provides the owners' organization shall generally be responsible for negotiating purse agreements, satellite simulcast agreements, and all other business agreements relating to the conduct of racing that affect the owners. Subdivision (c) provides the board shall resolve issues that are not settled between the associations and the organizations representing owners and trainers.

Business and Professions Code section 19605.75 provides for redistribution of the pari-mutual handle on exotic wagers to provide a fund to offset the escalating costs incurred by trainers and owners conducting business in the California horse racing industry. Every thoroughbred association and fair that conducts a racing meet shall deduct an additional 0.5 percent of the total amount handled in exotic pari-mutuel pools of thoroughbred races to go into said fund.

Business and Professions Code section 19607.2 states when satellite wagering is conducted on thoroughbred races at associations or fairs in the northern zone, an amount not to exceed 1.25 percent of the total amount handled by all of those satellite wagering facilities, shall be deducted from the funds otherwise allocated for distribution as commissions, purses, and owners' premiums and instead distributed to an organization formed and operated by thoroughbred racing associations, fairs conducting thoroughbred racing, and the organization representing thoroughbred horsemen, with each party having meaningful representation on the board of the organization, to

administer, pursuant to supervision of the Board, a fund to provide reimbursement for offsite stabling at Board-approved auxiliary training facilities of racing associations or fairs for additional stalls beyond the number of usable stalls the association is required to make available and maintain pursuant to Section 19535, **for starter fees** and for the vanning of starters from these additional stalls on race days for thoroughbred horses.

ANALYSIS

Business and Professions Code section 19613.1 provides that the racing associations and organization representing owners are given negotiating powers to determine contractual agreements regarding the business relating to the conduct of racing affecting owners. For thoroughbred owners, the representing organization which negotiates the contracts is Thoroughbred Owners of California (TOC).

Starter Fees are monies paid to the owner of a horse which starts in a horse race at a California racetrack. In the North, additional fees are paid to the owner of a horse shipped from an auxiliary facility which starts in a race. The additional fee is intended to subsidize the vanning and stabling costs incurred by the owners. These fees are negotiated and are represented in the horsemen's agreement between the TOC and Racing association. For your reference, attached is a copy of the most recent TOC agreement from the Northern and Southern regions, which outline the negotiated amounts and guidelines for starter fees. Currently the minimum starter fee is:

Northern California Thoroughbred Meets

\$300 - to all starters finishing 6th or worse in any overnight race, other than overnight stakes races, and to fifth place finishers if their 2 ½ % share of the purse is less than \$300.00, wherein said fifth place finisher will receive an aggregated maximum of \$300.00 (Paid to owner)

\$290 - to starters shipped from Pleasanton (Paid to owner)

\$115 - (voucher) to starters shipped from Golden Gate Fields or Bay Meadows (Paid to whoever vans in the horse)

Southern California Thoroughbred Meets

\$400 - to all starters finishing 6th or worse in any overnight race, other than overnight stakes races, and to fifth place finishers if their 2 % share of the purse is less than \$400.00, wherein said fifth place finisher will receive an aggregated maximum of \$400.00 (Paid to owner)

Consideration of raising the minimum starter fees was placed on the agenda for discussion at the request of Chariman Shapiro.

RECOMMENDATION

This item is presented for discussion; the Board may wish to hear from interested parties.

5. Purses for straight maiden races shall be a minimum of \$29,000 short; except that 2 furlong two-year-old maiden races will have a purse of \$25,000;
6. Purses paid for two- and three-year-old horses shall be equal to purses paid for races for older horses for the same type of race;
7. Purses for "Cal-Bred" races, excluding supplements from the California Bred Race Fund, shall be equivalent to purses paid in "open" races for substantially the same class and conditions;
8. Overnight purses shall not exceed Forty Thousand Dollars (\$40,000.00) for each such race written provided further that Overnight stakes shall not exceed Fifty Thousand Dollars (\$50,000.00) for each such race written excluding any purse money generated from the Cal-Bred Fund and the TOC Cal-Bred Incentive Program;
9. Purses for all races during the 2008 Spring Meet will be divided as follows:
 - 60% shall be paid to the winning owner;
 - 20% for second;
 - 12% for third;
 - 6% for fourth; and,
 - 2% for fifth.
10.  A \$300.00 Starter Fee, funded by payments from the California Thoroughbred Business League, pursuant to *Business & Professions Code Section 19605.75*, shall be paid to all starters effectively finishing 6th or worse in any overnight race, other than overnight stakes races, and to fifth place finishers if their two and one half percent (2 ½ %) share of the purse is less than \$300.00, wherein said fifth place finisher will receive an aggregated maximum of \$300.00. For purposes of the payment of such starters fees, a "starter" means any horse that which leaves the gate at the official start of a race, and is considered a legal starter by the Stewards;
11. A schedule of types and conditions for all overnight races to be run by TRACK during the 2008 Spring Meet and purses paid for such races is attached hereto as Exhibit A-1. TRACK shall not schedule any different type of race, provide for different conditions or change purses from that provided in Exhibit A-1 without first obtaining the written approval of TOC, which will not be unreasonably withheld;
12. Entries will not be taken less than 72 hours prior to the day on which such entered horses are scheduled to run;
13. TRACK agrees to use the "date" system for purposes of determining which horses have priority when entering races; and

R.H. D.J.C. 

war; labor difficulties; strikes; order of any governmental authority directing the cessation of racing; failure of TRACK to obtain the necessary racing license from the California Horse Racing Board; failure of TOC to comply with TOC's obligations hereunder; and/or destruction of the racing plant of TRACK by fire or other casualty, shall be prevented from conducting one (1) or more days of scheduled Thoroughbred racing, then sums otherwise payable by TRACK hereunder shall be proportionately reduced for each day that TRACK is prevented from operating.

XVI.

STABLING AT AND VANNING FROM AUXILIARY STABLING FACILITIES

TRACK shall, at least 60 days prior to the opening of its 2008 Spring Meet, notify the California Horse Racing Board and TOC that Bay Meadows Racing Association will be available to TRACK as an auxiliary stabling facility so long as such can be accomplished without compensation of any nature whatsoever, direct or indirect, by TRACK for such facility other than such compensation as will be payable to Bay Meadows Racing Association from the Stabling and Vanning fund established by the enactment of SB 27. If Bay Meadows ceases to operate, TRACK will find, in cooperation with TOC and CTT, suitable alternate stabling facilities and will notify the CHRB of this change. If agreed upon in writing by TRACK, TOC, and CTT, the TRACK at the auxiliary training facility maybe closed for training purposes one day per week.

TRACK agrees to provide a regulatory vet at Bay Meadows on an "as needed" basis and, as needed at Pleasanton by appointment only to provide trainers and owners the opportunity to have any horse or horses, removed from the vet's list. This regulatory vet would observe the required work and draw blood at the off-site location so that the horse can be removed from the vet's list without having to be shipped to the on-track facility.



TOC and TRACK agree to use their best efforts to cause eligible horsemen to be reimbursed promptly for vanning as provided in accordance with the applicable provisions of the California Horse Racing Law. TRACK agrees to create a voucher system subject to TOC's written approval whereby TRACK makes payment directly to whoever vans in an entered horse which actually runs and returns to Bay Meadows pursuant to the rules of the voucher system. Said payment shall be in the amount of \$115.00 for horses shipping from Bay Meadows. Horses stabled at any other offsite facility shall not be eligible for said payment



TRACK agrees to vote to pay from the stabling and vanning fund a starter's fee in the amount of \$290.00 to the owner of any horse stabled at Pleasanton that starts in a race at TRACK's 2008 Spring Meet. Said Pleasanton-stabled horse will not be eligible to receive additional recompense for vanning.

R.H.

D.J.C.

7. Purses for "Cal-Bred" races shall be equivalent to purses paid in "open" races for substantially the same class and conditions, excluding any CTBA purse supplements
8. Overnight purses shall not exceed \$65,000 for each such race written, provided further that overnight stakes races shall be run for a maximum purse of Seventy-five Thousand dollars \$75,000, excluding supplements from the Cal-Bred Race Fund or any other supplements;
9. Purses for all races run during the 2008 Spring-Summer Meet shall be divided and paid to the owner(s) of the horses finishing first through fifth and shall be divided as follows:
 - Sixty percent (60%) of the purse to the winning owner.
 - Twenty (20%) for second;
 - Twelve (12%) for third;
 - Six (6%) for fourth; and,
 - Two (2%) for fifth.
- ➔ 10. A \$400.00 Starter Fee, funded by payments from the California Thoroughbred Business League, pursuant to *Business & Professions Code Section 19605.75*, shall be paid to all starters effectively finishing 6th or worse in any overnight race, other than overnight stakes races, and to fifth place finishers if their two percent (2%) share of the purse is less than \$400.00, wherein said fifth place finisher will receive an aggregated maximum of \$400.00. For purposes of the payment of such starters fees, a "starter" means any horse that which leaves the gate at the official start of a race, and is considered a legal starter by the Stewards;
11. Unless otherwise agreed upon by TRACK and TOC, entries will be taken not less than three (3) calendar days prior to the day on which such entered horses are scheduled to run.
12. TRACK agrees to use the "date" system for purposes of determining which horses have priority when entering races.

For purposes of all of the above subsections, "short" shall mean race distances less than one mile and "long" shall mean race distances equal to or greater than one mile.

C. Purses Generated from Interest on Paymaster of Purses Account

1. TOC and TRACK agree to meet at least 30 days prior to the commencement of the 2008 Spring-Summer Meet to discuss the amount of projected interest

XV.

FIRST POST TIME

All Post times for the 2008 Spring-Summer Meet must be submitted for approval of the CHRB in TRACK's initial application for license. Any changes in Post time following the opening of the 2008 Spring-Summer Meet must be submitted concurrently to CHRB and TOC.

XVI.

INTERRUPTED RACING SCHEDULES: FORCE MAJEURE

If TRACK for any reason beyond its control such as, but not limited to: an act of God; war; labor difficulties; strikes; order of any governmental authority directing the cessation of racing, failure of TRACK to obtain the necessary racing license from the California Horse Racing Board; failure of TOC to comply with TOC's obligations hereunder; and/or destruction of the racing plant of TRACK by fire or other casualty shall be prevented from conducting one (1) or more days of scheduled Thoroughbred racing, then sums otherwise payable by TRACK hereunder shall be proportionately reduced for each day that TRACK is prevented from operating.

XVII.

STABLING AT AND VANNING FROM AUXILIARY STABLING FACILITIES

TRACK shall, at least 60 days prior to the opening of its 2008 Spring-Summer Meet, notify the California Horse Racing Board and TOC that Santa Anita, Pomona and San Luis Rey Downs will be acceptable to TRACK as auxiliary stabling facilities so long as such can be accomplished without compensation of any nature whatsoever, direct or indirect, by TRACK to such facilities other than such compensation as provided in the California Horse Racing Law.

TOC and TRACK agree to use their best efforts to cause eligible horsemen to be reimbursed promptly for vanning as provided in Sections 19535(b) and 19605.7(d) of the *Business and Professions Code*.

TRACK agrees to provide to TOC a monthly written report on the occupancy and/or availability of stalls both at TRACK and at auxiliary facilities for which TRACK is required to pay compensation pursuant to the California Horse Racing Law.

STAFF ANALYSIS
REQUEST FOR A DECREASE IN
THE STABLING AND VANNING FUND RATE
FOR HOLLYWOOD PARK DURING THE 2008 RACING YEAR

Regular Board Meeting
May 20, 2008

BACKGROUND

Business and Professions Code (B&P) section 19607, provides that when satellite wagering is conducted on thoroughbred racing at associations or fairs for the central or southern zones, a maximum of 1.25 percent of the total amount handled be deducted to provide reimbursement for offsite stabling and vanning of starters from those additional stalls on race days for thoroughbred horses. Further, B&P code section 19607.1 (f), provides for adjustments to the stabling and vanning fund rate at the discretion of the Board; however, the adjusted amount may not exceed 1.25 percent.

ANALYSIS

The organization that administers the central or southern zones stabling and vanning fund is the Southern California Off-Track Wagering, Inc. (SCOTWINC). On March 27, 2003 the Board approved the current rate for stabling and vanning at 1.06 percent. Currently the stabling and vanning fund has a surplus of \$3.1 million. SCOTWINC plans to use these funds to improve racing and training facilities in the central zone which includes Los Angeles and Orange County. Further, SCOTWINC claims that the current surplus will shrink to \$1.6 million after 2008.

In the event that Hollywood Park may cease operations it will not benefit from the current fund surplus of \$3.1 million. In an effort to restore the lost benefit from the current fund surplus to Hollywood Park, SCOTWINC requests the Board approve an adjustment to the stabling and vanning rate for Hollywood Park from 1.06 to 0.89 percent. This adjustment will restore benefits to Hollywood Park by creating saving of \$236,000. The adjusted rate will apply during the 2008-racing season and will cease once Hollywood Park reaches the above savings amount. The savings will be split fifty percent to Hollywood Park as commissions and fifty percent to the horsemen purse pool.

Please see attached document submitted by SCOTWINC in support of their request.

RECOMMENDATION

Staff recommends that the Board hear from SCOTWINC representatives and other interested parties regarding the proposed adjustment to the stabling and vanning fund.

Explanatory Material in Support of the request of Southern California Off Track Wagering Inc for Approval of a reduced Stabling and Vanning Rate

Southern California Off Track Wagering Inc. (Scotwinc) has requested the California Horse Racing Board ("Board") to approve a change in the percentage rate applicable to Hollywood Park during the 2008 racing year for contributions to Scotwinc's Stabling and Vanning Fund. Pursuant to statutory requirements each racing association and racing fair conducting racing meetings in the Central and Southern Zones of California are required to pay a designated amount out of satellite handle to Scotwinc's Stabling and Vanning Fund. Currently this amount is 1.06% of such satellite handle.

These deductions are mandated by Business & Professions Code §19607.1 which allows Scotwinc, with the Board's approval, to select a rate which provides the funds required to provide Stabling and Vanning of Thoroughbred Race Horses. The statute mandates that the rate may not exceed 1.25% of satellite handle. Currently the fund has a surplus of approximately \$3.1 million and after 2008 this surplus is estimated to shrink to approximately \$1.6 million. With one understandable exception, the Off-Site Stabling and Vanning Committee of Scotwinc believes that the rate should be increased for the 2009 racing year to a number sufficient to provide the required funds for Stabling and Vanning Operations without invading the surplus existing at the end of the 2008 racing year.

Hollywood Park takes the position that any increase in the rate should occur only after the surplus has been exhausted. While the Off-Site Stabling and Vanning Committee contends that the fund is fungible, belongs exclusively to it and not to any of its constituent members, it recognizes that the surplus was in part funded by operations at Hollywood Park. Accordingly, if the surplus is maintained and the rate increased to permit maintaining and perhaps enhancing the Stabling and Vanning Program, Hollywood will be prejudiced since it may cease operations and therefore not enjoy use of the surplus. Scotwinc believes that maintenance of the surplus is essential and that its existence permits Scotwinc to consider other potential uses of the fund which will enhance the thoroughbred training program.

The net monetary difference to Hollywood Park (i.e., the amount of its contribution to the Stabling and Vanning Fund that will not be used to fund operations) is approximately \$118,000. After discussion, the Scotwinc Board and Hollywood believe that the best solution is to restore that amount to Hollywood. Since the Scotwinc Board believes that it may not refund the money to Hollywood directly out of the surplus, it has adopted the concept that the amount be refunded by reducing Hollywood's 2008 contribution by that amount. However since the deduction must be twice that amount since Hollywood pays but 50% of the amount deducted from handle for Stabling and Vanning and the balance is paid by horsemen. Thus, the requested rate must result in a \$236,000 savings for Hollywood. Fifty percent of that sum (\$118,000) will go to Hollywood as commissions and the balance (\$118,000) will go to the purse pool at Hollywood.

Explanatory Material – Page 2

The Off-Site Stabling and Vanning Committee of Scotwinc believes this to be the best approach to this situation. Hollywood will be compensated for its contribution to the surplus, the horsemen will see purses increased by the above referenced amount and Scotwinc will retain the bulk of its surplus for such uses as appear to it to be appropriate. The net consequence of the above plan is that the surplus will be reduced from \$1.6 million to approximately \$1.4 million or about 12.5%. The rate required to accomplish the above at Hollywood Park is 0.89 % instead of 1.06%. This rate adjustment will apply to Hollywood Park only and only during the 2008 racing season. The adjusted rate will cease to apply at such time as the aggregate savings to Hollywood reaches \$236,000 which will occur during its summer meeting or worst case scenario during the fall meeting. The rate applicable to Hollywood Park thereafter will be such rate as is in effect for the other Southern and Central Zone racing associations.

The action requested represents a reasonable compromise that is unanimously endorsed by the stakeholders. Since it is important to implement this program expeditiously Scotwinc asks that any rate adjustment approved by the Board take place the next business day after such approval is granted.

STAFF ANALYSIS
REPORT FROM RACING INDUSTRY REPRESENTATIVES ON THE STATUS OF THE
DISCUSSION REGARDING THE AMENDING OF BUSINESS AND PROFESSIONS
CODE SECTION 19605.7 AND 19605.71 TO INCREASE THE TWO PERCENT
COMMISSION DISTRIBUTED TO SIMULCAST WAGERING FACILITIES TO A FOUR
PERCENT DISTRIBUTION TO ALL SIMULCAST FACILITIES, INCLUDING
MINISATELLITE WAGERING FACILITIES
AND BUSINESS AND PROFESSIONS CODE SECTION 19605.25 (A)(1) TO REDUCE
THE PLACEMENT RESTRICTION FOR MINISATELLITE FACILITIES FROM 20 MILES
TO 10 MILES FROM AN EXISTING RACETRACK, SIMULCAST WAGERING
FACILITY, OR TRIBAL CASINO THAT HAS A SIMULCAST WAGERING FACILITY.

Regular Board Meeting
May 20, 2008

BACKGROUND

Business and Professions Code section 19605.7 provides that for thoroughbred meetings, 2 percent of the amount handled at satellite wagering facilities in the northern zone on conventional and exotic wagers shall be distributed to the satellite wagering facility as a commission for the right to do business as a franchise. Business and Professions Code section 19605.71 states that 2 percent of the amount handled at satellite wagering facilities in the central and southern zones on conventional and exotic wagers shall be distributed to the satellite wagering facility as a commission for the right to do business as a franchise. Business and Professions Code section 19605.25(a)(1) provides that the California Horse Racing Board may approve an additional 15 minisatellite wagering sites in each zone, providing no site is within 20 miles of a racetrack, satellite wagering facility, or a tribal casino that has a satellite wagering facility. If the proposed facility is within 20 miles of a satellite wagering facility, then the consent of each facility within the 20-mile radius must be given before the Board may approve the proposed facility. Business and Professions Code section 19605.25(5)(d) states that for purposes of commissions, deductions, and distribution of handle, wagers placed at minisatellite sites shall be treated as if they were placed at satellite wagering facilities.

At the April 24, 2008, Regular Board Meeting, the Board heard a presentation by George Krikorian, a thoroughbred owner and breeder, regarding the potential for minisatellite wagering facilities. Mr. Krikorian made the case that the 20-mile requirement under Business and Professions Code section 19605.25(a)(1) needed to be changed. He stated his studies of demographics demonstrated that within the 20-mile radius there were large numbers of potential fans who were not being reached, and that new minisatellite wagering facilities could be placed inside the 20-mile range without harm to existing facilities. He also maintained that the 2 percent commission authorized for satellite wagering facilities and minisatellite wagering facilities would not provide incentive for the types of investment needed for a successful facility. He suggested the industry look at changing the law to increase the commission from 2

percent to 4 percent, and reduce the 20-mile placement restriction for minisatellite wagering facilities.

The Board determined that the industry should come together to reach a consensus regarding changes to the Business and Professions Code that would facilitate satellite wagering in California in a manner that would benefit California horseracing.

RECOMMENDATION

The Board may wish to hear from industry representatives regarding this issue.

California Business and Professions Code

19605.7. The total percentage deducted from wagers at satellite wagering facilities in the northern zone shall be the same as the deductions for wagers at the racetrack where the racing meeting is being conducted and shall be distributed as set forth in this section. Amounts deducted under this section shall be distributed as follows:

(a) For thoroughbred meetings, 1.3 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers shall be distributed to the racing association for payment to the state as a license fee, **2 percent shall be distributed to the satellite wagering facility as a commission for the right to do business, as a franchise, and this commission is not for the use of any real property**, 2.5 percent or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in Section 19608.2, and 0.54 percent shall be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2 and shall thereafter be distributed in accordance with subdivisions (b), (c) and (d) of Section 19617.2, and 0.033 percent distributed to the Center for Equine Health and 0.067 percent distributed to the California Animal Health and Food Safety Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that the 0.033 percent of funds distributed to the Center for Equine Health shall supplement, and not supplant, other funding sources.

(b) For harness, quarter horse, Appaloosa, Arabian, or mixed breed meetings, 0.4 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers shall be distributed to the racing association for payment to the state as a license fee, for fair meetings, 1 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers shall be distributed to the fair association for payment to the state as a license fee, 2 percent shall be distributed to the satellite wagering facility as a commission for the right to do business, as a franchise, and this commission is not for the use of any real property, and 6 percent of the amount handled by the satellite wagering facility or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in Section 19608.2. In addition, in the case of quarter horses, 0.4 percent shall be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.7 and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.7; in the case of Appaloosas, 0.4 percent shall be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.9 and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.9; in the case of Arabians, 0.4 percent shall be held by the association to be deposited with the official registering agency pursuant to Section 19617.8, and shall thereafter be distributed in accordance with Section 19617.8; in the case of standardbreds, 0.4 percent shall be distributed for the California Standardbred Sires Stakes Program pursuant to Section

19619; in the case of thoroughbreds, 0.48 percent shall be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2 and shall thereafter be distributed in accordance with subdivisions (b), (c), and (d) of Section 19617.2; and 0.033 percent shall be distributed to the Center for Equine Health and 0.067 percent shall be distributed to the California Animal Health and Food Safety Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that the 0.033 percent of funds distributed to the Center for Equine Health shall supplement, and not supplant, other funding sources.

(c) In addition to the distributions specified in subdivision (a) and (b), for mixed breed meetings, 1 percent of the total amount handled by each satellite wagering facility shall be distributed to an organization described in Section 19608.2 for promotion of the program at satellite wagering facilities. For harness meetings, 0.5 percent of the total amount handled by each satellite wagering facility shall be distributed to an organization described in Section 19608.2 for the promotion of the program at satellite wagering facilities, and 0.5 percent of the total amount handled by each satellite wagering facility shall be distributed according to a written agreement for each race meeting between the licensed racing association and the organization representing the horsemen participating in the meeting. For quarter horse meetings 0.5 percent of the total amount handled by satellite wagering facility on races run in California shall be distributed to an organization described in Section 19608.2 for the promotion of the program at satellite wagering facilities, 0.5 percent of the total amount handled by each satellite wagering facility on out-of-state and out-of-country imported races shall be distributed to the official quarter horse registering agency for the purposes of Section 19617.75, and 0.5 percent of the total amount handled by each satellite wagering facility on all races shall be distributed according to a written agreement for each race meeting between the licensed racing association and the organization representing the horseman participating in the meeting.

(d) Additionally, for thoroughbred, harness, quarter horse, mixed breed, and fair meetings, 0.33 percent of the total amount handled by each satellite wagering facility shall be paid to the city or county in which the satellite wagering facility is located pursuant to Section 19610.3 or 19610.4.

(e) Notwithstanding any other provision of law, a racing association is responsible for the payment of the state license fee as required by this section.

California Business and Professions Code

19605.71. The total percentage deducted from wagers at satellite wagering facilities in the central and southern zone shall be the same as the percentage deducted from wagers at the racetrack where the racing meeting is being conducted and shall be distributed as set forth in this section. Amounts deducted by a satellite wagering facility under this section shall be distributed as follows:

(a) For thoroughbred meetings, 2 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers shall be distributed to the racing association for payment to the state as a license fee, **2 percent shall be distributed to the satellite wagering facility as a commission for the right to do business, as a franchise, and this commission is not for the use of any real property,** 2.5 percent or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in Section 19608.2, and 0.54 percent shall be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2 and shall thereafter be distributed in accordance with subdivisions (b), (c), and (d) of Section 19617.2, and 0.033 percent shall be distributed to the Center for Equine Health and 0.067 percent shall be distributed to the California Animal Health and Food Safety Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that the 0.033 percent of funds distributed to the Center for Equine Health shall supplement, and not supplant, other funding sources.

(b) For harness, quarter horse, Appaloosa, Arabian, or mixed breed meetings, 0.4 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers shall be distributed to the racing association for payment to the state as a license fee, for fair meetings, 1 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers shall be distributed to the racing association for payment to the state as a license fee, 2 percent shall be distributed to the satellite wagering facility as a commission for the right to do business, as a franchise, and this commission is not for the use of any real property, and 6 percent of the amount handled by the satellite wagering facility or the amount of actual operating expenses, as determined by the board, whichever is less, distributed to an organization described in Section 19608.2. In addition, in the case of quarter horses, 0.4 percent shall be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.7 and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.7; in the case of Appaloosas, 0.4 percent shall be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.9 and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.9; in the case of Arabians, 0.4 percent shall be held by the association to be deposited with the official registering agency, pursuant to Section 19617.8, and thereafter shall be distributed in accordance with Section 19617.8; in the case of standardbreds, 0.4 percent shall be distributed for the California Standardbred Sires Stakes Program pursuant to Section 19619; in the case of thoroughbreds, 0.48 percent shall be deposited

with the official registering agency pursuant to subdivision (a) of Section 19617.2 and shall thereafter be distributed in accordance with subdivisions (b), (c), and (d) of Section 19617.2; and 0.033 percent shall be distributed to the Center for Equine Health and 0.067 percent shall be distributed to the California Animal Health and Food Safety Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that the 0.033 percent of funds distributed to the Center for Equine Health shall supplement, and not supplant, other funding sources.

(c) In addition, for Appaloosa and mixed breed meetings, 1 percent shall be distributed to an organization described in Section 19608.2 for promotion of the program at satellite wagering facilities. Notwithstanding any other provision of law, on wagers made in the Counties of Orange and Los Angeles on thoroughbred races conducted in the County of Orange or Los Angeles, or both, excluding the 50th District Agricultural Association, the amount deducted for promotion of the satellite wagering program at satellite wagering facilities shall be 0.5 percent. Any of the promotion funds that are not distributed in the year in which they are collected may be distributed in the following year. If promotion funds distributed in any year exceed the amount collected for that year, the funds distributed in the following year shall be reduced by the excess amount. For harness meetings, 0.5 percent of the total amount handled by each satellite wagering facility shall be distributed to an organization described in Section 19608.2 for the promotion of the program at satellite wagering facilities, and 0.5 percent of the total amount handled by each satellite wagering facility shall be distributed according to a written agreement for each race meeting between the licensed racing association and the organization representing the horsemen participating in the meeting. For quarter horse meetings 0.5 percent of the total amount handled by satellite wagering facility on races run in California shall be distributed to an organization described in Section 19608.2 for the promotion of the program at satellite wagering facilities, 0.5 percent of the total amount handled by each satellite wagering facility on out-of-state and out-of-country imported races shall be distributed to the official quarter horse registering agency for the purposes of Section 19617.75, and 0.5 percent of the total amount handled by each satellite wagering facility on all races shall be distributed according to a written agreement for each race meeting between the licensed racing association and the organization representing the horseman participating in the meeting.

(d) Additionally, for thoroughbred, harness, quarter horse, mixed breed, and fair meetings, 0.33 percent of the total amount handled by the satellite wagering facility shall be paid to the city or county in which the satellite wagering facility is located pursuant to Section 19610.3 or 19610.4.

(e) Notwithstanding any other provision of law, a racing association is responsible for the payment of the state license fee as required by this section.

California Business and Professions Code

19605.25. (a) The California Horse Racing Board may approve an additional 15 minisatellite wagering sites in each zone, if all of the following conditions are met:

(1) **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 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.**

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

(3) The site is approved by the board.

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

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

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

(c) Until January 1, 2013, if the proposed minisatellite wagering site is in the northern zone in a fair district where the fair has operated a satellite wagering facility for the previous five years, the approval of the fair must be obtained even if the proposed location is more than 20 miles from the existing satellite wagering facility operated by the fair.

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

(e) The written consent of the San Mateo County Fair shall be obtained prior to the approval of any minisatellite wagering site located within a 20-mile radius of its fairground.

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

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

(h) If there are more than 15 applications for minisatellite wagering facilities in any zone, the board shall determine which

facilities will generate the largest handle, and give priority to the approval of those facilities. The board shall license a minisatellite facility for two years, and then review the operation and the size of the handle, and determine if it is in the best interest of horse racing to relicense the facility or, in the alternative, license another minisatellite facility that might generate a greater handle.

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

STAFF ANALYSIS

APPROVAL OF SERVICE, STEWARD, OFFICIAL VETERINARIAN
AND OUT OF COMPETITION CONTRACTS
FOR 2008/09

Regular Board Meeting
May 20, 2008

BACKGROUND

Pursuant to Section 2.06 of the State Contracting Manual, state Boards and Commissions with contracts in excess of \$5,000, must provide a copy of a motion approving and authorizing execution of the agreement/contract.

ANALYSIS

The attached list of service, Steward, Official Veterinarian and Out of Competition veterinarian contracts is proposed for Fiscal Year 2008/09, with estimated annual costs. Steward and Official Veterinarian contracts are based on assignments from the 2008 racing calendar

Out Of Competition Testing

Effective the end of fiscal year 2006-07, \$851,000 Out of Competition (OOC) funds were released to the CHRB. Program preparations began, samples were collected and analyzed beginning in the current 2007-08 fiscal year. The Out of Competition contract with U C Davis and Out of Competition veterinarian contracts are included within the list of service contracts attached. The program was designed to include freezing of samples for retroactive testing; in-depth supplemental analysis of routine samples, and pre-race testing. Attached is a U C Davis OOC program summary noting the progress of the program.

RECOMMENDATION

Staff recommends the Board approve the attached list of Steward, Official Veterinarian, out of competition veterinarian, and service contracts for Fiscal Year 2008/09.

PROPOSED 2008/09 CONTRACTS – ESTIMATED COSTS

SERVICE CONTRACTS	STEWARD SERVICES
Regents of the Univ. of California (Routine Drug Testing) \$1,300,000.00 1 year extension	Grant Baker Scott Chaney Albert Christiansen James Dreyer Martin Hamilton
Regents of the Univ. of California (Out of Competition Testing) \$638,250.00 1 year extension	John Herbubeaux Luis Jauregui Darrel McHargue Brent McLaren
State Personnel Board (Exam certification) \$11,000.00 2 year costs	William Meyers Dennis Nevin Paul Nicolo Michael "Wayne" Oke
State Controllers Office (Expedite claim processing) \$13,860.00 3 year costs	Kim Sawyer Thomas Ward Randall Winick
First Data Merchant (Credit card service) \$12,000.00 1.5 year extension	TOTAL COSTS \$ 2,020,000.00
Department of Technology Services (Accounting transactions) \$14,400.00 3 year costs	OFFICIAL VETERINARIAN SERVICES Gary Beck Timothy Connor Donald Dooley Robert Goodbary Robert Guillen Joan Hurley Diane Isbell Heather Kerr
TOTAL COSTS \$ 1,989,510.00	TOTAL COSTS \$ 1,200,000.00
	OUT OF COMPETITION VETERINARIAN SERVICES Jill Bailey Gary Beck Timothy Connor Robert Guillen Diane Isbell
	TOTAL COSTS \$ 250,000.00

Out-of-Competition Testing Program Summary

- **The K.L. Maddy Equine Analytical Chemistry Laboratory purchased state-of-the-art equipment necessary to conduct out-of-competition (OOC) testing (LTQ Orbitrap XL hybrid FTMS).**

The newly acquired instrumentation was in conjunction with targeted blood immunoassay testing to make the newest and most innovative OOC testing programs available to the California Horse Racing Board (CHRB). Analytes detected by the screening tests are identified by “validated methods” performed on state-of-the-art instruments by qualified analysts. Confirmation testing is conducted to verify the validity of positive chemical findings and assess the chemical and pharmacological significance. The targeted substances **Erythropoietins (rhEPO and Aranesp) are performance enhancing substances** that are abused by some trainers outside of California to increase the oxygen-carrying capacity of their performance horses. The CHRB Rules and Regulations prohibit these substances in racehorse at any time whilst in training and/or racing.

- **The K.L. Maddy Equine Analytical Chemistry Laboratory has conducted approximately 5,000 out-of-competition tests on Thoroughbreds, Standardbreds and Quarter Horses for the CHRB through April 2008.**

To date all testing has been negative suggesting that the quick response from the CHRB and the K.L. Maddy Equine Analytical Chemistry Laboratory to implement the OOC program has successfully deterred the abuse of these agents.

Method Development:

- **Androgenic Anabolic Steroids – The K.L. Maddy Equine Analytical Chemistry Laboratory has developed and validated LC-MS methods to detect and confirm the presence of exogenous anabolic steroids in horses racing in California.**

The abuse of anabolic steroids is an industry wide concern. The CHRB has instituted stronger regulation for the administration of anabolic steroids to control the abuse of these agents in California horse racing. The analytical techniques based on mass spectrometric technology are preferred because they have characteristics determined most appropriate for forensic identification of drugs of abuse. These analytical procedures are not routine and required significant method development and validation prior to implementation. The methodologies have been presented in a hands-on workshop to all CHRB split sample laboratories to enable them to conduct analogous testing for all CHRB split samples.

- **Proteomics – The K.L. Maddy Equine Analytical Chemistry Laboratory has developed and validated LTQ Orbitrap XL methods to detect and confirm the presence of exogenous Human Growth-Hormone (hGH) in the form of IGF-1 in horse racing in California.**

Using Proteomics, a specific protein or peptide hidden in the haystack of endogenous substance can be detected. In this effort we seek to 1) isolate, 2) identify, and 3) determine individual Growth-Hormone related proteins from a mixture containing tens of thousands of other proteins.

Out-of-Competition Testing Program Summary continued

Insulin-like growth factors (IGFs) and hGH are circulating peptides involved in the regulation of cell proliferation, differentiation and apoptosis. In particular IGF-I has been found to be a critical modulator of skeletal muscle growth when administered locally rather than systemically. The infusion of IGF-I into target tissues such as selected skeletal muscles results in a significant increase in total protein and DNA content, an effect that is highly desirable for equine athletic performance.

This project uses the LTQ Orbitrap XL to investigate Growth-Hormone. The collaborative project will be conducted at the **K.L. Maddy Equine Analytical Chemistry Laboratory** with contributions from Dr. Patrick Casey, Research Centre in Reproductive Medicine, University of Auckland. The specific research aims are; 1) determine the total circulating IGF-1 levels in Thoroughbred racehorses, 2) establish the IGF-1 receptor levels in various tissues of the musculoskeletal system in these Thoroughbred athletes, and 3) combine this knowledge to gain an understanding of the normal interaction between circulating IGF-1 levels and the number of IGF-1 receptors in normal equine athletes.

In-depth Supplemental Analysis of Routine Sample:

- **The K.L. Maddy Equine Analytical Chemistry Laboratory has conducted in-depth testing of Thoroughbred samples for several known anabolic steroids.**

Urine and plasma levels are being recorded and a summary report will be submitted to the Equine Medical Director.

Freezing of Samples for Retroactive Testing:

- **The K.L. Maddy Equine Analytical Chemistry Laboratory has collected 13,031 urine samples from Thoroughbreds, Standardbreds and Quarter Horses from California Horse Racing Board submissions through April 2008.**

In 2007, the K.L. Maddy Equine Analytical Chemistry Laboratory implemented a unique program to freeze a selection of samples collected as part of the routine dope testing of all horses racing in California.

This program allows samples to be tested retrospectively, in the event the K.L. Maddy Equine Analytical Chemistry Laboratory develops new or improved methods for detecting prohibited substances. Samples from all types of racing, from Graded Stakes races to regular mid-week meetings, have been archived for possible future testing.