

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

of the California Horse Racing Board will be held on Thursday, November 29, 2007, commencing at 9:30 a.m., at the University of California, Davis, I.M. Gary Gourley Laboratory, Davis, California.

The I.M. Gary Gourley Laboratory is listed as the "Vet Med Instructional Surgery Building", on the virtual online campus map. Parking is available in Parking Lot 57. The cost for parking is \$6.00.

AGENDA

Action Items:

1. Approval of the **minutes of the regular meeting** of October 18, 2007.
2. Approval of the **minutes of the regular meeting** of September 27, 2007.
3. Discussion and action by the Board on the **Application for License to Conduct a Horse Racing Meeting of the Los Angeles Turf Club (T)** at Santa Anita, commencing December 26, 2007 through April 20, 2008, inclusive.
4. 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 December 26, 2007 through February 3, 2008, inclusive.
5. Discussion and action by the Board on the **Application for License to Conduct a Horse Racing Meeting of the Los Alamitos Quarter Horse Racing Association (Q)** at Los Alamitos, commencing December 27, 2007 through December 21, 2008, inclusive.
6. Discussion and action by the Board on the **Application to Conduct a Horse Racing Meeting of the Sacramento Harness Association (H) at Cal-Expo**, commencing December 27, 2007 through July 31, 2008, inclusive.
7. Report of the **Pari-mutuel/ADW and Simulcast Committee**.
8. Discussion and action by the Board regarding the proposed amendment to **CHRB Rule 1865, Altering of Sex of Horse**, to provide that a horse be scratched if the true sex of the horse is not reported to the racing office by scratch time for the race in which the horse is entered.

9. Report of the **Medication Committee**.
10. Discussion and action by the Board regarding the proposed amendment to **CHRB Rule 1844, Authorized Medication**, to establish levels and add stanazolol, nandrolone, boldenone and testosterone to the list of drug substances, one of which, may be permitted in the official urine test sample.
11. Discussion and action by the Board on the proposed amendment to **CHRB Rule 1632, Jockey's Riding Fee**, to revise the jockey riding fee structure to comply with AB 649, Statutes of 2007.
12. Discussion and action by the Board regarding the request for approval from Southern California Off-Track Wagering, Inc. to **change the current 1.06 percent off-site stabling and vanning fund takeout up to the maximum 1.25 percent pursuant to Business and Professions Code Section 19607.1(f)**.
13. Discussion and action by the Board to approve proposals from the Thoroughbred Owners of California and the Jockey Guild **that would establish the California Jockeys Trust and provide health, safety, and welfare benefits to California licensed jockeys, former California licensed jockeys and their dependents**.
14. Discussion and action by the Board on the **Application for Approval to Conduct Advanced Deposit Wagering (ADW) of Churchill Downs Technology Initiatives Company dba Twinspires.com, Winticket.com, BrisBet.com and tsnbet.com for an out-of-state multi-jurisdictional wagering hub**, for a period of up to but not exceeding two years.
15. Discussion and action by the Board on the **Application for Approval to Conduct Advanced Deposit Wagering (ADW) of ODS Technologies, L.P., dba TVG, for an out-of-state multi-jurisdictional wagering hub**, for a period of up to but not exceeding two years.
16. Discussion and action by the Board on the **Application for approval to Conduct Advanced Deposit Wagering (ADW) of Youbet.Com Inc., for a California multi-jurisdictional wagering hub and approval for an out-of-state multi-jurisdictional wagering hub**, for a period of up to but not exceeding two years.
17. Discussion and action by the Board on the **Application for License to Conduct Advanced Deposit Wagering (ADW) of XpressBet, Inc., for a California multi-jurisdictional wagering hub**, for a period of up to but not exceeding two years.
18. Presentation of the **California Horse Racing Board Resolution to William Bianco**.
19. Election of **Board Chairman and Vice Chairman**.

20. Discussion and action by the Board pertaining to **recruitment for executive director for the CHRB**, including matters such as Board's expectations concerning roles and responsibilities, desirable qualifications, salary, office location, scope of search, timing, screening of applicants, role(s) of staff, role(s) of commissioners and role(s) of the Board itself.
21. **Public Comment:** Communications, reports, requests for future actions of the Board. **Note:** Persons addressing the Board under this item will be restricted to **five (5) minutes** for their presentation.
22. **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 also 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
Marie G. Moretti, Member
Jerry Moss, Member
Ingrid J. Fermin, Executive Director

PROCEEDINGS of the Regular Meeting of the California Horse Racing Board held at the Arcadia City Hall, 240 West Huntington Drive, Arcadia, California, on October 18, 2007.

Present: Richard B. Shapiro, Chairman
John C. Harris, Vice-Chairman
John W. Amerman, Member
John Andreini, Member
Jesse H. Choper, Member
Marie G. Moretti, Member
Jerry Moss, Member
Ingrid J. Fermin, Executive Director
Derry L. Knight, Deputy Attorney General

PUBLIC HEARING AND ACTION BY THE BOARD ON THE ADOPTION OF THE PROPOSED AMENDMENT TO CHRB RULE 1843.2, CLASSIFICATION OF DRUG SUBSTANCES, TO RECLASSIFY SPECIFIED DRUG SUBSTANCES.

Jacqueline Wagner, CHRB staff, said the proposed amendment to Rule 1843.2, Classification of Drug Substances, would reclassify several drugs that were currently listed on the document "CHRB Penalty Categories Listed by Classification." The document was incorporated by reference in Rule 1843.2, so its modification necessitated amendment of the regulation. Ms. Wagner stated the proposed amendment also added the Administrative Law Judge and the Hearing Officer to the text of the regulation. No comments were received during the 45-day public comment period, and staff recommended the Board adopt the regulation as presented. Dr. Rick Arthur, CHRB Equine Medical Director, said the proposed amendment reclassified drugs that were already listed, and added others. He stated amending the regulation would be an ongoing process as new drugs were added, or others reclassified. Vice-Chairman Harris asked if there would be a threshold established for Equipoise and Winstrol. Dr. Arthur said he would be submitting a proposal to amend Rule 1844, Authorized Medication, which would

establish specific threshold levels for those drugs. He stated the Racing Medication Testing Consortium would soon conduct research regarding withdrawal times for the drugs. Withdrawal times would be established for urine and blood. The estimated withdrawal time for Stanozolol was 15 to 45 days and for Boldenone, 30 to 60 days. Dr. Arthur commented that would essentially eliminate their use in horses while they were performing. He stated he hoped the Board would have anabolic steroid regulations in place in advance of the 2008 Breeders' Cup. Commissioner Moretti **motioned** to adopt the amendment to Rule 1843.2. Commissioner Moss **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE FEASIBILITY OF ALLOWING A HORSE THAT HAS NOT STARTED FOR A MINIMUM OF 180 DAYS SINCE ITS LAST RACE, AND IS ENTERED IN A CLAIMING RACE AT A PRICE EQUAL TO OR GREATER THAN THE PRICE AT WHICH IT LAST STARTED, TO BE ENTERED IN A CLAIMING RACE AND DECLARED INELIGIBLE TO BE CLAIMED.

Drew Couto of Thoroughbred Owners of California (TOC) said his organization was asking for a new regulation to permit horses that had not run for 180 days or more to be entered into a claiming race with the option of not being claimed. Such horses would have to be entered in a claiming race at a price equal to or greater than the price at which they last started. TOC believed this would provide greater incentive for owners to give horses time off. Mr. Couto stated horses that were given time off, and came back, were typically claimed coming out of the first claiming race in which they were entered. TOC's proposal would give owners who did the right thing a way to protect their investment. In addition, it was a way to protect the health and well being of horses by encouraging owners to rest their horses. Mr. Couto stated the proposal was the result of at least two TOC Racing Affairs Committee meetings, as well as

the racing departments of several racing associations. It was the combined judgment of these industry groups that the proposal was the best way to effect the protection and health of the horse. TOC proposed the addition of Rule 1634, Claiming Option Entry. Chairman Shapiro said the idea was admirable, and owners should be encouraged to lay up their horses but was a regulation needed? It seemed the horsemen and racing associations could enact the idea without Board intervention. Vice-Chairman Harris stated associations were currently writing optional claiming races, which were a similar idea. The Board should simply endorse the concept and the industry could act without a rule. Commissioner Amerman asked if TOC could state what percentage of horses coming back after a lay up were claimed from their first race. Mr. Couto stated TCO had not quantified the number of horses, but it knew it often happened. Commissioner Amerman said he did not know what that meant; was it 2 percent or 20 percent of first starts? He stated the industry should provide facts before it initiated a new regulation. There were already optional claiming races and allowance races where horses that were coming back could run. Chairman Shapiro said if a \$25,000 claimer was laid up for six months and there was no optional claiming race for it to run in when it came back, the TOC proposal would allow it to run at the level at which it last ran. Owners did not want to lose horses after the expense of rehabilitation. Vice-Chairman Harris said optional claiming races fulfilled that purpose. A horse that was laid up could be entered with the option of not being claimed. Mr. Couto said the current system discouraged owners from laying up their horses. Owners kept their horses running, or dropped their claiming price so they would be claimed. The TOC proposal would encourage owners to give horses time off, and would give owners the ability to see where the horse fit when it came back. The current optional claiming races

were different quality races than typical claiming races, and would present a difficult level of competition. Vice-Chairman Harris stated he did not mean horses returning from a lay up should enter existing optional claiming races. Racing secretaries could write races that would fit the Board's rules and the goals outlined by TOC. Mr. Couto said the industry tried to find a solution, and after considering a number of ideas, it decided a new regulation was the answer. The issue was that owners did not give their horses time off because they did not see any value in it if they would lose the horse in its first race back. The ability to enter a claiming race after a lay off without being eligible to claim would serve an important purpose. Chairman Shapiro said the Board should try to find a way to give the horsemen and racing associations the latitude to craft the best way to achieve their goals. Commissioner Choper asked if there were any arguments in opposition to TOC's request. Mr. Couto said TOC was not aware of any objections. Commissioner Choper asked what would stop racing secretaries from writing the optional claiming as a condition of the race if the associations and the horsemen agreed? There would be no problem if the playing field were even for everyone, unless there was a rule that precluded racing secretaries from writing such conditions. Mr. Couto said the problem existed in the law. Business and Professions Code Section 19408.2 stated all horses in a claiming race were eligible to be claimed as defined by Board rules. If there were no rules that permitted horses entered in a claiming race to be declared ineligible for claiming, the statute would not be permissive. That meant the Board needed a regulation that enabled such conditions, and was consistent with the statute. Deputy Attorney General (DAG) Derry Knight said the statute, not the Board's rules, defined claiming races. The statute said a claiming race was a race in which any horse entered therein may be claimed in

conformity with the rules established by the Board. It did not say any horse might be claimed except those that the owner chose to declare ineligible. The industry could give such races another name, but as soon as they call them claiming races, they would run afoul of the law. Commissioner Amerman asked what other racing jurisdictions were doing with regards to the issue. Mr. Couto stated no other jurisdiction was giving horses time off. Chairman Shapiro asked if the races could be called "alternative claiming races." DAG Knight said that was a possibility. Commissioner Choper **motioned** to direct staff to write a regulation for alternative claiming races in which a horse coming off a lay up could be entered but not claimed. Jerry Jamgotchian, a horse owner, spoke about his concerns regarding the issue of horses returning from a lay off and the TOC proposal. Vice-Chairman Harris **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR APPROVAL TO CONDUCT ADVANCED DEPOSIT WAGERING (ADW) OF CHURCHILL DOWNS TECHNOLOGY INITIATIVES COMPANY DBA TWINSPIRES.COM., FOR AN OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB, FROM OCTOBER 19, 2007 TO DECEMBER 31, 2007.

Jacqueline Wagner, CHRB staff, said Churchill Downs Technology Initiatives doing business as Twinspires.com (Twinspires) proposed to act as an advance deposit wagering (ADW) out-of-state multi-jurisdictional wagering hub beginning October 19, 2007 through December 31, 2007. Twinspires would operate 24 hours a day, seven days a week, except on December 25, 2007. Ms. Wagner stated Twinspires had a pending agreement with Bay Meadows and Golden Gate Fields that would become operative if it could obtain the ADW approval. The application was missing a horsemen's agreement and the association contract. Brad Blackwell of

Twinspires said his organization reached an agreement with Thoroughbred Owners of California (TOC), which completed the horsemen's agreement. Drew Couto of TOC stated the parties did come to an agreement. Commissioner Amerman **motioned** to approve the application of Twinspires to act as an ADW out-of-state multi-jurisdictional wagering hub. Commissioner Moretti **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION REGARDING THE STATUS OF ADVANCE DEPOSIT WAGERING (ADW) AND THE FEASIBILITY OF OPENING UP ADW WAGERING TO ALLOW ADW WAGERING PROVIDERS TO HAVE ACCESS TO ALL CALIFORNIA SIGNALS AND ANY OTHER MATTERS RELATED TO ADW AND EXCLUSIVITY.

Chairman Shapiro said the item was a discussion on how advance deposit wagering (ADW) could benefit the industry to bring more revenue to the tracks and purses while providing a fair and reasonable profit to ADW providers. The recent enactment of Assembly Bill 765 would change how the industry approached ADW, so the Board needed to look at the issue in the context of the law to gain understanding. Chairman Shapiro stated if there was a need for new regulations the Board might wish to look at short-term ADW license/approvals renewals until such regulations were in place. The Board could then renew the ADW licenses/approvals based on the new regulations. Deputy Attorney General (DAG) Derry Knight said he agreed. He commented exclusivity was an issue that needed to be looked at with regulations in mind, but the industry had not focused on exactly where that had to occur. David Nathanson of TVG said until the numbers were in, and what non-exclusivity meant for ADW and the industry was tested, it was not the time for anyone to assert that a specific direction was best. TVG was happy to participate in any process to compare what past ADW performance meant in

conjunction with the new model. Mr. Nathanson encouraged the Board to look at the facts and to explore what was in the best interest of the industry and the State of California. Chairman Shapiro asked what facts TVG was suggesting the Board review? Mr. Nathanson stated ADW had operated under a very different model from the one it might experience under the Hollywood Park Racing Association (HPRA) proposal. The industry would be able to see if there was any real growth in wagering, or if television had an effect. Chairman Shapiro asked if the parties adhered to the global agreement, was TVG suggesting the Board should observe for a period of time, then determine if new regulations were needed? Mr. Nathanson said he agreed with the suggestion that a sub-committee should be formed to objectively explore the value of wagering exclusivity versus non-exclusivity, and the effect they had on handle and purses. Barry Broad representing Service Employees International Union (SEIU) stated the initial ADW legislation held an implicit promise of jobs for SEIU employees, but that did not happen. However, the new ADW legislation had prescriptive language that limited the Board's authority to approve an ADW application if the entity did not enter into a contractual agreement with a bona fide labor organization. Mr. Broad recited the conditions for the labor agreement. He stated the labor language was self-executing, effective January 1, 2008, and did not require the Board to write regulations for its application. Mr. Broad added the SEIU would vigorously enforce the labor provisions. He spoke about the negotiations for the new ADW legislation, and stated the SEIU would shut down any entity that tried to move forward without a card check agreement. Chairman Shapiro asked if Mr. Broad believed that under the new ADW legislation there was an implied deal that the Board could not insist on any non-exclusive wagering for ADW. Mr. Broad said that was his sense of the legislation. The

Thoroughbred Owners of California (TOC) wished to be in on the front end of ADW negotiations, and TVG wished to have the right to maintain exclusivity in its agreements. The agreement was that TVG could have exclusivity if the other parties agreed, and TOC got an enhanced voice in the initial ADW discussions. The legislation had language that referenced terms of exclusivity, which meant the Legislature contemplated that the parties could negotiate exclusivity. As a result, the Board could not prohibit exclusivity as a condition of licensing. Commissioner Choper asked if SEIU had a position regarding exclusivity. Mr. Broad said SEIU did not have an opinion regarding the issue. Vice-Chairman Harris said the law was what it was, and the Board was not restricted by any back room deals. Mr. Broad stated he was trying to explain the meaning of the language that passed the Legislature, which had some impact and limiting affect on the Board's power. Vice- Chairman Harris asked if the National Labor Relations Board (NLRB) had oversight over ADW. He stated it seemed that since the ADW providers operated nationally, they should fall under the NLRB. Additionally, the Board did not have the expertise in labor law. Mr. Broad said the SEIU's position was that because the ADW providers were accepting pari-mutuel wagering they were within the area where the NLRB did not take jurisdiction. Commissioner Choper stated the ADW legislation appeared to provide control over labor elections outside California. Mr. Broad said the control existed because the legislation governed the licensing of ADW providers in California. If the ADW provider did not want to agree, it did not get licensed in this state. Additionally, if the ADW provider already had a collective bargaining agreement the provisions of the ADW legislation did not cover them. The SEIU believed that if the original ADW law could allow the State of California to require that a hub be moved to this state, the new legislation could

require a collective bargaining agreement. Commissioner Choper said he thought Mr. Broad was right, but the premise itself was subject to dispute. Mr. Broad stated the reason the NLRB never took jurisdiction was that horse racing was so comprehensively regulated by the states, and was treated like a special state concern. Commissioner Choper said the ADW legislation was complicated. It would be beneficial if the SEIU could present its points with respect to what the bill provided labor, and if the other parties who might have a different opinion could also present arguments. Chairman Shapiro stated his reading of the ADW legislation did not indicate the Board was precluded from adopting rules requiring racetracks to offer ADW on a non-exclusive basis. Mr. Broad said the legislation did not prohibit such an action by the Board. Chairman Shapiro commented the Board should understand Mr. Broad was expressing his opinion about the negotiations, but there were others who disagreed with that view. Scott Daruty with TrackNet Media stated he was very involved in the negotiations, and there was not a backroom agreement regarding exclusivity. Chairman Shapiro asked if Mr. Daruty was stating there was no agreement that would prevent the Board from moving forward with non-exclusive wagering. Mr. Daruty stated that over the months of negotiations there were a variety of positions about exclusivity. A compromise was reached wherein exclusivity was neither mandated nor prohibited. Mr. Daruty said he did not know how the parties could take the Board's authority regarding exclusivity without an express statement in the statute. Cathy Christian, representing TVG, said no party was suggesting the Board was bound by a back room deal. Within the legislative process compromises were made to satisfy the interests of the parties so the bill could move forward. The resulting ADW legislation represented what the parties agreed was acceptable; otherwise, there would have been opposition, and it never

would have passed. Ms. Christian read aloud Section 19604, Subdivision (B)(1)(c) of the ADW legislation. She stated the purpose of the statute was to include terms related to exclusivity to be negotiated and subsequently approved by the horsemen. Ms. Christian said the statutory provision did exactly what SEIU expressed, it allowed the horsemen to participate in a direct way, and it left exclusivity open for negotiation. To achieve an agreement that was acceptable to all parties the Legislature agreed that exclusivity would be a negotiated term. Chairman Shapiro asked where the ADW legislation stated the Board could not determine if exclusivity was in the best interests of horse racing. Commissioner Choper stated the law bound the Board, and if there was a legislative history it could be examined by the Board. Vice-Chairman Harris commented the law clearly stated the horsemen's organization had the right to agree or disagree regarding exclusivity. The Board would not wish to overrule an agreement between the horsemen and the ADW providers. Ms. Christian stated the statute contemplated negotiations between horse racing associations and ADW providers. TVG believed the statute provided for negotiations between the parties on the issue of exclusivity. The Board had no basis for denying a ADW license because the provider might enter into a contract that the Board preferred it did not. The Board could not substitute its judgment for the Legislature's with respect to such negotiations. Commissioner Choper said the parties should provide the Board with their written positions regarding the issue. Drew Couto of TOC stated his organization believed the parties could negotiate exclusivity. It appeared some were interpreting the agreement to mean the parties would negotiate exclusivity independent of the Board exercising its authority. The new ADW legislation contained language from the original statute regarding the Board's role. The language from the old statute was included in the new

statute to reflect the Board's role of oversight. Commissioner Choper asked if TOC thought that included the Board's ability to require non-exclusivity. Mr. Couto stated he could not answer the question. TOC agreed with the parties who maintained the terms of exclusivity would be negotiated, but it would draw a line at the assertion that the Board was precluded under Federal and State law from exercising its authority. Commissioner Choper reiterated his request that interested parties submit comments regarding the ADW legislation. Jack Liebau of Hollywood Park stated if the HPRA - ADW model was agreed to by TOC the discussion regarding exclusivity was unnecessary. Chairman Shapiro stated Mr. Liebau was correct. He said he hoped the parties would reach an agreement, so the industry could avoid further conflict. Jerry Jamgotchian, a horse owner, spoke about his concerns regarding ADW wagering. Commissioner Moretti said it would be valuable if DAG Knight could provide the Board with an overview of what the new ADW law required of the Board.

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 NOVEMBER 7, 2007, THROUGH DECEMBER 22, 2007, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the application of Hollywood Park Racing Association, LLC (HPRA) was initially heard at the September 2007 Regular Board Meeting, but was deferred due to difficulties regarding advance deposit wagering (ADW) providers. Jack Liebau of HPRA stated an ADW agreement was completed, and was submitted to Thoroughbred Owners of California (TOC) for review and approval. Mr. Liebau commented the ADW agreement provided global coverage for California thoroughbred horse racing through the end of the HPRA 2008 summer meeting. The agreement could provide a model

for use throughout California. It provided for exclusivity with respect to broadcast rights for TVG at HPRA and Bay Meadows, and for HRTV at Santa Anita and Golden Gate Fields. The various ADW providers would have the opportunity, on a non-exclusive basis, to take wagers from HPRA, Bay Meadows, Santa Anita and Golden Gate Fields, whose meetings would run through to the closure of the HPRA 2008 summer meeting. Chairman Shapiro said he understood Mr. Liebau and the industry worked very hard to reach the agreement. He proposed approving the application subject to an approval of the ADW portion. Mr. Liebau said he would like to make it clear that the only approval being sought was the HPRA 2007 fall meeting, not the full ADW agreement, as there were other issues that flowed from the new ADW legislation. Chairman Shapiro stated the Board was only dealing with the HPRA application. While the Board liked the global solution, ADW would have to be considered with each application to conduct a horse racing meeting. Deputy Attorney General Derry Knight said the Board also needed to make it clear there could be provisions of the global agreement that might not be acceptable for the purposes of ADW licensure. Drew Couto of TOC stated his organization did not have any problems with approving the HPRA license subject to an approval of the ADW portion. Commissioner Moss said the schedule for the end of the HPRA meeting seemed a little odd. He stated he knew the Strategic Planning Committee tried to provide for one week off between the meetings, but the number of off-days between December 16, and December 21 and 22, and then until the beginning of Santa Anita raised questions. Eual Wyatt of HPRA stated ending on December 16, then returning for two days on December 21 and 22 was to accommodate the \$750,000 Cash Call futurity. The dates were worked out with TOC and California Thoroughbred Trainers earlier in 2007. Chairman

Shapiro added the HPRA dates were adjusted at a Regular Board Meeting at Bay Meadows. The dates provided HPRA with a special week of racing. Vice-Chairman Harris **motioned** to approve the application to conduct a horse racing meeting of HPRA, subject to TOC approval of the ADW agreement. Commissioner Andreini **seconded** the motion. Jerry Jamgotchian, a horse owner, spoke about his concerns regarding the HPRA application. The motion was **unanimously carried**. Commissioner Choper **motioned** to delegate to the Chairman and Vice-Chairman the authority to review the ADW agreement and approve it if appropriate, or to bring the issue to the full Board for approval. Commissioner Moretti **seconded** the motion, which was **unanimously carried**.

PUBLIC COMMENT

Rod Blonien, an industry lobbyist, stated the Governor signed Assembly Bill 241, which authorized 45 mini-satellite wagering facilities. The legislation required the Board to approve emergency regulations regarding mini-satellite facilities not later than April 1, 2008. He encouraged the Board to form an ad-hoc committee to work to draft regulations. Drew Couto of Thoroughbred Owners of California stated the Jockey's Guild requested that the issue of the status of the Jockey Guild's Health and Welfare Program be placed on the November 2007 Regular Meeting agenda. Chairman Shapiro stated the item would be placed on the November 2007 Regular Meeting agenda. Jerry Jamgotchian, a horse owner, spoke about his horse racing related concerns.

MEETING ADJOURNED AT 12:45 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 **Arcadia City Hall**, 240 West Huntington Drive, Arcadia, California, on **September 27, 2007**.

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

MINUTES

Chairman Shapiro asked for approval of the minutes of the Regular Meeting of August 21, 2007. Commissioner Amerman **motioned** to approve the minutes. Commissioner Moss **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION TO CONDUCT A HORSE RACING MEETING OF THE PACIFIC RACING ASSOCIATION (T) AT GOLDEN GATE FIELDS, COMMENCING NOVEMBER 7, 2007, THROUGH DECEMBER 22, 2007, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the Pacific Racing Association (PRA) proposed to run 32 days, for a total of 275 races. Ms. Wagner stated the 2007 PRA meeting ran from April 25 through June 11 for a total of 31 days. She said PRA was asking to revise its application to allow coordination between north and south signals. PRA wished to give up December 17, 2007, as a race day and add December 21 and 22, 2007. The first post time would be 12:45 p.m., daily, and 11:15 a.m. on Thanksgiving Day. The advance deposit wagering (ADW) providers were XpressBet and if approved, Twinpires. Ms. Wagner stated the application was complete and staff recommended the Board approve the application as presented.

Chairman Shapiro asked how the installation of the synthetic racing surface was progressing at Golden Gate Fields (GGF). Robert Hartman of GGF said the synthetic track was installed, and GGF was in the process of grooming the surface. Mr. Hartman stated requests for stall space were greater than GGF's capacity, and it expected the horse population to be significantly increased for the upcoming meeting. Chairman Shapiro said he noted PRA applied for an average of 8.6 races per day. He stated if the new track and the number of horses could support that many races it would be fine, but he was concerned about running ten races a day on the weekend and what that might mean to the horse population. Chairman Shapiro said he would prefer that PRA request permission to run additional races so the average field size and horse population could be evaluated. He asked if PRA had any objections to that requirement. Mr. Hartman said PRA did not object to the requirement. PRA would contact the Executive Director and the Board if it planned to run a ten-race day. Commissioner Choper asked why PRA did not have early wagering. Mr. Hartman said he imagined it was not economically feasible. Although the facility was open at 9:30 a.m., additional staff and a change in janitorial crew times would be required. Commissioner Choper commented if PRA had wagering machines they could be used by persons who wished to wager early. Vice-Chairman Harris asked what time wagering commenced via ADW providers. Mr. Hartman stated wagering could begin when the pools opened. Vice-Chairman Harris asked if Youbet would be an ADW provider for PRA. Mr. Hartman said Youbet was not scheduled to provide ADW services; however, there were negotiations underway that could change the situation. Chairman Shapiro stated the Board would like to see every possible ADW provider accept wagering on PRA. Vice-Chairman Harris asked why the purses were

down dramatically from the prior meeting. Mr. Hartman said the average daily purses were relatively the same; it was the stakes races that were different. PRA tended to increase its stakes purses during the prime time of the racing year and scale back stakes purses in the winter. Commissioner Amerman said he was impressed with PRA's winter marketing plan. However, the advertising budget was only 5.5 percent ahead of the previous year. Part of that would be media inflation, so the true budget was not very aggressive in reaching out to the public. Mr. Hartman stated PRA conducted an advertising campaign regarding its new surface that resulted in more horsemen from out of state coming to Northern California. PRA was also reaching out to the local community. An invitation to an open house was mailed to all local businesses in the East Bay, and PRA expected 500 to 1,000 people at that event. PRA was also reaching out to racing fans through advertising and promotions. During the spring PRA attracted a lot of new patrons, and it was currently trying to develop those customers with increased direct mailing. Jerry Jamgotchian, a horse owner, spoke regarding his concerns about the PRA application. Commissioner Amerman **motioned** to approve the application for license to conduct a horse racing meeting of PRA at GGF. Commissioner Moss **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION TO CONDUCT A HORSE RACING MEETING OF THE HOLLYWOOD PARK RACING ASSOCIATION, LLC (T) AT HOLLYWOOD PARK, COMMENCING NOVEMBER 7, 2007, THROUGH DECEMBER 22, 2007, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the Hollywood Park Racing Association (HPRA) proposed to race 32 days, four days less than in 2006, for a total of 275 races. The first post time would be 12:30 p.m., daily, and 11:00 a.m. on Thanksgiving Day. Ms. Wagner stated

the advance deposit wagering (ADW) providers had not been determined; there was no horseshoe inspector and the concessionaire license renewal was not completed. She said the application was presented for the Board's consideration. Chairman Shapiro stated there were two critical issues that would determine if the Board would act on the application. The issues were an agreement with the horsemen's organization and an agreement with ADW providers. Eual Wyatt of HPRA said his organization had an agreement in principal with TVG, but it did not have a horsemen's agreement. Chairman Shapiro suggested that the Board might wish to put the item over until the items were in place. Mr. Wyatt said there was only one issue outstanding with the horsemen's agreement, and that issue was the TCO2 language. HPRA believed the Board was in a position to take any actions regarding a high TCO2 test, so the TCO2 language in the contract was no longer appropriate. Mr. Wyatt added if the Board determined such language should be in its agreement as a condition of license, HPRA would comply. Vice-Chairman Harris asked if the horsemen wanted the TCO2 language in the contract. Mr. Wyatt said they did. Chairman Shapiro stated current horsemen's agreements required the use of a protection barn in instances of high TCO2 tests. The trainer could have his horses placed in the barn prior to the hearing. Vice-Chairman Harris said when the protection barns were instituted the Board did not have rules addressing TCO2. The horsemen's agreements provided a method wherein the industry could act on high TCO2 tests when the Board could not. Vice-Chairman Harris added that since the Board had regulations governing TCO2 perhaps the industry no longer needed to intervene. Deputy Attorney General (DAG) Derry Knight said the Board's regulations did not address protection barns. The horsemen's agreements were the only reason such barns were used. The Board could

make protection barns part of its requirements, but it would have to amend its regulations. He added the law did not address the issue. Vice-Chairman Harris said the Board had adequate regulations regarding TCO₂ testing, and violations should be treated no differently than any other medication violation. Chairman Shapiro asked if HPRA was trying to shift the burden of potential liability for putting a trainer in a protection barn. Mr. Wyatt said HPRA was simply saying it was not its business to be placing trainers in protection barns. HPRA believed the Board was the entity to take action regarding medication violations. Chairman Shapiro stated the problem was the considerable amount of time before a medication violation was adjudicated. The current scheme regarding protection barns was working. Drew Couto of Thoroughbred Owners of California (TOC) said the Board's regulations provided for adjudication of disputes between the parties. TOC wanted the continuation of protection barns because many of the trainers with high TCO₂ asserted they had no idea why the level was so high, and it was a possibility that their horses were tampered with. So, to protect the horses, the protection barn system was devised and had been in place over two years. The protection barns, in addition to the Board's rules, proved to be effective in dramatically reducing the rate of high TCO₂ levels. Mr. Couto said TOC would ask the Board to conduct a hearing to determine the issue. Commissioner Choper asked if the barns were a condition in all of TOC's agreements. Mr. Couto stated they were with every racing fair and thoroughbred racing association. Commissioner Choper asked why TCO₂ was the only drug subject to the procedure. Mr. Couto said three years ago there were a high number of elevated TCO₂ levels. It was determined bicarbonate milkshakes had to be administered within 24 hours, and it could be done by anyone. The best way to prevent recurring positives was to place horses from the

barns of trainers with high TCO₂ levels in protection barns. Mr. Wyatt stated when the procedure was instituted the Board had no regulations regarding testing for TCO₂. That had since changed, and that was why HPRA believed it was not obligated to provide for protection barns. Chairman Shapiro said the incidents of high TCO₂ were a serious issue. While there was not a specific drug involved the milkshakes administered to horses did appear to have some performance enhancing effect. The racing associations and horsemen devised a mechanism to allow for swift action. The Board enacted TCO₂ regulations, but it was still not able to quickly take action. Every association instituted a protection barn, and if a trainer had a high TCO₂ level his horses were placed in the barn, which resulted in a decrease in TCO₂ violations. Dr. Rick Arthur, Equine Medical Director, reviewed the background regarding the current TCO₂ program. He concluded by stating if there were no protection barns the Board would have to impose more onerous penalties. Commissioner Choper asked what distinguished bicarbonates from other substances. Dr. Arthur said the major difference was that it had to be administered in a relatively short period of time, and it could be administered quickly by virtually anyone. He added it was a different type of performance enhancing product than typically dealt with by the Board. Commissioner Choper asked if Dr. Arthur felt there was a distinction that justified protection barns for bicarbonates as opposed to other substances. Dr. Arthur said that was true. The use of protection barns was an effective program. Chairman Shapiro asked if Dr. Arthur thought it was in the best interest of the industry to maintain protection barns at every racetrack in California. Dr. Arthur stated he would like to see the program continue, but if it was not administered rapidly, the Board should take it over. Ed Halpern of California Thoroughbred Trainers (CTT) said his

organization removed the protection barn requirement from its agreement with HPRA. He stated CTT did not believe its involvement in the program was fruitful and the barns raised questions of due process. Mr. Halpern stated CTT believed the subject needed fuller discussion. Jack Liebau said HPRA was sued because of the protection barn. The current procedure provided no due process, as the trainer's horses were moved to the barn without exception. He stated it was difficult to understand why TCO2 violations were treated differently from any other Class II or Class III violation. The only positive aspect of the barns was that they were quick. Vice-Chairman Harris said the manner in which TCO2 violations were handled was a good stopgap system, but it was not needed now that the Board could act. The deterrent was the loss of purse and the progressive discipline in the Board's regulations. Jerry Jamgotchian, a horse owner, spoke about his concerns regarding the HPRA application. Drew Couto said the TOC would request a special hearing on the issue under Rule 2043. Chairman Shapiro stated he tended to agree with TOC, as the issue was complex, and he did not want to see the industry back away from the program's success. He said the other issue with the HPRA application was ADW. There were ongoing negotiations between the parties, which were not complete. The Board's policy was to hear applications for license to conduct a horse racing meetings only when they were in order. HPRA's application was not in order, so the item would be **deferred**.

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 in April 2007 the Board adopted a proposal to add Rule 1843.3, Penalties for Medication Violations, and to amend Rule 1843.2, Classification of Drug Substances. Questions were raised during the 30-day Office of Administrative Law (OAL) review. The file was withdrawn to address the OAL's concerns, and a new 15-day public comment period was initiated. Ms. Wagner stated no comments were received during the 15-day public comment period and staff recommended the Board adopt the regulations as presented. Vice-Chairman Harris **motioned** to adopt the proposed addition of Rule 1843.3 and the amendment to Rule 1843.2. Commissioner Moss **seconded** the motion, which was **unanimously carried**.

PUBLIC HEARING AND ACTION BY THE BOARD ON THE PROPOSED ADDITION OF: ARTICLE 10.5, MULE RACING, TO PROVIDE AN ARTICLE UNIQUE TO MULE RACING; CHRB RULE 1747, MULE RACING RULES, TO SPECIFY THAT MULE RACES MUST ADHERE TO BOARD RULES IN GENERAL, BUT RULES UNIQUE TO MULES WILL BE PLACED UNDER ARTICLE 10.5; AND CHRB RULE 1748, SHOEING MULES, TO PROVIDE THAT MULES MAY RUN UNSHOD.

Jacqueline Wagner, CHRB staff, said the addition of Article 10.5, Mule Racing, would add an article to the Board's regulations that would specifically address mule racing rules. The proposed addition of Rule 1747, Mule Racing Rules, would make it clear that mule racing rules would fall under Article 10.5, and the proposed addition of Rule 1748, Shoeing Mules, would allow mules to run unshod. The item was heard by the Board at the July 2007 Regular Meeting. At that time modifications to the language of Rule 1748 were suggested. The

regulation was renoticed for a 15-day public comment period. No comments were received during the 15-day public comment period, and staff recommended the Board adopt Article 10.5, Rule 1747 and Rule 1748 as presented. Vice-Chairman Harris **motioned** to adopt Article 10.5, Rule 1747 and Rule 1748. Chairman Shapiro **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE PROPOSED ADOPTION OF THE CHRB CONFLICT OF INTEREST AND ETHICS CODE.

Richard "Bon" Smith, Assistant Executive Director, said a discussion regarding a Board conflict of interest and ethics code had been ongoing since June 2007. He stated a final draft of the code was included in the Board package, and staff recommended the Board adopt it as presented. Commissioner Shapiro asked if the Department of Consumer Affairs (DCA) provided input regarding the conflict of interest and ethics code. Mr. Smith said the DCA had commented. Jerry Jamgotchian, a horse owner, spoke regarding his concerns about the proposed conflict of interest and ethics code. Vice-Chairman Harris **motioned** to adopt the CHRB conflict of interest and ethics code. Commissioner Amerman **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE ADOPTION OF THE 2008, 2009 AND 2010 RACE DATES CALENDAR.

Chairman Shapiro said he would include agenda item 15, report on the Strategic Planning Committee (committee), in the item. He stated the committee met on a variety of occasions

and discussed and approved calendars for the night industry and the Southern California racing calendar. Chairman Shapiro said the committee recommended the Board approve the calendars. The night harness industry would run Wednesday through Saturday from December 27, 2007, through July 31, 2008. Night harness racing would recommence on September 10, 2008, and run continuously through December 20, 2008. Chairman Shapiro stated the night quarter horse industry would run from December 27, 2007, through December 21, 2008. He said the committee recommended the Board provide the night industry latitude to alter race days during the specific weeks of their applications. For the Southern California thoroughbred meetings: Santa Anita would run 85 days from December 26, 2007, through April 20, 2008. Hollywood Park would race from April 23, 2008, through July 13, 2008. Del Mar would start July 16, 2008, through September 3, 2008. Fairplex Park Pomona would run September 5, 2008, through September 22, 2008. Oak Tree would start September 24, 2008, through October 26, 2008. The Hollywood Park fall meeting would commence October 29, 2008, through December 21, 2008. Chairman Shapiro **motioned** to approve the proposed 2008 racing calendars for the night harness, night quarter horse and Southern California thoroughbred race meetings. Vice-Chairman Harris **seconded** the motion, which was **unanimously carried**. Chairman Shapiro said the Northern California schedule still needed resolution. The stakeholders submitted a calendar that was acceptable to the committee, but there was one outstanding issue: would Bay Meadows allow the use of its facility through the end of 2008 after the San Mateo County Fair meeting? When the Northern California racing calendar was considered the committee understood Bay Meadows would make its barn area, track and housing facilities available for the remainder of 2008. Jack Liebau of Bay Meadows

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said his organization talked with the California Thoroughbred Trainers (CTT) and arrived at an agreement regarding the availability of the backside at Bay Meadows. Mr. Liebau stated it was in the best interest of horseracing for Bay Meadows to continue operating as long as possible to allow time for development of alternate plans. The future of Bay Meadows hinged on an Appellate Court case that should be determined in 60 to 90 days. Bay Meadows would continue to operate and the barn areas would be available at least through the end of the San Mateo County Fair meeting. The facility should be available thereafter, but if an unsafe condition arose there had to be an alternative plan. Mr. Liebau added the San Mateo County Fair would have the right to operate satellite wagering when Bay Meadows ceased to operate. He stated the satellite facility generated more handle than any other satellite in Northern California, so it was important that a seamless transition occurred. Chairman Shapiro said Bay Meadows would inevitably close, and the Board was only looking at how the industry could have suitable stabling and training alternatives in place. Mr. Liebau said he understood. He did not think the industry was ready, so it was better off having as much time as possible. Chairman Shapiro stated he agreed, but as the development of Bay Meadows moved forward what assurances did the industry have that an effort would be made to keep the barn areas open? Mr. Liebau said Bay Meadows could not give ironclad assurances, but there had to be trust and the industry needed to work together. Commissioner Moss asked if there was any way to suspend work on Bay Meadows until 2009. Mr. Liebau said there were investors who had money in the project, and given its size, any delays would be cost prohibitive. Bay Meadows did not think there were going to be any problems, and it would do its best to stay open through 2008 as a training facility. Commissioner Choper said it appeared Bay Meadows

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gave the CTT most everything it wanted in its memorandum. He added Mr. Liebau was correct in stating there was no way an agreement would cover everything that might occur. However, if Bay Meadows would make reasonable accommodations in light of the needs of the horsemen, the Board would be given some assurance. Mr. Liebau said he would give his personal assurance he would try to make the situation work. Chairman Shapiro stated the Board did have a guarantee that Bay Meadows would run the dates that were on the proposed 2008 Northern California racing calendar. Mr. Liebau said Bay Meadows would run through the San Mateo County Fair. He added during 2008 Bay Meadows did not plan to touch the infield where there were over 700 stalls. Drew Couto of Thoroughbred Owners of California (TOC) stated Bay Meadows indicated it would give ten days notice if it decided to shut down the backstretch due to safety concerns. He said TOC believed ten days was not quite enough time, and it asked that if an issue did arise, additional time could be given so trainers could find accommodations. Mr. Liebau stated Bay Meadows would work with TOC and CTT to provide ample notice. Chairman Shapiro **motioned** to adopt the 2008 Northern California racing calendar as reviewed and approved by the committee. Racing would start at Golden Gate Fields December 26, 2007, through February 3, 2008. Bay Meadows would run from February 6, 2008, through May 11, 2008. Golden Gate Fields would run from May 14, 2008, through June 22, 2008. The racing fairs would run: Pleasanton from June 25, 2008, through July 6, 2008; Vallejo from July 9, 2008, through July 20, 2008; Santa Rosa, from July 23, 2008, through August 4, 2008; San Mateo from August 6, 2008, through August 18, 2008; Ferndale from August 7, 2008, through August 17, 2008; Cal Expo from August 20, 2008, through September 1, 2008; Stockton from September 3, 2008, through September 15, 2008;

Fresno from October 1, 2008, through October 13, 2008. Chairman Shapiro added that Fresno would run overlapped, except for October 1, 2, 8 and 9, 2008. The committee also recommended that Fresno run without overlap in 2009 and 2010. Chairman Shapiro stated Golden Gate Fields would continue racing from October 3, 2008, until December 21, 2008. Commissioner Choper **seconded** the motion. Jerry Jamgotchian, a horse owner, spoke about his concerns regarding the proposed 2008 Northern California racing calendar. Chairman Shapiro stated as a condition of the 2008 racing fair calendar the committee put a limit of 43 thoroughbred races per week. The **motion was unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD REGARDING PENALTIES AND OR PROCEDURES CONCERNING LATE AND/OR NON-REPORTING OF FIRST TIME GELDINGS.

Mike Martin, CHRB staff, said Board Rule 1865, Altering of Sex of Horse, required the owner or trainer of a horse that was previously entered to race and that was gelded or castrated, to report the change of sex of the horse by the time the horse was next entered to race. Mr. Martin stated the regulation was violated approximately 44 times during the 2006/2007 fiscal year. The issue was discussed at the July 2007 Pari-Mutuel/Simulcast and ADW Committee (committee) meeting. One of the suggestions regarding late reporting was to scratch a horse, or to levy a more sever fine on the trainer. Vice-Chairman Harris said from the wagering public's point of view it would be better to scratch the horse. The public did not have access to the correct information, and it would be impossible to correct the error. Commissioner Moss said the committee wanted to examine the issue more closely before it made a recommendation. The California Thoroughbred Trainers representative wanted to

discuss increased fines with the trainers and the committee wanted to see if the Encompass system for reporting geldings was fully operable and more effective. Vice-Chairman Harris said the Board could direct staff to initiate the rulemaking process, which would then require additional discussion of the issue. Rick Hammerly, Santa Anita Racing Secretary, said scratching a horse because a gelding was not reported in a timely manner was a drastic solution. He stated the owner who paid the bills to get the horse ready to run would lose, and the wagering public would also be affected. Many persons who wagered got their information from the Daily Racing Form, which did not report recent geldings. A fan that countered his Pick Six wager around a horse might not care if it was a colt, gelding, filly or mare. There were too many ways for a horse that was gelded or castrated to enter a race without the change in sex being reported. Santa Anita approached the problem by dedicating a person in the racing office to literally find when each horse last started, and when its gelding was reported. In addition, Santa Anita cut out two middlemen in the reporting process. If the entry card stated first time gelding, a feed was initiated that sent the information immediately to the overnight and the program without anyone having to take action. In addition, there were early morning race-day inspections, and if a gelding were found it was put on the board and announced so the public would be informed. Chairman Shapiro said he appreciated the racing office's efforts, but the issue was ongoing, and he thought the rulemaking process should be initiated so the industry could be put on notice. Vice-Chairman Harris **motioned** to instruct staff to draft an amendment to Rule 1865 to provide for a scratch - by scratch time - in cases of late reporting of a change of the sex of a horse. Commissioner Choper **seconded** the motion.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE FEASIBILITY OF ALLOWING A HORSE, THAT HAS NOT STARTED FOR A MINIMUM OF 180 DAYS SINCE ITS LAST RACE TO BE ENTERED IN A CLAIMING RACE AND DECLARED INELIGIBLE TO BE CLAIMED.

Chairman Shapiro stated the item was **deferred**.

DISCUSSION BY THE BOARD REGARDING THE RENEWAL OF LICENSES FOR EXISTING ADVANCED DEPOSIT WAGERING (ADW) PROVIDERS.

Chairman Shapiro stated that during this tenure on the Board advance deposit wagering (ADW) in California had been the object of many disputes. He said all of the ADW licenses or approvals were due for renewal, and it was time for the Board to step up and work for the fans and the industry by looking for ways to enhance it. Chairman Shapiro stated Business and Professions (B&P) Code Section 19420 granted the Board jurisdiction and supervision over race meetings conducted in California and over all persons or things having to do with the operation of such meetings. Section 19440 of the B&P Code stated the Board had the authority to adopt rules and regulations for the protection of the public and control of horse racing and pari-mutuel wagering. It also gave the Board authority to license all participants in California horse racing, including racing associations, racing fairs and ADW providers. B&P Code Section 19480 provided the Board authority to issue licenses to racing associations and racing fairs to conduct race meetings provided the Board determined the issuance of such licenses would be in the public interest and serve the purposes of horse racing law. B&P Code Section 19460 stated that all licenses granted by the Board should contain such conditions as deemed necessary or desirable for the purposes of horse racing law. Chairman Shapiro said the law gave the Board the ability to establish conditions for licensing or approving ADW providers.

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He stated the Board should consider requiring all racing associations to offer their product to all licensed/authorized ADW providers for wagering purposes, only. He added he did not believe that requirement would be the same as broadcasting, as the providers who broadcasted were entitled to, and should receive remuneration for their broadcasts. The market would decide which provider was better than another, but it was in the public interest to offer every opportunity to wager on California's horse racing product. Commissioner Amerman stated there was no question the wagering public was confused, and it was in the interest of the industry to be open to all ADW providers. Commissioner Moss said the industry was ill served by exclusive agreements that did not mean anything to anyone but the stakeholders. The Board needed to make it easier for the public to enjoy California horse racing. Vice-Chairman Harris stated he would like to see all ADW providers carry all California races, but could the Board compel a track to do business with every provider? Chairman Shapiro stated the Board was making it part of the requirements for license by establishing that providing the product to all ADW providers was in the best interest of the public. Scott Daruty, on behalf of Twinspires.com and XpressBet said the Board was correct. All content needed to be available to all reputable, licensed ADW providers. Horse racing fans were absolutely clear in their direction: they wanted to have the ability to pick their ADW platform and wager on all content through that platform. Mr. Daruty stated he hoped the Board's goal could be accomplished without regulatory direction and that the parties could work together for a resolution. Chairman Shapiro said he wanted to be clear that broadcasting was a different issue. TVG and HRTV produced wonderful content and they deserved to be compensated for their effort. However, it was time wagering rights were opened to all providers. He stated it was no

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different from simulcasting. Under the law the simulcast signal was made available to all parties, and he did not see how ADW was different. Jerry Jamgotchian, a horse owner, spoke about his concerns regarding ADW. Drew Couto of Thoroughbred Owners of California (TOC) said his organization did not favor exclusivity at the wagering level. TOC would support the Board in its efforts to move the industry towards opening ADW wagering. Cathy Christian, representing TVG, asked if the Board intended to put the issue up for a regulation to take public comment and evidence on whether it was in the best interest of the industry. Chairman Shapiro said a subcommittee of the Board would meet with the various stakeholders to implement a new ADW model to provide service to the public and the industry. Ms. Christian asked if it was the Board's intention to take public comment prior to acting on the ADW renewal applications. Chairman Shapiro said the Board would first determine how it could achieve its goals, and then craft the proposed conditions of licensure, which would be promulgated. When the ADW providers submitted their applications they would be asked to keep the conditions in mind. Vice-Chairman Harris said he was not clear if the Board's decision point would be on the ADW applications or with each track's application. Chairman Shapiro stated it could be both, or the Board might need to tell the associations that to have ADW they needed to offer their product to all ADW providers. Ms. Christian said she was concerned with the process, and if there was a way of going forward with the ADW renewal applications. There were currently regulations regarding ADW applications, and TVG wanted the greatest possible amount of notice if the Board was going to change those requirements. Chairman Shapiro said if the Board needed to change its regulations it might decide to renew ADW providers for a limited amount of time – until the new regulations could be in place.

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The Board did not want to stop ADW or put any ADW providers out of business, but if the process took six months, perhaps it needed to limit the renewals. Chuck Champion of YouBet.com said his organization supported the Board's position. The Board had the right and the obligation to protect the public and the industry, and to act in the best interest of horse racing. YouBet.com was ready to work with any ADW provider and any association to resolve the issues that were harming the entire industry. Chairman Shapiro said an ad-hoc committee would be formed to study the issues.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR APPROVAL TO CONDUCT ADVANCED DEPOSIT WAGERING (ADW) OF CHURCHILL DOWNS TECHNOLOGY INITIATIVES COMPANY DBA TWINSPIRES.COM FOR AN OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB, FROM JANUARY 1, 2008, TO DECEMBER 31, 2010.

Chairman Shapiro asked if Twinspires.com (Twinspires) would accept an approval for the remainder of 2007 rather than a multi-year approval. Brad Blackwell of Twinspires said his organization would accept such an approval. Jacqueline Wagner, CHRB staff, stated Churchill Downs, doing business as Twinspires, filed an application to conduct out-of-state multi-jurisdictional wagering as an advance deposit wagering (ADW) provider. Twinspires would provide ADW services 24 hours a day, year-round, with the exception of December 25. Ms. Wagner noted Twinspires had agreements pending with Bay Meadows and Golden Gate Fields. The horsemen's agreement and contracts with racing associations were missing from the application. She added the licensing of Twinspires management personnel was in process. Scott Daruty, on behalf of Twinspires, said Thoroughbred Owners of California (TOC) and Twinspires were still negotiating a hub fee. He stated the current ADW statute did not

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expressly provide for TOC approval. Although Twinpires understood the Board's position regarding the need for a horsemen's agreement, it also believed the Board had the ability to limit that right if it believed it was being imposed unreasonably. Mr. Blackwell said Churchill Downs launched Twinpires in May 2007. He described Twinpires business model and discussed its investment in California. Drew Couto of TOC said Churchill Downs had a history in California that was of concern to TOC. That history impacted TOC's view as to what would be an appropriate hub fee. When TOC dealt with other ADW providers they started with lower hub fees. That was the case because TOC asked them to prove themselves over a period of a year. Following the "probationary" period, TOC would evaluate the ADW providers' performance and adjust their fees appropriately. Mr. Couto stated TOC offered Twinpires a hub fee that was substantially higher than that at which other ADW providers started; however, Twinpires indicated the fees were unacceptable, so there was an impasse. Mr. Couto said TOC would not have a problem if Twinpires was licensed as of January 1, 2008, but under current conditions the Board had required every California ADW provider to have a horsemen's agreement. Chairman Shapiro said the proposed approval was only for three months. He asked if there was not a middle ground the parties could agree on so Twinpires could be approved. Mr. Daruty said Twinpires would accept TOC's proposal for the remainder of 2007 if it preserved Twinpires right to move forward under the new ADW legislation. Chairman Shapiro stated the item would be **deferred** to the November 2007 Regular Meeting. He stated the November hearing would only be for the remainder of 2007, and he asked the parties to negotiate an acceptable hub rate for that period.

DISCUSSION AND ACTION BY THE BOARD REGARDING ESTABLISHING A UNIFORM POLICY FOR CRITERIA TO BE USED IN DETERMINING RACES THAT ARE EXEMPT OR CONSIDERED DESIGNATED RACES FROM JOCKEY SUSPENSION.

Chairman Shapiro stated the item was **deferred**.

DISCUSSION AND ACTION BY THE BOARD REGARDING JOCKEYS BEING NAMED TO MORE THAN ONE HORSE IN ANY RACE, AND MULTIPLE HORSES THAT ARE ENTERED BY ONE TRAINER OR OWNER IN A STAKES RACE WHEREIN THEY AGREE TO ONLY RUN ONE HORSE IN SUCH RACE.

Chairman Shapiro stated the item was **deferred**.

STAFF REPORT ON THE FOLLOWING CONCLUDED RACE MEETS:

- A. HOLLYWOOD PARK RACING ASSOCIATION AT HOLLYWOOD PARK FROM APRIL 25, 2007 THROUGH JULY 15, 2007.**
 - B. SAN JOAQUIN COUNTY FAIR AT STOCKTON FROM JUNE 14, 2007 THROUGH JUNE 24, 2007.**
 - C. ALAMEDA COUNTY FAIR AT PLEASANTON FROM JUNE 27, 2007 THROUGH JULY 8, 2007.**
 - D. SONOMA SOLANO WINE COUNTRY RACING AT SOLANO COUNTY FAIR FROM JULY 11, 2007 THROUGH JULY 25, 2007 CONTINUING AT SANTA ROSA COUNTY FAIR FROM JULY 18, 2007 THROUGH AUGUST 6, 2007.**
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Roberto Zavala, CHRB staff, said the numbers presented show a good average increase over 2006. Vice-Chairman Harris said he thought numbers would be up for the Santa Rosa County Fair due to the extended meeting. Joe Barkett of Solano County Fair spoke about the Sonoma Solano Wine Country Racing meeting, which was an experimental combined meeting. He stated that four-week combined meeting there were actually 5.4 percent fewer race events, but the handle per start was up 3.3 percent. Mr. Barkett discussed how the fairs arrived at their final numbers. He stated the disappointing aspect of the meeting was that the two weeks at Santa Rosa were down 20 percent on track. Although there was a lot of speculation regarding the drop

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in numbers, the entities believed the major reason for the decline was the overall drop in fair attendance for those two weeks. The fairs were currently exploring ways to improve the numbers if they conducted the same experiment in 2008. Vice-Chairman Harris asked if the fairs wanted to run the same meeting in 2008. Mr. Barkett said the fairs were open to repeating the combined meeting. Commissioner Choper asked what caused the enormous increase in Stockton. Forest White of San Joaquin County Fair said the big difference was the lack of overlap. In 2006 the fair was overlapped the first and second week. Mr. White added other factors in 2006 were the tremendous heat and the length of the meeting. In 2007 there was better weather and the meeting was shorter. He cautioned the fair was being moved to September in 2008, which could cause a drop in numbers. Mr. White stated San Joaquin County Fair was looking at ways to adapt to the change and to promote its 2008 meeting.

REPORT OF THE STRATEGIC PLANNING COMMITTEE

Chairman Shapiro said the Strategic Planning Committee report was presented in combination with item 7 of the agenda.

PUBLIC COMMENT

Lee Hall of Service Employee's International Union Local 1877 thanked the Board for its assistance in a matter involving the Los Angeles County Fair. Jerry Jamgotchian, a horse owner, spoke about his concerns regarding horse racing related issues.

MEETING ADJOURNED AT 2:30 P.M.

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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
November 29, 2007

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE LOS ANGELES TURF CLUB AT SANTA ANITA DECEMBER 26, 2007 THROUGH APRIL 20, 2008.

Los Angeles Turf Club filed its application to conduct a thoroughbred horse racing meeting at Santa Anita:

- December 26, 2007 through April 20, 2008, or 85 days, the same as 2007. The association proposes to race a total of 720 races, or 8.47 per day. In 2007 they raced 8.71 races per day with an average of 8.62 runners per race. The (actual) average daily purse for the spring 2007 meet was \$495,529. The (estimated) average daily purse for this meet is \$496,482.
- Los Angeles Turf was allocated 85 race days for 2008. Race week Wednesday through Sunday. The proposed race dates deletes Wednesdays January 9, 16, 30th; February 6, 13, 27th; March 5, 12, 19, 26th; April 2, 9, and 16th racing dates. Adding Mondays; January 7, 14, 28th; February 4, 11, 25th; March 3, 10, 17, 24, 31st; April 7 and 14th.

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

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

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

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

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

- Racing 5 days per week, Thursday through Monday, with 8 races per day weekdays and 9 races opening day, weekends and December 31, January 1, 21 and February 18 with the option to program 10 races on opening day, weekends.
- 11 races March 1, 2008, Santa Anita Handicap and April 5, 2008, Santa Anita Derby.
- First post 1:00 p.m. weekdays and 12:30 p.m. weekends and holidays.
 - 12:00 p.m. December 26, 2007- Opening Day, February 3 – Super Bowl Sunday.
 - 11:45 p.m. January 26, 2008 – Sunshine Millions Days.
- Request that Jennifer Paige is appointed horse identifier pursuant to CHRB Rule 1525.

- Track safety requirements have been fulfilled.
- Wagering program will use CHRB rules and ARCI.
 - Early wagering will be 8:30 a.m. to 10:00 a.m. each day.
 - New Wager – Pentafecta, selecting the final five finishes in a same race will be carded as last race of the day.
- The Advance Deposit Wagering (ADW) providers are Youbet, TVG, XpressBet and CDI/dba Twinpires; Winticket.com; Brisbet.com and Tsnbet.com.
- 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. Horsemen's agreement.

RECOMMENDATION:

Staff recommends that the application for license not be heard unless the missing information is provided

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

1. APPLICANT ASSOCIATION

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

Los Angeles Turf Club, Incorporated

Santa Anita Park

285 W. Huntington Drive

Arcadia, CA 91007

Telephone: 626/574-7223

Fax: 626/446-9565

B. Breed of horse: TB QH H

C. Racetrack name: Santa Anita Park

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

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

2. DATES OF MEETING

A. Inclusive dates for the entire meeting: December 26, 2007 through April 20, 2008

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

C. Total number of days or nights of racing: **85 Days**

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

Wed - Sun Tues - Sat **Other (specify) Thurs - Mon (Dark Tues & Wed)**

E. Number of days or nights of racing per week: **5 Days**

Exception: **6 Days; Monday, December 31, 2007 - Sunday, January 6, 2008**

CHRB CERTIFICATION

Application received: *9/26/07*
Deposit received: *JK*
Reviewed: *APW*

Hearing date: *11/29/07*
Approved date:
License number:

Run Date	Race	Age	Distance	2006-07 Purse	2007-08 Purse	Nom Fee	Costs
Wed Dec 26	Malibu Stakes (Grade I)	3 YO	7 F	\$250,000G	\$250,000G	\$250	\$230,000
Wed Dec 26	Sir Beaufort Stakes (Grade III)	3 YO	1 M (T)	\$100,000A	\$100,000A	\$100	\$100,000
Wed Dec 26	California Breeders Champion Stakes	2 YO (CA Breds)	7 F	\$125,000A	\$125,000A	\$125	\$125,000
Fri Dec 28	Kalookan Queen Handicap	F/M, 3 & UP	6 1/2 F	\$75,000A	\$75,000A	\$50	
Sat Dec 29	California Breeders Champion Stakes	F, 2 YO (CA Breds)	7 F	\$125,000A	\$125,000A	\$125	\$125,000
Sat Dec 29	La Brea Stakes (Grade I)	F, 3 YO	7 F	\$250,000G	\$250,000G	\$250	\$230,000
Sat Dec 29	Eddie Logan Stakes	2 YO	1 M (T)	\$75,000A	\$75,000A	\$50	
Sun Dec 30	San Gabriel Handicap (Grade II)	3 & UP	1 1/8 M (T)	\$150,000G	\$150,000G	\$150	\$135,000
Sun Dec 30	Blue Norther Stakes	F, 2 YO	1 M (T)	\$75,000A	\$75,000A	\$50	
Mon Dec 31	Impressive Luck Handicap	3 & UP	abt 6 1/2 F (T)	\$75,000A	\$75,000A	\$50	
Tue Jan 1	El Conejo Handicap (Grade III)	4 & UP	5 1/2 F	\$100,000A	\$100,000A	\$100	\$100,000
Tue Jan 1	Monrovia Handicap (Grade III)	F/M, 4 & UP	abt 6 1/2 F (T)	\$100,000A	\$100,000A	\$100	\$100,000
Sat Jan 5	San Pasqual Handicap (Grade II)	4 & UP	1 1/16 M	\$150,000G	\$150,000G	\$150	\$135,000
Sat Jan 5	Santa Ysabel Stakes (Grade III)	F, 3 YO	1 1/16 M	\$100,000A	\$100,000A	\$100	\$100,000
Sun Jan 6	San Gorgonio Handicap (Grade II)	F/M, 4 & UP	1 1/8 M (T)	\$150,000G	\$150,000G	\$150	\$135,000
Fri Jan 11	Paseana Handicap	F/M, 4 & UP	1 1/16 M	\$75,000A	\$75,000A	\$50	
Sat Jan 12	**San Fernando Stakes (Grade II)	4 YO	1 1/16 M	\$200,000G	\$150,000G	\$200	\$135,000 **
Sat Jan 12	San Rafael Stakes (Grade II)	3 YO	1 M	\$150,000G	\$150,000G	\$150	\$145,000
Sun Jan 13	El Encino Stakes (Grade II)	F, 4 YO	1 1/16 M	\$150,000G	\$150,000G	\$150	\$135,000
Sun Jan 13	Santa Ynez Stakes (Grade II)	F, 3 YO	7 F	\$150,000G	\$150,000G	\$150	\$135,000
Sat Jan 19	San Marcos Stakes (Grade II)	4 & UP	1 1/4 M (T)	\$150,000G	\$150,000G	\$150	\$135,000
Sat Jan 19	Tuzla Handicap	F/M, 4 & UP	1 M (T)	\$75,000A	\$75,000A	\$50	
Sun Jan 20	San Pedro Stakes	3 YO	6 1/2 F	\$75,000A	\$75,000A	\$50	
Mon Jan 21	Palos Verdes Handicap (Grade II)	4 & UP	6 F	\$150,000G	\$150,000G	\$150	\$135,000
Sat Jan 26	Sunshine Millions Classic	4 & UP (CA/FL Breds)	1 1/8 M	\$1,000,000G	\$1,000,000G	\$100	
Sat Jan 26	Sunshine Millions F/M Turf	F/M, 4 & UP (CA/FL Breds)	1 1/8 M (T)	\$500,000G	\$500,000G	\$100	\$850,000
Sat Jan 26	Sunshine Millions F/M Sprint	F/M, 4 & UP (CA/FL Breds)	6 F	\$300,000G	\$300,000G	\$100	
Sat Jan 26	Sunshine Millions Dash	3 YO (CA/FL Breds)	6 F	\$250,000G	\$250,000G	\$100	
Sun Jan 27	Santa Monica Handicap (Grade I)	F/M, 4 & UP	7 F	\$250,000G	\$250,000G	\$250	\$230,000
Sun Jan 27	Wishing Well Handicap	F/M, 4 & UP	abt 6 1/2 F (T)	\$75,000A	\$75,000A	\$50	
Sat Feb 2	Strub Stakes (Grade II)	4 YO	1 1/8 M	\$300,000G	\$300,000G	\$300	\$275,000
Sat Feb 2	Thunder Road Handicap	4 & UP	1 M (T)	\$75,000A	\$75,000A	\$50	
Sat Feb 2	Robert B. Lewis Stakes (Grade II)	3 YO	1 1/16 M	\$200,000G	\$200,000G	\$200	\$180,000
Sat Feb 2	La Habra Stakes	F, 3 YO	abt 6 1/2 F (T)	\$100,000A	\$100,000A	\$100	\$100,000
Sun Feb 3	San Antonio Handicap (Grade II)	4 & UP	1 1/8 M	\$250,000G	\$250,000G	\$250	\$230,000
Thu Feb 7	La Zanzara Handicap	F/M, 4 & UP	1 1/2 M (T)	\$75,000	\$75,000	\$50	
Sat Feb 9	Las Virgenes Stakes (Grade I)	F, 3 YO	1 M	\$250,000G	\$250,000G	\$250	\$230,000
Sat Feb 9	Santa Maria Handicap (Grade I)	F/M, 4 & UP	1 1/16 M	\$250,000G	\$250,000G	\$250	\$230,000
Sun Feb 10	San Vicente Stakes (Grade II)	3 YO	7 F	\$150,000G	\$150,000G	\$150	\$135,000
Sun Feb 10	La Canada Stakes (Grade II)	F, 4 YO	1 1/8 M	\$200,000G	\$200,000G	\$200	\$180,000
Sat Feb 16	San Carlos Handicap (Grade II)	4 & UP	7 F	\$150,000G	\$150,000G	\$150	\$135,000

Sun Feb 17	Daytona Handicap	4 & UP	abt 6 1/2 F (T)	\$75,000A	\$75,000A	\$50	
Mon Feb 18	Buena Vista Handicap (Grade II)	F/M, 4 & UP	1 M (T)	\$150,000G	\$150,000G	\$150	\$135,000
Sat Feb 23	San Luis Obispo Handicap (Grade II)	4 & UP	1 1/2 M (T)	\$150,000G	\$150,000G	\$150	\$135,000
Sun Feb 24	Honest Lady Stakes	F/M, 4 & UP	6 F		\$100,000A	\$100	\$100,000
Sat Mar 1	Sham Stakes (Grade III)	3 YO	1 1/8 M	\$100,000	\$200,000G	\$200	\$195,000
Sat Mar 1	Santa Anita Handicap (Grade I)	4 & UP	1 1/4 M	\$1,000,000G	\$1,000,000G	\$300	\$900,000
Sat Mar 1	Frank E. Kilroe Mile (Grade I)	4 & UP	1 M (T)	\$300,000G	\$300,000G	\$300	\$275,000
Sat Mar 1	China Doll Stakes	F, 3 YO	1 M (T)	\$75,000A	\$75,000A	\$50	
Sun Mar 2	Baldwin Stakes (Grade III)	3 YO	abt 6 1/2 F (T)	\$100,000A	\$100,000A	\$100	\$100,000
Sat Mar 8	Santa Anita Oaks (Grade I)	F, 3 YO	1 1/16 M	\$300,000G	\$300,000G	\$300	\$275,000
Sat Mar 8	Santana Mile	4 & UP	1 M	\$75,000A	\$75,000A	\$50	
Sun Mar 9	Santa Margarita Handicap (Grade I)	F/M, 4 & UP	1 1/8 M	\$300,000G	\$300,000G		\$300,000
Sat Mar 15	San Felipe Stakes (Grade II)	3 YO	1 1/16 M	\$250,000	\$200,000G	\$200	\$195,000
Sat Mar 15	Irish O'Brien Stakes	F/M, 4 & UP (CA Breds)	abt 6 1/2 F (T)	\$125,000 A	\$125,000 A	\$125	\$125,000
Sat Mar 15	Pasadena Stakes	3 YO	1 M (T)	\$75,000A	\$75,000A	\$50	
Sun Mar 16	Crystal Water Handicap	4 & UP (CA Breds)	1 M (T)	\$100,000A	\$100,000A	\$100	\$100,000
Sat Mar 22	San Luis Rey Handicap (Grade II)	4 & UP	1 1/2 M (T)	\$200,000G	\$200,000G	\$200	\$180,000
Sun Mar 23	Santa Ana Handicap (Grade II)	F/M, 4 & UP	1 1/8 M (T)	\$150,000G	\$150,000G	\$150	\$135,000
Sat Mar 29	Tokyo City Cup (Grade III)	4 & UP	1 1/8 M	\$100,000A	\$100,000A	\$100	\$100,000
Sat Mar 29	Pro or Con Handicap	F/M, 4 & UP (CA Breds)	1 M (T)	\$100,000A	\$100,000A	\$100	\$100,000
Sun Mar 30	Santa Paula Stakes (Grade III)	F, 3 YO	6 1/2 F	\$100,000A	\$100,000A	\$100	\$100,000
Fri Apr 4	Sensational Star Handicap	4 & UP (CA Breds)	abt 6 1/2 F (T)	\$125,000A	\$125,000A	\$125	\$125,000
Sat Apr 5	Santa Anita Derby (Grade I)	3 YO	1 1/8 M	\$750,000G	\$750,000G	\$300	\$625,000
Sat Apr 5	**Potrero Grande Handicap (Grade II)	4 & UP	6 1/2 F	\$200,000G	\$150,000G	\$200	\$135,000 **
Sat Apr 5	Arcadia Handicap (Grade II)	4 & UP	1 M (T)	\$150,000G	\$150,000G	\$150	\$135,000
Sat Apr 5	Providencia Stakes (Grade III)	F, 3 YO	1 M (T)	\$100,000A	\$100,000A	\$100	\$100,000
Sun Apr 6	San Miguel Stakes	3 YO	6 F	\$75,000A	\$75,000A	\$50	
Sun Apr 6	Las Flores Handicap (Grade III)	F/M, 4 & UP	6 1/2 F	\$100,000A	\$150,000G	\$150	\$135,000
Sat Apr 12	La Puente Stakes	3 YO	1 M (T)	\$100,000A	\$100,000A	\$100	\$100,000
Sat Apr 12	Santa Lucia Handicap (Restricted)	F/M, 4 & UP	1 1/16 M	\$75,000A	\$75,000A	\$50	
Sun Apr 13	Las Cienegas Handicap (Grade III)	F/M, 4 & UP	abt 6 1/2 F (T)	\$100,000A	\$100,000A	\$100	\$100,000
Sat Apr 19	Santa Barbara Handicap (Grade II)	F/M, 4 & UP	1 1/4 M (T)	\$200,000G	\$200,000G	\$200	\$180,000
Sat Apr 19	San Simeon Handicap (Grade III)	4 & UP	abt 6 1/2 F (T)	\$100,000A	\$100,000A	\$100	\$100,000
Sun Apr 20	San Juan Capistrano Handicap (Grade II)	4 & UP	abt 1 3/4 M (T)	\$250,000G	\$250,000G		\$250,000

* Pending TOC Approval

** Pending Breeders' Cup Funds

\$10,545,000

3. RACING PROGRAM

- A. Total number of races: Estimate 720
- B. Number of races for each day or night: 8 races weekdays
Nine (9) races Opening Day, Weekends and December 31, January 1, 21 and February 18, with the option to program 10 races on such days. Eleven (11) races Santa Anita Handicap day March 1, 2008, and Santa Anita Derby day April 5, 2008.
- C. Total number of stakes races: 75
- D. Attach a listing of all stakes races and indicate the date to be run and the added money or guaranteed purse for each. Note the races that are designated for California-bred horses.
See attached Exhibit 3(D).
- E. Will provisions be made for owners and trainers to use their own registered colors?
 Yes No If no, what racing colors are to be used:
- F. List all post times for the daily racing program:

	All Weekdays	Weekends & Holidays	Weekends & Holidays
		December 26-February 3, 2008	February 9-April 20, 2008
Race 1	1:00 p.m.	12:00 p.m.	12:30 p.m.
Race 2	1:30 p.m.	12:30 p.m.	1:00 p.m.
Race 3	2:00 p.m.	1:00 p.m.	1:30 p.m.
Race 4	2:30 p.m.	1:30 p.m.	2:00 p.m.
Race 5	3:00 p.m.	2:00 p.m.	2:30 p.m.
Race 6	3:30 p.m.	2:30 p.m.	3:00 p.m.
Race 7	4:00 p.m.	3:00 p.m.	3:30 p.m.
Race 8	4:30 p.m.	3:30 p.m.	4:00 p.m.
Race 9		4:00 p.m.	4:30 p.m.
Race 10		4:30 p.m. (When Applicable)	5:00 p.m. (When Applicable)

Exceptions:

Wednesday, December 26, 2007	Opening Day	12:00 pm
Saturday, January 26, 2008	Sunshine Millions	11:45 pm
Sunday, February 3, 2008	Super Bowl	11:00 am
Saturday, March 1, 2008	Santa Anita Handicap	12:00 pm
Saturday, April 5, 2008	Santa Anita Derby	12:00 pm

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

4. RACING ASSOCIATION

- A. Association is a: Corporation (complete subsection C)
 LLC (complete subsection D)
 Other (specify, and complete subsection E)

B. Complete the applicable subsection and attached Addendum, Background Information and Ownership. Addendum A on file with CHRB.

C. CORPORATION

1. Registered name of the corporation: Los Angeles Turf Club, Incorporated
2. State where incorporated: California
3. Registry or file number for the corporation: 481360
4. Names of all officers and directors, titles, and the number of shares of the corporation held by each:

The officers of the corporation hold zero shares in Los Angeles Turf Club, Incorporated.

Ron Charles, President & Chief Executive Officer

George Haines II, V.P. & General Manager

Frank De Marco, Jr., V.P. Regulatory Affairs and Assistant Secretary

Allen Gutterman, V.P. Marketing & Sales

Gina Lavo, V.P. Finance

Scott F. Daruty, Director

5. Names (true names) of all persons, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the corporation and the number of shares held by each:
Los Angeles Turf Club, Incorporated is a wholly owned subsidiary of The Santa Anita Companies, Inc., a Delaware Corporation, which is a wholly owned subsidiary of Magna Entertainment Corp., a Delaware Corporation.
6. Number of outstanding shares in the corporation:
Los Angeles Turf Club, Incorporated: 25 shares (Not publicly traded.)
The Santa Anita Companies, Inc.: 100 shares (Not publicly traded.)
Magna Entertainment Corp.: 49,259,999 Class A Subordinate Voting Shares
58,466,056 Class B Shares
As of August 31, 2007
7. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
The MEC shares are traded on the NASDAQ Exchange.
8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation: N/A
9. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
Magna Entertainment Corp.
10. Attach the most recent audited annual financial statement for the licensee, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the corporation and/or the Securities and Exchange Commission and/or the California Corporations Commission. The licensee may submit the audited consolidated annual financial statements of its parent owner if the parent owner is a publicly traded company and guarantees the obligations of the licensee.

On file

- D. LLC N/A
- E. OTHER N/A

F. Management and Staff

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

Ron Charles, President
 George Haines, Vice-President & General Manager
 Frank DeMarco, Jr., Vice-President Regulatory Affairs & Assistant Secretary
 Allen Gutterman, Vice-President Marketing & Sales
 Gina Lavo, Vice-President Finance
 Candace Coder-Chew, Director of Print & Graphics
 Randy Hartzell, Director of Mutuels
 Dick Honaker, Director of Operations & Security
 Chris Quinn, Director of Group Sales
 Pete Siberell, Director of Community Service & Special Events
 Jason Spetnegal, Director of Facilities
 Aaron Vercruysse, Executive Director, Business Development/Simulcasting
 Ken Walker, Director of Labor Relations
 Mike Willman, Director of Publicity & Public Relations
 Amy Zimmerman, Director of Broadcasting
 Nina Zukin, Director of Information Services
 Jay Cohen, Hornblower
 Trevor Denman, Public Address Commentator/Announcer

2. Name and title of the person(s) authorized to receive notices on behalf of the association and the mailing address of such person(s) if other than the mailing address of the association:

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

5. PURSE PROGRAM

A. Purse distribution:

1. All races other than stakes:

Current meet estimate:	\$26,560,000
Prior meet actual:	\$26,460,000

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

Current meet estimate:	\$ 312,471
Prior meet actual:	\$ 311,294

2. Overnight stakes:

Current meet estimate:	\$ 1,200,000
Prior meet actual:	\$ 1,200,000

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

Current meet estimate:	\$ 14,118
Prior meet actual:	\$ 14,118

3. Non-overnight stakes:
 Current meet estimate: \$10,545,000
 Prior meet actual: \$10,390,000

Average Daily Purse (5A3 ÷ number of days):
 Current meet estimate: \$ 124,059
 Prior meet actual: \$ 122,235

B. Stakes races:

1. Purse distribution for all stakes races:
 Current meet estimate: \$11,745,000
 Prior meet actual: \$11,590,000

Average Daily Purse (5B1 ÷ number of days):
 Current meet estimate: \$ 138,176
 Prior meet actual: \$ 136,353

2. Percentage of the purse distribution for all stakes races that will be distributed for California-bred stakes races:
 Current meet estimate: 13%
 Prior meet actual: 13%

Average Daily Purse (5B2 ÷ number of days):
 Current meet estimate: .15%
 Prior meet actual: .15%

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

Current meet estimate: \$ 2,750,000
 Prior meet actual: \$ 2,700,000

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

Recognized Horsemen's Organization

	Current meet estimate:	Prior meet actual:
NTRA	\$ 186,000	\$ 450,000
TOC	\$ 384,000	\$ 350,000
CTT Pension	\$ 380,000	\$ 376,000
CTT Administration	<u>\$ 196,000</u>	<u>\$ 194,000</u>
Total	\$1,146,000	\$1,370,000

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

Current meet estimate: \$42,201,000
 Prior meet actual: \$42,120,000

Average Daily Purse (5E ÷ number of days):
 Current meet estimate: \$ 496,482
 Prior meet actual: \$ 495,529

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

Current meet estimate: \$27,400,000

Prior meet actual: \$27,000,000

Average Daily Purse ($5F \div$ number of days):

Current meet estimate: \$ 322,353

Prior meet actual: \$ 317,647

G. Purse funds to be generated from interstate handle:

Current meet estimate: \$ 9,100,000

Prior meet actual: \$ 8,000,000

Average Daily Purse ($5G \div$ number of days):

Current meet estimate: \$ 107,059

Prior meet actual: \$ 94,118

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

Wells Fargo Regional Commercial Bank, West Covina Office, paid through Paymaster of Purses
Account # On file

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

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

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

6. STABLE ACCOMMODATIONS

A. Number of usable stalls available for racehorses at the track where the meeting is held: 1,950

B. Minimum number of stalls believed necessary for the meeting: 1,853

C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: 2,500

D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site: Hollywood Park 1,500 San Luis Rey Downs 500 Fariplex 500

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

SCOTWINC agreement on file with CHRB

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

- F. Total number of usable stalls made available on-site for the 1986 meeting: 1,950
- G. Estimated cost to provide off-site stalls for this meeting. Show cost per day per stall:
\$1,700,000 (\$10.00/day/stall; excludes vaning costs)
- H. Estimated cost to provide vaning from off-site stalls for this meeting. Show fees to be paid for vaning per-horse: \$350,000
\$180 RT for Hollywood and Pomona
\$320 RT for San Luis Rey Downs

7. PARI-MUTUEL WAGERING PROGRAM

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

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

TYPE OF WAGERS		APPLICABLE RULES
Example Race: \$1 E; \$1 Double		CHRB #1959; RCI #VE
Race #1	\$1E \$2DD \$1PK3 \$1PPN \$1PNP4	CHRB #1959, 1957, 1977, 1976.8, 1976.9
Race #2	\$1E \$2DD \$1PK3	CHRB #1959, 1957, 1977
Race #3	\$1E \$2DD \$1PK3 \$2PNP6	CHRB #1959, 1957, 1977, 1976.9
Race #4	\$1E \$2DD \$1PK3 \$2PNP6	CHRB #1959, 1957, 1977, 1976.9
Race #5	\$1E \$2DD \$1PK3 \$2PNP6 \$1PNP4	CHRB #1959, 1957, 1977, 1976.9
Race #6	\$1E \$2DD \$1PK3 \$1PNP4	CHRB #1959, 1957, 1977, 1976.9
Race #7	\$1E \$2DD \$1PK3 \$1PNP4	CHRB #1959, 1957, 1977, 1976.9
Race #8	\$1E \$2DD \$1PK3	CHRB #1959, 1957, 1977, 1976.9
Race #9	\$1E \$2DD	CHRB #1959, 1957, RCI #004-105 (If last race of the day)
Race #10	\$1E \$2DD	CHRB #1959, 1957, RCI #004-105 (If last race of the day)

- Rolling \$2 Daily Doubles beginning with Race #1. (CHRB #1957)
- \$1 Trifecta on all eligible races. (CHRB #1979)
- \$0.10 Superfecta wagering on all qualifying races. (CHRB #1979.1) Except on races with Pentafecta.
- Incoming simulcasts will follow host track format.
- \$1 Place PK8 on 8-race program; Place PK9 on 9-race program, Place PK10 on 10-race program. Alternate runner provision. [All \$1 Wagers] No carryover. Pay all tickets with most winners. (CHRB #1976.8)
- \$2 PNP6 Last six live races 70% Carryover, 30% Minor. Alternate runner provision. (CHRB #1976.9)

- \$1 PNP4 first race and last four live races. Alternate runner provision. (CHRB #1976.9)
- \$2 Parlay Wagering Races 1-10. (CHRB #1954.1)
- \$1 Pentafecta selecting the first five finishers in a same race. 100% payout on all tickets selecting five winners. No consolation; 100% carryover if no ticket has five winners. Note: Superfecta will not be offered in a selected Pentafecta race. Pentafecta will be carded as last race of the day. (ARCI #004-105 per Horse Racing Law 19599) See Exhibit 7-A; Tote compliance letter.

- B. Maximum carryover pool to be allowed to accumulate before its distribution OR the date(s) designated for distribution of the carryover pool: Unlimited
- C. List any options requested with regard to exotic wagering: N/A
- D. Will "advance" or "early bird" wagering be offered? Yes No
 If yes, when will such wagering begin: 8:30 a.m. – 10:00 a.m.
- E. Type(s) of pari-mutuel or totalizator equipment to be used by the association and the simulcast organization, name of the person(s) supplying equipment, and expiration date of the service contract:
 Scientific Games Racing, Brooks Pierce, President Expires: September, 2012

8. ADVANCE DEPOSIT WAGERING (ADW)

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

Providers include: CDI/AMTAB/BRISBET
 YouBet
 TVG
 Xpress Bet

9. SIMULCAST WAGERING PROGRAM

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

- C. California simulcast facilities the association proposes to offer its live audiovisual signal:

Alameda County Fair	Kern County Fair – 15 th DAA
Antelope Valley Fair	Lake Perris Sports Pavilion
Barona Casino	Los Alamitos
Bay Meadows	Monterey County Fair – 7 th DAA
Cal. Expo	National Orange Show
Desert Expo	Redwood Acres Fair – 9 th DAA
Earl Warren Showground's – 19 th DAA	San Bernardino County Fair – 28 th DAA
ExpoCentre	San Joaquin Fair – 2 nd DAA
Fairplex	Santa Barbara County Fair – 37 th DAA
Fantasy Springs Casino	Santa Clara County Fair
Fresno District Fair – 21 st DAA	Shasta District Fair – 27 th DAA
Fresno Club One Wagering Facility	Solano County Fair
Golden Gate	Sonoma County Fair
Hollywood Park	



September 10, 2007

George Haines, Vice President and General Manager
Santa Anita Park
P.O. Box 60014
Arcadia, California 91066-6014

Dear George,

Pursuant to the terms of the new totalisator contract, you have asked Scientific Games to program and provide a new wager, the "Pentafecta" to Santa Anita for deployment at the start of the 2007 Los Angeles Turf Club race meeting on December 26, 2007.

Due to the scale and size of the project, Scientific Games will program and deploy the wager by this date, under the following timeframes and corresponding conditions:

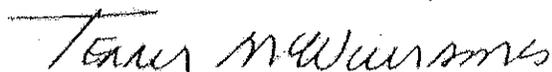
1. December 26, 2007
 - a. Santa Anita will host the pool
 - b. The wager will be available on BetJet devices only. Scientific Games BetJet-only tracks are:
 - California
 - Meadowlands
 - Monmouth
 - Prairie Meadows
 - Dubuque Greyhound Park
 - Evangeline Downs
 - Yonkers Raceway
 - d. ITSP- Any AmTote and/or United Tote tracks that offer the wager may participate.
2. February 1, 2008
 - a. Completion of development to enable all Scientific Games non-BetJet wagering devices to accept the wager.
3. March 1, 2008
 - a. Deployment to all Scientific Games non-BetJet tracks/devices. Santa Anita to prioritize track deployment.

Page 2
George Haines
September 10, 2007

Pending your response to proceed under the above timeframes and conditions, we will begin the development work required to enable the wager.

If you have any questions or comments, don't hesitate to contact me.

Best Regards,



Terence J. McWilliams
Scientific Games Racing

Stanislaus County Fair, Turlock Satellite
 Sycuan Casino
 Ventura County Fair – 31st DAA

Viejas Casino & Turf Club
 Surfside Race Place at Del Mar
 24th District Agricultural Association

- D. Out-of-state wagering systems the association proposes to offer its live audiovisual signal:
 See (E) Common Pool Sites and Separate Pool/Flat Fee Sites.

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

EXPORT SIMULCAST SITE REQUEST – Subject to Change/Additions

America Tab	Ohio	Hoosier Park	Indiana
Amwest Entertainment	North Dakota	Horsemen's Park	Nebraska
Arapahoe Park	Colorado	Indiana Downs	Indiana
Arima Race & Sports Book	Trinidad	International All Sports Limited	Florida
Arlington International Racecourse,	Illinois	Jackson Harness Raceway	Michigan
Atlantic City Casino Assn.	New Jersey	Keeneland Association	Kentucky
Atlantic City Race Course	New Jersey	Las Vegas Dissemination Co.	Nevada
Atokad Downs	Nebraska	Lebanon Raceway	Ohio
Balmoral Park/Maywood	Illinois	Les Bois Park	Idaho
Bettor Racing OTB (Royal River),	South Dakota	Lewiston Raceways, Inc.	Maine
Beulah Park	Ohio	Lien Games, Inc.	North Dakota
Birmingham Race Course	Alabama	Lincoln Park	Rhode Island
Blue Ribbon Downs	Oklahoma	Lone Star Race Park Ltd.	Texas
Bluffs Run Greyhound Park & Casino,	Iowa	Louisiana Downs	Louisiana
Boyd Gaming, dba Delta Downs	Louisiana	LVDC / Elite Turf Club	Nevada
Buffalo Trotting Association	New York	LVDC / Tribal Locations	Nevada
Calder Race Course	Florida	Manor Downs	Texas
Canterbury Park	Minnesota	Maryland Jockey Club	Maryland
Capital District OTB	New York	Midway Slots & Simulcast	Delaware
Capital Sports Pty Ltd.	Australia	Monmouth Park	New Jersey
Catskill OTB	New York	Montana Simulcast Partners	Montana
Charles Town Races	West Virginia	Monticello Raceway	New York
Choctaw Racing Services, LLC,	Oklahoma	Mount Pleasant Meadows	Michigan
Churchill Downs	Kentucky	Mountaineer Park	West Virginia
Churchill Downs Sports Spectrum,	Kentucky	Nassau/Suffolk OTB	New York
Coeur d' Alene Casino	Idaho	Nevada Pari-Mutuel Association	Nevada
Colonial Downs	Virginia	New Jersey Sports & Exposition Authority,	NJ
Columbus Races	Nebraska	New York City Off-Track Betting	New York
Connecticut OTB	Connecticut	New York Racing Association	New York
Corpus Christi Greyhound Race Track,	Texas	Newport Jai-Alai	Rhode Island
Crystal Palace Casino	Bahamas	Northfield Park	Ohio
Dairyland Greyhound Park	Wisconsin	Northville Racing Corp.	Michigan
Delaware Park	Delaware	Oaklawn Park	Arkansas
Dover Downs	Delaware	Ocean Downs	Maryland
Downs at Albuquerque	New Mexico	Penn National Race Course	Pennsylvania
Ellis Park	Kentucky	Philadelphia Park	Pennsylvania
Emerald Downs	Washington	Plainridge Race Course	Massachusetts
European Simulco	Austria	Portland Meadows	Oregon
Evangeline Downs	Louisiana	Prairie Meadows	Iowa
Fair Meadows at Tulsa	Oklahoma	Raceway Park	Ohio
Fairgrounds Race Course	Louisiana	Racing & Gaming Services, Inc.,	British WI
Fairmount Park	Illinois	Remington Park	Oklahoma
Finger Lakes Race Track	New York	Retama Park	Texas
Fonner Park	Nebraska	River Downs	Ohio
Freehold Raceway	New Jersey	Rockingham Park	New Hampshire
Geneva Lakes Kennel Club	Wisconsin	Rosecroft Raceway	Maryland
Gillespie County Fair Race Meet	Texas	Ruidoso Downs	New Mexico
Great Lakes Downs	Michigan	Saginaw Harness Raceway	Michigan
Hawthorne National LLC	Illinois	Sam Houston Race Park, LTD	Texas
Hazel Park	Michigan	Saratoga Raceway	New York
Hinsdale Greyhound Park	New Hampshire	Scarborough Downs	Maine

Scioto Downs	Ohio	Turf Paradise	Arizona
Southland Greyhound Park	Arkansas	Turfway Park	Kentucky
Sports Creek Raceway	Michigan	Twin Spires ADW	
State Fair Park	Nebraska	Western Regional OTB	New York
Stevenson & Associates, Inc. (Common), Florida		Wheeling Downs	West Virginia
Suffolk Downs	Massachusetts	Wichita Greyhound Park	Kansas
Suffolk OTB	New York	Wonderland Greyhound Park	Massachusetts
Sunland Park	New Mexico	Woodlands	Kansas
Sunray Park	New Mexico	Wyoming OTB	Wyoming
The Green Track	Alabama	XpressBet, Inc.	California
The Greyhound Park at Post Falls, Idaho		Yonkers Raceway	New York
The Meadows	Pennsylvania	Youbet / I.R.G.	California
The Texas Hub at Gulf Greyhound, Texas		Zia Park	New Mexico
Thistledown Racing	Ohio		
Tri-State Racetrack & Gaming Center, WV			

Canada Pools:

- Assiniboia Down., CAN
- Charlottetown, CAN
- Clinton Raceway, CAN
- Connaught Park-Aylmer, CAN
- Dresden, CAN
- Elmira Raceway, CAN
- Evergreen Park Grande Prairie, Can
- EX Park IVR, CAN
- Flamboro Downs, CAN
- Fort Erie Racetrack, CAN
- Fraser Downs, CAN
- Fredericton Raceway, CAN
- Georgian Downs, CAN
- Grand River, CAN
- Hanover Raceway, CAN
- Hastings Park, CAN
- Hiawatha, CAN
- Hippodrome De Aylmer, CAN
- Hippodrome de Montreal, CAN

Separate Pools

- Stevenson & Associates, Inc.
- Caliente: Mexico, Central & South America,
- Presidente Remon, Panama

- Hippodrome de Quebec, CAN
- Hippodrome De Trois-Rivieres, CAN
- Inverness Raceway, CAN
- Kawartha Downs, CAN
- Marquis Downs, CAN
- Mohawk Racetrack, CAN
- Northlands Park, CAN
- Picov Downs, CAN
- Quinte Raceway, CAN
- Rideau Carleton Raceway, CAN
- Rocky Mountain Turf Club, CAN
- St. John's, CAN
- Stampede Park, CAN
- Sudbury Downs, CAN
- Summerside-PEI, CAN
- TBC Teletheatres, CAN
- Truro Raceway, CAN
- Western Fair Raceway, CAN
- Windsor Raceway, CAN
- Woodbine, CAN
- Woodstock-Ontario, CAN

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

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

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

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

Track	Dates	Races
Aqueduct - AQU:	DEC-APRIL	Selected Feature and/or Stakes Races
Calder Race Course - CRC:	DEC-JAN	Selected Feature and/or Stakes Races
Fairground @ La. Downs:	DEC-APRIL	Selected Feature and/or Stakes Races
Fort Erie - Canada:	APRIL	Full Card
Gulfstream Park - GP:	JAN-APRIL	Selected Feature and/or Stakes Races
Hastings - HST:	APRIL	Full Card
Hawthorne - HAW:	FEB-APRIL	Selected Feature and/or Stakes Races

Keeneland - KEE:	APRIL	Selected Feature and/or Stakes Races
Laurel Park - LRL:	JAN-APRIL	Selected Feature and/or Stakes Races
Lone Star Park - LS:	APRIL	Selected Feature and/or Stakes Races
Louisiana Downs - LAD:	APRIL	Selected Feature and/or Stakes Races
Northlands Park - NP:	MARCH-APRIL	Full Card
Oaklawn Park - OP:	JAN-APRIL	Selected Feature and/or Stakes Races
Philadelphia Park - PHA:	JAN-APRIL	Selected Feature and/or Stakes Races
Pimlico - PIM:	APRIL	Selected Feature and/or Stakes Races
Portland Meadows -	DEC-APRIL	Selected Feature and/or Stakes Races
Remington Park - RP:	APRIL	Selected Feature and/or Stakes Races
River Downs - RD:	APRIL	Selected Feature and/or Stakes Races
Stamper Park - STP:	APRIL	Full Card
Tampa Bay Downs - TAM:	DEC-APRIL	Selected Feature and/or Stakes Races
Thistledown - TDN:	MARCH-APRIL	Selected Feature and/or Stakes Races
Turf Paradise - TUP:	DEC-APRIL	Selected Feature and/or Stakes Races
Turfway Park - TP:	JAN-APRIL	Selected Feature and/or Stakes Races
Woodbine - WO:	APRIL	Full Card

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

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

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

QUARTER HORSE SIMULCAST RACES TO BE IMPORTED

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

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

HARNESS SIMULCAST RACES TO BE IMPORTED

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

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

OTHER BREED SIMULCAST RACES TO BE IMPORTED

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

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

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

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

19596.2, 19596.3, 19601, 19602, and 19616.1, and will require specific written approval of the CHRB.

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

10. CHARITY RACING DAYS

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

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

11. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

- A. Racing officials nominated:
- | | |
|-----------------------------|---|
| Association Veterinarian(s) | Dr. Jill Bailey |
| Clerk of Scales | Kevin Colosi |
| Clerk of the Course | Melanie Stubblefield |
| Film Specialist | Ruben Hernandez |
| Horse Identifier | Jennifer Paige |
| Horseshoe Inspector | Victor Tovar |
| Paddock Judge | Ken Goldberg |
| Patrol Judges | Ruben Hernandez, Dawn Jackson, Ken Goldberg |
| Placing Judges | Bob Moreno, Lisa Jones |
| Starter | Jay Slender |
| Timer | Jeff Tufts |

- B. Management officials in the racing department:
- | | |
|-------------------------------------|-------------------|
| Director of Racing | Michael J. Harlow |
| Racing Secretary | Rick Hammerle |
| Assistant Racing Secretary | Richard Wheeler |
| Paymaster of Purses | Cece Connor |
| Others (identify by name and title) | |
| Assistant Clerk of Scales | Charles McCaul |
- C. Name, address and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards:
 Ms. Barbara Weinstein
 9582 Hamilton Avenue, Suite 265
 Huntington Beach CA 92646, 714/964-7102
- D. Photographic device to be used for photographing the finish of all races, name of the person supplying the service, and expiration date of the service contract:
 Plusmic Corporation USA/Bill O'Brien Expires December 31, 2009.
- E. Photo patrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract. Specify the number and location of cameras for dirt and turf tracks. In-house Video System:

MAJOR VIDEO EQUIPMENT LISTING

Cameras

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

Camera Positions

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

Public

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

- 32' x 18' Barco mobile LED video board

Control Room Equipment

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

Number and location of cameras for dirt and turf tracks:

- 1 Tight Pan
- 1 Loose Pan
- 1 7/8th camera *dirt*
- 1 7/8th camera *turf*
- 1 RF Starting Gate camera
- 1 3/8th camera *dirt*
- 1 3/8th camera *turf*
- 1 3/16th camera *dirt*
- 1 3/16th camera *turf*
- 1 1/4 pole camera
- 1 hillside camera *turf*
- 1 5/16th camera *dirt/turf*

F. Type of electronic timing device to be used for the timing of all races, name of the person supplying the service, and expiration date of the service contract:

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

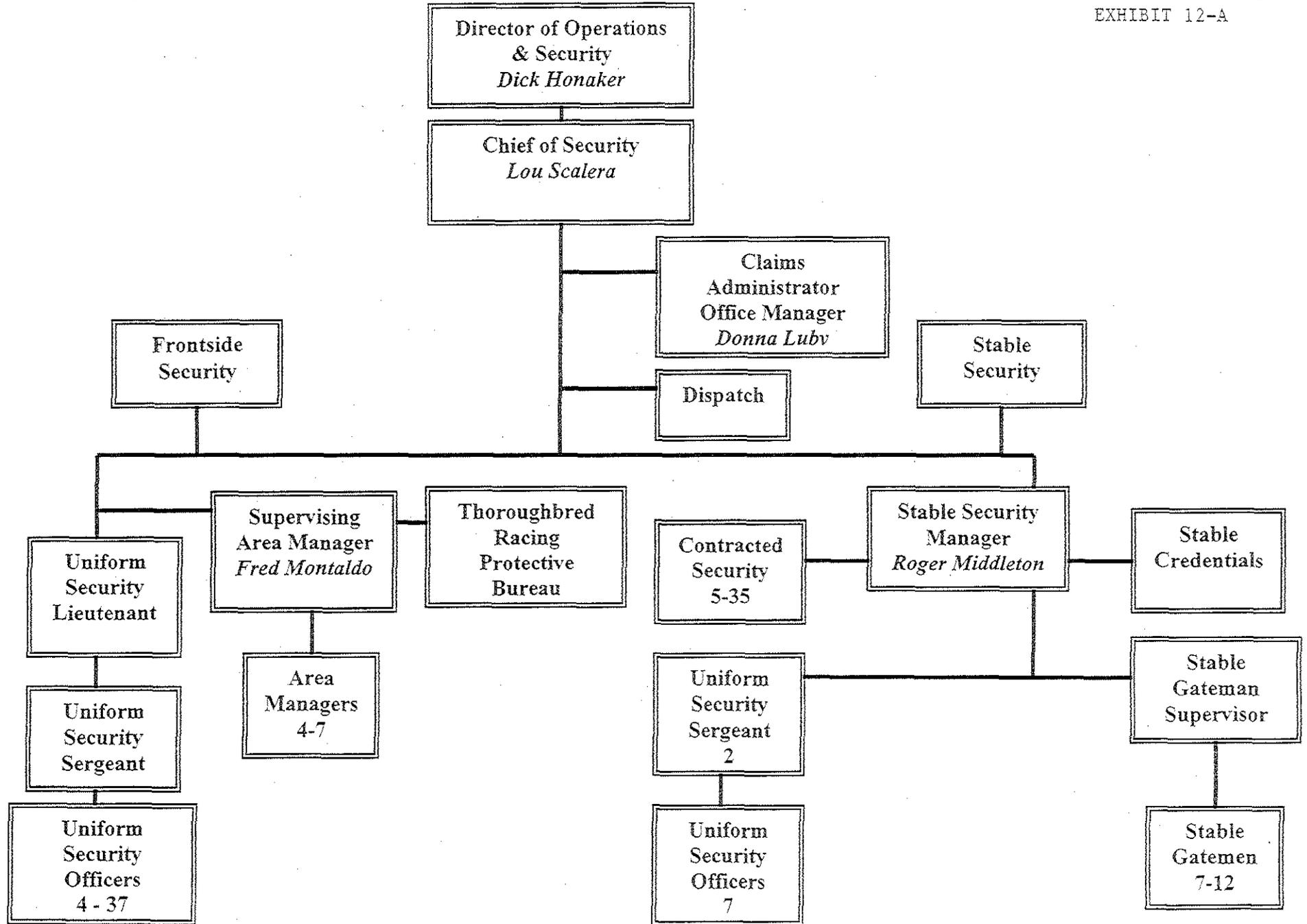
12. SECURITY CONTROLS

A. Name and title of the person responsible for security controls on the premises. Include an organizational chart of the security department and a list of the names of security personnel and contact telephone numbers.

Richard Honaker, Director of Operations & Security
 Lou Scalera, Chief of Security
 Front Side Security Office (626) 574-6406
 Stable Security Office (626) 574-6469
 Organizational Chart: (Attached Exhibit 12-A)

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

1 Chief of Security
 1 Stable Security Manager
 7 Investigators
 1 Dispatcher/Child Care
 40 Security Guards



- 1 Risk & Office Manager
- 1 Fire Marshall
- 13 Gatemmen
- 1 Stable Credentials Secretary

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

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

2. Detention Barns:
 - a. Attach a plan for use of graded stakes or overnight races.

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

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

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

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

3. TCO2 Testing:

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

- C. Describe the electronic security system:

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

1. Location and number of video surveillance cameras for the detention barn and stable gate.
LATC operates a detention barn located at Barn 121, stalls 9, 10, 11, 12, 12A, 14, 20 and 21 with each having a camera installed offering a wide angle view of the entire stall. In addition, on the outside of stalls 4, 7, 12A and 14, cameras have been installed offering wide-angle views of the shed

row from both directions. The stable gates are included with the cameras mentioned in question 2-C above, and all of these cameras are controlled by the same measures.

- C. 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 Service, PO Box 145, Sunset Beach, CA 90742, (714) 325-0363

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

Hollywood Park: Huntington Ambulance Service (same as above)

Fairplex: Cole-Shaefer Ambulance, 324 N. Towne Ave., Pomona, CA 91767 (909) 622-1273

San Luis Rey Downs: Emergency procedures plan on file with CHRB

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

Description of Santa Anita First Aid Office (Live Racing)

SERVICES (Mission)

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

STAFFING

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

EQUIPMENT

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

AVAILABILITY

- When gates open until after last race

- D. Name and emergency telephone number of the licensed physician on duty during the race meeting:
Dr. Andreas T. Subadya (626) 212-0492

- E. Name, address and emergency telephone number of the hospital to be used for admittance and treatment of emergency injuries in the event of an on-track injury to a jockey:

Arcadia Methodist Hospital, 300 W. Huntington Drive, Arcadia, CA 91007 (626) 445-4441

- F. Attach, in English and Spanish, the emergency medical plan procedures that will be posted in each jockey's room to be used in the event of an on-track injury to a jockey:

Exhibits 13-F Attached.

Exhibit 13-F (English)



EMERGENCY MEDICAL PROCEDURES
FOR ON-TRACK INJURY TO JOCKEYS

“FIRST RESPONSE”

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



“ON-SITE EVALUATION”

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



“INJURY TREATMENT”

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



Exhibit 13-F (Spanish)

PROCEDIMIENTO MEDICO de EMERGENCIAS
PARA HERIDAS A JINETES EN LA PISTA

“PRIMEROS AUXILIOS”

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



“EVALUACION EN EL SITIO DEL ACCIDENTE”

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



“TRATAMIENTO DE LAS HERIDAS”

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

- G. Name of health and safety manager and assistant manager responsible for compliance of health and safety provisions pursuant to B& P Code 19481.3(d):
George Haines, VP-General Manager
Mary Saenz, Safety Manager
- H. Attach a fire clearance from the fire authority having jurisdiction over the premises.
Fire inspection of the stabling area is scheduled for October 4, 2007. Letter will be forwarded upon receipt. Attached.
- I. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details):
Aon Reed Stenhouse Inc. Policy #on file
- J. Attach a Certificate of Insurance for workers' compensation coverage. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of insurance that secures the liability of the association for payment of workers' compensation.

(Attached Exhibit 13-J)

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

14. CONCESSIONAIRES AND SERVICE CONTRACTORS

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

HANDICAPPERS

Bob's Card Incorporated Tiffany Bohland 6288 Highland Meadows Drive Medina, OH 44256	(CHRB-25A and CHRB-87 on file with CHRB.)
Mr. Toby Turrell (Winners) 14112 Enfield Circle Westminster, CA 92683	(CHRB-25A and CHRB-87 on file with CHRB.)
Baedeker's Incorporated	(CHRB-25A and CHRB-87 on file with CHRB.)

Ref. No. 320005609264

CERTIFICATE OF INSURANCE

Aon Reed Stenhouse Inc.
 20 Bay Street
 Toronto, ON M5J 2N6
 Tel: 416-888-5591 Fax: 416-888-5583

Re: Evidence of Insurance

California Horse Racing Board
 Attention: Insurance Department
 1010 Harley Way, Suite 300
 Sacramento, CA 95825
 USA

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

Insured

Magma Entertainment Corp.; 400 Los Angeles Turf Club,
 incorporated in MI Developments Inc.
 285 West Huntington Drive
 Arcadia, CA 91707
 USA

Coverage

US Workers Comp/Employers Liability	Insurer	Liberty Mutual Insurance Company		

Policy #				

Effective	01-Jan-2007	Expiry	31-Jan-2008	

Limit of Liability	Workers Compensation As Per Applicable Law			

Cancellation / Termination

The insured will endeavour to provide THIRTY (30) days written notice of cancellation/termination to the address(es).

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

Aon Reed Stenhouse Inc.

Date: 28-December-2006
 Issued By: Macgregor, Louise Ann
 Tel: 416-888-5721

1

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



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

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

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

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

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

Triangle Turf Publications
William R. & Karen S. Archer
1 Scott Street
Gardnerville, NV 89410

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

15. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

A. Describe any promotional plans:

PROPOSED 2007-2008 SANTA ANITA PARK MARKETING SCHEDULE

ANALYSIS and RATIONALE

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

When betting on live horseracing was the only legal gambling opportunity in the state, racetrack business thrived in Los Angeles and large daily crowds were the norm at Santa Anita and Hollywood Park. Horse racing was the gateway to gambling and betting on thoroughbreds was most often the maiden voyage for gaming novices. That's no longer the case. Now, at least one generation of Californians, who might have had their first taste of gambling at a California horse track, has been intercepted at the gate by easily accessible casino action, a myriad of lottery games and gaming venues on the Internet.

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

Convenience is an overwhelming factor in the success of most businesses, certainly ours. Customers we have developed on track can also bet by phone, online or at a nearby satellite. That's not so great for the live business, but at least these fans are still in the game. We believe that convenience can work to the advantage of live racing, too and that is reflected in our 2008 marketing plans.

In addition to convenience, it is clear that visiting somewhere that appears to be "in" or "hot" definitely appeals to some Angelinos when they decide how to spend their free time and discretionary dollars. For 2008, we will continue our extremely successful marketing and advertising efforts to create awareness of Santa Anita. Our goal is to place it high in the consciousness of locals as a cool place to go and a hot spot to be, for established fans and newcomers, for young and old, for individuals and families. Additionally, our plans include a focus for the first

time on jockeys and the humans who make horse racing so fascinating and interesting.

PRINCIPLES AND PROCEDURES ~advertising and the convenience factor~

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

Our advertising partners, Winner and Associates and Target Enterprises, are buying cable companies (not cable stations) within these rings that provide us heavy ad rotations on major broadcast channels in the neighborhoods from which we expect to get most of our midweek and weekend players. If you reside within these rings, you will be inundated with spots—usually on Wednesdays, Thursdays and Fridays-- on high profile programming pumping Santa Anita. These targeted buys allow us to be a prominent television presence every week of the meet all the way through April. As with our 2006 and 2007 advertising program, the long-range goal, including the incentives, is to bring back long-time fans, and establish a much larger, solid base of new racing fans for years to come.

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

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

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

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

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

The popular *Day On Us* will return in 2008. This is the day each month where we provide a mailing that offers free clubhouse admission, free parking and a free program all on the same day with coupons provided through direct mail.

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

fans each month with exclusive offers specifically for them.

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

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

Santa Anita stays closely in touch with all the major promotional companies that create and provide high quality premium giveaway items. Our research told us that our fans will come to the track more often on days when they can take something home. Already purchased or on the drawing board for 2008 are innovative and popular premium items as well traditional giveaways such as the opening day calendar and the Santa Anita Derby day t-shirt

~ what makes Santa Anita special~

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

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

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

The Microbrew festivals offered at Santa Anita and partnered with KROQ-FM are the envy of the racing world. At the 2007 Santa Anita meet microbrews, between 8,000 and 11,000 prime young prospects came out to drink a brew, make a bet and have some fun in the sun. Three are planned this year during L.A.T. C.: Sunshine Millions Day, Big 'Cap Day and Santa Anita Derby Day. This has developed into one of the best media partnerships in all of sports. KROQ delivers for Santa Anita. We have also developed partnerships with KBIG-FM and KTLA CH.5 to be the broadcast promoters of Carnival Days, a very promising infield event seeking a more family oriented audience. Carnival Days is a scaled down version of the L.A. County Fair all inside the Santa Anita infield.

Our Group Events business, under new leadership, is growing with leaps and bounds. The number of groups is up, the number of individuals in the groups is up and bookings for 2008 are ahead of last year's pace at this time.

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

The popular Santa Anita website handicapping contest, SHOWVIVOR, will return with the start of the new meet. Its unique popularity brings racing fans from all over the country to the Santa Anita website including contest winners from Maryland and Pennsylvania.

Family Fun Days are an infield staple every Sunday and feature pony rides, face painters, a petting zoo and

children's activities.

A hit with serious students of the game will return in 2008. It's the Battle of the Handicapping Stars, a buy in event that will bring in some of the nation's best handicappers and biggest players to town looking to win the tournament.

On the drawing board, too, is the officially sanctioned SA Chili Cook Off, plus a salute to St. Patrick's Day with horseshoe pitches and celebrity players. In 2008, this day drew over 18,000 fans.

For those players who don't want to leave their box seat to get on line for food, we take orders and deliver food to box holders on weekends.

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

B. Number of hosts and hostesses employed for meeting:

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

C. Describe facilities set aside for new fans:

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

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

1. Horsemen: Installed Cushion Track.
2. Fans: General maintenance and cleaning of the facility as needed.
3. Facilities in the restricted areas: Extensive repair program undertaken to improve overall barn conditions. Interior stall walls have been replaced and Fire Prevention systems updated; stall doors and lighting fixtures replaced. In addition, every restroom has been painted and fixtures, flooring and tile replaced as needed.

16. SCHEDULE OF CHARGES

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

Admission (general)	\$ 5.00	
Admission (clubhouse)	\$ 8.50	
Admission (turf club)	\$ 20.00	
Reserved seating (clubhouse)	\$ 5.00	Reserved seating (general) Free
	\$ 7.50	(Sold on premium days only.)
		(Daily box seat, sold every day.)

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

- C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474:
George Haines, Vice President-General Manager
- D. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474.
On file

20. DECLARATIONS

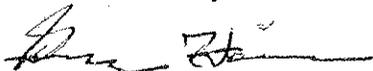
- A. All labor and lease agreements and concession and service contracts necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state): No exceptions.
- B. Attach each horsemen's agreement pursuant to CHRB Rule 2044. **Pending TOC approval.**
- C. Attach a lease agreement permitting the association to occupy the racing facility during the entire term of the meeting. (In the absence of either a lease agreement or a horsemen's agreement, a request for an extension pursuant to CHRB Rule 1407 shall be made). N/A
- D. All service contractors and concessionaires have valid state, county or city licenses authorizing each to engage in the type of service to be provided and have valid labor agreements, when applicable, which remain in effect for the entire term of the meeting except as follows (if no exceptions, so state): No exceptions.
- E. Absent natural disasters or causes beyond the control of the association, its service contractors, concessionaires or horsemen participating at the meeting, no reasons are believed to exist that may result in a stoppage to racing at the meeting or the withholding of any vital service to the association except as follows (if no exceptions, so state): No exceptions.

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

21. CERTIFICATION BY APPLICANT

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

George Haines
Print Name


Signature

Vice President-General Manager
Print Title

September 25, 2007
Date

STAFF ANALYSIS
November 29, 2007

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE PACIFIC RACING ASSOCIATION AT GOLDEN GATE FIELDS DECEMBER 26, 2007 THROUGH FEBRUARY 3, 2008.

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

- December 26 through February 3, 2008, or 30 days. The association proposes to race a total of 258 races, or 8.6 races per day. In 2007 they raced December 26 through February 11, 2007 racing 8.65 races per day with an average of 7.34 runners per race. The (actual) average daily purse for the 2007 meet was \$175,916. The (estimated) average daily purse for this meet is \$176,139.
- PRA was allocated 30 race days for 2008. The proposed race dates deletes January 9, 16 and 30th racing dates and adds January 7, 14 and 28. The association is requesting the revision to allow the coordination of racing between North and South.

December - 2007						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25 H	26	27	28	29
30	31					

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

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

- Racing 5 days per week, Thursday through Monday, with 8 races weekdays and 9 or 10 weekends, holidays.
- Racing concurrently with dates allocated to Los Angeles Turf.
First post 12:45 p.m. daily.
 - 12:15 p.m. December 26, 2007 - Opening Day, January 26, 2008 - Sunshine Millions Day
 - 11:15 a.m. February 3, 2008 - Super Bowl Sunday
- Request the option to change post times to coordinate north/south signals.
- Request Patrick Kealy be appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety requirements have been fulfilled.
- Wagering program will use all CHRB rules.
 - Early wagering will not be offered.

- The Advance Deposit Wagering (ADW) providers are Xpressbet and Churchill Downs dba Twinpires.com, Winticket.com, Brisbet.com and Tsnbet.com.
- Simulcating 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. Horsemen's agreement.
2. CTT Agreement.

RECOMMENDATION:

Staff recommends that the application for license not be heard unless the missing information is provided

October 4, 2007

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

Dear Andrea:

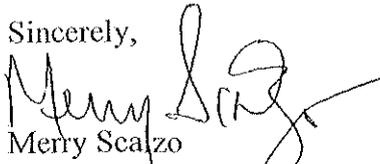
Enclosed please find Pacific Racing Association's winter license application for race dates December 26, 2007 through February 3, 2008. The application includes race day changes from the 2008 CHRB racing calendar; however, the number of allotted race days of 30 during this meet remains the same. The change was made to coordinate racing between the North/South with Santa Anita racing on Monday, Thursday, Friday, Saturday, and Sunday as opposed to the normal race week of Wednesday - Sunday (see page 1 of license application).

There are a few outstanding attachments due to the time constraint in processing the license application. We will stay on top of the outstanding items and forward to you upon receipt so as to meet our deadline in November.

I'm leaving for vacation and will be returning to the office on October 18, 2007. You may contact Valerie De La Rosa with any questions or concerns in my absence as she will take over the CHRB baton with the next application. Valerie's contact information is: office phone (510) 559-7554 and email is valerie.delarosa@goldengatefields.com.

Thank you in advance for your help.

Sincerely,



Merry Scalzo
Director of Operations

Encl.

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

1. APPLICANT ASSOCIATION

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

Pacific Racing Association

1100 Eastshore Highway

Berkeley, California 94710

Phone (510) 559-7300

Administration Fax (510) 559-7464

B. Breed of horse: TB QH H

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

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

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

2. DATES OF MEETING

A. Inclusive dates for the entire meeting: **December 26, 2007 through February 3, 2008**

B. Actual dates racing will be held: **December 26, 28-30, 31, January 1, 3-6, 7, 10-13, 14, 17-20, 21, 24-27, 28, 31, February 1-3**

C. Total number of days or nights of racing: **30 days**

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

Wed - Sun Tues - Sat Other (specify)

Racing Monday, Thursday, Friday, Saturday, Sunday to coordinate racing between North/South signals.

Exceptions; racing on Wednesday, December 26, 2007, dark on Thursday, December 27, 2007, racing on Tuesday, January 1, 2008.

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

3. RACING PROGRAM

A. Total number of races: **258**

CHRB CERTIFICATION

Application received: *12/15/07*

Deposit received:

Reviewed: *apw*

Hearing date: *1/29/08*

Approved date:

License number:

**Golden Gate Fields
2007 - 2008 Winter Meet
Stakes Schedule**

Dec. 26, 2007 - Feb. 3, 2008

Stakes Race	Purse	Distance	Date	Closes	Nom	Entry
Forty Niner	\$75,000 G	1 1/16M	December 26, 2007	December 16, 2007	\$50	\$750
3 YO's & Upward						
Campanile	\$75,000 G	1 1/16M	January 1, 2008	December 26, 2007	\$50	\$750
F&M 4 YO's & Upward						
Stinson Beach	\$50,000 A	6 Furlongs	January 5, 2008	December 29, 2007	\$50	Free
3 YO's						
Overnight Stakes						
Tiburon	\$50,000 A	6 Furlongs	January 12, 2008	January 5, 2008	\$50	Free
3 YO Fillies						
Overnight Stakes						
California Derby	\$150,000 G	1 1/16M	January 27, 2008	January 19, 2008	\$50	\$1,500
3 YO's						
California Oaks	\$100,000 G	1 1/16M	February 2, 2008	January 26, 2008	\$50	\$1,000
3 YO Fillies						

- B. Number of races for each day or night: **8.6 will be the average throughout the meet; we propose to conduct 8 races on weekdays and 9 races on weekends and holidays. If the horse population permits, we may run 10 races on up to six weekend days. We will request administrative approval to conduct a 10 race card.**
- C. Total number of stakes races: **6**
(4 Non-Overnight Stakes and 2 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. **Stakes schedule attached.**
- E. Will provisions be made for owners and trainers to use their own registered colors?
 Yes No If no, what racing colors are to be used:
- F. List all post times for the daily racing program:

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

***Post time scheduled at 12:15 p.m. on Opening Day, Wednesday, December 26, 2007 and on Sunshine Millions Day, on Saturday, January 26, 2008. (Subject to change.)**

Post time scheduled at 11:15 a.m. on Super Bowl Sunday, Sunday, February 3, 2008. (Subject to change.)

Request the option to change post time schedules in order to coordinate North/South signals and to coordinate 10 card race days with daylight savings time.

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

4. RACING ASSOCIATION

- A. Association is a: Corporation (complete subsection C)
 LLC (complete subsection D)
 Other (specify, and complete subsection E)
- B. Complete the applicable subsection and attached Addendum, Background Information and Ownership. **On file with the Board.**

C. CORPORATION

1. Registered name of the corporation: **Pacific Racing Association**
2. State where incorporated: **California**
3. Registry or file number for the corporation: **Federal ID #94-1585367**
California ID #173-1919-5
4. Names of all officers and directors, titles, and the number of shares of the corporation held by each:
Pacific Racing Association has only one shareholder, Magna Entertainment Corporation, a Delaware Corporation:
Frank Stronach, Chairman & Interim Chief Executive Officer
Blake Tohana, Executive Vice-President and Chief Financial Officer
Brant Latta, Senior Vice-President, Operations
James Bromby, Senior Vice-President, Operations
Joe DeFrancis, Executive Vice-President
Frank DeMarco, Jr., Vice-President Regulatory Affairs
Mary Lyn Seymour, Vice-President and Controller
William G. Ford, Secretary
Ron Charles, President, MEC California Operations
Peter W. Tunney, Vice-President, Community Relations
Calvin Rainey, Vice-President and Assistant General Manager
5. Names (true names) of all persons, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the corporation and the number of shares held by each:
None
6. Number of outstanding shares in the corporation: **69,347 shares of no par value common stock.**
7. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation: **Not applicable.**
9. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity: **Magna Entertainment Corporation**
10. Attach the most recent audited annual financial statement for the licensee, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the corporation and/or the Securities and Exchange Commission and/or the California Corporations Commission. The licensee may submit the audited consolidated annual financial statements of its parent owner if the parent owner is a publicly traded company and guarantees the obligations of the licensee. **On file with CHRB.**

D. LLC

1. Registered name of the LLC: **Not applicable**
2. State where articles of organization are filed: **Not applicable**
3. Registry or file number for the LLC: **Not applicable**
4. Names of all officers and directors, titles, and the number of shares of the LLC held by each:
Not applicable
5. Names (true names) of all members, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the LLC and the number of shares held by each:

6. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
7. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity: **Not applicable**
8. Attach the most recent audited annual financial statement for the licensee, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the LLC and/or the Securities and Exchange Commission and/or the California Corporations Commission. **Not applicable**

E. OTHER

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

F. Management and Staff

1. Name and title of the managing officer and/or general manager of the association and the name and title of all department managers and staff, other than those listed in 10B, who will be listed in the official program:
- Ron Charles, President, MEC California Operations**
Blake Tohana, Executive Vice-President and Chief Financial Officer
Frank DeMarco, Jr., Vice-President Regulatory Affairs
William Ford, Secretary
Peter W. Tunney, Vice-President, Community Relations
Calvin Rainey, Vice-President, Assistant General Manager
Robert Hartman, General Manager
Adam Njaa, Controller of Operations
Merry Scalzo, Director of Operations
Bill Newell, Director of Hospitality
Jerry Aldoroty, Director of Sales
Bryan Wayte, Manager of Mutuels
Tom Ferrall, Publicity Manager
Mike Roberts, Sales Manager
T.W. Johnson, Security Manager
Michael Wrona, Announcer
Richard Somers, Price Maker
William Vassar, Track Photographer
Aaron Vereruyse, Simulcast Coordinator
Robert Hemmer, Operations Manager
Kristin Finkel, Marketing Manager
David Seftel, M.D., Track Physician
2. Name and title of the person(s) authorized to receive notices on behalf of the association and the mailing address of such person(s) if other than the mailing address of the association:
Peter W. Tunney, Vice-President, Community Relations

5. PURSE PROGRAM

Purse distribution: *Prior meet actual represents December 26, 2006 – February 11, 2007 (31 Days)*

1. All races other than stakes:
 Current meet estimate: **\$4,159,050.00**
 Prior meet actual: **\$4,252,893.00**

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

Current meet estimate: **\$138,635.00**
 Prior meet actual: **\$137,190.00**

2. Overnight stakes:
 Current meet estimate: **\$100,000.00**
 Prior meet actual: **\$248,750.00**

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

Current meet estimate: **\$ 3,333.33**
 Prior meet actual: **\$8,024.20**

3. Non-overnight stakes:
 Current meet estimate: **\$400,000.00**
 Prior meet actual: **\$229,900.00**

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

Current meet estimate: **\$13,333.33**
 Prior meet actual: **\$7,416.13**

B. Stakes races:

1. Purse distribution for all stakes races:
 Current meet estimate: **\$500,000.00**
 Prior meet actual: **\$478,650.00**

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

Current meet estimate: **\$16,666.67**
 Prior meet actual: **\$15,440.32**

2. Percentage of the purse distribution for all stakes races that will be distributed for California-bred stakes races:
 Current meet estimate: **0%**
 Prior meet actual: **0%**

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

Current meet estimate: **0%**
 Prior meet actual: **0%**

- C. Funds to be generated for all California-bred incentive awards:
 Current meet estimate: **\$425,233.00**
 Prior meet actual: **\$495,981.14**
- D. Payment to each recognized horsemen's organization contracting with the association and the name(s) of the organization(s):
 Recognized Horsemen's Organization
- | | | | |
|-------------------------|---------------------------|-------------------------|---------------------------|
| Current meet estimate: | | Prior meet actual: | |
| TOC (NTRA Contribution) | \$82,310.30 | TOC (NTRA Contribution) | \$93,016.65 |
| TOC | \$47,034.46 | TOC | \$53,152.40 |
| CTT (Administration) | \$23,517.23 | CTT (Administration) | \$26,576.20 |
| CTT (Pension) | <u>\$47,034.46</u> | CTT (Pension) | <u>\$53,152.40</u> |
| Total | \$199,896.45 | Total | \$225,897.65 |
- E. Amount from all sources to be distributed in the form of purses or other benefits to horsemen (5A+5C+5D):
 Current meet estimate: **\$ 5,284,179.45**
 Prior meet actual: **\$5,453,421.79**
- Average Daily Purse (5E ÷ number of days):
 Current meet estimate: **\$176,139.32**
 Prior meet actual: **\$175,916.83**
- F. Purse funds to be generated from on-track handle and intrastate off-track handle:
 Current meet estimate: **\$3,649,906.00**
 Prior meet actual: **\$4,164,739.00**
- Average Daily Purse (5F ÷ number of days):
 Current meet estimate: **\$121,663.53**
 Prior meet actual: **\$134,346.42**
- G. Purse funds to be generated from interstate handle:
 Current meet estimate: **\$959,460.00**
 Prior meet actual: **\$1,026,198.31**
- Average Daily Purse (5G ÷ number of days):
 Current meet estimate: **\$31,982.00**
 Prior meet actual: **\$33,103.17**
- H. Bank and account number for the Paymaster of Purses' purse account:
Wells Fargo Bank - Account #4496895475
- I. Name, address and telephone number of the pari-mutuel audit firm engaged for the meeting:
Bowen & McBeth, 10722 Arrow Route, Suite 110, Rancho Cucamonga, California 91730, (909) 944-6465

NOTICE TO APPLICANT: All funds generated and retained from on-track pari-mutuel handle which are obligated by law for distribution in the form of purses, breeders' awards or other benefits to horsemen, **shall not** be deemed as income to the association; **shall not** be transferred to a parent corporation outside the State of California; and **shall**, within 3 calendar days following receipt, be deposited in a segregated and separate liability account in a depository approved by the CHRB and shall be at the disposition of the Paymaster of

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

6. STABLE ACCOMMODATIONS

- A. Number of usable stalls available for racehorses at the track where the meeting is held: **1325**
- B. Minimum number of stalls believed necessary for the meeting: **2000**
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: **1,100**
- D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site: **Bay Meadows Racecourse – 900 Stalls Pleasanton – 200 Stalls**
- E. Attach each contract or agreement between the association and the person(s) furnishing off-site stabling accommodations for eligible racehorses that cannot be provided stabling on-site. **On file.**

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

- F. Total number of usable stalls made available on-site for the **1986** meeting: **1405**
- G. Estimated cost to provide off-site stalls for this meeting. Show cost per day per stall:
Stabling costs for this meet: \$440,000.00
Stabling costs per day per stall: \$12.22
- H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse:
Vanning fees for this meet: \$ 69,000.00 Vanning fee per horse: \$ 115.00
Pleasanton Vanning & Starter Fees: \$52,200.00 Pleasanton fee per horse: \$ 290.00

7. PARI-MUTUEL WAGERING PROGRAM

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

Use DD for daily double, E for exacta (special quinella), PK3 for pick three, PK4 for select 1000, FIVE for pick (n) pool, PPN for place pick (n), Q for quinella, SF for superfecta, TRI for trifecta, and US for unlimited sweepstakes (pick 9).

	TYPE OF WAGERS	APPLICABLE RULES
Example Race:	\$1 E; \$1 Double	CHRB #1959; RCI #VE
Race #1	\$2 DD*, \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1 PPN%; \$1.10 SF# \$2 PAR^, \$1 PNP!	CHRB#1957; 1959; 1958; 1977; 1979; 1976.8; 1979.1; 1954.1; 1976.9
Race #2	\$2 DD*, \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1 PPN%; \$1.10 SF# \$2 PAR^, \$1 PNP!	CHRB#1957; 1959; 1958; 1977; 1979; 1976.8; 1979.1; 1954.1; 1976.9
Race #3	\$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1.10 SF#; \$1 PPN%; \$2 PAR^, \$1 PNP!	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1954.1; 1976.9
Race #4	\$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1.10 SF# \$1 PPN%; \$2 PAR^, \$1 PNP!	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1954.1; 1976.9
Race #5	\$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1.10 SF# \$1 PPN%; \$1 PNP!; \$2 PAR^	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1976.9; 1954.1
Race #6	\$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1.10 SF# \$1 PPN%; \$1 PNP!; \$2 PAR^	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1976.9; 1954.1
Race #7	\$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1.10 SF# \$1 PPN%; \$1 PNP!; \$2 PAR^	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1976.9; 1954.1
Race #8	\$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1.10 SF# \$1 PPN%; \$1 PNP!; \$2 PAR^	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1976.9; 1954.1
Race #9	\$2 DD*; \$2 PNP@; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1.10 SF# \$1 PPN%; \$1 PNP!; \$2 PAR^	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1976.9; 1954.1
Race #10	\$2 DD*; \$2 PNP @; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1.10 SF# \$1 PPN%; \$1 PNP!	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1976.9

* - \$2 Daily Double on all races

@ - \$2 Pick 6 on last six races

+ - \$1 Pick 3 on every race

++ - \$1 Trifecta on every eligible race

- \$.10 cent Superfecta on all eligible races

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

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

^ - \$2 Parlay on every eligible race

B. Maximum carryover pool to be allowed to accumulate before its distribution **OR** the date(s) designated for distribution of the carryover pool: **February 3, 2008 for the period of December 26, 2007 through February 3, 2008.**

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

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

E. Type(s) of pari-mutuel or totalizator equipment to be used by the association and the simulcast organization, name of the person(s) supplying equipment, and expiration date of the service contract: **Scientific Games Racing, LLC, Bill Huntley, Expires: September 2012**

8. ADVANCE DEPOSIT WAGERING (ADW)

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

Xpressbet

Churchill Downs ADW platforms of TwinSpires, WinTicket, BrisBET, and TSNbet (pending CHRB approval within California)

9. SIMULCAST WAGERING PROGRAM

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

- C. California simulcast facilities the association proposes to offer its live audiovisual signal:

Northern California

Alameda County Fair, Pleasanton
Bay Meadows Racecourse, San Mateo
Big Fresno Fair, Fresno
California State Fair & Exposition, Sacramento
Club One, Fresno
Kern County Fair, Bakersfield
Monterey County Fair, Monterey
Redwood Acres Fair, Eureka
San Joaquin County Fair, Stockton
San Mateo County Fair, San Mateo
Santa Clara County Fair, San Jose
Shasta District Fair, Anderson
Solano County Fair, Vallejo
Sonoma County Fair, Santa Rosa
Stanislaus County Fair, Turlock
Tulare County Fair, Tulare

Southern California

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

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

Pacific Racing Association/Golden Gate Fields

December 26, 2007 through February 3, 2008

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

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

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

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

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

NOTICE TO APPLICANT: B&P Code Section 19596.2(a) stipulates that on days when live thoroughbred or fair racing is being conducted in the state, the number of thoroughbred races which may be imported by an association or fair during the calendar period the association or fair is conducting its racing meeting cannot exceed a combined daily total of 23 imported thoroughbred races

statewide. The limitation of 23 imported thoroughbred races per day statewide does not apply to those races specified in B&P Code Section 19596.2(a)(1), (2), (3) and (4).

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
See 8D above.	TBD	

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

QUARTER HORSE SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
Los Alamitos	Per CHRB calendar	Full Card

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

HARNESS SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
Sacramento Harness Assn. @ Cal Expo	Per CHRB calendar	Full Card

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

OTHER BREED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Breed of Horse	Race Dates	Number of Races to be Imported
None			

- J. For **ALL** racing associations, if any out-of-state or out-of-country races will commence outside of the time constraints set forth in B&P Code Sections 19596.2 and 19596.3, attach a copy showing the agreement by the appropriate racing association(s). **Not applicable.**

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

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

10. CHARITY RACING DAYS

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

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

11. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

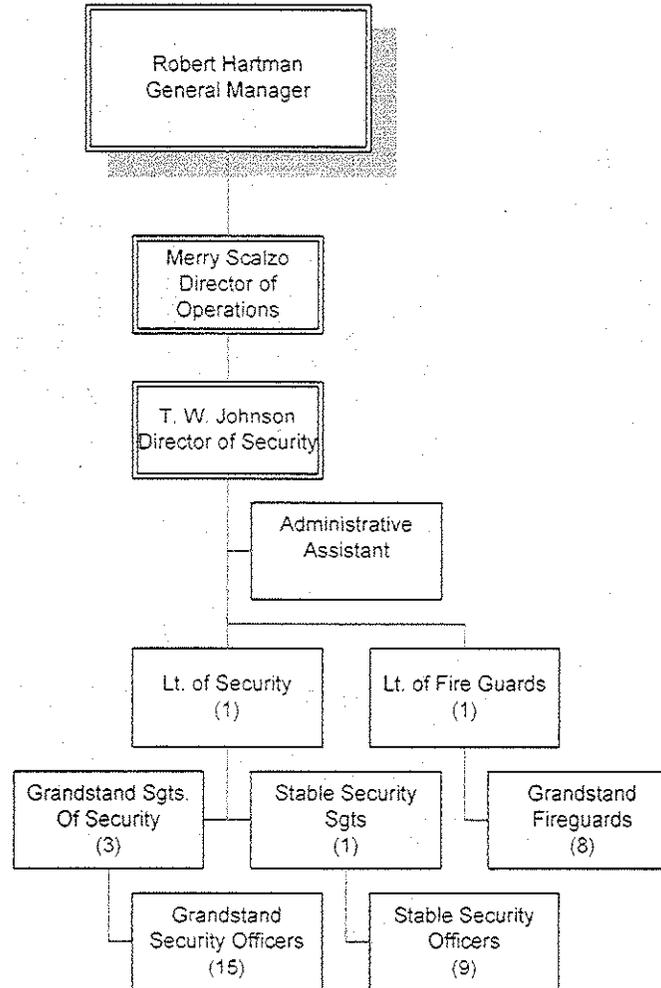
- A. Racing officials nominated:
- | | |
|-----------------------------|---|
| Association Veterinarian(s) | Heather Kerr, D.V.M (Track Veterinarian)
Joan Hurley, D.V.M. (CHRB Veterinarian)
Diane Isbell, D.V.M. (Examining Veterinarian) |
| Clerk of Scales | Ken Sjordal |
| Clerk of the Course | Tina Walker |
| Film Specialist | Ross Allardyce |
| Horse Identifier | Patrick Kealy |
| Horseshoe Inspector | Jack Hammonds |
| Paddock Judge | Ella Robinson |
| Patrol Judges | Myra Truitt & Ross Allardyce |
| Placing Judges | Linda Anderson & Steve Martinelli |
| Starter | Chuck Burkes |
| Timer | Richard Somers |
- A. Management officials in the racing department:
- | | |
|-------------------------------------|------------------------------|
| Director of Racing | Sean Greely |
| Racing Secretary | Sean Greely |
| Assistant Racing Secretary | C. Gregory Brent, Jr. |
| Racing Secretary's Assistant | David Jerkens |
| Paymaster of Purses | Patricia Prospero |
| Others (identify by name and title) | |
| Main Track Superintendent | Juan Meza |
| Turf Track Superintendent | Calvin Rainey |
| Price Maker | Richard Somers |
| Stable Superintendent | Carrie Fawcett |

- C. Name, address and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards: **Christine Niccoli
Niccoli Reporting Service, 619 Pilgrim Drive, Foster City, CA 94404-1707, (650) 573-9339**
- D. Photographic device to be used for photographing the finish of all races, name of the person supplying the service, and expiration date of the service contract:
**Plusmic Corp., USA, Bill O'Brien, Expires: December 24, 2007
New Contract will be forwarded to CHRB upon receipt.**
- E. Photo patrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract. Specify the number and location of cameras for dirt and turf tracks.
**Pegasus Communications, Inc, Jim Porep, Jr., System maintained in house, Equipment contract expires: December 31, 2007
New Contract will be forwarded to CHRB upon receipt.**
- 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:
Pacific Racing Assn. electronic timer is installed and maintained by Pacific Racing Assn. staff.

12. SECURITY CONTROLS

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

GOLDEN GATE FIELDS 2008
SECURITY DEPARTMENT ORGANIZATIONAL CHART
ATTACHMENT 12A



Attachment to PRA License Application

12B (1) and 12B (2):

SECURITY CONTROLSGraded Stakes and Races of \$100,000 or more

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

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

**Attachment to PRA License Application
12B (2) and 12C (1):**

Detention Barn Surveillance:

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

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

Stable Gate Surveillance:

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

PACIFIC RACING ASSOCIATION
ATTACHMENT 12B (3)

EXHIBIT A

Track is entitled to perform physiological tests consisting of the taking of blood samples from owners' horses entered in races to be conducted at the 2008 race meets. It is the understanding of the parties that such samples will be tested for bicarbonate levels. Trainers of horses showing a total carbon dioxide (TCO₂) of 37 millimoles per liter of plasma or more, and owners' horses within their control, will be subject to the following:

- 1st Incidence** - For the first test that results in a total carbon dioxide (TCO₂) of 37 millimoles per liter of plasma or more, the registered trainer of such horse shall have his/her barn, and all owners' horses stabled therein, subject to surveillance for a period of 45 days from the date set by the TCO₂ Committee. Such surveillance may include, but not be limited to, the placing of surveillance cameras with recording devices in any location within that barn that TRACK deems necessary and appropriate to ensure the integrity of racing. Additionally, owners' horses entered by said trainer anytime within a period of 30 days from the date set by the TCO₂ Committee, will be quarantined to a Protection Barn beginning at noon on the day before said horse is scheduled to compete. The costs of such quarantine/surveillance including, but not limited to, \$150.00 for security and \$25.00 for stall renovation per horse/entrant for stall renovation, per day, being born by the trainer or owner of such horse.
- B. 2nd Incidence** - For the second test that results in a total carbon dioxide (TCO₂) of 37 millimoles per liter of plasma or more, which occurs within three years of a prior incidence, the registered trainer of such horse shall have his/her barn, and all owners' horses stabled therein, under surveillance for a period of 75 days from the date set by the TCO₂ Committee. Such surveillance may include, but not be limited to, the placing of surveillance cameras with recording devices in any location within that barn that TRACK deems necessary and appropriate to ensure the integrity of racing. Additionally, owners' horses entered by said trainer anytime within a period of 60 days from the date set by the TCO₂ Committee, will be quarantined to a Protection Barn beginning at noon the day before said horse is scheduled to compete. The costs of such quarantine/surveillance including, but not limited to, \$150.00 for security and \$25.00 for stall renovation per horse/entrant for stall renovation, per day, being born by the trainer or owner of such horse.

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

Track further agrees that it shall enforce these penalties when imposed as a result of similar contract provisions with other racing associations in California. By way of example only, Track agrees that should any horse running at its meet be subject to detention barn confinement as the result of a positive at another association, Track will continue to require detention barn confinement for the remainder of said 30 day period. Also by way of example, should a trainer have a TCO₂ positive or positives at a race meet other than its own and a subsequent positive at Track's race meet or at another associations meet, Track will enforce paragraph B, and may, at its discretion, enforce paragraph C above as though the original positive(s) had taken place at its meet.

EMERGENCY MEDICAL PROCEDURES FOR ON-TRACK INJURY TO JOCKEYS

"FIRST RESPONSE"

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



"ON-SITE EVALUATION"

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



"INJURY TREATMENT"

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

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

(REV 1.0, JUNE 2007)

PROCEDIMIENTOS MÉDICOS EN EMERGENCIAS PARA LESIONES DE JOCKEYS EN LA PISTA

"PRIMERA RESPUESTA"

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



"EVALUACIÓN EN EL LUGAR"

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



"TRATAMIENTO DE LA LESIÓN"

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



Description of GGF Medical Clinic (Live Racing)

Services (Mission)

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

Staffing

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

Equipment

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

Availability

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

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

13. EMERGENCY SERVICES

- A. Name, address and emergency telephone number of the ambulance service to be used during workouts and the running of the races:
**Brad Winding Turf Rescue, LLC, 19615 Barclay Road, Castro Valley, CA 94546,
(510) 581-8470**
- B. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites:
**Bay Meadows - Bayshore Ambulance, P. O. Box 4622, Foster City, CA 94404, 650- 525-9700
Pleasanton – American Medical Response, 640-143rd Ave., San Leandro, CA 94577, 510-895-7600**
- C. Describe the on-track first aid facility, including equipment and medical staffing: **Attached**
- D. Name and emergency telephone number of the licensed physician on duty during the race meeting:
(If quarter horse racing association see D(1)):
**Dr. David Seftel
Office Number: 510-559-7375, Cell Number: 650-520-6204**
 - 1. Name address and emergency telephone number of hospital located within 1.5 miles of the racetrack, which whom an agreement is in place to provide emergency medical services:
No hospital located within 1.5 miles of the racetrack.
- E. Name, address and emergency telephone number of the hospital to be used for admittance and treatment of emergency injuries in the event of an on-track injury to a jockey:
Alta Bates Summit Medical Center, 2450 Ashby; Berkeley, CA 94705 (510) 204-4444
- F. Attach, in English and Spanish, the emergency medical plan procedures that will be posted in each jockey's room to be used in the event of an on-track injury to a jockey: **Attached**

- G. Name of health and safety manager and assistant manager responsible for compliance of health and safety provisions pursuant to B&P Code 19481.3(d):
Roy Roenbeck, Director of Safety and Compliance
Meggie Ghidella, Director of Human Resources, will serve as Assistant Safety Manager.
- H. Attach a fire clearance from the fire authority having jurisdiction over the premises.
Berkeley fire inspection has been scheduled for December 15, 2007 clearance certificate will be provided upon receipt.
Albany fire clearance attached.
- I. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details): **Liberty International - #On file**
- J. Attach a Certificate of Insurance for workers' compensation coverage. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of insurance that secures the liability of the association for payment of workers' compensation.
Attached

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

14. CONCESSIONAIRES AND SERVICE CONTRACTORS

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

Tip Sheets	Jack's Blue Card, 127 Sun Avenue, Hayward, CA 94544
Armored Car Services	Loomis Armored Car, P.O. Box 44196, San Francisco, CA 94144
Track Physician	Dr. David Seftel, Conocen Corp., 20066 Austin Lane, Castro Valley, CA 94546
Official Program	Del Mar Graphics, 1100 Eastshore Highway, Albany, CA 94706
Jockey's Laundry	F. Lorene Dutton, Bailey's Mobile Laundry, 3263 Vineyard Ave., Pleasanton, CA 94566
Starting Gate	Mike Costello, United Puett Starting Gate Co., P.O. Box 18, S. Salem, NY 10590
Track Photographer	Bill Vassar, Vassar Photography, 1167 Sapphire Drive, Livermore, CA 94550

Golden Gate Fields

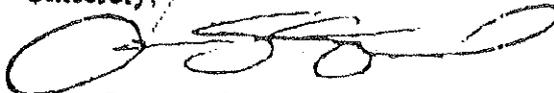
November 12, 2006

Mr. David Ross
Fire Inspector
City of Berkeley
Sent via fax (510) 981-5579

Dear Mr. Ross:

This letter confirms that Pacific Racing Association at Golden Gate Fields has no Fire and Life Safety violations outstanding following the inspection conducted by your office. In accordance with your instructions to the California Horse Racing Board, we request your signature below to verify that we have received Fire Clearance from the City of Berkeley for the period of January 2007 through January 2008.

Sincerely,



Jason Spetnagel
Assistant General Manager



David Ross, Fire Inspector
City of Berkeley

JS:mls



FIRE DEPARTMENT
FIRE PREVENTION BUREAU

8 November 2007

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

Dear Mr. Rainey

On November 8, 2007, a Fire and Life Safety inspection was conducted by this office under the *Fire Prevention Code*, NFPA 1, the Fundamental Requirements listed in the *Life Safety Code*, NFPA 101, Chapter 2, the 2001 California Fire Code and California Code of Regulations. Listed below are the results of the inspection and code references. All areas of Golden Gate Fields Race Track, within the jurisdiction of the Albany Fire Department have not been inspected. Administration, kitchens, snack shops and the Public Areas of Golden Gate Field's have been inspected.

GENERAL

This building is in generally good condition. Housekeeping in the public areas are maintained, fire extinguishers and most of the existing exit/panic hardware and egress doors are in serviceable condition. Exit signs and emergency illumination appear to be in working order. The fire alarm system had its annual test on May 14th, 2007 with no deficiencies or problems noted. Fire & Life Safety requirements appear to be in order.

Main Building – Public & Non Public Areas, GGF

1. All food vendor & bars shall secure compressed gas cylinders with two (2) chains/straps.
CFC, Article 74, Section 7401.6.4.1, 2001 Edition
2. Extension cords shall not be used in lieu of permanent wiring, remove from numerous offices and other areas.
CFC, Article 85, Section 8506.1, 2001 Edition

2007 NOV 19 AM 9:10

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3. Multiplug adapters do not comply with the fire code or the Electrical Code. Discontinue use. CFC, Chapter 85, Section 8507, 2001 Edition
4. Service kitchen hood & duct suppression system every 6 months. All Fire hood and duct systems past due.
CCR, Title 19. Public Safety, Division 1, Chapter 5, Article 4, sub section 904(5)

Equine Hospital, GGF

1. To be inspected during the November 7 & December 22, 2007 racing season commences.

Corporation Yard, GGF

1. To be inspected during the November 7 & December 22, 2007 racing season commences.

Conditional Fire Clearance

Conditional fire clearance is granted for the December 26, 2007 through February 3, 2008 Racing Season. All Fire & Life Safety items are being completed. Before the November/December 2007 racing season ends, all areas of GGF shall be inspected. During the course of the November/December 2007 Racing Season, the Albany Fire Prevention Bureau will conduct periodic Fire & Life Safety Inspections. In the event of a flagrant Fire or Life Safety violation, their clearance will be revoked.

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

Sincerely,



Brian J. Crudo
Battalion Chief/Fire Marshal

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

Ref. No. 320005609024

CERTIFICATE OF INSURANCE

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

Re: Evidence of Insurance

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

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

Insured

Magna Entertainment Corp.; a/o Pacific Racing
Association; a/o Golden Gate Fields; a/o MI
Developments Inc.
1100 Eastshore Highway
Albany, CA 94706
USA

Coverage

Commercial General Liability	Insurer	Zurich American Insurance Company		
	Policy #	GLO 9302183-05		
	Effective	01-Jan-2007	Expiry	01-Apr-2008
	Limits of Liability	Bodily Injury & Property Damage, Each Occurrence \$2,000,000 Subject to Aggregate Where Applicable		
US Workers Comp/Employers Liability	Insurer	Liberty Mutual Insurance Company		
	Policy #			
	Effective	01-Jan-2007	Expiry	01-Jan-2008
	Limits of Liability	Workers Compensation As Per Applicable Law		

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

Aon Reed Stenhouse Inc.

Dated: 27-December-2006
Issued By: Madigan, Laurie Ann
Tel: 416-868-5721

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

1

AON

15. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

A. Describe any promotional plans:

The tentative winter 2007-2008 promotional/giveaway schedule is listed below (subject to change).

December 26, 2007- Opening Day

- Direct Mail Offer- Day on Us- Fans on GGF Mailing List will receive 2 Complimentary Turf Club Admission Passes, Valet Parking, Complimentary Program and Complimentary Racing Form.

December 29, 2007

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

December 30, 2007

- Clubhouse Bounce Back Coupon from Calendar will entitle fans complimentary Club House Admission.

December 31, 2007

- Clubhouse Bounce Back Coupon from Calendar will entitle fans complimentary Club House Admission.

January 1, 2008- New Year's Day

- \$1 Day- Fans will receive \$1 General Admission, \$1 General Parking, \$1 Programs, \$1 Hot Dogs, \$1 sodas, and \$1 beers.

January 3, 2008

- Senior Thursday- Seniors 62 and older will receive FREE Club House or FREE Grandstand admission with a THOROUGHBREDS card.
- Clubhouse Bounce Back Coupon from Calendar will entitle fans complimentary Club House Admission.

January 4, 2008

- Clubhouse Bounce Back Coupon from Calendar will entitle fans complimentary Club House Admission.

January 5, 2008

- Mystery Mutuel Voucher

January 6, 2008

- Direct Mail Offer- Fans will receive 2 complimentary Turf Club admission passes and Valet Parking.

January 10, 2008

- Senior Thursday- Seniors 62 and older will receive FREE Club House or FREE Grandstand admission with a THOROUGHBREDS card.

January 12, 2008

- \$1 Day- Fans will receive \$1 General Admission, \$1 General Parking, \$1 Programs, \$1 Hot Dogs, \$1 sodas, and \$1 beers.
- Snow Day where 10,000 tons of snow along with sleds will be brought in to make an area where children can sled down slopes and play in the snow.

January 17, 2008

- Senior Thursday- Seniors 62 and older will receive FREE Club House or FREE Grandstand admission with a THOROUGHBREDS card.

January 19, 2008

- Direct Mail Offer- Day on Us- Fans on GGF Mailing List will receive 2 Complimentary Turf Club Admission Passes, Valet Parking, Complimentary Program and Complimentary Racing Form.

January 20, 2008

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

January 24, 2008

- Senior Thursday- Seniors 62 and older will receive FREE Club House or FREE Grandstand admission with a THOROUGHBREDS card.
- Direct Mail Offer- Fans on GGF Mailing List will receive 2 Complimentary Club House Admission Passes and General Parking.

January 25, 2008

- Direct Mail Offer- Fans on GGF Mailing List will receive 2 Complimentary Club House Admission Passes and General Parking.

January 26, 2008- Sunshine Millions Day

- Mystery Mutuel Voucher

January 27, 2008- California Derby Day

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

January 31, 2008

- Senior Thursday- Seniors 62 and older will receive FREE Club House or FREE Grandstand admission with a THOROUGHBREDS card.

February 2, 2008

- \$1 Day- Fans will receive \$1 General Admission, \$1 General Parking, \$1 Programs, \$1 Hot Dogs, \$1 sodas, and \$1 beers.

February 3, 2008- Closing Day

- TV Giveaway- Drawing contest to win a 42" flat screen television after each race.

B. Number of hosts and hostesses employed for meeting:

4 Customer Service Representatives

5 Group Sales Representatives

C. Describe facilities set aside for new fans:

Horse Wizard Lounge – Easy to use totalisator machines geared toward new customers on how to wager in a fun filled interactive environment.

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

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

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

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

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

1. Horsemen

- Installed a new synthetic racetrack surface.
- Installed a new Rider Protection Safety Rail on the inside and outside of track in coordination with synthetic track installation.
- Implementation of a new timing system in coordination with synthetic track installation.
- Replaced lead weights that are placed in a carrying pouch under the race saddle with Best Pad race weight pads, a combination of felt, high-density polymer and vulcanized rubber. The pads are designed to distribute race weight uniformly, create a safer workplace because product does not contain lead, and provide maximum comfort to horse and rider.
- Renovated the barn area including: paving, slurry, roofing, painting, hot walker retrofit, lighting retrofit, and replace/repair water heaters.
- Remodeled the Recreation Hall.
- Installed a concrete walkway from the barn area to the frontside facility.

2. Fans

- Plan to install new carpet throughout our Turf Club.
- Plan to add T.V. monitors throughout the facility.

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

16. SCHEDULE OF CHARGES

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

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

Thoroughbred Club Members

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

Thoroughbred Club Prepaid Admissions

Valid during live and ITW

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

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

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

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

17. JOCKEYS/DRIVERS' QUARTERS

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

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

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

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

18. BACKSTRETCH EMPLOYEE HOUSING

A. Inspection of backstretch housing was completed by Anne Glasscock on October 4, 2007.

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

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

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

19. TRACK SAFETY

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

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

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

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

20. DECLARATIONS

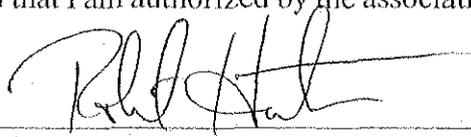
- A. All labor and lease agreements and concession and service contracts necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state): **No exceptions.**
- B. Attach each horsemen's agreement pursuant to CHRB Rule 2044.
In negotiation – will be submitted to Board upon receipt.
- C. Attach a lease agreement permitting the association to occupy the racing facility during the entire term of the meeting. (In the absence of either a lease agreement or a horsemen's agreement, a request for an extension pursuant to CHRB Rule 1407 shall be made). **Not applicable.**
- D. All service contractors and concessionaires have valid state, county or city licenses authorizing each to engage in the type of service to be provided and have valid labor agreements, when applicable, which remain in effect for the entire term of the meeting except as follows (if no exceptions, so state):
No exceptions.
- E. Absent natural disasters or causes beyond the control of the association, its service contractors, concessionaires or horsemen participating at the meeting, no reasons are believed to exist that may result in a stoppage to racing at the meeting or the withholding of any vital service to the association except as follows (if no exceptions, so state): **No exceptions.**

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

21. CERTIFICATION BY APPLICANT

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

Robert Hartman
Print Name


Signature

General Manager
Print Title

10/2/07
Date

STAFF ANALYSIS
November 29, 2007

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF LOS ALAMITOS QUARTER HORSE RACING ASSOCIATION AT LOS ALAMITOS DECEMBER 28, 2007 THROUGH DECEMBER 21, 2008.

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

- December 28, 2007 through December 21, 2008, or 204 days. The association proposes to race a total of 2,087 races. The (estimated) average daily purse for the 2007 meet is \$96,444. The (estimated) average daily purse for this meet is \$96,892. The 2007 meet has not been completed.
- The race dates proposed are the dates the Board allocated.

December - 2007						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25 H	26	27	28	29
30	31					

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

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

March - 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
23/30	24/31	25	26	27	28	29

April - 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			

May - 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

June - 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					

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
24/31	25	26	27	28	29	30

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				

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

November - 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 H
23/30	24	25	26	27	28	29

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

- Racing 4 nights per week, Thursday through Sunday. Seven to 15 live races per night and 6 to 12 simulcast races.
 - Thursday and Friday programs begin with simulcast races and Saturday and Sunday programs the simulcast races will be blended into the live races.
- First live post 7:15 p.m. Thursday and Friday, 7:00 Saturday and 5:30 Sunday.
 - During Del Mar and Fairplex - Sunday post will be determined by the number of races run at those meets.
 - During Hollywood Park - Los Alamitos will conduct its races between HP races.
- Specific changes from the 2007 license application:
 - Number of lockers in the male jockey quarters has increased from 45 to 70.
 - New: 1600 square foot addition to the jockey quarters including spa therapy tub, lounge/rec area and sleep room.
- Request that Glen Walker is appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety requirements have been fulfilled.
- Wagering program will use all CHRB rules.
 - Early wagering will start at 9:30 a.m. Thursday, Friday, Saturday and Sunday.
- The Advance Deposit Wagering (ADW) providers are TVG and Youbet.
- Simulcasting conducted with out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- Inspection of backstretch worker housing completed.

RECOMMENDATION:

Staff recommends the Board approve the application.

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

1. APPLICANT ASSOCIATION

- A. Name, mailing address, telephone and fax numbers of association:
Los Alamitos Quarter Horse Racing Association
4961 Katella Ave.
Los Alamitos, CA 90720 714-820-2800 main 714-820-2820 fax
- B. Breed of horse: TB QH H
- C. Racetrack name: Los Alamitos Race Course
- D. Attach a certified check payable to the Treasurer of the State of California in the amount of \$10,000 as deposit for license fees pursuant to B&P Code Section 19490.

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

2. DATES OF MEETING

- A. Inclusive dates for the entire meeting: December 28, 2007 through December 21, 2008
- B. Actual dates racing will be held:

December 28-30, 2007	(3)	July 3-6, 10-13, 17-20, 24-27, 31	(17)
January 3-6, 10-13, 17-20, 24-27, 31	(17)	August 1-3, 7-10, 14-17, 21-24, 28-31	(19)
February 1-2, 7-10, 14-17, 21-24, 28-29	(16)	September 5-7, 11-14, 18-21, 25-28	(15)
March 1-2, 6-9, 13-16, 20-23, 27-30	(18)	October 2-5, 9-12, 16-19, 23-26, 30-31	(18)
April 3-6, 10-13, 17-20, 24-27	(16)	November 1-2, 6-9, 13-16, 20-23, 28-30	(17)
May 1-4, 8-11, 15-18, 22-25, 29-31	(19)	December 4-7, 11-14, 18-21	(12)
June 1, 5-8, 12-15, 19-22, 26-29,	(17)		
- C. Total number of days or nights of racing: 204
- D. Days or nights of the week races will be held:
 Wed - Sun Tues - Sat Other (specify) Thursday through Sunday
- E. Number of days or nights of racing per week: 4 nights, except February 3, September 4, and Thanksgiving, November 27, 2007.

3. RACING PROGRAM

- A. Total number of races: 2,087 live and 1,670 simulcast = 3,757

CHRB CERTIFICATION	
Application received: 10/5/07	Hearing date: 11/29/07
Deposit received:	Approved date:
Reviewed: <i>[Signature]</i>	License number:

**LOS ALAMITOS QUARTER HORSE RACING ASSOCIATION
2008 STAKES SCHEDULE**

To Be Run	EVENT	Purse & Distance
FRIDAY DECEMBER 28, 2007	(1) HOLIDAY HANDICAP TWO YEAR OLDS	\$25,000 Added 350 YARDS
SATURDAY DECEMBER 29, 2007	(2) CYPRESS SOPHOMORE HANDICAP THREE YEAR OLDS	\$25,000 Added 350 YARDS
FRIDAY JANUARY 4, 2008	(3) DENIM N DIAMONDS HANDICAP FILLIES, THREE YEARS OLD BRED IN CALIFORNIA	\$35,000 Guaranteed 350 YARDS
SATURDAY JANUARY 5, 2008	(4) CHARGER BAR HANDICAP MARES, FOUR YEARS OLD AND UPWARD	\$125,000 Guaranteed 400 YARDS
SATURDAY JANUARY 19, 2008	(5) MOONSHINER HANDICAP FOUR YEAR OLDS AND UPWARD	\$20,000 Added 870 YARDS
SATURDAY JANUARY 26, 2008	(6) SUPER BOWL HANDICAP THREE YEAR OLDS	\$20,000 Added 550 YARDS
FRIDAY FEBRUARY 22, 2008	(7) LOS ALAMITOS WINTER DERBY THREE YEAR OLDS TRIALS TO BE RUN, FRIDAY, FEBRUARY 1, 2008	\$100,000 Added \$200,000 Guaranteed 400 YARDS
SATURDAY FEBRUARY 23, 2008	(8) LOS ALAMITOS WINTER CHAMPIONSHIP FOUR YEAR OLDS AND UPWARD TRIALS TO BE RUN, SATURDAY, FEBRUARY 2, 2008	\$150,000 Added \$200,000 Guaranteed 400 YARDS
SATURDAY MARCH 1, 2008	(9) LOS ALAMITOS MAIDEN STAKES THREE YEAR OLDS TRIALS TO BE RUN, SATURDAY, FEBRUARY 9, 2008	\$30,000 Added \$125,000 Guaranteed 350 YARDS
FRIDAY MARCH 14, 2008	(10) KATELLA HANDICAP FOUR YEARS OLD AND UPWARD	\$35,000 Guaranteed 350 YARDS
SATURDAY MARCH 15, 2008	(11) NEWPORT BEACH HANDICAP FOUR YEARS OLD AND UPWARD	\$25,000 Added 870 YARDS
SUNDAY MARCH 23, 2008	(12) IVAN ASHMENT HANDICAP MARES, FOUR YEARS OLD AND UPWARD BRED IN CALIFORNIA	\$35,000 Guaranteed 400 YARDS
FRIDAY MARCH 28, 2008	(13) LA PACIFICA HANDICAP FILLIES, THREE YEAR OLDS	\$35,000 Guaranteed 350 YARDS
SATURDAY MARCH 29, 2008	(14) DILLINGHAM HANDICAP THREE YEAR OLDS	\$35,000 Guaranteed 400 YARDS
FRIDAY APRIL 11, 2008	(15) EL PRIMERO DEL ANO DERBY COLTS AND GELDINGS, THREE YEARS OLD TRIALS TO BE RUN, FRIDAY, MARCH 21, 2008	\$30,000 Added \$100,000 Guaranteed 400 YARDS
SATURDAY APRIL 12, 2008	(16) LA PRIMERA DEL ANO DERBY FILLIES, THREE YEARS OLD TRIALS TO BE RUN, SATURDAY, MARCH 22, 2008	\$30,000 Added \$100,000 Guaranteed 400 YARDS

To Be Run	EVENT	Purse & Distance
FRIDAY APRIL 18, 2008	(17) MISS PRINCESS HANDICAP FILLIES AND MARES THREE YEAR OLDS AND UPWARD	\$50,000 Guaranteed 350 YARDS
SATURDAY APRIL 19, 2008	(18) KAWEAH BAR HANDICAP THREE YEAR OLDS AND UPWARD	\$25,000 Added 350 YARDS
FRIDAY MAY 2, 2008	(19) JAMES S SMITH MEMORIAL HANDICAP THREE YEAR OLDS AND UPWARD	\$25,000 Added 870 YARDS
SATURDAY MAY 17, 2008	(20) KINDERGARTEN FUTURITY TWO YEAR OLDS TRIALS TO BE RUN, SATURDAY, MAY 3, 2008	\$35,000 Added \$325,000 Estimated 300 YARDS
FRIDAY MAY 23, 2008	(21) GOLD RUSH DERBY QUARTER HORSE, THOROUGHBRED, PAINT & APPALOOSA THREE YEAR OLDS TRIALS TO BE RUN, THURSDAY, MAY 1, 2008	\$25,000 Added \$65,000 Estimated 870 YARDS
SATURDAY MAY 24, 2008	(22) TOWN POLICY HANDICAP THREE YEAR OLDS	\$25,000 Added 350 YARDS
SUNDAY JUNE 15, 2008	(23) RED CELL CALIFORNIA REGION CHALLENGE THREE YEAR OLDS AND UPWARD TRIALS TO BE RUN THURSDAY, MAY 29, 2008	\$5,000 Added 870 YARDS
FRIDAY JUNE 20, 2008	(24) VESSELS MATURITY FOUR YEAR OLDS AND UPWARD TRIALS TO BE RUN, SATURDAY, MAY 31, 2008	\$75,000 Added \$125,000 Guaranteed 400 YARDS
SATURDAY JUNE 21, 2008	(25) ED BURKE MILLION FUTURITY TWO YEAR OLDS TRIALS TO BE RUN, SATURDAY, JUNE 7, 2008	\$250,000 Added \$1,000,000 Guaranteed 350 YARDS
SATURDAY JUNE 21, 2008	(26) ED BURKE JUVENILE TWO YEAR OLDS	\$35,000 350 YARDS
SUNDAY JUNE 22, 2008	(27) BAYER LEGEND CALIFORNIA REGION CHALLENGE THREE YEAR OLDS TRIALS TO BE RUN, FRIDAY, JUNE 6, 2008	\$7,500 Added 400 YARDS
SATURDAY JUNE 28, 2008	(28) INDEPENDENCE DAY HANDICAP THREE YEAR OLDS AND UPWARD	\$35,000 Guaranteed 300 YARDS
SATURDAY JULY 5, 2008	(29) VANDYS FLASH HANDICAP THREE YEAR OLDS	\$35,000 Guaranteed 400 YARDS
SATURDAY JULY 26, 2008	(30) GOVERNOR'S CUP FUTURITY TWO YEAR OLDS BRED IN CALIFORNIA TRIALS TO BE RUN, FRIDAY, JULY 11, 2008	\$100,000 Added \$400,000 Estimated 350 YARDS
SATURDAY JULY 26, 2008	(31) GOVERNOR'S CUP DERBY THREE YEAR OLDS BRED IN CALIFORNIA TRIALS TO BE RUN, SATURDAY, JULY 12, 2008	\$50,000 Added \$135,000 Estimated 400 YARDS

To Be Run		EVENT	Purse & Distance
SATURDAY JULY 26, 2008	(32)	SPENCER L CHILDERS CALIFORNIA BREEDERS CHAMPIONSHIP HANDICAP THREE YEAR OLDS AND UPWARD BRED IN CALIFORNIA	\$150,000 Added 400 YARDS
SATURDAY JULY 26, 2008	(33)	CALIFORNIA BREEDERS MATRON STAKES FILLIES AND MARES THREE YEARS OLD AND UPWARD BRED IN CALIFORNIA	\$50,000 Added 400 YARDS
SATURDAY JULY 26, 2008	(34)	CALIFORNIA BREEDERS MARATHON STAKES THREE YEAR OLDS AND UPWARD BRED IN CALIFORNIA	\$25,000 Added 870 YARDS
SATURDAY JULY 26, 2008	(35)	JENS L LIST JR MEMORIAL CALIFORNIA BREEDERS STAKES THREE YEAR OLDS BRED IN CALIFORNIA	\$25,000 Added 400 YARDS
SATURDAY JULY 26, 2008	(36)	CALIFORNIA BREEDERS 550 SOPHOMORE STAKES THREE YEAR OLDS BRED IN CALIFORNIA	\$25,000 Added 550 YARDS
SATURDAY JULY 26, 2008	(37)	CALIFORNIA BREEDERS FRESHMAN STAKES TWO YEAR OLDS BRED IN CALIFORNIA	\$25,000 Added 350 YARDS
SATURDAY JULY 26, 2008	(38)	CALIFORNIA BREEDERS SPRINT STAKES THREE YEAR OLDS AND UPWARD BRED IN CALIFORNIA	\$25,000 Added 350 YARDS
SATURDAY JULY 26, 2008	(39)	\$10,000 SENIOR CLAIMING STAKES THREE YEAR OLDS AND UPWARD BRED IN CALIFORNIA CLAIMING PRICE \$10,000	\$17,500 Added 400 YARDS
SATURDAY JULY 26, 2008	(40)	\$5,000 SENIOR CLAIMING STAKES THREE YEAR OLDS AND UPWARD BRED IN CALIFORNIA CLAIMING PRICE \$5,000	\$15,000 Added 400 YARDS
SATURDAY JULY 26, 2008	(41)	\$10,000 SENIOR DISTANCE CLAIMING STAKES THREE YEAR OLDS AND UPWARD BRED IN CALIFORNIA CLAIMING PRICE \$10,000	\$17,500 Added 870 YARDS
SATURDAY JULY 26, 2008	(42)	\$5,000 SENIOR DISTANCE CLAIMING STAKES THREE YEAR OLDS AND UPWARD BRED IN CALIFORNIA CLAIMING PRICE \$5,000	\$15,000 Added 870 YARDS
SATURDAY JULY 26, 2008	(43)	\$10,000 SOPHOMORE CLAIMING STAKES THREE YEAR OLDS BRED IN CALIFORNIA CLAIMING PRICE \$10,000	\$17,500 Added 350 YARDS

To Be Run		EVENT	Purse & Distance
SATURDAY JULY 26, 2008	(44)	\$5,000 SOPHOMORE CLAIMING STAKES THREE YEAR OLDS BRED IN CALIFORNIA CLAIMING PRICE \$5,000	\$15,000 Added 350 YARDS
SATURDAY AUGUST 2, 2008	(45)	BULL RASTUS HANDICAP THREE YEAR OLDS AND UPWARD	\$25,000 Added 870 YARDS
SUNDAY AUGUST 17, 2008	(46)	JOHN DEERE CALIFORNIA REGION DISTAFF CHALLENGE FILLIES AND MARES THREE YEAR OLDS AND UPWARD TRIALS TO BE RUN, SUNDAY, AUGUST 3, 2008	\$7,500 Added 400 YARDS
SATURDAY AUGUST 23, 2008	(47)	B OF A CALIFORNIA REGION CHALLENGE THREE YEAR OLDS AND UPWARD TRIALS TO BE RUN, SATURDAY, AUGUST 9, 2008	\$15,000 Added 440 YARDS
FRIDAY AUGUST 29, 2008	(48)	PROFESSIONAL'S CHOICE CALIFORNIA REGION CHALLENGE THREE YEAR OLDS AND UPWARD TRIALS TO BE RUN, THURSDAY, AUGUST 14, 2008	\$5,000 Added 350 YARDS
FRIDAY AUGUST 29, 2008	(49)	FORD JUVENILE CALIFORNIA REGION CHALLENGE TWO YEAR OLDS TRIALS TO BE RUN, FRIDAY, AUGUST 15, 2008	\$7,500 Added 350 YARDS
SATURDAY AUGUST 30, 2008	(50)	GOLDEN STATE DERBY THREE YEAR OLDS TRIALS TO BE RUN, SATURDAY, AUGUST 16, 2008	\$35,000 Added \$150,000 Guaranteed 400 YARDS
SATURDAY SEPTEMBER 6, 2008	(51)	SGT PEPPER FEATURE HANDICAP THREE YEAR OLDS	\$35,000 Guaranteed 350 YARDS
FRIDAY SEPTEMBER 12, 2008	(52)	PAT HYLAND MEMORIAL HANDICAP THREE YEAR OLDS AND UPWARD	\$30,000 Added 870 YARDS
SATURDAY SEPTEMBER 13, 2008	(53)	GO MAN GO HANDICAP THREE YEAR OLDS AND UPWARD	\$100,000 Added 400 YARDS
FRIDAY SEPTEMBER 19, 2008	(54)	MILDRED N VESSELS MEMORIAL HANDICAP FILLIES AND MARES THREE YEAR OLDS AND UPWARD	\$250,000 Guaranteed 400 YARDS
FRIDAY OCTOBER 3, 2008	(55)	PCQHRA BREEDERS DERBY THREE YEAR OLDS TRIALS TO BE RUN, FRIDAY, SEPTEMBER 19, 2008	\$50,000 Added \$125,000 Estimated 400 YARDS
FRIDAY OCTOBER 3, 2008	(56)	BLANE SCHVANEVELDT HANDICAP THREE YEAR OLDS AND UPWARD	\$50,000 Guaranteed 400 YARDS
SATURDAY OCTOBER 4, 2008	(57)	PCQHRA BREEDERS FUTURITY TWO YEAR OLDS TRIALS TO BE RUN, SATURDAY, SEPTEMBER 20, 2008	\$50,000 Added \$450,000 Estimated 350 YARDS
FRIDAY OCTOBER 10, 2008	(58)	AUTUMN HANDICAP TWO YEAR OLDS	\$25,000 Added 350 YARDS

To Be Run	EVENT	Purse & Distance
SATURDAY OCTOBER 11, 2008	(59) LOS ALAMITOS INVITATIONAL CHAMPIONSHIP THREE YEAR OLDS AND UPWARD	\$200,000 440 YARDS
FRIDAY OCTOBER 31, 2008	(60) GOLDEN STATE MILLION FUTURITY TWO YEAR OLDS TRIALS TO BE RUN, FRIDAY, OCTOBER 17, 2008	\$100,000 Added \$1,000,000 Guaranteed 400 YARDS
FRIDAY OCTOBER 31, 2008	(61) GOLDEN STATE JUVENILE TWO YEAR OLDS	\$35,000 400 YARDS
SATURDAY NOVEMBER 8, 2008	(62) LOS ALAMITOS SUPER DERBY THREE YEAR OLDS TRIALS TO BE RUN, SATURDAY, OCTOBER 18, 2008	\$200,000 Added \$500,000 Guaranteed 400 YARDS
FRIDAY NOVEMBER 14, 2008	(63) CORONA CHICK HANDICAP TWO YEAR OLDS	\$30,000 Added 400 YARDS
SATURDAY NOVEMBER 22, 2008	(64) Z WAYNE GRIFFIN DIRECTORS TRIALS THREE YEAR OLDS AND UPWARD TRIALS FOR THE CHAMPION OF CHAMPIONS	\$20,000 per trial 400 YARDS
SATURDAY NOVEMBER 28, 2008	(65) LAS DAMAS HANDICAP FILLIES AND MARES THREE YEARS OLD AND UPWARD	\$50,000 Added 400 YARDS
FRIDAY DECEMBER 12, 2008	(66) LOS ALAMITOS 2 MILLION FUTURITY TWO YEAR OLDS TRIALS TO BE RUN, FRIDAY, NOVEMBER 21, 2008	\$300,000 Added \$2,000,000 Guaranteed 400 YARDS
FRIDAY DECEMBER 12, 2008	(67) LOS ALAMITOS JUVENILE INVITATIONAL TWO YEAR OLDS	\$60,000 400 YARDS
SATURDAY DECEMBER 13, 2008	(68) CHAMPION OF CHAMPIONS THREE YEAR OLDS AND UPWARD TRIALS TO BE RUN SATURDAY, NOVEMBER 22, 2008 (Z WAYNE GRIFFIN DIRECTORS TRIALS - 400 YARDS)	\$500,000 Added \$1,000,000 Guaranteed 440 YARDS
SUNDAY DECEMBER 14, 2008	(69) SOUTHERN CALIFORNIA DERBY THREE YEAR OLDS TRIALS TO BE RUN, FRIDAY, NOVEMBER 28, 2008	\$30,000 Added \$150,000 Guaranteed 400 YARDS
SUNDAY DECEMBER 14, 2008	(70) MARATHON NATIONAL THREE YEAR OLDS AND UPWARD	\$50,000 Added 870 YARDS
FRIDAY DECEMBER 19, 2008	(71) FIRST DOWN DASH HANDICAP THREE YEAR OLDS AND UPWARD	\$50,000 Guaranteed 400 YARDS
SATURDAY DECEMBER 22, 2008	(72) PAUL B FORD MEMORIAL HANDICAP THREE YEAR OLDS	\$25,000 Added 550 YARDS

- B. Number of races for each day or night: 7-15 live, 6-12 incoming simulcast
- C. Total number of stakes races: 72
- D. Attach a listing of all stakes races and indicate the date to be run and the added money or guaranteed purse for each. Note the races that are designated for California-bred horses.
- E. Will provisions be made for owners and trainers to use their own registered colors?
 Yes No If no, what racing colors are to be used:
- F. List all post times for the daily racing program:

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

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

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

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

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

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

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

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

4. RACING ASSOCIATION

- A. Association is a: Corporation (complete subsection C)
 LLC (complete subsection D)
 Other (specify, and complete subsection E)
- B. Complete the applicable subsection and attached Addendum, Background Information and Ownership. **ON FILE**

C. CORPORATION

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

Ed Allred	Chairman & Chief Executive Officer
John Seibly	Vice President
Robert Passero	Chief Financial Officer
G. Michael Lyon	Secretary
Spencer Childers	Chairman Emeritus
Bob Boniface	Director Emeritus
Virginia Hyland	Director Emeritus
Daniel Castronova	Director
Patrick Ford	Director
R. D. Hubbard	Director
Anthony Zidich	Director
5. Names (true names) of all persons, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the corporation and the number of shares held by each:
 QUARTER HORSE RACING, INC. 100%
6. Number of outstanding shares in the corporation: 0
7. Are the shares listed for public trading? No
 If yes, on what exchange and how is the stock listed:
8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation: Wagner, Kirkman, and Blaine
9. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
 QUARTER HORSE RACING, INC
10. Attach the most recent audited annual financial statement for the licensee, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the corporation and/or the Securities and Exchange Commission and/or the California Corporations Commission. The licensee may submit the audited consolidated annual financial statements of its parent owner if the parent owner is a publicly traded company and guarantees the obligations of the licensee. **On file.**

D. LLC

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

E. OTHER

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

F. Management and Staff

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

Edward C Allred	Chairman
Robert Passero	Chief Financial Officer
Robert Snyder	Controller
Michael Monji	Assistant General Manager
Frank Sherren	Plant Superintendent
Rick Castaneda	Director of Security
Howard Knuchell	Director of Operations
Robert DiGiovanni	Director of Mutuels
Ed Burgart	Track Announcer
Melodie Knuchell	Director Simulcasting/Nominations
Sherry Ray	Paymaster of Purses
Ken Walker	Director of Labor Relations

2. Name and title of the person(s) authorized to receive notices on behalf of the association and the mailing address of such person(s) if other than the mailing address of the association:

EDWARD C. ALLRED

5. PURSE PROGRAM

- Purse distribution: * **The 2007 meet has not been completed estimated figures provided.**
A.

1.	All races other than stakes:		
	Current meet estimate:	2008	\$14,200,000
	*Prior meet actual:	2007	\$14,019,622

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

Current meet estimate:	204	69,608
*Prior meet actual:	202	69,404

2.	Overnight stakes:		
	Current meet estimate:	2008	N/A
	*Prior meet actual:	2007	N/A

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

Current meet estimate:	2008	N/A
*Prior meet actual:	2007	N/A

3.	Non-overnight stakes:		
	Current meet estimate:	2008	\$ 4,290,000
	*Prior meet actual:	2007	\$ 4,101,819

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

Current meet estimate:	204	\$ 21,029
*Prior meet actual:	202	\$ 20,306

B. Stakes races:

1.	Purse distribution for all stakes races:		
	Current meet estimate:	2008	\$ 4,290,000
	*Prior meet actual:	2007	\$ 4,101,819

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

Current meet estimate:	204	\$ 21,029
*Prior meet actual:	202	\$ 20,306

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

Current meet estimate:	2008	18%
*Prior meet actual:	2007	17.8%

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

Current meet estimate:	204	.09%
*Prior meet actual:	202	.09%

- C. Funds to be generated for all California-bred incentive awards:
- | | | |
|------------------------|------|------------|
| Current meet estimate: | 2008 | \$ 816,000 |
| *Prior meet actual: | 2007 | \$ 813,546 |
- 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: | 2008 | *Prior meet actual: | 2007 |
| Total | \$550,000 | Total | \$546,610 |
- E. Amount from all sources to be distributed in the form of purses or other benefits to horsemen (5A+5C+5D):
- | | | |
|------------------------|------|--------------|
| Current meet estimate: | 2008 | \$19,856,000 |
| *Prior meet actual: | 2007 | \$19,481,597 |
- Average Daily Purse (5E ÷ number of days):
- | | | |
|------------------------|-----|-----------|
| Current meet estimate: | 204 | \$ 97,333 |
| *Prior meet actual: | 202 | \$ 96,444 |
- F. Purse funds to be generated from on-track handle and intrastate off-track handle:
- | | | |
|------------------------|------|--------------|
| Current meet estimate: | 2008 | \$18,076,000 |
| *Prior meet actual: | 2007 | \$17,660,244 |
- Average Daily Purse (5F ÷ number of days):
- | | | |
|------------------------|-----|-----------|
| Current meet estimate: | 204 | \$ 88,608 |
| *Prior meet actual: | 202 | \$ 87,427 |
- G. Purse funds to be generated from interstate handle:
- | | | |
|------------------------|------|--------------|
| Current meet estimate: | 2008 | \$ 1,750,000 |
| *Prior meet actual: | 2007 | \$ 1,594,729 |
- Average Daily Purse (5G ÷ number of days):
- | | | |
|------------------------|-----|----------|
| Current meet estimate: | 204 | \$ 8,725 |
| *Prior meet actual: | 202 | \$ 7,895 |
- H. Bank and account number for the Paymaster of Purses' purse account:
Bank of the West Account #On file.
- I. Name, address and telephone number of the pari-mutuel audit firm engaged for the meeting:
Ed Roland, 1755 N. Community Dr. #208, Anaheim, CA 92806 714-986-9183

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

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

6. STABLE ACCOMMODATIONS

- A. Number of usable stalls available for racehorses at the track where the meeting is held: 1428
- B. Minimum number of stalls believed necessary for the meeting: 1428
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: 0
- D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site: N/A
- E. Attach each contract or agreement between the association and the person(s) furnishing off-site stabling accommodations for eligible racehorses that cannot be provided stabling on-site. N/A

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

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

7. PARI-MUTUEL WAGERING PROGRAM

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

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

	TYPE OF WAGERS	APPLICABLE RULES
Example Race:	\$1 E; \$1 Double	CHRB #1959; RCI #VE
Race #1	\$1E, \$1DD, \$1PNP, \$1 TRI, \$1SF	CHRB 1959, 1957, 1976.9, 1979, 1979.1

Race #2	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #3	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #4	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #5	\$1E, \$1PK3, \$1TRI, \$1SF, \$2PNP6	CHRB 1959, 1977, 1979, 1979.1, 1976.9
Race #6	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #7	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #8	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #9	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #10	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #11	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #12	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #13	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #14	\$1E, \$1TRI, \$1SF, \$1DD	CHRB 1959, 1979, 1979.1, 1957
Race #15	\$1E, \$1TRI, \$1SF	CHRB 1959, 1979, 1979.1

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

- B. Maximum carryover pool to be allowed to accumulate before its distribution **OR** the date(s) designated for distribution of the carryover pool: December 21, 2008
- C. List any options requested with regard to exotic wagering: N/A
- D. Will "advance" or "early bird" wagering be offered? Yes No
 If yes, when will such wagering begin:
 Thursday, Friday, Saturday, Sunday at 9:30am.
- E. Type(s) of pari-mutuel or totalizator equipment to be used by the association and the simulcast organization, name of the person(s) supplying equipment, and expiration date of the service contract:
 Scientific Racing Games, contact person: Terry McWilliams, contract expires 09/24/12

8. ADVANCE DEPOSIT WAGERING (ADW)

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

9. SIMULCAST WAGERING PROGRAM

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

<u>Northern California</u> Alameda County Fair, Pleasanton Bay Meadows Big Fresno Fair, Fresno California State Fair \$ Expo, Sacramento Club One, Fresno ?	<u>Southern California</u> Barona Casino, Lakeside San Bernardino County Fair, Victorville Fantasy Springs Casino, (Cabazon), Indio Del Mar Thoroughbred Club, Del Mar Hollywood Park, Inglewood
--	---

Golden Gate Fields, Albany
 Kern County Fair, Bakersfield
 Monterey County Fair, Monterey
 San Joaquin County Fair, Stockton
 Santa Clara County Fair, San Jose
 Solano County Fair, Vallejo
 Sonoma County Fair, Santa Rosa
 Stanislaus County Fair, Turlock
 Tulare County Fair, Tulare

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

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

America Tab-OR
 AmWest Entertainment-KY
 Arapahoe Park-CO
 Arlington International Race Course-IL
 Atlantic City Casino Assn.-NJ
 Balmoral Park-IL
 Beulah Park-OH
 Birmingham Race Course-AL
 Blue Ribbon Downs-OK
 Buffalo Trotting Association-NY
 Calder Race Course-FL
 Capital Sports Pty-Australia
 Canterbury Park-MN
 Capital District OTB-NY
 Catskill Off-Track, NY
 Choctaw Racing Services, OK
 Churchill Downs-KY
 Churchill Downs Sports Spectrum-KY
 Citizen Band Potawatomi Indian Tribe (LVDC)
 Colonial Downs-VA
 Columbus Races-NE
 Connecticut OTB-CT
 Corpus Christi Greyhound Track-TX
 Dairyland Greyhound Park-WI
 Day At The Track,
 Delaware Park-DE
 Delta Downs-LA
 DGS Systems Corp, LVDC
 Dover Downs-DE
 Downs at Albuquerque-NM

Downs at Santa Fe
 Ellis Park-KY
 Emerald Downs, WA
 Eureka Downs, KS
 Euro Off-Track, Isle of Man
 Evangeline Downs-LA
 Fair Grounds Racecourse-LA
 Fairmount Park-IL
 Finger Lakes Race Track-NY
 Firelake Entertainment(LVDC) OK
 Fonner Park-NE
 Foxwoods Casino (LVDC)-CT
 Freehold Raceway-NJ
 Garden State Park-NJ
 Geneva Lakes Kennel Club-WI
 Great Lakes Downs-MI
 Greentrack-AL
 Gulfstream Park-FL
 Harrington Raceway & Simulcast Facility-DE
 Hawthorne Race Course-IL
 Hazel Park-MI
 Hialeah Park-FL
 Hinsdale Greyhound Park, NH
 Holiday Beach Hotel (LVDC)-NV
 Hoosier Park-IN
 Indiana Downs, IN
 International All Sports, Australia
 International Racing Group, (IRG)
 Jackson Harness Raceway-MI
 Keeneland-KY

Ladbroke at the Meadows-PA
 Lebanon Trotting Club-OH
 Lewiston OTB-ME
 Les Bois Park-ID
 Lien Games, ND
 Lone Star Race Park-TX
 Louisiana Downs-LA
 Manor Downs-TX
 Maryland Jockey Club-MD
 Maywood Park-IL
 Meadowlands, NJ
 Meskwaki Casino (LVDC)-NV
 Mobile Greyhound Park-AL
 Monmouth Park-NJ
 Montana Simulcast Partners (IMS)
 Monticello Raceway-NY
 Mountaineer Park-WV
 Mt. Pleasant Meadows-MI
 Multnomah Greyhound Park-OR
 Nassau Downs OTB-NY
 Nebraska State Fair Park-NE
 New Jersey Sports & Exposition
 New Mexico State Fair-NM
 New York City Off-Track Betting-NY
 New York Racing Association-NY
 Northfield Park-OH
 Northville Downs-MI
 Northville Racing Corp.-MI
 Northwest Racing Associates Ltd.(Emerald)
 Oaklawn Park-AR
 Ocean Downs-MD
 Penn National Race Course-PA
 Philadelphia Park-PA
 Plainridge Racecourse-MA
 Playfair Race Course-WA
 Pojoaque Pueblo Gaming, Inc. (LVDC)-OK
 Portland Meadows-OR
 Potawatomi Indian Tribe of OK (LVDC)
 Prairie Meadows-IA
 Prescott Downs-AZ
 Premier Turf Club-ND
 Raceway Park-OH
 Racing & Gaming Services(Birmingham)

Remington Park-OK
 Retama Park-TX
 Rillito Park-AZ
 River Downs-OH
 Rockingham Park-NH
 Ruidoso Downs-NM
 Sam Houston Park-TX
 Saratoga Raceway-NY
 Schenectady OTB-NY
 Scioto Downs-OH
 Southland Greyhound Park-AR
 Spirit Mountain Casino (LVDC)-OR
 Sports Creek Raceway-MI
 Sportsman's Park-IL
 Suffolk Downs-MA
 Suffolk OTB, NY
 Sunland Park Racetrack-NM
 SunRay Park and Casino-NM
 Tampa Bay Downs-FL
 Television Games Network-CA
 The Downs @ Albuquerque
 The Lodge at Belmont, NH
 The Racing Channel,
 The Red Mile, KY
 The Stables (LVDC)-OK
 The Texas Hub-TX
 Thistledown Racing Club-OH
 TP Racing, LLLP (Turf Paradise)-AZ
 TRN International, PA
 Tucson Greyhound Park-AZ
 Turning Stone Casino-NY
 US Off-Track-OR
 Valley Race Park, TX
 Vernon Downs-NY
 Western Regional OTB-NY
 Wichita Greyhound Park-KS
 Will Rogers Downs-OK
 Wonderland Greyhound Park
 Woodlands-KS
 Wyoming OTB-WY
 Yavapai Downs, AZ
 Yonkers Raceway-NY

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

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

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

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

QUARTER HORSE SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
Delta Downs	April -July	Selected races
Sam Houston	June-September	Selected races
Prairie Meadows	July-September	Selected races
Remington Park	March-June	Selected races
Ruidoso Downs	May-September	Selected races
Fair Meadows/Tulsa	May-July	Selected races
Hoosier Park	September-November	Selected races
Red Mile	July	Selected races
Evangeline Downs	September-December	Selected races
Lone Star Park	October-December	Selected races
Canterbury Park	May-September	Selected races
Indiana Downs	May-July	Selected races
Portland Meadows	TBA	Selected races
Retama Park	May-June	Selected races
Zia Park	TBA	Selected races

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

HARNESS SIMULCAST RACES TO BE IMPORTED

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

OTHER BREED SIMULCAST RACES TO BE IMPORTED

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

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

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

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

Every association shall pay over to the simulcast organization within 3 calendar days following the closing of wagering for any day or night racing program, or upon receipt of the proceeds, such amounts that are retained from off-track simulcast wagering, interstate and out-of-state wagering, and which are obligated by statute for guest commissions, simulcast operator's expenses and promotions, equine research, local government in-lieu taxes, and stabling and 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:
Los Alamitos Quarter Horse Charity Foundation, 4961 Katella Ave., Los Alamitos, CA 90720
- B. Names and addresses of the trustees or directors of the distributing agent:
Robert Main 4961 Katella Ave., Los Alamitos, CA 90720
Althea Miller 4961 Katella Ave., Los Alamitos, CA 90720
Charles Brain 4961 Katella Ave., Los Alamitos, CA 90720
- C. Dates the association will conduct races as charity racing days OR:
September 18, September 25, October 2, October 9, October 16, 2008
- D. Will the association pay the distributing agent an amount equal to the maximum required under B&P Code Section 19550(b)? Yes

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

11. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

- A. Racing officials nominated:

Association Veterinarian(s)	Thomas A. Hackathorn, DVM
Clerk of Scales	Glen Miki
Clerk of the Course	Linda Sherren
Film Specialist	Stewards
Horse Identifier	Glen Walker

Horseshoe Inspector	James Stump
Paddock Judge	Brandi Boag
Patrol Judges	Brandi Boag
Placing Judges	Ed Reese, Geoff Waxler
Starter	John Baker
Timer	Geoff Waxler

B. Management officials in the racing department:

Director of Racing	Ron Church
Racing Secretary	Ron Church
Assistant Racing Secretary	Ed Reese
Paymaster of Purses	Sherry Ray
Others (identify by name and title)	

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

Barbara Weinstein, 9582 Hamilton Ave, STE 265, Huntington Beach, CA 92646 714 964-71

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

Plusmic Corporation USA – Bill O'Brien 09/15/10

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

Pegasus Communications - Jim Porep 12/26/08

F. Type of electronic timing device to be used for the timing of all races, name of the person supplying the service, and expiration date of the service contract:

Pegasus Communications - Jim Porep 12/26/08

12. SECURITY CONTROLS

A. Name and title of the person responsible for security controls on the premises. Include an organizational chart of the security department and a list of the names of security personnel and contact telephone numbers.

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

B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis: 21

1. Attach a written plan for enhanced security for graded stakes races, and races of \$100,000 or more, to include the number of security guards in the restricted areas during a 24-hour period and a plan for detention barns. Not used at this time.

2. Detention Barns: Not used at this time.

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

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

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

Organizational Chart

Los Alamitos Race Course

Security Dept.

Captain of Security	Rick Castaneda	Office (714) 820-2663 Cell (714) 713-7728
Day Shift Sergeant	Keith Hicks	Office (714) 820-2664 Cell (714) 366-0579
Night Shift Sergeant	Charles Gonzalez	Office (714) 820-2661
Day Shift Security Officers	Bill Chavez Edgardo Castillo Gerardo Angel Deril Montgomery Bunthoeun Sos Johnny Alonzo	
Night Shift Officers	Louie Reid Jackie Dixon Jose Murillo Gabriel Castellanos Henry Chambers Faatoulina Ttatia Robert Edison Armando Batarse	
Stable Area Officers	Alex Pacheco Jorge Avina Jose Alvarez Ruben Silva Fernando Gomez	
Off Hour Officers	Albert Cruz Sr. Luis Rivas Frank Wozniak	

There are twenty two security officers on staff during the racing season, and three supervisors.

State of California
California Horse Racing Board
Application for license to conduct a Horse Racing Meeting
CHRB-17 (Rev. 7/05)

Re: **Question 11 Security Controls**

D For night racing associations: Describe Emergency Lighting Systems

Los Alamitos Race Course's race track lighting was designed and installed by Hubbell Lighting, Inc. It consists of racks of 1000 watt stadium type lights. The Emergency Lighting System is 1000 watt Quartz light fixtures mounted under the stadium lights on each light pole. In the event of a power failure causing the stadium lights to fail the quartz back-up emergency lights instantly come on. They are on a U.P.S. back-up system and are controlled by contactors located in our light room. This system is totally automatic. It was tested in April of 2005. The Track will remain lighted for a period of up to 90 minuets.

3. TCO2 Testing:

- A. Number of races to be tested, and number of horses entered in each race to be tested.
 - B. Plan for enhanced surveillance for trainers with high-test results.
 - C. Plan for detention barns for repeat offenders.
 - D. Number of security personnel assigned to the TCO2 program.
- C. Describe the electronic security system: Not used at this time.
- 1. Location and number of video surveillance cameras for the detention barn and stable gate.
- D. For night racing associations. Describe emergency lighting system: See attached.

13. EMERGENCY SERVICES

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

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

In case of a major accident/head injury they are routed to:
 Long Beach Memorial
 2801 Atlantic Ave
 Long Beach, CA 90802
 562-933-2000
- E. Name, address and emergency telephone number of the hospital to be used for admittance and treatment of emergency injuries in the event of an on-track injury to a jockey:
Same as D 1.
- F. Attach, in English and Spanish, the emergency medical plan procedures that will be posted in each jockey's room to be used in the event of an on-track injury to a jockey:
See attached.
- G. Name of health and safety manager and assistant manager responsible for compliance of health and safety provisions pursuant to B& P Code 19481.3(d):

En Caso De

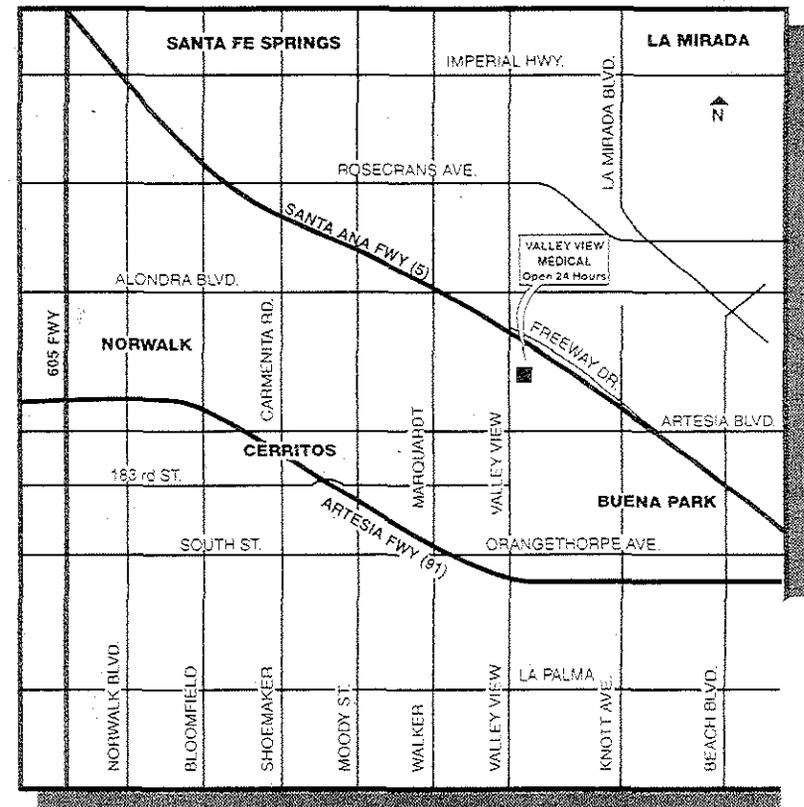
✚ ACCIDENTE ✚

(714) 562-8638 • (562) 926-8332

*Valley
View*  *MEDICAL*

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

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

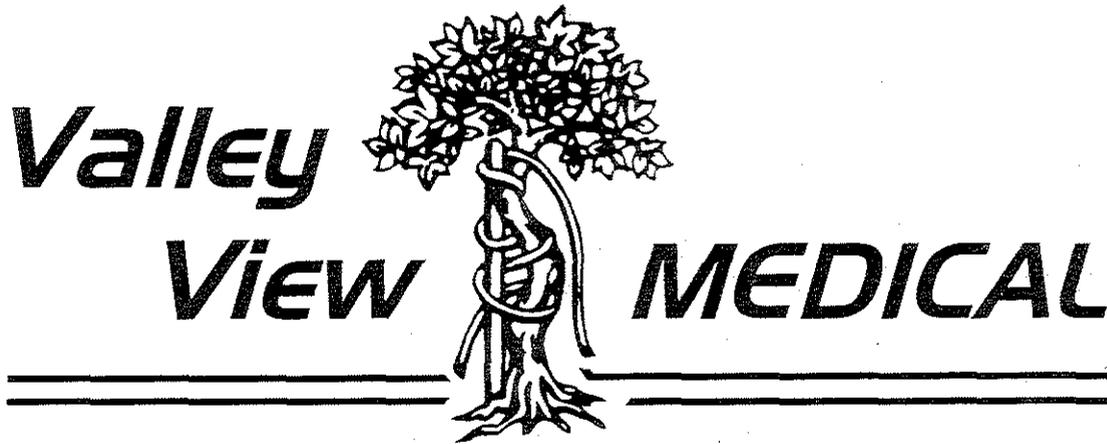


ABIERTO 7 DIAS • LAS 24 HORAS

In Case Of

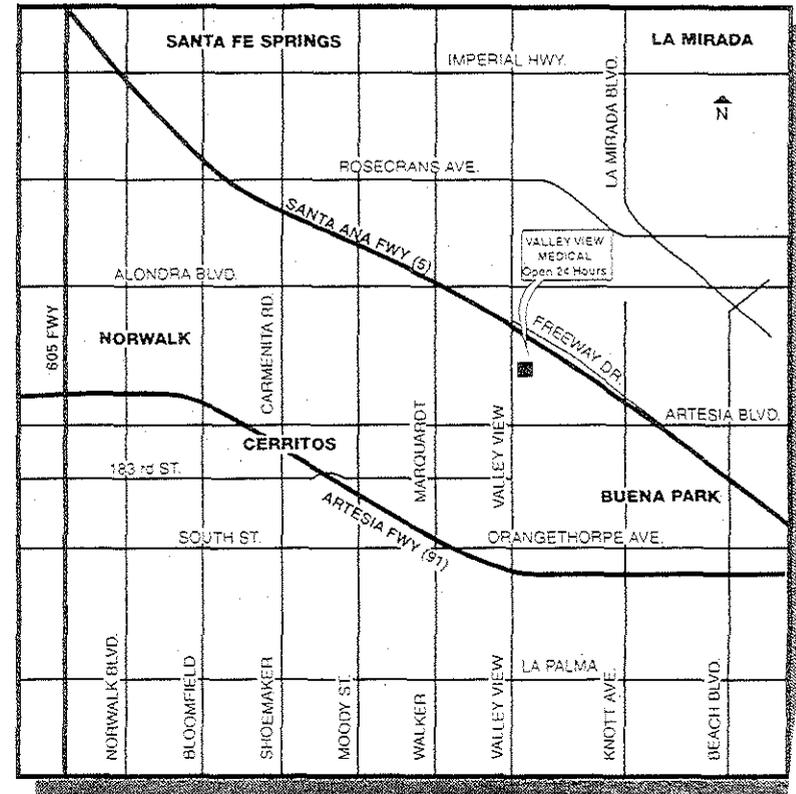
✚ ACCIDENT ✚

(714) 562-8638 • (562) 926-8332



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

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



OPEN 24 HOURS • 7 DAYS

Allie Rodriguez/FLSIG-safety manager
 Frank Sherren-safety program director LARC

- H. Attach a fire clearance from the fire authority having jurisdiction over the premises. **Attached.**
- I. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details):
 Self Insured-Finish Line Self Insurance Group, certificate #On file.
 Administrator: Bickmore Risk Services
 1831 K. Street
 Sacramento, Ca 95814
- J. Attach a Certificate of Insurance for workers' compensation coverage. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of insurance that secures the liability of the association for payment of workers' compensation.

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

14. CONCESSIONAIRES AND SERVICE CONTRACTORS

Names and addresses of all persons to whom a concession or service contract has been given, **other than those already identified**, and the goods and/or services to be provided by each:
 Centaur Hot Walkers, Inc., 5761 Ridgeview Ave., Mira Loma, CA 91752

15. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

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

16. SCHEDULE OF CHARGES

- A. Proposed charges, note any changes from the previous year:
 Admission (general) 3.00

**ORANGE COUNTY FIRE AUTHORITY**

P. O. Box 57115, Irvine, CA 92619-7115 • 1 Fire Authority Road, Irvine, CA 92602

Chip Prather, Fire Chief

(714) 573-6000

www.ocfa.org

March 26th, 2007

Los Alamitos Race Course
4961 Katella Avenue
Los Alamitos, Ca 90720
Attn: Frank Sherren

Re: Annual Fire Inspection

Dear Mr. Sherren,

This letter is in response to your request for a Fire & Life Safety inspection clearance for The Los Alamitos Race Course, located at 4961 Katella Av., in the city of Los Alamitos. An inspection was completed on March 26th, 2007. At that time, the OCFA found this facility to be providing a reasonable degree of Fire & Life Safety.

If you have any further questions please give me a call at (714) 527 -- 9473.

Sincerely,

Antonio Aleman, Senior Fire Inspector

ACORD™ CERTIFICATE OF LIABILITY INSURANCE		DATE (MM/DD/YYYY) 09/25/07
PRODUCER Alliant Insurance Services, Inc. 600 Montgomery Street 9th Floor San Francisco CA 94111	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
INSURED Los Alamitos Race Course 4961 Katella Avenue Los Alamitos CA 90720	INSURERS AFFORDING COVERAGE INSURER A: Finish Line SIG, Inc. INSURER B: INSURER C: INSURER D: INSURER E:	NAIC #

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	ADDL	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS												
		GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR				EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COM/OP AGG \$												
		GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO.JECT <input type="checkbox"/> LOC																
		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$												
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EAACC \$ AGG \$												
		EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE \$ RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$												
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER	WC001	1/1/2007	1/1/2008	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 5%;">WC STATU-TORY LIMITS</td> <td style="width: 5%;">OTH-ER</td> <td style="width: 90%;"></td> </tr> <tr> <td>E.L. EACH ACCIDENT</td> <td></td> <td>\$ 1,000,000</td> </tr> <tr> <td>E.L. DISEASE - EA EMPLOYEE</td> <td></td> <td>\$ 1,000,000</td> </tr> <tr> <td>E.L. DISEASE - POLICY LIMIT</td> <td></td> <td>\$ 1,000,000</td> </tr> </table>	WC STATU-TORY LIMITS	OTH-ER		E.L. EACH ACCIDENT		\$ 1,000,000	E.L. DISEASE - EA EMPLOYEE		\$ 1,000,000	E.L. DISEASE - POLICY LIMIT		\$ 1,000,000
WC STATU-TORY LIMITS	OTH-ER																	
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E.L. DISEASE - EA EMPLOYEE		\$ 1,000,000																
E.L. DISEASE - POLICY LIMIT		\$ 1,000,000																

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

This certificate is issued as evidence of coverage only - Los Alamitos Race Course.

CERTIFICATE HOLDER California Horse Racing Board 4961 Katella Ave Los Alamitos CA 90720	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

CHRB LICENSE APPLICATION**14. ON TRACK ATTENDANCE/FAN DEVELOPMENT**

A. Describe any promotional plans:

1. Los Alamitos guarantees pools in the early Pick Four every racing night. Currently, Pick Four pools are guaranteed at \$50,000 on Thursdays and \$75,000 on Friday through Sunday.
2. Los Alamitos employs two part-time employees to assist patrons with their Racing Rewards card, which serves as the track's loyalty program. This program rewards its members with cash vouchers for playing the nighttime Los Alamitos racing program with a 1 percent return on their money wagered. Six Handicapping contests are scheduled for 2008, which are exclusive to Racing Rewards members.
3. Los Alamitos' senior citizen admission prices are \$2 every single day. Los Alamitos also offers free grandstand admission and free general parking every Thursday night. More than 60% of the Los Alamitos parking lot is available at no charge as part of its free general parking area.
4. Los Alamitos continues to maintain the lowest concession prizes of any sporting venue in Orange County. Low prices include \$3 beers every day and night; \$3 hot dogs every day and night; \$1.50 soda every day and night, etc.
5. Los Alamitos provides Ed Burgart's tipsheet free on its website at www.losalamitos.com.
6. Los Alamitos offers a free nighttime pocket program, which can be downloaded at www.losalamitos.com.
7. Los Alamitos offers a free past performance lines for major Grade 1 races, which can be downloaded at www.losalamitos.com.
8. Los Alamitos markets its night program via the Mike Willman weekly radio shows.
9. Los Alamitos markets the night program on TVG with a 24-week advertising campaign throughout the year. Los Alamitos will continue to work closely with TVG to promote and encourage viewers to visit the racetrack. Vessels Club and general concession menu items are often promoted on TVG to show fans what's available at the racetrack. Los Alamitos will continue to sponsor trivia and handicapping contest on TVGs with "Night At The Track" packages offered as prizes.

10. The Replay Show is available on TVG mornings on a Friday through Monday basis.
11. Los Alamitos, in conjunction with the AQHA, have made available online video of morning workouts of 2-year-olds. Horseplayers find this a useful tool, as they're able to dissect workouts of horses that have yet to make an official start.
12. Los Alamitos will conduct two statewide mailers featuring mystery mutuel vouchers. Each voucher is worth at least \$5. Vouchers in denominations of \$10, \$20, \$50, \$100, \$500, and \$1,000 are also mailed. In addition two \$10,000 vouchers are mailed. The mailers are held on California Breeders Champions Night and Champion of Champions weekend.
13. Latin Festival Day at Los Alamitos will be held in the Spring. Live music, horseracing and great family atmosphere.
14. Family days at Los Alamitos will be held on Saturday, June 29 with the running of the popular Wienerschnitzel Wiener National. Eighty dachshunds compete for prize money and trophies. The annual event receives great pre and post event publicity on the television newscasts. The event annually attracts over 12,000 people, most of which get exposed to the excitement of horseracing for the first time.
15. The Los Alamitos annual Halloween Carnival will be conducted in late fall. This event benefits a local charity, as well as the Los Alamitos Race Track Chaplaincy. A costume contest for kids and adults as well as a ton of carnival games are held in a safe, fun, and family oriented environment. This event provided first-time exposure of horseracing to thousands of families each year.
16. Wall Calendar Giveaway Night on Champion of Champions Night to all statewide patrons.
17. Los Alamitos will continue its DVD Scrapbook program designed to reward racehorse owners at Los Alamitos. Every time a horse wins a race at Los Alamitos, the owner will receive one DVD – completely free – featuring the horse's winning performance. The DVD includes the post parade, warm-ups, race analysis, actual race, and winner's circle. This has received rave reviews across the board from owners and Los Alamitos Race Course sees it a nice goodwill gesture.
18. In addition to the on-track marketing, Los Alamitos is conducting the strongest marketing program of any southern California for the benefit of its simulcast facilities. In 2007, Los Alamitos is scheduled to conduct over 30 handicapping contest for cash prizes worth approximately \$12,000. Each handicapping contest is held in conjunction with a premium item giveaway, such as cap, t-shirt, long

sleeve polo, or sweatshirt. Sites that hosted events included Hollywood Park, Santa Anita, Fairplex Park, Surfside, Monterey, Santa Maria, Santa Barbara, Victorville, Lancaster, San Bernardino, Santa Clara, Fresno Club One, Ventura. Fan data is gathered at each location for future marketing use. Los Alamitos also plans to conduct monthly promotional events at Santa Anita, Surfside and Santa Maria in 2007.

B. Number of hosts and hostesses employed for meeting:

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

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

Starting in 2007, the Los Alamitos Public Relations Department has started writing personality profiles on racing fans. The profiles are published in the nightly program. Over 65 profiles on a variety of fans will be featured in 2007 with another 200 planned for 2008. The profiles, which include a fan photo, inform readers on how other fans became interested in horse racing; how they approach handicapping the races; their most successful nights at the track; what they like about the experience at the track. The profiles have been well received.

C. Describe facilities set aside for new fans:

1. The Finish Line Grill offers casual dining with Mexican food and Hamburgers cooked on an outdoor grill facing the finish line. New picnic tables have been set up outdoors, which are nightly advertised as the perfect place for new fans.

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

1. For horsemen, more specifically jockeys, Los Alamitos completed a major expansion and renovation program to significantly upgrade its jockey's room facilities. The improvement project added about 1,700 square feet to the existing 4,050 square foot facility. In addition to increasing the overall size of the jockey's room, upgrades include; a new Jacuzzi and whirlpool tub; a new, private sleeping room; new recreation room facilities; expanded locker and valet areas; and the addition of an Equicisor.

2. Both the east side general parking area and the horsemen's parking lot were repaved in 2007.
3. Four video replay kiosks have been installed throughout the plant for the benefit of horsemen and fans. The touch-tone kiosks offer replays of the Los Alamitos races, plus selected tracks from around the nation, just minutes after the race has occurred.
4. Horsemen and fans will notice a fresh, new look to the Los Alamitos main lobby upon entering the racetrack. The new lobby will be completed for the start of the 2008 season and will feature new paint, throwback décor, and new flooring around the escalator area.
5. The plans for the renovations are based on suggestions and support from the Jockeys' Guild and the local Los Alamitos jockey colony.
6. New wooden flooring around The Vessels Club handcrafted horseshoe bar was installed during the 2007 season.
7. Fans will benefit from an easy to read menu board installed in Los Alamitos Cantina Mexican Concession located in the grandstand.

Invitation and Acceptance to Membership

Live Racing: Quarter Horse – December 28th, 2007 - December 21st, 2008

Satellite Racing: Year Round

Membership in the Vessels Club includes all live and satellite racing conducted at Los Alamitos from December 28th, 2007 through December 21st 2008, depending on the specific membership you choose. No outside food or beverages will be allowed in the Vessels Club. Rude, loud, unseemly behavior or profanity is not acceptable in the Vessels Club. Your signature below acknowledges that you have read, understood, and will abide by the rules of the Club including **dress code guidelines**.

Date _____

Signature of Member _____

THIS SPACE FOR OFFICE USE ONLY

Parking Sticker Number	Membership Card Number
_____	_____
_____	_____
_____	_____
Box # _____	_____

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

	Relationship to me
1. My name _____	_____
2. _____	_____
3. _____	_____
4. _____	_____

Residence _____
 Street _____ City _____ State, Zip _____

Business _____
 Street _____ City _____ State, Zip _____

Residence telephone _____ Business telephone _____

Mail credentials to: Res. _____ Bus. _____

***MEMBERSHIP FEES:**

- A. Vessels Exclusive - Quarter Horse***** \$3,000.00
 One exclusive four seat table, four membership cards - each valid for one admission during the 2007 - 2008 Quarter Horse meet, and two Premium Parking passes.
Certain Limitations & Restrictions apply to this membership.
LARC has the right to use your reserved table if you have not contacted the Maitre d' by the running of the 2nd live race. It is the responsibility of the Vessels Club member to contact the Maitre d' @ 714-820-2681. LARC also reserves the right to utilize any tables for special events. LARC will provide you with written notice one week prior to the special event.
 - B. Vessels Private Box - Quarter Horse*****\$1,500.00
 One private four seat box, four membership cards - each valid for one admission during the 2007 - 2008 Quarter Horse meet; and two preferred Parking stickers.
 - C. Vessels Annual Horsemen***** \$300.00
 One membership card valid for one admission to the Vessels Club during the 2007 - 2008 Quarter Horse Meet.
- *Must have valid CHRB license for all memberships.

Membership Selection (circle one): **A B C** MAKE CHECKS PAYABLE TO LOS ALAMITOS RACE COURSE
THIS SPACE FOR OFFICE USE ONLY

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

Private Membership Information

- ***Vessels Presidential \$5,000.00***

Membership includes four membership cards - each valid for one admission plus five guests, one private four-seat box, four premium parking stickers & guaranteed reservation for a six-seat table in the dining room. Valid January 1, 2008 to December 31, 2008. Pro-rated after January 1, 2008.

- ***Vessels Executive \$3,000.00***

Membership includes four membership cards - each valid for one admission, guaranteed reservation for a four seat table in the dining room, and two preferred parking stickers. Valid January 1, 2008 to December 31, 2008. Pro-rated after January 1, 2008.

- ***Vessels Private \$1,500.00***

Membership includes one membership card, valid for one admission, one preferred parking sticker, guaranteed reservation for a four seat table in the dining room, and option to purchase one additional membership card for \$500.00. Valid January 1, 2008 to December 31, 2008. Pro-rated after January 1, 2008.

- ***Vessels Club Single Admissions Offer***

A.	10 Admissions - Save \$15.00 (Regular Price \$100.00)	\$85.00
B.	25 Admissions - Save \$50.00 (Regular Price \$250.00)	\$200.00
C.	50 Admissions - Save \$150.00 (Regular Price \$500.00)	\$350.00

THE VESSELS CLUB at LOS ALAMITOS RACE COURSE

Membership Form

Live Racing: Quarterhorse --December 28, 2007 to December 21, 2008

Satellite Racing: Year Round

Membership in the Vessels Club includes all live and satellite racing conducted at Los Alamitos from January 1, 2008 through December 31, 2008, depending on the specific membership you choose. No outside food or beverages will be allowed in the Vessels Club. Rude, loud, unseemly behavior or profanity is not acceptable in the Vessels Club. Your signature below acknowledges that you have read, understood, and will abide by the rules of the Club including **dress rules**.

Date _____

Signature of Member _____

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

- | | | |
|------------------|-----------------------|-------|
| | <u>relation to me</u> | |
| 1. My name _____ | _____ | _____ |
| 2. _____ | _____ | _____ |
| 3. _____ | _____ | _____ |
| 4. _____ | _____ | _____ |

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

Residence _____
Street City State, Zip

Business _____
Street City State, Zip

Residence telephone _____ Business telephone _____

Mail credentials to: Res. _____ Bus. _____

MEMBERSHIP FEES:

A.	Vessels Presidential - Corporate January 1, 2008 - December 31, 2008 INCLUDES: Four membership cards (each valid for one admission plus five guests), one private four seat box, four premium parking stickers and guaranteed six seat table in the dining room.	\$5,000.00
B.	Vessels Executive January 1, 2008 - December 31, 2008 Four membership cards - each valid for one admission, two preferred parking stickers and guaranteed four seat table in the dining room.	\$3,000.00
C.	Vessels Private January 1, 2008 - December 31, 2008 One membership card valid for one admission, one preferred parking sticker, guaranteed four-seat table in the dining room, and option to purchase one additional membership card for \$500.00.	\$1,500.00

Membership Selection (circle one): **A** **B** **C**

MAKE CHECK PAYABLE TO LOS ALAMITOS RACE COURSE

THIS SPACE FOR OFFICE USE ONLY

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

Quarter Horse Membership Information
(These Prices restricted to CHRB licensed horsemen)

- ***Vessels Exclusive - Quarter Horse \$3,000.00***

Membership includes one exclusive table for each night of the 2007 - 2008 Quarter Horse meet, four membership cards - each valid for one admission during the 2007 - 2008 Quarter Horse meet, and two *premier* parking stickers.

Certain Limitations & Restrictions apply to the above membership.

Los Alamitos Race Course has the right to use your reserved table if you have not contacted the Maitre d' by the running of the 2nd race. It is the responsibility of the Vessels Club member to contact the Maitre d' @ 714-820-2681. LARC also reserves the right to utilize any tables for special events. LARC will provide you with written notice one week prior to the special event.

- ***Vessels Private Box - Quarter Horse \$1,500.00***

Membership includes one private four seat box, four membership cards - each valid for one admission during the 2007- 2008 Quarter Horse meet, and two *preferred* parking stickers.

- ***Vessels Annual – Quarter Horse \$300.00***

Membership includes one membership card valid for one admission daily or nightly during the 2007 - 2008 Quarter Horse Meet.

Admission (clubhouse)	5.00/10.00 (Vessels club)
Reserved seating (general)	N/A
Reserved seating (clubhouse)	N/A
Parking (general)	Free
Parking (preferred)	3.00
Parking (valet)	N/A
Programs (on-track)	3.00
(off-track)	3.50

- B. Describe any "Season Boxes" and "Turf Club Membership" fees:
See attached
- C. Describe any "package" plans such as combined parking, admission and program:
N/A

17. JOCKEYS/DRIVERS' QUARTERS

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

<input type="checkbox"/> Corners (lockers and cubicles)	How many	<input type="text" value="70"/>
<input type="checkbox"/> Showers	<input type="checkbox"/> Steam room, sauna or steam cabinets	<input type="checkbox"/> Lounge area
<input type="checkbox"/> Masseur	<input type="checkbox"/> Food/beverage service	<input type="checkbox"/> Certified platform scale

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

18. BACKSTRETCH EMPLOYEE HOUSING

- A. Inspection of backstretch housing will be completed by CHRB investigators before meet begins.
- B. Number of rooms used for housing on the backstretch of the racetrack:
220 out of 344
- C. Number of restrooms available on the backstretch of the racetrack:
13
- D. Estimated ratio of restroom facilities to the number of backstretch personnel:
18/1

19. TRACK SAFETY

- A. Total distance of the racecourse - measured from the finish line counterclockwise (3' from the inner railing) back to the finish line: feet.
- B. Describe the type(s) of materials used for the inner and outer railings of the race course, the type of inner railing supports (i.e., metal gooseneck, wood 4" x 4" uprights, offset wood 4" x 4" supports, etc.), the coverings, if any, on the top of the inner railing, and the approximate height of the top of the inner railing from the level of the race course.
Inner rail is a metal slant rail with metal safety cover, 40" in height from track to top of rail.
Outer rail is a metal gooseneck with 6" X 4" metal tubing.

- C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474: Rick Hughes/Dennis Moore
- D. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474.
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.

20. DECLARATIONS

- A. All labor and lease agreements and concession and service contracts necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state): **No exceptions**
- B. Attach each horsemen's agreement pursuant to CHRB Rule 2044.
On file
- C. Attach a lease agreement permitting the association to occupy the racing facility during the entire term of the meeting. (In the absence of either a lease agreement or a horsemen's agreement, a request for an extension pursuant to CHRB Rule 1407 shall be made). **On file**
- D. All service contractors and concessionaires have valid state, county or city licenses authorizing each to engage in the type of service to be provided and have valid labor agreements, when applicable, which remain in effect for the entire term of the meeting except as follows (if no exceptions, so state):
No exceptions
- E. Absent natural disasters or causes beyond the control of the association, its service contractors, concessionaires or horsemen participating at the meeting, no reasons are believed to exist that may result in a stoppage to racing at the meeting or the withholding of any vital service to the association except as follows (if no exceptions, so state): **No exceptions**

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

21. CERTIFICATION BY APPLICANT

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

Edward C. Allred
Print Name

Edward C. Allred
Signature

Chairman
Print Title

09/27/07
Date

STAFF ANALYSIS
November 29, 2007

ISSUE: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF SACRAMENTO HARNESS ASSOCIATION DECEMBER 28, 2007 THROUGH AUGUST 2, 2008.

Sacramento Harness Association filed its application to conduct a harness horse racing meeting at Cal Expo:

- December 28 through August 2, 2008. The association proposes to race 120 nights with 1674 races. The (actual) average daily purse for the 2007 meet was \$48,190. The (estimated) average daily purse for this meet is \$47,476.
- Sacramento Harness was allocated 124 race days for 2008. The proposed race dates deletes Thursday race days and adds Sundays running 120 race days for 2008.

December - 2007						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25 H	26	27	28	29
30	31					

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

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

March - 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					

April - 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			

May - 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

June - 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					

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
24/31	25	26	27	28	29	30

- Racing Thursday through Sunday.
- First live post 5:35 p.m. Thursday and Sunday, 5:35 p.m. Fridays and Saturdays. 6:20 p.m.
- Will coordinate post times with Los Alamitos Quarter Horse races, thoroughbred twilight and evening races and all racing fairs.
- Request Carl Sobey be appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety requirements have been fulfilled.

- Inspection of backstretch worker housing completed.
- Wagering program will use CHRB rules.
 - Early wagering 11:00 a.m. to 5:00 p.m.
 - Request \$10,000 guaranteed gross Pick-Four pool each Friday and Saturday races 9, 10, 11 and 12.
 - Request to continue Bal-Cal Pick-Four, and pursue other multi-track wagering opportunities. Specific permission will be requested.
- The Advance Deposit Wagering (ADW) providers are TVG, Youbet and XpressBet.
- Simulcasting conducted with out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.

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

1. Audited Financials.
2. Fire Clearance.
3. Description Of On-Track First Aid Facility.
4. Emergency Medical Plan. (Spanish version)

RECOMMENDATION:

Staff recommends that the application for license not be heard unless the missing information is provided.

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:

Sacramento Harness Association
2335 American River Drive, Suite 406
Sacramento, CA 95825
916-239-4040
916-239-4048 (fax)

B. Breed of horse: TB QH H

C. Racetrack name: **California Exposition & State Fair Race Course, (Cal Expo)**

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

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

2. DATES OF MEETING

A. Inclusive dates for the entire meeting: **December 28, 2007 – August 2, 2008**

B. Actual dates racing will be held: **See Schedule 1-2007-2008 Racing Calendar**

C. Total number of days or nights of racing: **120 Nights**

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

Wed - Sun Tues - Sat Other (specify) **Thursday thru Sunday nights, Exceptions; Dark: Sunday 1/28**

E. Number of days or nights of racing per week: **4 (four) nights**

3. RACING PROGRAM

A. Total number of races: **1,674**

B. Number of races for each day or night: **Thursday and Sunday up to 13 races per night**
Friday and Saturday up to 14 races per night

CHRB CERTIFICATION

Application received: 10/31/07
Deposit received:
Reviewed: *APV*

Hearing date: 11/28/07
Approved date:
License number:

Schedule 1
SACRAMENTO HARNESS ASSOCIATION
 2008 Racing Calendar
 December 28, 2007 thru August 2, 2008
 120 Racing Days

S	M	T	W	TH	F	S
						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	EAL	EAL
					28	29
30	31					

S	M	T	W	TH	F	S
		1	2	EAL	EAL	EAL
				3	4	5
6	7	8	9	EAL	EAL	EAL
				10	11	12
EAL	14	15	16	EAL	EAL	EAL
13				17	18	19
EAL	21	22	23	EAL	EAL	EAL
20				24	25	26
EAL	28	29	30	EAL		
27				31		

S	M	T	W	TH	F	S
					EAL	EAL
					1	2
3	4	5	6	EAL	EAL	EAL
				7	8	9
EAL	11	12	13	EAL	EAL	EAL
10				14	15	16
EAL	18	19	20	EAL	EAL	EAL
17				21	22	23
EAL	25	26	27	EAL	EAL	
24				28	29	

S	M	T	W	TH	F	S
						EAL
						1
EAL	3	4	5	EAL	EAL	EAL
2				6	7	8
EAL	10	11	12	EAL	EAL	EAL
9				13	14	15
EAL	17	18	19	EAL	EAL	EAL
16				20	21	22
23	24	25	26	EAL	EAL	EAL
				27	28	29
EAL	31					
30						

S	M	T	W	TH	F	S
		1	2	EAL	EAL	EAL
				3	4	5
EAL	7	8	9	EAL	EAL	EAL
6				10	11	12
EAL	14	15	16	EAL	EAL	EAL
13				17	18	19
EAL	21	22	23	EAL	EAL	EAL
20				24	25	26
EAL	28	29	30			
27						

S	M	T	W	TH	F	S
				EAL	EAL	EAL
				1	2	3
EAL	5	6	7	EAL	EAL	EAL
4				8	9	10
EAL	12	13	14	EAL	EAL	EAL
11				15	16	17
EAL	19	20	21	EAL	EAL	EAL
18				22	23	24
EAL	26	27	28	EAL	EAL	EAL
25				29	30	31

S	M	T	W	TH	F	S
1	2	3	4	EAL	EAL	EAL
				5	6	7
EAL	9	10	11	EAL	EAL	EAL
8				12	13	14
EAL	16	17	18	EAL	EAL	EAL
15				19	20	21
EAL	23	24	25	EAL	EAL	EAL
22				26	27	28
EAL	30					
29						

S	M	T	W	TH	F	S
		1	2	EAL	4	EAL
				3		5
EAL	7	8	9	EAL	EAL	EAL
6				10	11	12
EAL	14	15	16	EAL	EAL	EAL
13				17	18	19
EAL	21	22	23	EAL	EAL	EAL
20				24	25	26
EAL	28	29	30	EAL		
27				31		

S	M	T	W	TH	F	S
					EAL	EAL
					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						

- C. Total number of stakes races: **32**
- D. Attach a listing of all stakes races and indicate the date to be run and the added money or guaranteed purse for each. Note the races that are designated for California-bred horses.

See attached Schedule II-Stakes Races

- 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: **Driver's Colors**

- F. List all post times for the daily racing program: **5:35 pm All Thursdays and Sundays**
5:35 pm Fridays and Saturdays thru
5:00 pm Any days with 16 race cards
See attached Schedule III

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

4. RACING ASSOCIATION

- A. Association is a: Corporation (complete subsection C)
 LLC (complete subsection D)
 Other (specify, and complete subsection E)

- B. Complete the applicable subsection and attached Addendum, Background Information and Ownership. **On File**

C. CORPORATION

1. Registered name of the corporation: **Sacramento Harness Association**
2. State where incorporated: **California**
3. Registry or file number for the corporation: **#C2716543**
4. Names of all officers and directors, titles, and the number of shares of the corporation held by each:

Ralph Scurfield	President	Jack Coffey	Vice-President
Vickie Desomer	Secretary	Lou Blanas	Director
James Kouretas	Director	R. Burnett Miller	Director
Ivan Axelrod	Director	Herb Jackson	Director
5. Names (true names) of all persons, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the corporation and the number of shares held by each:
None
6. Number of outstanding shares in the corporation: **None**
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: **N/A**
9. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity: **N/A**

Sacramento Harness Association
December 28, 2007 through August 2, 2008

Stakes Schedule

March 28	California Standardbred Sires Stake	3-year-old Trotting Fillies	\$20,000
March 28	California Standardbred Sires Stake	3-year-old Trotting Colts/Geldings	\$20,000
March 29	California Standardbred Sires Stake	3-year-old Pacing Fillies	\$20,000
March 29	California Standardbred Sires Stake	3-year-old Pacing Colts/Geldings	\$20,000
April 11	California Standardbred Sires Stake	3-year-old Trotting Fillies	\$20,000
April 11	California Standardbred Sires Stake	3-year-old Trotting Colts/Geldings	\$20,000
April 12	California Standardbred Sires Stake	3-year-old Pacing Fillies	\$20,000
April 12	California Standardbred Sires Stake	3-year-old Pacing Colts/Geldings	\$20,000
April 25	California Standardbred Sires Stake	3-year-old Trotting Fillies	\$20,000
April 25	California Standardbred Sires Stake	3-year-old Trotting Colts/Geldings	\$20,000
April 26	California Standardbred Sires Stake	3-year-old Pacing Fillies	\$20,000
April 26	California Standardbred Sires Stake	3-year-old Pacing Colts/Geldings	\$20,000
May 3	CA Stndbrd Sires Stake Championship	3-year-old Trotting Fillies	\$30,000
May 3	CA Stndbrd Sires Stake Championship	3-year-old Trotting Colts/Geldings	\$30,000
May 3	CA Stndbrd Sires Stake Championship	3-year-old Pacing Fillies	\$30,000
May 3	CA Stndbrd Sires Stake Championship	3-year-old Pacing Colts/Geldings	\$30,000
July 11	CA Stndbrd Sires Stake Sires Stake	2-year-old Trotting Fillies	\$TBD
July 11	CA Stndbrd Sires Stake Sires Stake	2-year-old Trotting Colts/Geldings	\$TBD
July 12	CA Stndbrd Sires Stake Sires Stake	2-year-old Pacing Fillies	\$TBD
July 12	CA Stndbrd Sires Stake Sires Stake	2-year-old Pacing Colts/Geldings	\$TBD
July 18	CA Stndbrd Sires Stake Sires Stake	2-year-old Trotting Fillies	\$15,000
July 18	CA Stndbrd Sires Stake Sires Stake	2-year-old Trotting Colts/Geldings	\$15,000
July 19	CA Stndbrd Sires Stake Sires Stake	2-year-old Pacing Fillies	\$15,000
July 19	CA Stndbrd Sires Stake Sires Stake	2-year-old Pacing Colts/Geldings	\$15,000
July 25	CA Stndbrd Sires Stake Sires Stake	2-year-old Trotting Fillies	\$TBD
July 25	CA Stndbrd Sires Stake Sires Stake	2-year-old Trotting Colts/Geldings	\$TBD
July 26	CA Stndbrd Sires Stake Sires Stake	2-year-old Pacing Fillies	\$TBD
July 26	CA Stndbrd Sires Stake Sires Stake	2-year-old Pacing Colts/Geldings	\$TBD
August 2	CA Stndbrd Sires Stake Championship	2-year-old Trotting Fillies	\$20,000
August 2	CA Stndbrd Sires Stake Championship	2-year-old Trotting Colts/Geldings	\$20,000
August 2	CA Stndbrd Sires Stake Championship	2-year-old Pacing Fillies	\$20,000
August 2	CA Stndbrd Sires Stake Championship	2-year-old Pacing Colts/Geldings	\$20,000

SCHEDULE III

Sacramento Harness Association
December 28, 2007 to August 2, 2008

Post Time Schedule

Thursday	Friday	Saturday	Sunday
1 5:35 pm	1 6:20 pm	1 6:20 pm	1 5:35 pm
2 5:58 pm	2 6:45 pm	2 6:45 pm	2 5:57 pm
3 6:21 pm	3 7:08 pm	3 7:11 pm	3 6:19 pm
4 6:46 pm	4 7:30 pm	4 7:39 pm	4 6:41 pm
5 7:07 pm	5 7:54 pm	5 8:02 pm	5 7:03 pm
6 7:30 pm	6 8:18 pm	6 8:26 pm	6 7:25 pm
7 7:54 pm	7 8:44 pm	7 8:50 pm	7 7:47 pm
8 8:18 pm	8 9:08 pm	8 9:14 pm	8 8:09 pm
9 8:42 pm	9 9:34 pm	9 9:38 pm	9 8:30 pm
10 9:06 pm	10 10:00 pm	10 10:02 pm	10 8:51 pm
11 9:31 pm	11 10:24 pm	11 10:26 pm	
12 9:57 pm	12 10:48 pm	12 10:52 pm	
	13 11:09 pm	13 11:13 pm	
	14 11:29 pm	14 11:34 pm	

Post Time Notes:

- ◆ Cal Expo will coordinate post times with Los Alamitos Quarter Horse Racing
- ◆ Cal Expo will coordinate with thoroughbred twilight and evening thoroughbred racing.
- ◆ Cal Expo will coordinate post times with all racing fairs.

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

The final report submitted by the Sacramento Harness Association (SHA) does not represent audited financial statements. Instead, the report represents a review, which is less in scope than an audit, of the SHA financial statements. Therefore, the auditor did not express an opinion on the financial statements in accordance with generally accepted auditing standards. Section 19440.5 of the California Horse Racing Law states, "An annual audit shall be conducted of the financial books and records of the horsemen's organizations..."

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:

Richard Fienberg	General Manager
Wayne Short	Director Backstretch Operations
J. R. Williams	Track Superintendent
Steve Carpenito	Director of Marketing
Marty Bridges	Program Director
Scott Ehrlich	Announcer/Director of Publicity
Sandee Baker	Group Sales Director/Owner Relations
Gary Gelfand	Anchor/TV Host
Donna Newman	Controller/Paymaster
Glen Harris	Mutuel Manager/Paymaster
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:

Richard Fienberg	General Manager
-------------------------	------------------------

5. PURSE PROGRAM

A. Purse distribution:

1. All races other than stakes:

Current meet estimate: **4,674,800**Prior meet actual: **4,715,000**

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

Current meet estimate: **38,957**Prior meet actual: **39,960**

2. Overnight stakes:

Current meet estimate: **0**Prior meet actual: **0**

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

Current meet estimate: **0**Prior meet actual: **0**

3. Non-overnight stakes:

Current meet estimate: **\$620,000 – California Sires Stakes**Prior meet actual: **\$612,500 – California Sires Stakes**

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

Current meet estimate: **\$5,000**Prior meet actual: **\$5,200**

B. Stakes races:

1. Purse distribution for all stakes races:

Current meet estimate: **\$620,000 – California Sires Stakes**Prior meet actual: **\$612,500 – California Sires Stakes**

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

Current meet estimate: **\$5,000**Prior meet actual: **\$5,200**

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

Current meet estimate: **100%**Prior meet actual: **100%**

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

Current meet estimate:

Prior meet actual:

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

Current meet estimate: \$74,400
 Prior meet actual: \$76,100

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

Recognized Horsemen's Organization

Current meet estimate: \$320,800 Prior meet actual: \$282,900

Total

Total

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

Current meet estimate: \$5,697,200
 Prior meet actual: \$5,686,500

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

Current meet estimate: \$47,476
 Prior meet actual: \$48,190

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

Current meet estimate: \$868,000 On Track \$3,472,000 Intrastate
 Prior meet actual: \$794,000 On Track \$3,964,500 Intrastate

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

Current meet estimate: \$ 7,200
 Prior meet actual: \$ 6,730

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

Current meet estimate: \$ 798,500
 Prior meet actual: \$ 928,000

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

Current meet estimate: \$ 6,650
 Prior meet actual: \$ 7,860

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

Stockmans Bank Account number# On file

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

Disher Accountancy Corp., 1816 Maryal Drive, Sacramento, CA 95864 916-482-4224, fax 916/482-4225

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: **1016**
- B. Minimum number of stalls believed necessary for the meeting: **1016**
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: **None**
- D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site: **None**
- E. Attach each contract or agreement between the association and the person(s) furnishing off-site stabling accommodations for eligible racehorses that cannot be provided stabling on-site. **N/A**

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

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

7. PARI-MUTUEL WAGERING PROGRAM

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

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

	TYPE OF WAGERS	APPLICABLE RULES
Example Race:	\$1 E; \$1 Double	CHRB #1959; RCI #VE

See Schedule IV – Types of Wagers

- B. Maximum carryover pool to be allowed to accumulate before its distribution **OR** the date(s) designated for distribution of the carryover pool: **Final night of race meet (August 2nd)**
- C. List any options requested with regard to exotic wagering:
Request permission for \$10,000 guaranteed gross Pick-Four pool each Friday & Saturday, races 9, 10, 11, & 12

Request permission to continue the Bal-Cal Pick-Four, and pursue other multi track wagering opportunities. Specific permission will be requested.

- D. Will "advance" or "early bird" wagering be offered? Yes No
 If yes, when will such wagering begin: **11:00 am to 5:00 pm**
- E. Type(s) of pari-mutuel or totalizator equipment to be used by the association and the simulcast organization, name of the person(s) supplying equipment, and expiration date of the service contract:
Scientific Games, Inc., Terry McWilliams, equipment on file with Board, contract thru 9/08 on file

8. ADVANCE DEPOSIT WAGERING (ADW)

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

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. **On File**
- C. California simulcast facilities the association proposes to offer its live audiovisual signal: **All Licensed California simulcast locations**
- D. Out-of-state wagering systems the association proposes to offer its live audiovisual signal: **See Schedule V- Simulcast Locations**
- E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the association:
All
- 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": **N/A**

Schedule V

OUT OF STATE SIMULCAST WAGERING LOCATIONS

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

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

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

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

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

QUARTER HORSE SIMULCAST RACES TO BE IMPORTED

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

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

HARNESS SIMULCAST RACES TO BE IMPORTED

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

Six (6) out-of-state harness or quarter horse races per live racing program on nights with QH overlap; twelve (12) out-of-state harness or quarter horse races on nights without QH overlap, with races predominantly from harness tracks in Illinois, Ohio, Kentucky, and New Jersey, but also may include selected events from tracks in other CHRB approved jurisdictions. A full card of simulcast races to be imported on North America Cup night, Meadowlands Pace night, Breeders Cup, and Hambletonian Day.

- 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: **On occasion quarter horse races may be imported from approved CHRB jurisdictions.**

OTHER BREED SIMULCAST RACES TO BE IMPORTED

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

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

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: **Susan B. Komen Foundation, 5005 LBJ Freeway, Suite 250, Dallas, TX 75244; Cup with Love, 5050 Laguna Blvd, Suite 112 PMB 614, Elk Grove, CA 95758; Schriners Hospital, 2900 Rocky Point Drive, Tampa, FL 33607-1460**
- B. Names and addresses of the trustees or directors of the distributing agent:
2008 Board of Directors for all charities attached
- C. Dates the association will conduct races as charity racing days OR:
- D. Will the association pay the distributing agent an amount equal to the maximum required under B&P Code Section 19550(b)? Yes

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

11. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

- A. Racing officials nominated:
- | | |
|-----------------------------|----------------------------------|
| Association Veterinarian(s) | Dr. Henry Cook |
| Clerk of Scales | N/A |
| Clerk of the Course | Patricia Petersen |
| Film Specialist | Kathy Poor |
| Horse Identifier | Carl Sobey |
| Horseshoe Inspector | John Walker |
| Paddock Judge | Jack Williams/Wayne Short |
| Patrol Judges | Bill Vallandingham |
| Placing Judges | Kathy Poor |
| Starter | Bill Vallandingham |
| Timer | Kathy Poor |
- B. Management officials in the racing department:
- | | |
|-------------------------------------|---------------------------------|
| Director of Racing | N/A |
| Racing Secretary | Fred Kuebler |
| Assistant Racing Secretary | Joe Nefsky/Brent Bridges |
| Paymaster of Purses | Glen Harris/Donna Newman |
| Others (identify by name and title) | |
- C. Name, address and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards: **Esther Schwartz, Capitol Reporters, 1300 Ethan Way, Suite**

SACRAMENTO HARNESS ASSOCIATION

2008 BOARD OF DIRECTORS
ATTACHMENT

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Jack Coffey	Vice-President
Vickie Desomer	Secretary
James Kouretas	Director
R. Burnett Miller	Director
Ivan Axelrod	Director
Lou Blanas	Director
Herb Jackson	Director

SUSAN G. KOMEN BREAST CANCER FOUNDATION, INC.

BOARD OF DIRECTORS:

NAMES:

ADDRESSES:

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Dallas, TX 75244

Norman Brinker

5005 LBJ Freeway, Suite 250,
Dallas, TX 75244

Linda Custard

5005 LBJ Freeway, Suite 250
Dallas, TX 75244

Aimee DiCicco

5005 LBJ Freeway, Suite 250
Dallas, TX 75244

Alexine Jackson

5005 LBJ Freeway, Suite 250,
Dallas, TX 75244

Cheryl Jernigan

5005 LBJ Freeway, Suite 250
Dallas, TX 75244

Clifton Leaf

5005 LBJ Freeway, Suite 250
Dallas, TX 75244

Connie O'Neill

5005 LBJ Freeway, Suite 250
Dallas, TX 75244

Robert Taylor

5005 LBJ Freeway, Suite 250
Dallas, TX 75244



Sacramento Valley Affiliate
 2443 Fair Oaks Boulevard, PMB 223, Sacramento, CA 95825
 916-492-6474 / FAX: 916-941-7896
 Helpline 1-800 I'M AWARE / www.komensacramento.org

Susan G. Komen for the Cure, Sacramento Affiliate
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pattie.bastian@boe.ca.gov

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 Sacramento, CA 95816
 916-689-7580
pteale@pacbell.net

The greatest risk factors for
 breast cancer are being female
 and growing older

THE CUP WITH LOVE PROJECT

5050 Laguna Blvd, Suite 112 PMB 614
Elk Grove, CA 95758
916.691-2199 or 916.690.5491

November 15, 2007

Mr. Steven Carpenito
Marketing director
Sacramento Harness Association
2335 American River Drive, suite 406
Sacramento, CA 95825

Dear Mr. Carpenito:

Per your request, listed below are our newly elected Cup With Love Project board members for 2007-08 and their addresses.

Ms. Molly Ximenez, Founder & President
3629 Grand Point Lane
Elk Grove, CA 95758

Ms. Gloria Torres, Vice President
6801 Kilconell Drive
Elk Grove, CA 95758

Ms. Sandra P. Poole, Secretary
P.O. Box 22178
Sacramento, CA 95822

Mr. Paul Gacutan, Treasurer
8945 Paulhaus Way
Elk Grove, CA 95758

Colleen Edson, Board Director
1120 Brookline Circle
Roseville, CA 95747

Should you need any additional information, please feel free to contact me at (916) 691-2199 or by cellular at (916) 690-5617.

(1 of 2)

Page 2
Sacramento Harness Association

As the new year approaches we look forward in collaborating with you in outreaching to cancer patients and survivors in the greater Sacramento area.

Shriners Hospital for Children
International Office
2900 Rocky Point Drive
Tampa Florida 33607-1460

Board of Trustees

Ralph W Semb -Chairman
Bernard J Lemieux MD -Vice Chairman
Frank J Roth, Trustee
W. Brandt Bede MD, Trustee
Charles A Claypool, Trustee
Bob Smith, Trustee
Timothy E Morris, Trustee
Raoul L Frevel, Sr. Trustee

225, Sacramento, CA 95825, 916/923-5447

- D. Photographic device to be used for photographing the finish of all races, name of the person supplying the service, and expiration date of the service contract: **Plusmic Corp USA – CDV – 210 System – Bill O'Brien – contract through 8/08**
- E. Photo patrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract. Specify the number and location of cameras for dirt and turf tracks. **Pegasus Communications – Jim Porep, President Contract thru 8/08**
Upper Pan Camera, Lower Pan Camera, 1/8 Pole Tower Camera, 5/8 Pole Tower Camera, Infield Warm Up Camera, Paddock Camera, Winners Circle/Finish Line Ground Level Camera. Seven (7)
- 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:

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. **Attached**
- B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis: **18**
1. Attach a written plan for enhanced security for graded/stakes races, and races of \$100,000 or more, to include the number of security guards in the restricted areas during a 24-hour period and a plan for detention barns. **N/A**
2. Detention Barns: **All Items Attached**
- A. Attach a plan for use of graded stakes or overnight races.
- B. Number of security guards in the detention barn area during a 24-hour period.
- C. Describe number and location of surveillance cameras in detention barn area.
3. TCO2 Testing: **All Items Attached**
- A. Number of races to be tested, and number of horses entered in each race to be tested.
- B. Plan for enhanced surveillance for trainers with high-test results.
- C. Plan for detention barns for repeat offenders.
- D. Number of security personnel assigned to the TCO2 program.
- C. Describe the electronic security system:

12. Security Controls

A. & B.

Cal Expo Police Department

The Cal Expo Police Department is headed up by Chief Robert Craft. Chief Craft is a retired captain of the Sacramento Sheriffs Department and is one of the highest decorated officers in the history of the department. The Cal Expo police department enjoys a great working and professional relationship with the CHR B staff.

The grandstand and backstretch areas of the Cal Expo facility will be served by our police department. A minimum of 6 police officers, 2 mobile patrol units, 1 armed officer in the detention barn and 4 gatemen will be assigned exclusively to the racetrack, grandstand, and backstretch areas. Our backstretch and detention barn will also be served by unarmed Cal Expo Security Guards.

An organizational chart of our police department is attached and the contact phone numbers are: 916-263-3050 and 916-263-3120

2.-Detention Barn-

Sacramento Harness has constructed a new detention barn. All California Sire Stake races and Overnight Stake races with purse of \$15,000 will be a detention barn race. All horses in those races must report for detention by 12 noon. Those horses will be in detention from then until race time.

Each horse in the detention barn will be limited to two caretakers (one groom and trainer) at a time and each person will be identified by CHR B license, checked, and all equipment will be checked. All functions in the detention barn will be documented and the documentation will be securely filed.

In addition, trainers having high TCO2 test(s) will be required to race all of their horses out of the detention barn for thirty days. Those horses must also report by 12 noon.

3. TCO2 Testing

Sacramento Harness will adhere to all CHR B guidelines in conjunction with TCO2 testing. In addition, horses that have previously tested high will be detained and placed under surveillance cameras each race day for no less than 30 days. The number of security personnel assigned to the TCO2 program will be determined on a day-to-day basis.

C. Describe the electronic security system:

1. Location and number of video surveillance cameras for the detention barn and stable gate. **Surveillance cameras on all stalls for detained horses with prior TCO2 offenses.**

D. For night racing associations: Describe emergency lighting system

Sacramento Harness Association will employ the use of four generators that will be strategically placed in locations around the racetrack and be turned on continuously while night racing is occurring. In the event of a racetrack light failure, the generators will provide enough light to ensure the safety of all participants. Also, the patrol judge in the starter's car that tracks each race will illuminate the racetrack with their headlights.

Detention Barn Policies & Procedures

1. All horses must report to the detention barn by 12:00 noon race day. Horses late for detention will be requested to be scratched by the Stewards and CHRB.
2. A valid CHRB license is required for detention barn admission. License must be displayed to detention barn security prior to admittance.
3. Only the licensed trainer and the assigned licensed groom are permitted in the detention barn enclosure.
4. CHRB licensed veterinarians will be permitted within the enclosure for lasix administration. Vet must be accompanied by trainer or assigned groom for lasix administration.
5. No therapeutic aids are permitted in the detention barn enclosure.
6. Warmups are permitted on both the front and back track. Horses must return directly to the detention barn or to the paddock following warmup. Horses warming up on back track must use main road only. Violation of any of the above will result in request for scratch.

These policies have been agreed to by contract between the Sacramento Harness Association & California Harness Horseman Association.

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

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

13. EMERGENCY SERVICES

A. Name, address and emergency telephone number of the ambulance service to be used during workouts and the running of the races: **American Medical Response, 1779 Tribute Road, Sacramento, CA 95815, Contact Steve Guicy, 916/563-0600**

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

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

D. Name and emergency telephone number of the licensed physician on duty during the race meeting: **(If quarter horse racing association see D(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: **American Medical Response, 1779 Tribute Road, Sacramento, CA 95815, Contact Steve Guicy, 916/563-0600**

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: **Mercy Hospital, 4001 J Street, Sacramento, CA (916) 453-4553**

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: **English Version Attached**

G. Name of health and safety manager and assistant manager responsible for compliance of health and safety provisions pursuant to B&P Code 19481.3(d): **Wayne Short, Health and Safety Manger; Rick Cisco, Assistant Health and Safety Manger**

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

I. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details): **State Fund Compensation, Policy # on file Expiration 4/1/2008**

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

NOTICE TO APPLICANT: Every licensee conducting a horse racing meeting shall pursuant to B&P Code 19481.3 maintain, staff, and supply an on-track first aid facility, that may be either permanent or mobile, and which shall be staffed and equipped as directed by the board. A qualified and licensed physician shall be on duty at all times during live racing, except that this provision shall not apply to any quarter horse racing at the racetrack if there is a hospital situated no more than 1.5 miles from the racetrack and the racetrack has an agreement with the hospital to provide emergency medical services to jockeys and riders. An ambulance

ACORD CERTIFICATE OF LIABILITY INSURANCE

10-26-07

PRODUCER (916) 988-0214 FAX: (916) 989-4719
 Albano-Dale-Dunn & Lewis, Inc
 9197 Greenback Lane Suite E
 P. O. Box 2470 Lic#0442296
 Orangevale CA 95662

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
 Sacramento Harness Association
 2335 American River Drive,
 Suite 406
 Sacramento CA 95825

INSURERS AFFORDING COVERAGE

NAIC #

INSURER A: Lexington Insurance
 INSURER B: Progressive
 INSURER C: State Compensation
 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 LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY	AIP-00002235253-01	9-18-07	9-18-08	EACH OCCURRENCE \$ 1,000,000	
		<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO. JECT <input type="checkbox"/> LOC				DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ EXCLUDED PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000	
B		AUTOMOBILE LIABILITY	03441742-1	3/20/2007	3/20/2008	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000	
		<input type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS				BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$	
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY AGG \$	
A		EXCESS/UMBRELLA LIABILITY	AIX-00002235254-01	9-18-07	9-18-08	<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE \$ RETENTION \$	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000
C		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	1829531-07	4/1/2007	4/1/2008	<input checked="" type="checkbox"/> WC STATU- JORY LIMITS <input type="checkbox"/> OTH- ER ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	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
 *10 Days notice of cancellation applies for non-payment of premium.

CERTIFICATE HOLDER

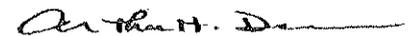
California Horse Racing Board
 1010 Hurley Way Suite 210
 Sacramento, CA 95825

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

Arthur Dunn/JODY



SACRAMENTO HARNESS ASSOCIATION

**EMERGENCY MEDICAL PROCEDURES
FOR ON-TRACK INJURY TO DRIVERS***"FIRST RESPONSE"*

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

"ON-SITE EVALUATION"

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

"INJURY TREATMENT"

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

*In the event of an injured driver(s) an Accident/Injury report must be completed
by track management and the injured driver(s)*

licensed to operate on public highways provided by the track shall be available at all times during live racing and shall be staffed by two emergency medical technicians licensed in accordance with Division 2.5 (commencing with Section 1797) of the Health and Safety Code, one of whom may be an Emergency Medical Technician Paramedic, as defined in Section 1797.84 of the Health and Safety Code. (b) Each racing association and racing fair shall adopt and maintain an emergency medical plan detailing the procedures that shall be used in the event of an on-track injury. The plan shall be posted in each jockey room in English and Spanish. (c) Prior to every race meeting, the racing association or racing fair shall contact area hospitals to coordinate procedures for the rapid admittance and treatment of emergency injuries. (d) Each racing association or racing fair shall designate a health and safety manager and assistant manager, who shall be responsible for compliance with the provisions of this section and one of whom shall be on duty at all times when live racing is conducted. The health and safety manager may, at the discretion of the racing association, be the person designated to perform risk management duties on behalf of the association.

14. CONCESSIONAIRES AND SERVICE CONTRACTORS

Names and addresses of all persons to whom a concession or service contract has been given, **other than those already identified**, and the goods and/or services to be provided by each: **Ovations – 6473 Sierra Lane, Dublin, CA 94568 – Food & Liquor**

15. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

A. Describe any promotional plans: **A live weekly hour long television show on Comcast SportsNet Thursday evenings which can be seen throughout Northern California and will expose Harness Racing to a new Audience. Several Statewide promotion giveaways. Food & drink specials every night of the racing week. Super Saturday Night Promotion: \$1 night & The Peppermill Pace contest is which we distribute over \$800 in cash and prizes each week. An expanded Handicapping contest to include several satellite wagering facilities. Ad campaign designed to bring new fans to Harness Racing.**

B. Number of hosts and hostesses employed for meeting: **2**

C. Describe facilities set aside for new fans: **New fan/Guest Information and Education Center**

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

- 1. Horsemen **New Drivers Lounge, New backstretch Laundromat. New track lighting installed.**
- 2. Fans Grandstand and Clubhouse renovation completed 6/06
 - 1. Facilities in the restricted areas **New state of the art detention barn constructed and opened 5/1/06**

16. SCHEDULE OF CHARGES

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

Admission (general)	\$4.00 (free admission every Sunday)
Admission (clubhouse)	No Upgrade
Reserved seating (general)	N/A
Reserved seating (clubhouse)	No Upgrade
Parking (general)	Free
Parking (preferred)	No Upgrade
Parking (valet)	N/A
Programs (on-track)	\$3.00
(Off-track)	\$3.50

- B. Describe any "Season Boxes" and "Turf Club Membership" fees: N/A
- C. Describe any "package" plans such as combined parking, admission and program: N/A

17. JOCKEYS/DRIVERS' QUARTERS

- A. Check the applicable amenities available in the jockeys/drivers' quarters:
- | | | | | | |
|-------------------------------------|--------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------|
| <input checked="" type="checkbox"/> | Corners (lockers and cubicles) | How many | <input type="checkbox"/> | 46 | |
| <input checked="" type="checkbox"/> | Showers | <input checked="" type="checkbox"/> | Steam room, sauna or steam cabinets | <input checked="" type="checkbox"/> | Lounge area |
| <input type="checkbox"/> | Masseur | <input checked="" type="checkbox"/> | Food/beverage service | <input type="checkbox"/> | Certified platform scale |
- B. Describe the quarters to be used for female jockeys/drivers: **same type, separated quarters**

18. BACKSTRETCH EMPLOYEE HOUSING

- A. Inspection of backstretch housing was completed by **Investigator Martin Snezek** on **June 12, 2007**.
- B. Number of rooms used for housing on the backstretch of the racetrack: **92**
- C. Number of restrooms available on the backstretch of the racetrack: **8**
- D. Estimated ratio of restroom facilities to the number of backstretch personnel: **8/160**

19. TRACK SAFETY

- A. Total distance of the racecourse - measured from the finish line counterclockwise (3' from the inner railing) back to the finish line: feet.
- B. Describe the type(s) of materials used for the inner and outer railings of the race course, the type of inner railing supports (i.e., metal gooseneck, wood 4" x 4" uprights, offset wood 4" x 4" supports, etc.), the coverings, if any, on the top of the inner railing, and the approximate height of the top of the inner railing from the level of the race course. **Pylons are to be used instead of inner hub rail, an Aluminum Seriline Racing Rail, in full compliance of track safety regulation.**
- C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474: **Wayne Short, Director Backstretch Operations & J. R. Williams, and Track 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. **Attached**

ACORD CERTIFICATE OF LIABILITY INSURANCE 10-26-07

PRODUCER (916) 988-0214 FAX: (916) 989-4719
 Albano-Dale-Dunn & Lewis, Inc
 9197 Greenback Lane Suite E
 P. O. Box 2470 Lic#0442296
 Orangevale CA 95662

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
 Sacramento Harness Association
 2335 American River Drive,
 Suite 406
 Sacramento CA 95825

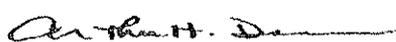
INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Lexington Insurance	
INSURER B: Progressive	
INSURER C: State Compensation	
INSURER D:	
INSURER E:	

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
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	AIP-00002235253-01	9-18-07	9-18-08	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ EXCLUDED PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
B	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	03441742-1	3/20/2007	3/20/2008	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 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 \$
A	EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE \$ RETENTION \$	AIX-00002235254-01	9-18-07	9-18-08	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER	1829531-07	4/1/2007	4/1/2008	<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

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS
 *10 Days notice of cancellation applies for non-payment of premium.

CERTIFICATE HOLDER	CANCELLATION
California Horse Racing Board 1010 Hurley Way Suite 210 Sacramento, CA 95825	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 Arthur Dunn/JODY 

20. DECLARATIONS

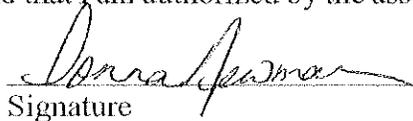
- A. All labor and lease agreements and concession and service contracts necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state): **No Exceptions**
- B. Attach each horseman's agreement pursuant to CHRB Rule 2044. **On File**
- C. Attach a lease agreement permitting the association to occupy the racing facility during the entire term of the meeting. (In the absence of either a lease agreement or a horsemen's agreement, a request for an extension pursuant to CHRB Rule 1407 shall be made). **On File**
- D. All service contractors and concessionaires have valid state, county or city licenses authorizing each to engage in the type of service to be provided and have valid labor agreements, when applicable, which remain in effect for the entire term of the meeting except as follows (if no exceptions, so state): **No Exceptions**
- E. Absent natural disasters or causes beyond the control of the association, its service contractors, concessionaires or horsemen participating at the meeting, no reasons are believed to exist that may result in a stoppage to racing at the meeting or the withholding of any vital service to the association except as follows (if no exceptions, so state): **No Exceptions**

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

21. CERTIFICATION BY APPLICANT

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

Donna Newman
Print Name


Signature

Controller
Print Title

10/31/07
Date

CALIFORNIA HORSE RACING BOARD

NOVEMBER 29, 2007
REGULAR BOARD MEETING

There is no board package material for item 7

STAFF ANALYSIS
PROPOSED AMENDMENT OF
RULE 1865. ALTERING OF SEX OF HORSE

Regular Board Meeting
November 29, 2007

BACKGROUND

Business and Professions (B&P) Code Section 19420 provides that jurisdiction over meetings in California where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings, is vested in the California Horse Racing Board (Board). B&P Code Section 19440 states responsibilities of the Board shall include adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering, and the administration and enforcement of all laws, rules, and regulations affecting horse racing and pari-mutuel wagering. B&P Code Section 19460 provides that all licenses issued by the Board are subject to all rules, regulations, and conditions from time to time prescribed by the Board. B&P Code Section 19562 states the Board may prescribe rules, regulations, and conditions, consistent with the provisions of B&P Code Chapter 4, under which all horse races with wagering on their results shall be conducted in California. Board Rule 1865, Altering of Sex of Horse, states that any alteration of the sex of a horse from the sex recorded on the certificate of foal registration or the eligibility certificate or other official registration certificate of the horse shall be reported to the racing secretary and the official horse identifier if the horse is entered to race at any race meeting.

During the 06/07 fiscal year the stewards issued 44 rulings against trainers who did not report the gelding of a horse by time of entry. The typical fine for each of those violations was \$300. The issue of failure to report, or untimely reporting of a first time gelding was discussed at the February 2007 Pari-Mutuel/ADW and Simulcast Committee (committee) meeting. The committee revisited the issue in July 2007 and considered possible sanctions for first time gelding reporting violations, including increasing the typical fine to \$1,000. At the Board's September 2007 Regular Meeting the issue of late or non-reporting of first time geldings was discussed. After hearing from interested parties, the Board directed staff to draft a regulation that would provide for scratching a horse entered to race if the trainer failed to report a first time gelding in a timely manner.

ANALYSIS

The proposed amendment to Board Rule 1865 adds a new Subsection 1865(d), which would make the trainer responsible for reporting the true sex of a horse he entered, or caused to be entered, if the true sex was different from that listed on the certificate of registration on file in the racing office. Under a new Subsection 1865(d)(1), if the trainer fails to report the true sex of the horse by the scratch time for the race in which it is entered, the stewards shall declare

the horse from the race. This sanction does not preclude the stewards from fining the trainer for a violation of first time gelding reporting requirements.

At the September 2007 Regular Meeting of the Board the California Thoroughbred Trainers (CTT) objected to scratching a horse whose true sex was not reported in a timely manner. The CTT representative stated scratching the horse would punish the fans by reducing the field; the owner who paid to prepare the horse for the race; and ultimately the state in less income.

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 1865. ALTERING OF SEX OF HORSE

Regular Board Meeting
November 29, 2007

1865. Altering of Sex of Horse.

Any alteration to the sex of a horse from the sex as recorded on the ~~Certificate of Foal Registration~~ certificate of foal registration or the ~~Eligibility Certificate~~ eligibility certificate or other official registration certificate of such the horse shall be reported to the ~~Racing Secretary~~ racing secretary and the ~~Official Horse Identifier~~ official horse identifier if such the horse is registered entered to race at any race meeting.

(a) ~~Should~~ If the gelding or castration of a ~~race horse~~ racehorse ~~be~~ is performed on the premises of a licensed racing association, or other facility under the jurisdiction of the Board, the trainer shall report the alteration ~~same~~ within 72 hours.

(b) ~~Should~~ If the gelding or castration of a ~~race horse~~ racehorse ~~is~~ performed off the premises of a licensed racing association, or other facility under the jurisdiction of the Board, and the horse has been previously registered entered to race at any race meeting in this State, the owner and/or trainer shall report the ~~same~~ alteration at the time the horse is next registered entered to race.

(c) ~~Any such~~ A report of gelding or castration will include the name of the veterinarian performing the alteration and the date of the alteration, and shall be recorded on the official

registration certificate and the ~~Official Horse Identification~~ official horse identification record of such the horse.

(d) Any trainer who enters a horse, or who causes a horse to be entered on his behalf, is responsible for ensuring that the true sex of the entered horse is listed on its certificate of registration on file in the racing office.

(1) If the true sex of a horse entered to race is not listed on its certificate of registration by the "scratch time" designated for the race in which the horse is entered, the stewards shall declare the horse from the race.

Authority: Sections 19420, 19440, 19460 and 19562,
Business and Professions Code.

Reference: Sections 19420 and 19562,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD

NOVEMBER 29, 2007
REGULAR BOARD MEETING

There is no board package material for item 9

STAFF ANALYSIS
PROPOSED AMENDMENT OF
RULE 1844. AUTHORIZED MEDICATION

Regular Board Meeting
November 29, 2007

BACKGROUND

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

ANALYSIS

The proposed amendment to Rule 1844 would establish levels at which certain anabolic steroids may be in the official urine test sample. The anabolic steroids and permitted levels are: Stanozolol at 1 nanograms per milliliter; Nandrolone at 1 nanograms per milliliter for geldings, fillies and mares, 45 nanograms for males other than geldings; Boldenone at 15 nanograms per milliliter in males other than geldings; Testosterone at 20 nanograms per milliliter in geldings and Testosterone at 55 nanograms per milliliter in fillies or mares. Testosterone would be permitted at any level in males. The proposed levels are based on the Racing Medication Testing Consortium and the Racing Commissioner International anabolic steroid model rules.

RECOMMENDATION

This item is presented for committee discussion and action.

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

Regular Board Meeting
November 29, 2007

1844. Authorized Medication.

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

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

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

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

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

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

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

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

(d) If the official chemist reports that a blood test sample contains an authorized NSAID in excess of the limit for that drug substance under this rule, the official

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

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

(1) Acepromazine; 25 nanograms per milliliter

(2) Mepivacaine; 10 nanograms per milliliter

(3) Promazine; 25 nanograms per milliliter

(4) Albuterol; 1 nanograms per milliliter

(5) Atropine; 10 nanograms per milliliter

(6) Benzocaine; 50 nanograms per milliliter

(7) Procaine; 10 nanograms per milliliter

(8) Salicylates; 750 micrograms per milliliter

(9) Clenbuterol; 5 nanograms per milliliter

(10) Stanozolol; 1 nanograms per milliliter

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

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

(13) Testosterone; 20 nanograms per milliliter in geldings, 55 nanograms per milliliter in fillies or mares.

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

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

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

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

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

STAFF ANALYSIS
PROPOSED AMENDMENT OF
RULE 1632. JOCKEY'S RIDING FEE

Regular Board Meeting
November 29, 2007

BACKGROUND

Business and Professions (B&P) Code Section 19420 states jurisdiction and supervision over meetings in California where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings, is vested in the California Horse Racing Board (Board). B&P Code Section 19440 provides that the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the Board shall include adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. B&P Code Section 19562 provides that the Board may prescribe rules, regulations, and conditions, consistent with the provisions of this chapter, under which all horse races with wagering on their results shall be conducted in California. Assembly Bill (AB) 649, Chapter 605, Statutes of 2007, added Section 19501 to the B&P Code. Section 19501 provides that effective January 1, 2008, the minimum amount awarded to a jockey who finishes second or third in a horse race, and the scale of minimum jockey riding fees for losing mounts, shall be increased by ten dollars. Board Rule 1632, Jockey's Riding Fee, provides a scale of jockey riding fees to be used in the absence of a contract or special agreement.

ANALYSIS

The proposed amendment to Board Rule 1632 is a response to AB 649. The amendment increases by ten dollars jockey riding fees for jockeys who finish second or third in a horse race, and for jockeys who ride losing mounts. For jockeys who ride in races with a gross purse of \$600 and under the winning mount fee was also increased, as the mandated increase to the second and third place mount fee, and losing mount fee, made those fees higher than the winning mount fee.

RECOMMENDATION

Staff recommends the Board direct staff to initiate a 45-day public comment period regarding the proposed amendment to Board Rule 1632.

AB 649 dictates that the new jockey riding fees are effective January 1, 2008. However, the regulatory process is such that the proposed amendment to Rule 1632 may not be in effect until March 2008. Staff recommends that a directive outlining the new jockey riding fees be distributed to the racing associations for use until such time as the proposed amendment is approved.

CALIFORNIA HORSE RACING BOARD
 TITLE 4. CALIFORNIA CODE OF REGULATIONS
 ARTICLE 6. ENTRIES AND DECLARATIONS
 PROPOSED AMENDMENT OF RULE
 RULE 1632. JOCKEY'S RIDING FEE

1632. Jockey's Riding Fee.

(a) Jockey riding fees in the absence of a contract or special agreement are:

GROSS PURSE	Winning Mount	2nd Mount	3rd Mount	Losing Mount
\$100,000 and up:	10% of Win Purse	5% of Place Purse, plus \$10.00	5% of Show Purse, plus \$10.00	\$105.00 <u>\$115.00</u>
\$50,000-99,999:	10% of Win Purse	5% of Place Purse, plus \$10.00	5% of Show Purse, plus \$10.00	\$80.00 <u>\$90.00</u>
\$25,000-49,999:	10% of Win Purse	5% of Place Purse, plus \$10.00	5% of Show Purse, plus \$10.00	\$65.00 <u>\$75.00</u>
\$15,000-24,999:	10% of Win Purse	5% of Place Purse, plus \$10.00	5% of Show Purse, plus \$10.00	\$55.00 <u>\$65.00</u>
\$10,000-14,999:	10% of Win Purse	5% of Place Purse, plus \$10.00	5% of Show Purse, plus \$10.00	\$50.00 <u>\$60.00</u>
\$5,000-9,999:	10% of Win Purse	\$65.00 <u>\$75.00</u>	\$50.00 <u>60.00</u>	\$45.00 <u>55.00</u>
\$3,500-4,999:	10% of Win Purse	\$55.00 <u>\$65.00</u>	\$45.00 <u>\$55.00</u>	\$40.00 <u>\$50.00</u>
\$2,000-3,499:	10% of Win Purse	\$45.00 <u>\$55.00</u>	\$40.00 <u>\$50.00</u>	\$38.00 <u>\$48.00</u>
\$1,500-1,999:	10% of Win Purse	\$35.00 <u>\$45.00</u>	\$33.00 <u>\$43.00</u>	\$33.00 <u>\$43.00</u>
\$700-1,499:	10% of Win Purse	\$33.00 <u>\$43.00</u>	\$33.00 <u>\$43.00</u>	\$33.00 <u>\$43.00</u>
\$600-699:	\$36.00 <u>\$46.00</u>	\$33.00 <u>\$43.00</u>	\$33.00 <u>\$43.00</u>	\$33.00 <u>\$43.00</u>
\$599 and under:	\$33.00 <u>\$43.00</u>	\$33.00 <u>\$43.00</u>	\$33.00 <u>\$43.00</u>	\$33.00 <u>\$43.00</u>

(b) The purpose of this rule is not to set a minimum or maximum fee. It provides a fee if the parties have not made a written agreement to the contrary.

(c) All fees are payable in the lower purse range until the next higher purse range is reached, unless there is a written agreement to the contrary.

(d) A jockey's fee is considered earned when the jockey is weighed out by the clerk of scales. The fee shall not be considered earned if the jockey elects to take himself off of his mount. If there is a substitution of jockeys, no additional jockey fee or double jockey fee need be paid except when ordered by the stewards.

(e) In this rule "Win Purse" means the amount paid the winning horse less the fees paid by the owner to enter the horse in the race.

(f) If the parties agree on the fee to be paid the jockey, a contract or agreement in writing signed by the jockey or his agent and the owner or his authorized agent specifying the agreed upon fee if a winning mount, second place mount, third place mount and losing mount shall be delivered to the paymaster of purses before the running of the race in question. The paymaster of purses shall debit the owner's purse account under the contract or written agreement. If no contract or written agreement is submitted before the running of the race in question, the paymaster of purses shall debit the owner's purse account under the fee scale set forth in this rule.

(g) A jockey may not share in the fees of another jockey.

Authority: Sections 19440, 19501 and 19562,
Business and Professions Code.

Reference: Sections 19401 (a) and (e), 19420, and 19440; and 19501,
Business and Professions Code.

Assembly Bill No. 649

CHAPTER 605

An act to add Sections 19501 and 19619.7 to the Business and Professions Code, relating to horse racing.

[Approved by Governor October 13, 2007. Filed with
Secretary of State October 13, 2007.]

LEGISLATIVE COUNSEL'S DIGEST

AB 649, Ma. Horse racing: jockeys.

Existing law establishes the California Horse Racing Board, which generally regulates horse racing in the state, including setting riding fees for jockeys that apply in the absence of an agreement regarding riding fees to the contrary.

This bill would require the scale of minimum jockey riding fees for losing mounts to be increased, effective January 1, 2008, when the state minimum wage is increased, as specified. The bill would provide that the new fees are minimum jockey riding fees. The bill would also require, effective January 1, 2008, the minimum amount awarded to a jockey who finishes 2nd or 3rd in a thoroughbred horse race to be increased. The bill would further charge the board, no later than July 1, 2008, with establishing that a jockey who rides a horse finishing in 4th place in a thoroughbred horse race receive a reasonable riding fee, as specified.

The bill would state findings and declarations of the Legislature relative to jockey riding fees.

Because this bill would impose requirements, the violation of which would be a misdemeanor, pursuant to existing provisions of law, the bill would impose a state-mandated local program.

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

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

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

SECTION 1. Section 19501 is added to the Business and Professions Code, to read:

19501. (a) The Legislature finds and declares the following:

(1) Professional jockeys are vital to the horse racing industry and the work they perform is very dangerous.

(2) The minimum wage that jockeys receive in a horse race is established by the California Horse Racing Board as a minimum jockey riding fee. Jockeys may earn additional compensation if the horse they are racing is a winning mount, a second place mount, or a third place mount.

(3) The minimum jockey riding fee has not kept up with inflation or the cost of living. Since 1970, the state minimum wage has increased at more than twice the rate that the average jockey riding fee increased over the same period.

(4) The riding fee should be increased at least as much on a percentage basis as the state minimum wage, so that the average full-time jockey can earn an income sufficient to provide for the basic necessities of life.

(b) (1) Effective January 1, 2008, the scale of minimum jockey riding fees for losing mounts established by the board shall be increased by ten dollars (\$10) per mount from the rate in effect on December 31, 2007, except that this increase shall not be applicable to the two highest fees on the scale. Effective January 1, 2010, the scale of minimum jockey riding fees for losing mounts established by the board shall be increased by ten dollars (\$10) per mount from the rate in effect on December 31, 2009. Effective January 1, 2012, the scale of minimum jockey riding fees for losing mounts established by the board shall be increased by ten dollars (\$10) per mount from the rate in effect on December 31, 2011, except the three lowest fees on the scale shall be increased by five dollars (\$5) per mount. Thereafter the scale of minimum jockey riding fees for losing mounts shall be increased whenever the state minimum wage is increased by the percentage of that increase.

(2) Effective January 1, 2008, the minimum amount awarded to the jockey who finishes second or third in a race shall be increased by ten dollars (\$10) per race over the amount required to be paid on December 31, 2007. Effective January 1, 2010, the minimum amount awarded to the jockey who finishes second or third in a race shall be increased by ten dollars (\$10) over the amount required to be paid on December 31, 2009. Effective January 1, 2012, the minimum amount awarded to the jockey who finishes second or third in a race shall be increased by five dollars (\$5) over the amount required to be paid on December 31, 2011. This subdivision shall apply to races in which the purse is nine thousand nine hundred ninety-nine dollars (\$9,999) or less.

(c) No jockey shall be paid less than the minimum jockey riding fees established pursuant to this section.

(d) Nothing in this section prohibits the board from increasing the minimum jockey riding fee above the minimum level required by this section.

SEC. 2. Section 19619.7 is added to the Business and Professions Code, to read:

19619.7. Notwithstanding any other provision of this chapter, no later than July 1, 2008, the board shall provide that the jockey who rides the horse that finishes in fourth place in a thoroughbred horse race shall be entitled to a reasonable riding fee, not to exceed 2 percent of the owner's share of

the purse, provided that the riding fee is no greater than that earned by the jockeys whose horses finish second and third in the same race.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

Item # 12

This item has been deferred at the request of Southern California
Off-Track Wagering, Inc.

CALIFORNIA HORSE RACING BOARD

NOVEMBER 29, 2007
REGULAR BOARD MEETING

There is no board package material for item 13

STAFF ANALYSIS
November 29, 2007

ISSUE: APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING (ADW) OF CHURCHILL DOWNS TECHNOLOGY INITIATIVES COMPANY DBA TWINSPIRES.COM, BRISBET.COM, TSNBET.COM AND WINTICKET.COM JANUARY 1, 2008 THROUGH DECEMBER 31, 2009 AS AN OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB.

Churchill Downs Technology Initiatives Company dba Twinspires.com, Brisbet.com, Tsnbet.com and Winticket.com filed its application as an out-of-state multi-jurisdictional wagering hub to provide ADW: January 1, 2008 through December 31, 2009, 7 days a week, twenty-four hours per day with the exception of December 25th. Assembly Bill 765 (Evans) approved by the Governor on October 13, 2007 includes specific provisions that must be met before an ADW provider can accept wagers.

These include: (*Excerpts taken from AB 765*)

No ADW provider may accept wagers on races conducted in California from a resident of California unless all of the following conditions are met:

1. The ADW provider must be licensed by the Board.
2. A written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made.
3. The agreement referenced in subparagraph (2) shall have been approved in writing by the horsemen's organization responsible for negotiating purse agreements for the breed on which the wagers are made in accordance with the Interstate Horseracing Act (15 U.S.C. Sec. 3001, et seq.), regardless of the location of the ADW provider, whether in California or otherwise, including, without limitation, any and all requirements contained therein with respect to written consents and required written agreements of horsemen's groups to the terms and conditions of the acceptance of those wagers and any arrangements as to the exclusivity between the host racing association or fair and the ADW provider. For purposes of this subdivision, the substantive provisions of the Interstate Horseracing Act shall be taken into account without regard to whether, by its own terms, that act is applicable to advance deposit wagering on races conducted in California accepted from residents of California.

No ADW provider may accept wagers on races conducted outside of California from a resident of California unless all of the following conditions are met:

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

Under AB 765

“The board shall not approve an application for an original or renewal license as an ADW provider unless the entity, if requested in writing by a bona fide labor organization no later than ninety days prior to licensing, has entered into a contractual agreement with that labor organization”

AB 765 defines

"Hub agreement" as a written agreement providing for contractual compensation paid with respect to advance deposit wagers placed by California residents on a particular breed of racing conducted outside of California. In the event a hub agreement exceeds a term of two years, then an ADW provider, one or more racing associations or fairs that together conduct no fewer than five weeks of live racing for the breed covered by the hub agreement, and the horsemen's organization responsible for negotiating purse agreements for the breed covered by the hub agreement shall be signatories to the hub agreement. A hub agreement is required for an ADW provider to receive contractual compensation for races conducted outside of California.”

Pursuant to an agreement reached involving all ADW applicants and the TOC, an eight-month experiment that opens up thoroughbred racing to all ADW providers has been completed. The agreement began Wednesday November 7, 2007 with the opening of the Hollywood Park and Golden Gate Fields fall race meetings and continues through the closing day of the Hollywood Park spring-summer race meeting.

- CDI dba Twinspires.com, Brisbet.com, Tsnbet.com and Winticket.com will provide advance deposit wagering services, under the eight-month agreement, for the following:
 - Hollywood Park
 - Bay Meadows Racing Association
 - Golden Gate Fields
 - Santa Anita Park

Twinspires.com, Brisbet.com, Tsnbet.com and Winticket.com will also provide advance deposit wagering services for the following:

- Sacramento Harness Association at Cal Expo
- Del Mar Thoroughbred Club at Del Mar
- Los Alamitos Racing Association at Los Alamitos Race Course

The following items have not been submitted:

- Eight-Month Experiment Agreement between: TVG, Xpressbet, Churchill Downs Technology Initiatives Company dba TwinSpires.com Brisbet.com Twinbet.com, Winticket.com, and Youbet; Thoroughbred Owners of California and Hollywood Park, Bay Meadows, Golden Gate Fields, Santa Anita Park.

The following matters remain unsolved and will need to be completed before ADW wagers can be accepted:

1. Contractual Agreement with Labor Organization.
2. Hub Agreement.

In considering this application, it should be noted that Twinspires.com is a newly licensed Advance Deposit Wagering (ADW) provider for the State of California that began taking ADW wagers from California residents on October 20, 2007. Staff has become aware of an issue concerning Twinspires.com. The California Horse Racing Information Management System (CHRIMS) has not reported Twinpisres.com ADW since CDI began accepting wagers. It should be noted that under Twinspires. Com's approval, Brisbet.com, Tsnbet.com and Winticket.com are also accepting ADW wagers. Subsequently CHRIMS information regarding wagers places on these platforms is missing as well. After contacting CHRIMS and Twinspires.com, the Board was informed that CHRIMS and Twinspires.com representatives are working to resolve this issue. CHRIMS has informed staff that Twinspires.com has committed to sending CHRIMS required files. However, no data have been received. As a result, CHRIMS is unable to verify ADW activity on CDI's ADW platforms. B&P Code 19604 (b) provides in part, that ADW providers shall provide a full accounting and verification of the source of wagers thereby made, including the zone and breed, in the form of a daily download to pari-mutuel data to a database designed by the Board. CHRB Rule 2072, Approval to Conduct Advance Deposit Wagering by an Out-of-State Applicant also specifies that applicants that accept wagers from California residents shall provide a full accounting and verification of the source of the wagers, and a detailed wagering information file that includes, but is not limited to, dollar amount wagered, pool on which the wager was placed, race number and racing venue, zone, breed, zip code of the Account Holder, time wagering stopped, and time of the wager in the form of a daily download of pari-mutuel data to the Board designated database, California Horse Racing Information Management System, that is compatible with a Comma Delimited Text File.

Currently, CHRIMS is providing ADW wagering information only for XpressBet, YouBet.com and TVG.

RECOMMENDATION:

Staff recommends that the Board hear from the applicant concerning the status of unresolved matters.

Application is made to the CHRB for approval to conduct Advance Deposit Wagering in accordance with the California Business and Professions (B&P) Code and CHRB Rules and Regulations (Rule) and the provisions of the Interstate Horseracing Act, 15 U.S.C. 3001 to 3007.

NOTICE – By submitting the Application the out-of-state Applicant consents to the jurisdiction of California courts and the application of California law as to all California wagers and operations.

Application must be filed not later than 90 days in advance of the date scheduled to conduct Advance Deposit Wagering and must be accompanied by a bond from a surety company admitted in the state of California or other form of financial security in the amount of \$500,000.

1. OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB (out-of-state Hub)

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

Churchill Downs Technology Initiatives Company,
doing business as twinspace.com, brisbet.com, tsnbet.com, and winticket.com
800 W. El Camino Real
Mountain View, CA 94040
Phone: 650-429-2900
Fax: 650-967-3201

B. Name, title, license number and racing jurisdiction where licensed for all management personnel:

Vernon Niven, President (applied for California)
Mike Cody, Vice President (applied for California)
Brad Blackwell, Vice President, licensed in Kentucky (4641)
Rohit Thukral, Vice President (applied for California)
Richard Broadbent, IV, Vice President

C. Name, title and mailing address of the California agent for receipt of service of process:

CT Corporation System
818 West Seventh St.
Los Angeles, CA 90017

D. Attach the contract with the California racing association or fair and the required horsemen's approval under the Interstate Horseracing Act that permits you to provide Advance Deposit Wagering services and identify the amount of the market access fee to be paid to the California racing association or fair for access to the California market for wagering purposes. **Contracts with the California racing associations and horsemen's approval are attached at TAB 2.**

2. DATES OF OPERATION

A. Dates Advance Deposit Wagering will be conducted:

Every day except December 25.

CHRB CERTIFICATION

Application received: 10/14/07
Reviewed: (apd)

Hearing date: 11/29/07
Approval date:

- B. Hours Advance Deposit Wagering will be conducted:
24 hours a day

3. BUSINESS STRUCTURE

- A. Corporation (complete subsection B)
 LLC (complete subsection C)
 Other (specify, and complete subsection D)

Complete the applicable subsection

B. CORPORATION

1. Registered name of the corporation:
Churchill Downs Technology Initiatives Company
2. State where incorporated:
Delaware
3. Registry or file number for the corporation: **4284783**
4. Name of all officers and directors, titles, and number of shares of the corporation held by each:
Vernon Niven, President
Mike Cody, Vice President
Brad Blackwell, Vice President

Robert L. Evans, Director
William Carstanjen, Director
Vernon Niven, Director
Rebecca Reed, Director

No officer or Director holds any shares of Churchill Downs Technology Initiatives Company.
5. Names (true names) of all persons, **other than the officers and directors listed above**, that hold 5% or more of the outstanding shares in the corporation and the number of shares held by each: **N/A**
6. Number of outstanding shares in the corporation: **100**
7. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation: **Bradley K. Blackwell**
9. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
Churchill Downs Incorporated holds 100% of shares.

10. Attach the most recent annual financial statement for the corporation, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the corporation and/or the Securities and Exchange Commission and/or the corresponding state where you registered your corporation. **Attached at TAB 2 is the most recent Annual Report on Form 10-K for Churchill Downs Incorporated.**
11. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval. **Attached at TAB 3.**

C. LLC

1. Registered name of the LLC:
2. State where articles of organization are filed:
3. Registry or file number for the LLC:
4. Names of all officers and directors, titles, and the number of shares of the LLC held by each:
5. Names (true names) of all members, **other than the officers and directors listed above**, that hold 5% or more of the outstanding shares in the LLC and the number of shares held by each:
6. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
7. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
8. Attach the most recent annual financial statement for the LLC, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the LLC and/or the Securities and Exchange Commission and/or the corresponding state where you registered your corporation.
9. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval.

D. OTHER

1. Name(s) of partners/sole proprietor:
2. If a partnership, attach partnership agreement.
3. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval.

4. ESTABLISHING ADVANCE DEPOSIT WAGERING ACCOUNTS – must comply with Rule 2074.

- A. List the procedures to establish an Account: See Section 2.1 of the Plan of Operations (TAB 5) which complies with Rule 2074.
- B. If an application form is used to establish an Account attach a copy of the form.

Applicant's potential customers complete an application form provided on Applicant's secure websites. A copy of such application form is attached at Tab 4.

- C. Name and address of the third party you will use to verify identity, residence and age verification:
Equifax Secure, Inc., 1550 Peachtree St. NW, Atlanta, GA 30309

5. **OPERATION OF ADVANCE DEPOSIT WAGERING ACCOUNTS** – must comply with Rule 2073.

- A. Submit a copy of your plan for operation. Attached at Tab 5.
- B. List the type of deposits you will accept: ACH, credit card, debit card, cash at specified locations, check and money order by mail. For more details see the attached Plan of Operations.
- C. Identify any fees or transaction-related charges and the amount that will be assessed:
4.5% on credit cards charged by service provider; \$2/month charge for accounts inactive for nine (9) months. \$25 fee for returned deposits.

6. **SECURITY ACCESS**

- A. Attach your security access policy and safeguards pursuant to B&P Section 19604 (c) (2). Policy must include the following:
1. Description of the technology to ensure identity, residence, and age verification when an Account is established: Applicant utilizes Equifax, an independent third party, to provide comprehensive verification of the account information provided by customers. For a more detailed description on verification see Section 2.1.1.1 of the attached Plan of Operations (Tab 5).
 2. Description of the technology to ensure confidentiality of the Means of Personal Identification: See Section 2.1.5 of the attached Plan of Operations (Tab 5).
 3. Methods and locations available for Account Holders to withdraw funds from their Account: Requests by phone will result in a check mailed to the address on record within five (5) business days. Cash withdrawals at designated locations, currently limited to the US Bank location at Churchill Downs Racetrack in Louisville, KY. For more details see the attached Plan of Operations (Tab 5).
 4. If the Advance Deposit Wagering records will be maintained at a site other than the out-of-state Hub provide the name, address, telephone and fax numbers and the hours of operation:
US Off-Track, 6130 NE 78th Court, Suite C4, Portland, Oregon
Telephone: 503-253-0234
Facsimile: 503-253-0140
Hours of Operation: 8:30 a.m. to 10:30 p.m. – 12:00 a.m. PST depending on the time of the last race.

7. **PARI-MUTUEL**

- A. Name, address and telephone number of the pari-mutuel audit firm:
PricewaterhouseCoopers LLP
500 W. Main Street, Ste. 1800
Louisville, KY 40202
- B. Type(s) of pari-mutuel or totalizator equipment to be used and the simulcast organization, name of the entity supplying equipment, and expiration date of the service contract:
Totalizator services will be provided by AmTote International, Inc. The AmTote contract originally

expired on May 31, 2005, but automatically renews for one (1) year periods until either party provides written notice of its intention not to renew the contract within sixty (60) days prior to the subject term. Applicant will provide the CHRB notice of any change in its totalizator provider.

- C. List the locations of the racing venues on which Advance Deposit Wagering will be accepted: Please see the list of tracks attached at Tab 6.

NOTICE – The pari-mutuel system used must use a device or combination of devices authorized and operated exclusively for placing, receiving, or otherwise making a wager and by which a person must subscribe to in order to place, receive or otherwise make a wager; an effective customer and age verification system and the appropriate data security standards to prevent unauthorized access by any person who has not subscribed or who is under the age of 18.

8. CONTRACTS AND AGREEMENTS

- A. List name and address of all organizations you will contract with to facilitate Advance Deposit Wagering that are not provided in other sections of this application:
Amote International, Inc., 11200 Pepper Road, Hunt Valley, MD 21031
US Off-Track, 10490 Gandy Blvd., St. Petersburg, FL 33702
- B. List each contract or agreement to facilitate Advance Deposit Wagering that is not finalized and signed: N/A.

9. ADVERTISING

Name and address of the advertising agency you will use:
Hoffman York
142 East Ontario, Suite 13
Chicago, IL 60611

NOTICE – Pursuant to Rule 2072 (h) all advertisements shall contain a statement that persons under 18 are not allowed to open or have access to Accounts. All advertisements shall contain contact information for a recognized problem-gambling support organization. Additionally, pursuant to B&P Section 19604 (D) (3) advertisements shall not be deceptive to the public.

10. CERTIFICATION

I hereby certify under penalty of perjury that I have examined this Application, that all of the foregoing statements in this Application are true and correct, and that I am authorized to attest to this Application.

Bradley K. Blackwell

Print Name

Vice President

Print Title

[Handwritten Signature]

Signature

10/2/07

Date

STAFF ANALYSIS
November 29, 2007

ISSUE: APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING OF ODS TECHNOLOGIES, L.P. D/B/A/ TVG JANUARY 1, 2008 THROUGH DECEMBER 31, 2009.

TVG filed its application as an out-of-state multi-jurisdictional wagering hub to provide Advance Deposit Wagering.

January 1, 2008 through December 31, 2009, 364 days a year, approximately twenty-four hours a day. They have applied for a two-year license. Assembly Bill 765 (Evans) approved by the Governor on October 13, 2007 includes specific provisions that must be met before an ADW provider can accept wagers.

These include: (*Excerpts taken from AB 765*)

No ADW provider may accept wagers on races conducted in California from a resident of California unless all of the following conditions are met:

1. The ADW provider must be licensed by the Board.
2. A written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made.
3. The agreement referenced in subparagraph (2) shall have been approved in writing by the horsemen's organization responsible for negotiating purse agreements for the breed on which the wagers are made in accordance with the Interstate Horseracing Act (15 U.S.C. Sec. 3001, et seq.), regardless of the location of the ADW provider, whether in California or otherwise, including, without limitation, any and all requirements contained therein with respect to written consents and required written agreements of horsemen's groups to the terms and conditions of the acceptance of those wagers and any arrangements as to the exclusivity between the host racing association or fair and the ADW provider. For purposes of this subdivision, the substantive provisions of the Interstate Horseracing Act shall be taken into account without regard to whether, by its own terms, that act is applicable to advance deposit wagering on races conducted in California accepted from residents of California.

No ADW provider may accept wagers on races conducted outside of California from a resident of California unless all of the following conditions are met:

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

Under AB 765

"The board shall not approve an application for an original or renewal license as an ADW provider unless the entity, if requested in writing by a bona fide labor organization no later than ninety days prior to licensing, has entered into a contractual agreement with that labor organization . . ."

AB 765 Defines

“Hub agreement” as a written agreement providing for contractual compensation paid with respect to advance deposit wagers placed by California residents on a particular breed of racing conducted outside of California. In the event a hub agreement exceeds a term of two years, then an ADW provider, one or more racing associations or fairs that together conduct no fewer than five weeks of live racing for the breed covered by the hub agreement, and the horsemen's organization responsible for negotiating purse agreements for the breed covered by the hub agreement shall be signatories to the hub agreement. A hub agreement is required for an ADW provider to receive contractual compensation for races conducted outside of California.”

Pursuant to an agreement reached involving all ADW applicants and the TOC an eight-month experiment that opens up thoroughbred racing to all ADW providers has been completed. The agreement began Wednesday November 7, 2007 with the opening of the Hollywood Park and Golden Gate Fields fall race meetings and continues through the closing day of the Hollywood Park spring-summer race meeting.

- TVG will provide advance deposit wagering services, under the eight-month agreement, for the following:
 - Hollywood Park
 - Bay Meadows Racing Association
 - Golden Gate Fields
 - Santa Anita Park

TVG will also provide advance deposit wagering services for the following:

- Del Mar Thoroughbred Club at Del Mar
- Los Angeles County Fair at Fairplex
- Los Alamitos Racing Association at Los Alamitos Race Course
- Oak Tree Racing Association at Santa Anita Park

The following items have not been submitted:

- Eight-Month Experiment Agreement between: TVG, Xpressbet, Churchill Downs Technology Initiatives Company dba TwinSpires.com Brisbet.com Twinbet.com, Winticket.com, and Youbet; Thoroughbred Owners of California and Hollywood Park, Bay Meadows, Golden Gate Fields, Santa Anita Park.

The following matters remain unsolved and will need to be completed before ADW wagers can be accepted:

1. Contractual Agreement with Labor Organization.
2. Hub Agreement.

RECOMMENDATION:

Staff recommends that the Board hear from the applicant concerning the status of unresolved matters.

Application is made to the CHRB for approval to conduct Advance Deposit Wagering in accordance with the California Business and Professions (B&P) Code and CHRB Rules and Regulations (Rule) and the provisions of the Interstate Horseracing Act, 15 U.S.C. 3001 to 3007.

NOTICE – By submitting the Application the out-of-state Applicant consents to the jurisdiction of California courts and the application of California law as to all California wagers and operations.

Application must be filed not later than 90 days in advance of the date scheduled to conduct Advance Deposit Wagering and must be accompanied by a bond from a surety company admitted in the state of California or other form of financial security in the amount of \$500,000.

1. OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB (out-of-state Hub)

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

ODS Technologies, L.P. d/b/a TVG
19545 N.W. Von Neumann Drive, Suite 210
Beaverton, OR 97006
Tel: (503) 748-3800
Fax: (503) 748-3838

B. Name, title, license number and racing jurisdiction where licensed for all management personnel:

BJ Cosson, Vice President, Operations & Customer Relations, Oregon license # 200730
Dean Kokko, Manager, Wager Operations, Oregon license # 200705
Ken Sumida, Manager, Financial Services, Oregon License # 24133
Grace Kenworthy, Manager, Customer Relations, Oregon License # 14605

C. Name, title and mailing address of the California agent for receipt of service of process:

John Hindman
General Counsel
TVG
6701 Center Drive West, Suite 160
Los Angeles, CA 90045

D. Attach the contract with the California racing association or fair and the required horsemen's approval under the Interstate Horseracing Act that permits you to provide Advance Deposit Wagering services and identify the amount of the market access fee to be paid to the California racing association or fair for access to the California market for wagering purposes.

APPENDIX 1 to this document contains an abstract of valid and binding contracts with the following licensed California racing associations or fairs: Del Mar Thoroughbred Club, Fairplex (Los Angeles County Fair Association), Los Alamitos and Oak Tree Racing Association that identifies the amount of the market access fee to be paid to the California racing association or fair for access to the California market for wagering purposes.

CHRB CERTIFICATION

Application received: 10/1/07
Reviewed: *ap*

Hearing date: 11/29/07
Approval date:

Pursuant to California Horse Racing Board Rule 1497 and the California Public Records Act, APPENDIX 1 to this document contains personal financial data used to establish TVG's qualifications for licensure/approval and is not subject to public disclosure.

2. DATES OF OPERATION

- A. Dates Advance Deposit Wagering will be conducted: 364 days/year
- B. Hours Advance Deposit Wagering will be conducted: 24 hours/day

3. BUSINESS STRUCTURE

- A. Corporation (complete subsection B)
- LLC (complete subsection C)
- Other (specify, and complete subsection D)

Complete the applicable subsection

B. CORPORATION

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

11. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval.

C. LLC

1. Registered name of the LLC:
2. State where articles of organization are filed:
3. Registry or file number for the LLC:
4. Names of all officers and directors, titles, and the number of shares of the LLC held by each:
5. Names (true names) of all members, **other than the officers and directors listed above**, that hold 5% or more of the outstanding shares in the LLC and the number of shares held by each:
6. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
7. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
8. Attach the most recent annual financial statement for the LLC, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the LLC and/or the Securities and Exchange Commission and/or the corresponding state where you registered your corporation.
9. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval.

D. OTHER

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

TV Guide, Inc., General Partner
6922 Hollywood Blvd., 12th Floor
Hollywood, CA 90028

Limited Partners: TV Guide Interactive, Inc., Churchill Downs Incorporated, Pinnacle Entertainment, Inc.

The management of the business and affairs of TVG are the sole and complete responsibility of the general partner, TV Guide, Inc. The limited partners have no right to take part in, or interfere in any manner with, the management or conduct of the business and affairs of TVG, nor may any limited partner act or bind TVG.

2. If a partnership, attach partnership agreement.

APPENDIX 2 to this document is a copy of the Limited Partnership Agreement for ODS Technologies, L.P.

Pursuant to California Horse Racing Board Rule 1497 and the California Public Records Act, APPENDIX 2 to this document contains personal financial data used to establish TVG's qualifications for licensure/approval and is not subject to public disclosure.

3. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval.

APPENDIX 3 contains the most recent SEC Form 10-Q for Gemstar – TV Guide International, Inc. demonstrating TVG's financial fitness to conduct advance deposit wagering.

4. **ESTABLISHING ADVANCE DEPOSIT WAGERING ACCOUNTS** – must comply with Rule 2074.

A. List the procedures to establish an Account:

1. Customers must be at least 21 years of age to establish an advance deposit wagering account.
2. Customers can establish an account by telephone by calling 1-888-PLAY TVG, on the Internet at www.tvg.com, by mail, or in person at a TVG retail outlet or racetrack partner by providing the following information:
 - Name
 - Social Security Number
 - Date of Birth
 - Principal Residence Address Including Postal ZIP Code
 - Telephone Number
3. Each application submitted to TVG is subject to electronic verification by a nationally recognized third party information services provider with respect to name, principal residence address including postal zip code, date of birth and Social Security Number. If there is a discrepancy between the application information submitted to TVG and the information provided by the electronic verification described above, or if no information on the applicant is available from such electronic verification, the applicant will be required to provide identification issued by a recognized government agency (driver's license or government ID) showing his or her date of birth and residence address to complete the application process.
3. Provided that the account applicant's information has been positively identified, each applicant is assigned his or her TVG Personal Wagering Account Number and is asked to establish a Personal Identification Number consisting of four (4) numeric characters.
4. To activate the account for wagering purposes, a minimum initial deposit of \$50.00 is required.
5. TVG provides each new wagering account holder with a "Guide to Interactive Wagering" containing standard terms and conditions, deposit and withdrawal information (including customized deposit and withdrawal slips and a direct deposit/withdrawal authorization form) as well as comprehensive information about accessing account information, placing wagers and maintaining the account. APPENDIX 4 contains a TVG "Guide to Interactive Wagering."

B. If an application form is used to establish an Account attach a copy of the form.

A copy of the application form available on www.tvg.com is provided as APPENDIX 5 to this document.

- C. Name and address of the third party you will use to verify identity, residence and age verification:

Equifax Credit Information Services
 P.O. Box 4472
 Atlanta, GA 30302

5. OPERATION OF ADVANCE DEPOSIT WAGERING ACCOUNTS – must comply with Rule 2073.

- A. Submit a copy of your plan for operation.

The Plan of Operation is contained in APPENDIX 6 to this document.

Pursuant to California Horse Racing Board Rule 1497 and the California Public Records Act, APPENDIX 6 to this document contains personal financial data used to establish TVG's qualifications for licensure/approval and is not subject to public disclosure.

- B. List the type of deposits you will accept:

Deposits will be accepted in the form of:

1. Check, money order or negotiable order of withdrawal;
2. Cash (at designated financial/retail outlets);
3. Charges made to an account holder's credit card or debit card upon the direct and personal instruction of the account holder, which may be given by telephone or other secure electronic means;
4. Transfer by means of an electronic funds or ACH (Automated Clearing House) transfer from a monetary account controlled by an account holder to his/her account, said account holder may be liable for any charges imposed by the transmitting or receiving entity with such charges to be deducted from the account;
5. Stored value cards; and
6. Wire transfers.

California account holders shall be permitted access to one credit or debit card deposit each day for wagering purposes. Additional credit or debit card deposits to an account shall be made available for use the next day. California account holders must designate if they want to use a credit card to make deposits to their Account. Changes to the designation require 24 hours' notice to TVG.

- C. Identify any fees or transaction-related charges and the amount that will be assessed:

TVG account holders have the choice of two fee plans.

1. A transaction fee of \$0.25 per wagering transaction (capped at \$19.95 a month) or
2. A monthly subscription fee of \$19.95.

6. SECURITY ACCESS

- A. Attach your security access policy and safeguards pursuant to B&P Section 19604 (c) (2). Policy must include the following:

1. Description of the technology to ensure identity, residence, and age verification when an Account

is established:

All of the necessary information is contained in the Plan of Operation (APPENDIX 6)

2. Description of the technology to ensure confidentiality of the Means of Personal Identification:

All of the necessary information is contained in the Plan of Operation (APPENDIX 6)

3. Methods and locations available for Account Holders to withdraw funds from their Account:

All of the necessary information is contained in the Plan of Operation (APPENDIX 6)

4. If the Advance Deposit Wagering records will be maintained at a site other than the out-of-state Hub provide the name, address, telephone and fax numbers and the hours of operation:

All of the necessary information is contained in the Plan of Operation (APPENDIX 6)

7. PARI-MUTUEL

- A. Name, address and telephone number of the pari-mutuel audit firm:

Oregon Racing Commission
Suite 310
800 N.E. Oregon Street, #11
Portland, OR 97232
(503) 731-4052

- B. Type(s) of pari-mutuel or totalizator equipment to be used and the simulcast organization, name of the entity supplying equipment, and expiration date of the service contract:

Totalizator services are provided by contract with Scientific Games Racing, LLC. The contract expires December 31, 2009 with provision for an automatic extension of two years. Please refer to the Plan of Operation in APPENDIX 6 for more details.

- C. List the locations of the racing venues on which Advance Deposit Wagering will be accepted:

Aqueduct Racetrack, Floral Park, NY
Balmoral, Crete, IL
Bay Meadows, San Mateo, CA
Belmont Park, Elmont NY
Beulah Park, Grove City, OH
Calder Race Course, Miami, FL
California Authority of Racing Fairs (CARF)
Canterbury Park, Shakopee, MN
Colonial Downs, New Kent, VA
Del Mar, Del Mar, CA
Dover Downs, Dover, DE
Dubai Racing, Dubai, UAE
Emerald Downs, Auburn, WA
Evangeline Downs, Lafayette, LA
Fair Meadows, Tulsa, OK
Fairmount Park, East St. Louis, IL
Fairplex Park, Pomona, CA

Great Britain, Great Britain
Harrington Raceway, Harrington, DE
Hastings Racecourse, Vancouver, BC
Hollywood Park, Inglewood, CA
Indiana Downs, Shelbyville, IN
Ireland, Ireland
Japan Racing, Japan
Keeneland, Lexington, KY
Kentucky Downs, Franklin, KY
Los Alamitos, Los Alamitos, CA
Louisiana Downs, Shreveport, LA
Maywood Park, Maywood, IL
Meadowlands, East Rutherford, NJ
Monmouth Park, Oceanport NJ
Monticello Raceway, Monticello, NY
Mountaineer Park, Chester, WV
Northfield Park, Northfield, OH

Oak Tree @ Santa Anita, Arcadia, CA Philadelphia
 Park, Bensalem, PA
 Pompano Park, Pompano Beach, FL
 Prairie Meadows, Altoona, IA
 Presque Isle Downs, Erie, PA
 River Downs, Cincinnati, OH
 Ruidoso Downs, Ruidoso, NM
 Sam Houston Race Park, Houston, TX
 Saratoga Race Course, Saratoga Springs, NY
 Scioto Downs, Columbus, OH
 Suffolk Downs, East Boston, MA

Sunland Park, Sunland Park, NM
 Sacramento Harness, Sacramento, CA
 Tampa Bay Downs, Tampa, FL
 Turf Paradise, Phoenix, AZ
 Turfway Park, Florence, KY
 The Woodlands, Kansas City, KS
 UK Racing, UK
 Wyoming Downs, Evanston, WY
 Yavapai Downs, Prescott, AZ
 Yonkers Raceway, Yonkers, NY
 Zia Park, Hobbs, NM

Additional locations will be offered as new contracts are negotiated.

NOTICE – The pari-mutuel system used must use a device or combination of devices authorized and operated exclusively for placing, receiving, or otherwise making a wager and by which a person must subscribe to in order to place, receive or otherwise make a wager; an effective customer and age verification system and the appropriate data security standards to prevent unauthorized access by any person who has not subscribed or who is under the age of 18.

8. CONTRACTS AND AGREEMENTS

- A. List name and address of all organizations you will contract with to facilitate Advance Deposit Wagering that are not provided in other sections of this application:

Scientific Games Racing, LLC
 1500 Bluegrass Lakes Parkway
 Alpharetta, GA 30004
 770.664.3700

Equibase Company LLC
 821 Corporate Drive
 Lexington KY 40503-2794
 (859) 296-3079

Trackmaster, an Equibase Company
 851 Fremont Ave. #109
 Los Altos, CA 94024
 (650) 947-9020

- B. List each contract or agreement to facilitate Advance Deposit Wagering that is not finalized and signed:

9. ADVERTISING

Name and address of the advertising agency you will use:

Bailey Gardiner
 3785 Sixth Avenue, Suite 200
 San Diego, CA 92103
 (619) 295-8232

NOTICE – Pursuant to Rule 2072 (h) all advertisements shall contain a statement that persons under 18 are not allowed to open or have access to Accounts. All advertisements shall contain contact information for a recognized problem-gambling support organization. Additionally, pursuant to B&P Section 19604 (D) (3) advertisements shall not be deceptive to the public.

10. CERTIFICATION

I hereby certify under penalty of perjury that I have examined this Application, that all of the foregoing statements in this Application are true and correct, and that I am authorized to attest to this Application.

John Hindman

Print Name



Signature

General Counsel

Print Title

9-26-07

Date

STAFF ANALYSIS
November 29, 2007

ISSUE: APPLICATION FOR LICENSE TO CONDUCT ADVANCE DEPOSIT WAGERING (ADW) OF YOBET.COM, INC. (Yobet) JANUARY 1, 2008 THROUGH DECEMBER 31, 2009 AS A CALIFORNIA MULTI-JURISDICTIONAL WAGERING HUB.

APPLICATION FOR APPROVAL TO CONDUCT ADW OF YOBET JANUARY 1, 2008 THROUGH DECEMBER 31, 2009 AS AN OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB.

Yobet filed its application as an out-of-state multi-jurisdictional wagering hub to provide Advance Deposit Wagering.

January 1, 2008 through December 31, 2009, 7 days a week, approximately 8:30 a.m. to 11:00 p.m. Pacific Time. They have applied for a two-year license. Assembly Bill 765 (Evans) approved by the Governor on October 13, 2007 includes specific provisions that must be met before an ADW provider can accept wagers.

These include: (*Excerpts taken from AB 765*)

No ADW provider may accept wagers on races conducted in California from a resident of California unless all of the following conditions are met:

1. The ADW provider must be licensed by the Board.
2. A written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made.
3. The agreement referenced in subparagraph (2) shall have been approved in writing by the horsemen's organization responsible for negotiating purse agreements for the breed on which the wagers are made in accordance with the Interstate Horseracing Act (15 U.S.C. Sec. 3001, et seq.), regardless of the location of the ADW provider, whether in California or otherwise, including, without limitation, any and all requirements contained therein with respect to written consents and required written agreements of horsemen's groups to the terms and conditions of the acceptance of those wagers and any arrangements as to the exclusivity between the host racing association or fair and the ADW provider. For purposes of this subdivision, the substantive provisions of the Interstate Horseracing Act shall be taken into account without regard to whether, by its own terms, that act is applicable to advance deposit wagering on races conducted in California accepted from residents of California.

No ADW provider may accept wagers on races conducted outside of California from a resident of California unless all of the following conditions are met:

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

Under AB 765

"The board shall not approve an application for an original or renewal license as an ADW provider unless the entity, if requested in writing by a bona fide labor organization no later than ninety days prior to licensing, has entered into a contractual agreement with that labor organization"

AB 765 Defines

"Hub agreement" as a written agreement providing for contractual compensation paid with respect to advance deposit wagers placed by California residents on a particular breed of racing conducted outside of California. In the event a hub agreement exceeds a term of two years, then an ADW provider, one or more racing associations or fairs that together conduct no fewer than five weeks of live racing for the breed covered by the hub agreement, and the horsemen's organization responsible for negotiating purse agreements for the breed covered by the hub agreement shall be signatories to the hub agreement. A hub agreement is required for an ADW provider to receive contractual compensation for races conducted outside of California."

Pursuant to an agreement reached involving all ADW applicants and the TOC an eight-month experiment that opens up thoroughbred racing to all ADW providers has been completed. The agreement began Wednesday November 7, 2007 with the opening of the Hollywood Park and Golden Gate Fields fall race meetings and continues through the closing day of the Hollywood Park spring-summer race meeting.

- Youbet will provide advance deposit wagering services, under the eight-month agreement, for the following:
 - Hollywood Park
 - Bay Meadows Racing Association
 - Golden Gate Fields
 - Santa Anita Park

Youbet will also provide advance deposit wagering services for the following:

- Del Mar Thoroughbred Club at Del Mar
- Los Angeles County Fair at Fairplex
- Los Alamitos Racing Association at Los Alamitos Race Course
- Oak Tree Racing Association at Santa Anita Park

The following items have not been submitted:

- Eight-Month Experiment Agreement between: TVG, Xpressbet, Churchill Downs Technology Initiatives Company dba TwinSpire.com Brisbet.com Twinbet.com, Winticket.com, and Youbet; Thoroughbred Owners of California and Hollywood Park, Bay Meadows, Golden Gate Fields, Santa Anita Park.

The following matters remain unsolved and will need to be completed before ADW wagers can be accepted:

1. Contractual Agreement with Labor Organization.
2. Hub Agreement.

RECOMMENDATION:

Staff recommends that the Board hear from the applicant concerning the status of unresolved matters.

Application is made to the CHRB for a license to conduct Advance Deposit Wagering in accordance with the California Business and Professions (B&P) Code and CHRB Rules and Regulations (Rule) and the provisions of the Interstate Horseracing Act, 15 U.S.C. 3001 to 3007.

Application must be filed not later than 90 days in advance of the date scheduled to conduct Advance Deposit Wagering and must be accompanied by a bond from a surety company admitted in the state of California or other form of financial security in the amount of \$500,000.

1. APPLICANT

- A. Racing Association (Licensee) Racing Fair (Licensee)
 Betting System CA Multi-jurisdictional Wagering Hub (CA Hub)

B. Name, mailing address, telephone and fax numbers:

Youbet.com, Inc.
5901 De Soto Avenue
Woodland Hills, California 91367
(818) 668-2100 Telephone
(818) 668-2101 Fax

C. Names and titles of all management personnel:

David Marshall, Vice Chairman & Co-Founder, CHRB 277543
Charles Champion, Chairman, President and Chief Executive Officer, CHRB 267111
Gary Sproule, Chief Financial Officer, CHRB 280946
Michael Stark, Vice President, Engineering, CHRB 280947
Arcelia Padilla, Vice President of Human Resources and Administration, CHRB 267113
Joe Barletta, Director, CHRB 284548
Michael Brodsky, Director, CHRB To Be Licensed
Jay P. Pritzker, CHRB To Be Licensed
James Edgar, Director, CHRB 284545
Frederick Jack Liebau, Director, CHRB 222157
Steven C. Good, Director, CHRB 280281

NOTICE -- All management personnel must be CHRB licensed.

CHRB CERTIFICATION		
Application received: 10/2/07		Approval date:
Reviewed: <i>apa</i>		License number:
Hearing date: 11/29/07		

- D. Racing Fairs are not required to complete Section 3, Business Structure.
- E. Betting Systems and CA Hubs - attach the contract with the Licensee and the required horsemen's approval under the Interstate Horseracing Act that permits you to provide Advance Deposit Wagering services and identify the amount of the market access fee to be paid to the Licensee for access to the California market for wagering purposes.

In May 2001 Youbet.com entered in to an agreement with Television Games Network ("TVG") that gave Youbet.com a license to utilize TVG's patents. The agreement can be found under ATTACHMENT 1. The systems, software and processes are owned and operated by Youbet.com. In addition to the license for the patents, the agreement grants Youbet.com a license to the right to video stream and accept online pari-mutuel wagers on horse racing from virtually all of TVG's exclusive partner racetracks. The California race tracks included under this agreement are as follows: Del Mar, Hollywood Park, Los Alamitos, Oak Tree at Santa Anita and Fairplex. The market access fees are defined in the TVG contract with the California racetracks and signed consents can be found under ATTACHMENT 2.

Recent ADW Approvals from the TOC can be found under ATTACHMENT 3.

Letter of consent with PQRA can found under ATTACHMENT 4.

Simulcast Agreement with California non-TVG exclusive thoroughbred tracks can be found under ATTACHMENT 5.

Simulcast Agreements with Cal Expo and California Harness Horsemen's Association can be found under ATTACHMENT 6.

2. DATES OF OPERATION

- A. Dates Advance Deposit Wagering will be conducted:

January 1, 2008 – December 31, 2009

- B. Hours Advance Deposit Wagering will be conducted:

The Youbet service is normally available 14.5 hours a day 7 days a week with hours of operation being approximately 8:30 a.m. – 11:00 p.m. PT

3. BUSINESS STRUCTURE

- A. Corporation (complete subsection B)
 LLC (complete subsection C)
 Other (specify, and complete subsection D)

Complete the applicable subsection

B. CORPORATION

1. Registered name of the corporation:

Youbet.com, Inc.

2. State where incorporated:

Delaware

3. Registry or file number for the corporation:

95-4627253 – Federal ID Number

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

Name	Title	# of Shares Owned
David M. Marshall	Vice Chairman, Co-Founder	1,572,787
Charles F. Champion	Chairman, President and Chief Executive Officer	62,500
James Edgar	Director	10,000
Gary Adelson	Director	0
Joseph Barletta	Director	49,000
Steven C. Good	Director	10,000
Michael Brodsky	Director	2,000
Jay P. Pritzker	Director	3,914,143
F. Jack Liebau	Director	35,000
Gary W. Sproule	Chief Operating Officer	110,000
Jim Burk	Chief Financial Officer	25,000

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:

JP Morgan Asset Management, Inc.
UT Group LLC
New World Opportunity Partners I LLC

6. Number of outstanding shares in the corporation:

42,119,743

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

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

NASDAQ

8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings

of the corporation:

American Stock Transfer and Trust Company

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

N/A

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

ATTACHMENT 7

2006 Annual Report (SEC Form 10K)

ATTACHMENT 8

Quarterly Report Ending June 30, 2007 (SEC Form 10Q)

11. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the license.

ATTACHMENT 9

Annual Operation Plan

C. LLC

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

D. OTHER

1. Name(s) of partners/sole proprietor:
2. If a partnership, attach partnership agreement.
3. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the license.

4. ESTABLISHING ADVANCE DEPOSIT WAGERING ACCOUNTS – must comply with Rule 2074.

A. List the procedures to establish an Account:

An interested individual must complete several steps in order to become a Youbet.com subscriber and to open a wagering account. Youbet.com complies with the CHRB Rule 2075.

Verifying the customer's qualifications to become a subscriber is an integral part of the Youbet.com sign-up process. Youbet.com is concerned with two major issues; state of residence and age. To become a Youbet.com Network subscriber, an applicant must be a resident in one of the 40 jurisdictions (ATTACHMENT 10) in which Youbet.com provides service and must be 21 years old or older. Accounts may be established by phone, mail or the Youbet.com website. Youbet.com reserves the right to close or to refuse to open an account.

The account holder must provide the following information:

- Full legal name
- Principal place of residence
- Telephone number
- Social Security Number
- Proper identification or certification the account holder is at least 21 years of age

Youbet.com, using the verification services of Equifax Credit Reporting, validates the information provided by the account holder. This information will be subject to electronic verification through Equifax, and should a discrepancy be found during verification, the account holder will be contacted to provide satisfactory supporting documentation to establish identity and residence. After the validation process is complete a wager account is established and the customer is now permitted to fund the account. At that point, the applicant is considered a "subscriber" to Youbet.

For more operational details see our Operation Plan as ATTACHMENT 11.

B. If an application form is used to establish an Account attach a copy of the form.

ATTACHMENT 12

- C. Name and address of the third party you will use to verify identity, residence and age verification:

**Equifax Credit Information Systems, Inc.
P.O. Box 740006
Atlanta, GA 3037**

5. OPERATION OF ADVANCE DEPOSIT WAGERING ACCOUNTS – must comply with Rule 2073.

- A. Submit a copy of your plan for operation.

See ATTACHMENT 11

- B. List the type of deposits you will accept:

Credit card, electronic check, check, money order, wire transfer. See Operation Plan for detail of velocity limits and overall policies for depositing funds into a wagering account (ATTACHMENT 11).

- C. Identify any fees or transaction-related charges and the amount that will be assessed:

Certain customers are charged \$10.95 per month for up to ten hours of live video per month or \$17.95 for unlimited video per month. Monthly subscription fees are waived for customers wagering a monthly average of at least \$350.00.

Also, customers will be charged a service fee of \$2.50 for an account withdrawal in an amount equal to or less than \$25.00. The service fee will be automatically withdrawn from the subscriber's wagering account. If the subscriber's withdrawal is equal to or less than \$2.50, the amount of the withdrawal will be applied to the service fee.

6. SECURITY ACCESS

- A. Attach your security access policy and safeguards pursuant to B&P Section 19604 (c) (2). Policy must include the following:

1. Description of the technology to ensure identity, residence, and age verification when an Account is established:

Youbet.com uses the services from Equifax Credit Information Services, Inc.

The customer's Social Security number is used to search Equifax's consumer credit database. As a secondary search, the customer's driver's license number is used to search against a nationwide database. Together these searches provide Youbet with a match or no match indication. If a match is returned, Youbet verifies the customer is of a legal age and in a legal state. In addition, if a customer submits a post office box as an address, the customer is contacted for a residential address that is used to verify the customer's residential address. If the customer submits a second address but requests to use the post office box as the mailing address, Youbet stores the residential address as the address of record and the post office box as the mailing address. Further, both addresses must be in the same state.

Customers must supply the following information:

- **First Name**
- **Last Name**
- **Residence Address**
- **Date of Birth**
- **Social Security Number**

2. **Description of the technology to ensure confidentiality of the Means of Personal Identification:**

All sensitive data is stored in an encrypted state in Youbet's database. The data is only decrypted when used by internal secure applications. The customer's Social Security Number, Driver's License Number and password/PIN are encrypted and cannot be viewed by non-authorized Youbet personnel.

The following data is encrypted:

- **Password**
- **Social Security Number**
- **Credit Card Numbers**
- **Checking Account Number**

In addition these other steps are taken to insure security of the PIN:

- **The customer's PIN must differ from their Handle or User ID**
- **The customer's PIN must be four (4) digits in length**
- **The customer's account is locked on the consecutive third unsuccessful attempt to log in. The customer must contact Youbet customer support and provide appropriate identification to have the account unlocked.**
- **If the customer forgets their password, they must supply their Handle/User ID, date of birth and registered email address to obtain the password.**

The password memory feature of Microsoft's operating system and browser are disabled for all Youbet products and web sites.

3. **Methods and locations available for Account Holders to withdraw funds from their Account:**

Youbet customers can request a withdrawal on-line or mail or fax a signed withdrawal slip to Youbet's office. A check in the amount of the withdrawal is mailed to the mailing address listed on file for the customer.

4. If the Advance Deposit Wagering records will be maintained at a site other than the out-of-state Hub provide the name, address, telephone and fax numbers and the hours of operation:

All records are maintained at Youbet.com. The following entities also store certain information:

Youbet.com, Inc. – 5901 De Soto Avenue, Woodland Hills, CA 91367

United Tote Company – 5901 De Soto Avenue, Woodland Hills, CA 91367

7. PARI-MUTUEL

- A. Name, address and telephone number of the pari-mutuel audit firm:

**Piercy Bowler Taylor & Kern
Certified Public Accountants & Business Advisors
6100 Elton Avenue, Suite 1000
Las Vegas, Nevada 89107
Phone: (702)384-1120
Fax: (702) 870-2474**

- B. Type(s) of pari-mutuel or totalizator equipment to be used and the simulcast organization, name of the entity supplying equipment, and expiration date of the service contract:

Totalizer equipment: United Tote Company - a subsidiary of Youbet.com, Inc.

Simulcast organization: Youbet Inter-Tote Systems Protocol (“ITSP”) is provided by Robertson Communication, term is December 31, 2008.

- C. List the locations of the racing venues on which Advance Deposit Wagering will be accepted:

See ATTACHMENT 13

NOTICE – The pari-mutuel system used must use a device or combination of devices authorized and operated exclusively for placing, receiving, or otherwise making a wager and by which a person must subscribe to in order to place, receive or otherwise make a wager; an effective customer and age verification system and the appropriate data security standards to prevent unauthorized access by any person who has not subscribed or who is under the age of 18.

8. CONTRACTS AND AGREEMENTS

- A. List name and address of all organizations you will contract with to facilitate Advance Deposit Wagering that are not provided in other sections of this application:

Robertson Communications Network, Inc., 4175 Cameron Street, Suite B-10, Las Vegas, NV 89103

- B. List each contract or agreement to facilitate Advance Deposit Wagering that is not finalized and signed:

N/A

NOTICE – Pursuant to B&P Section 19604 (c) (1) you must contract with the bona fide labor organization that has historically represented the same or similar classifications of employees at the nearest horse racing meeting.

9. ADVERTISING

Name and address of the advertising agency you will use:

Youbet.com has an internal advertising group and employs The Ad Barn for advertising campaigns.

**The Ad Barn
3147 Glenmanor Place
Los Angeles, CA 90039
Phone 310-694-4977
Fax 323-665-7305**

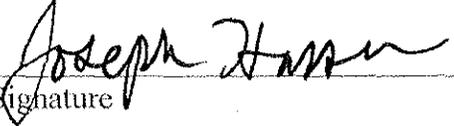
NOTICE – Pursuant to Rule 2071 (h) all advertisements shall contain a statement that persons under 18 are not allowed to open or have access to Accounts. All advertisements shall contain contact information for a recognized problem-gambling support organization. Additionally, pursuant to B&P Section 19604 (D) (3) advertisements shall not be deceptive to the public.

10. CERTIFICATION

I hereby certify under penalty of perjury that I have examined this Application, that all of the foregoing statements in this Application are true and correct, and that I am authorized to attest to this Application.

Joseph Hasson

Print Name


Signature

V.P. Online Operations

Print Title

September 28, 2007

Date

Application is made to the CHRB for approval to conduct Advance Deposit Wagering in accordance with the California Business and Professions (B&P) Code and CHRB Rules and Regulations (Rule) and the provisions of the Interstate Horseracing Act, 15 U.S.C. 3001 to 3007.

NOTICE – By submitting the Application the out-of-state Applicant consents to the jurisdiction of California courts and the application of California law as to all California wagers and operations.

Application must be filed not later than 90 days in advance of the date scheduled to conduct Advance Deposit Wagering and must be accompanied by a bond from a surety company admitted in the state of California or other form of financial security in the amount of \$500,000.

1. OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB (out-of-state Hub)

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

Youbet.com, Inc.
5901 De Soto Avenue
Woodland Hills, California 91367
(818) 668-2100 Telephone
(818) 668-2101 Fax

B. Name, title, license number and racing jurisdiction where licensed for all management personnel:

David Marshall, Vice Chairman & Co-Founder, CHRB 277543
Charles Champion, Chairman, President and Chief Executive Officer, CHRB 267111
Gary Sproule, Chief Operating Officer, CHRB 280946
James Burk, Chief Financial Officer, CHRB To Be Licensed
Michael Stark, Vice President, Engineering, CHRB 280947
Arcelia Padilla, Vice President of Human Resources and Administration, CHRB 267113
Joe Barletta, Director, CHRB 284548
Robert Brierly, Director, CHRB 282875
James Edgar, Director, CHRB 284545
Michael Brodsky, Director, CHRB To Be Licensed
Jay P. Pritzker, Director, CHRB To Be Licensed
Frederick Jack Liebau, Director, CHRB 222157
Steven C. Good, Director, 280281

CHRB CERTIFICATION

Application received: 10/2/07
Reviewed: *CPA*

Hearing date: 11/29/07
Approval date:

- C. Name, title and mailing address of the California agent for receipt of service of process:

**Dan Perini, Assistant General Counsel
Legal Department
Youbet.com, Inc.
5190 De Soto Avenue
Woodland Hills, California 91367**

- D. Attach the contract with the California racing association or fair and the required horsemen's approval under the Interstate Horseracing Act that permits you to provide Advance Deposit Wagering services and identify the amount of the market access fee to be paid to the California racing association or fair for access to the California market for wagering purposes.

In May 2001 Youbet.com entered in to an agreement with Television Games Network ("TVG") that gave Youbet.com a license to utilize TVG's patents. The agreement can be found under ATTACHMENT 1. The systems, software and processes are owned and operated by Youbet.com. In addition to the license for the patents, the agreement grants Youbet.com a license to the right to video stream and accept online pari-mutuel wagers on horse racing from virtually all of TVG's exclusive partner racetracks. The California race tracks included under this agreement are as follows: Del Mar, Hollywood Park, Los Alamitos, Oak Tree at Santa Anita and Fairplex. The market access fees are defined in the TVG contract with the California racetracks and signed consents can be found under ATTACHMENT 2.

Recent ADW Approvals from the TOC can be found under ATTACHMENT 3.

Letter of consent with PQRA can found under ATTACHMENT 4.

Simulcast Agreement with California non-TVG exclusive thoroughbred tracks can be found under ATTACHMENT 5.

Simulcast Agreements with Cal Expo and California Harness Horsemen's Association can be found under ATTACHMENT 6.

2. DATES OF OPERATION

- A. Dates Advance Deposit Wagering will be conducted:

January 1, 2008 – December 31, 2009

- B. Hours Advance Deposit Wagering will be conducted:

The Youbet service is normally available 14.5 hours a day 7 days a week with hours of operation being approximately 8:30 a.m. – 11:00 p.m. PT

3. BUSINESS STRUCTURE

- A. Corporation (complete subsection B)
- LLC (complete subsection C)
- Other (specify, and complete subsection D)

Complete the applicable subsection

B. CORPORATION

- 1. Registered name of the corporation:

Youbet.com, Inc.

- 2. State where incorporated:

Delaware

- 3. Registry or file number for the corporation:

95-4627253 – Federal ID Number

- 4. Name of all officers and directors, titles, and number of shares of the corporation held by each:

Name	Title	# of Shares Owned
David M. Marshall	Vice Chairman, Co-Founder	1,572,787
Charles F. Champion	Chairman, President and Chief Executive Officer	62,500
James Edgar	Director	10,000
Gary Adelson	Director	0
Joseph Barletta	Director	49,000
Steven C. Good	Director	17,500
Michael Brodsky	Director	2,000
Jay P. Pritzker	Director	3,914,143,
F. Jack Liebau	Director	35,000
Gary Sproule	Chief Operating Officer	110,000
James Burk	Chief Financial Officer	25,000

- 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:

JP Morgan Asset Management, Inc.
UT Group LLC
New World Opportunity Partners I LLC

6. Number of outstanding shares in the corporation:

42,119,743

7. Are the shares listed for public trading?

Yes

No

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

NASDAQ

8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation:

American Stock Transfer and Trust Company

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

N/A

10. Attach the most recent annual financial statement for the corporation, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the corporation and/or the Securities and Exchange Commission and/or the corresponding state where you registered your corporation.

ATTACHMENT 7

2006 Annual Report (SEC Form 10K)

ATTACHMENT 8

Quarterly Report Ending June 30, 2007 (SEC Form 10Q)

11. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval.

ATTACHMENT 9

Annual Operation Plan

C. LLC

1. Registered name of the LLC:

2. State where articles of organization are filed:

3. Registry or file number for the LLC:

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

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

6. Are the shares listed for public trading?

Yes

No

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

7. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
8. Attach the most recent annual financial statement for the LLC, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the LLC and/or the Securities and Exchange Commission and/or the corresponding state where you registered your corporation.
9. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval.

D. OTHER

1. Name(s) of partners/sole proprietor:
2. If a partnership, attach partnership agreement.
3. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the approval.

4. **ESTABLISHING ADVANCE DEPOSIT WAGERING ACCOUNTS** – must comply with Rule 2074.

A. List the procedures to establish an Account:

An interested individual must complete several steps in order to become a Youbet.com subscriber and to open a wagering account. Youbet.com complies with the CHRB Rule 2075.

Verifying the customer's qualifications to become a subscriber is an integral part of the Youbet.com sign-up process. Youbet.com is concerned with two major issues; state of residence and age. To become a Youbet.com Network subscriber, an applicant must be a resident in one of the 40 jurisdictions (ATTACHMENT 10) in which Youbet.com provides service and must be 21 years old or older. Accounts may be established by phone, mail or the Youbet.com website. Youbet.com reserves the right to close or to refuse to open an account.

The account holder must provide the following information:

- Full legal name
- Principal place of residence
- Telephone number
- Social Security Number
- Proper identification or certification the account holder is at least 21 years of age

Youbet.com, using the verification services of Equifax Credit Reporting, validates the information provided by the account holder. This information will be subject to electronic verification through Equifax, and should a discrepancy be found during verification, the account holder will be contacted to provide satisfactory supporting documentation to establish identity and residence. After the validation process is complete a wager account is established and the customer is now permitted to fund the account. At that point, the applicant is considered a "subscriber" to Youbet.

For more operational details see our Operation Plan as ATTACHMENT 11.

- B. If an application form is used to establish an Account attach a copy of the form.

ATTACHMENT 12

- C. Name and address of the third party you will use to verify identity, residence and age verification:

**Equifax Credit Information Systems, Inc.
P.O. Box 740006
Atlanta, GA 30374**

5. OPERATION OF ADVANCE DEPOSIT WAGERING ACCOUNTS – must comply with Rule 2073.

- A. Submit a copy of your plan for operation.

See ATTACHMENT 11.

- B. List the type of deposits you will accept:

Credit card, electronic check, check, money order, wire transfer. See Operation Plan for detail of velocity limits and overall policies for depositing funds into a wagering account (ATTACHMENT 11).

- C. Identify any fees or transaction-related charges and the amount that will be assessed:

Certain customers are charged \$10.95 per month for up to ten hours of live video per month or \$17.95 for unlimited video per month. Monthly subscription fees are waived for customers wagering a monthly average of at least \$350.00.

Also, customers will be charged a service fee of \$2.50 for an account withdrawal in an amount equal to or less than \$25.00. The service fee will be automatically withdrawn from the subscriber's wagering account. If the subscriber's withdrawal is equal to or less than \$2.50, the amount of the withdrawal will be applied to the service fee.

6. SECURITY ACCESS

- A. Attach your security access policy and safeguards pursuant to B&P Section 19604 (c) (2). Policy must include the following:

1. Description of the technology to ensure identity, residence, and age verification when an Account is established:

Youbet.com uses the services from Equifax Credit Information Services, Inc.

The customer's Social Security number is used to search Equifax's consumer credit

database. As a secondary search, the customer's driver's license number is used to search against a nationwide database. Together these searches provide Youbet with a match or no match indication. If a match is returned, Youbet verifies the customer is of a legal age and in a legal state. In addition, if a customer submits a post office box as an address, the customer is contacted for a residential address that is used to verify the customer's residential address. If the customer submits a second address but requests to use the post office box as the mailing address, Youbet stores the residential address as the address of record and the post office box as the mailing address. Further, both addresses must be in the same state.

Customers must supply the following information:

- First Name
- Last Name
- Residence Address
- Date of Birth
- Social Security Number

2. Description of the technology to ensure confidentiality of the Means of Personal Identification:

All sensitive data is stored in an encrypted state in Youbet's database. The data is only decrypted when used by internal secure applications. The customer's Social Security Number, Driver's License Number and password/PIN are encrypted and cannot be viewed by non-authorized Youbet personnel.

The following data is encrypted:

- Password
- Social Security Number
- Credit Card Numbers
- Checking Account Number

In addition these other steps are taken to insure security of the PIN:

- The customer's PIN must differ from their Handle or User ID
- The customer's PIN must be four (4) digits in length
- The customer's account is locked on the consecutive third unsuccessful attempt to log in. The customer must contact Youbet customer support and provide appropriate identification to have the account unlocked.
- If the customer forgets their password, they must supply their Handle/User ID, date of birth and registered email address to obtain the password.

The password memory feature of Microsoft's operating system and browser are disabled for all Youbet products and web sites.

3. Methods and locations available for Account Holders to withdraw funds from their Account:

Youbet customers can request a withdrawal on-line or mail or fax a signed withdrawal slip to Youbet's office. A check in the amount of the withdrawal is mailed to the mailing

address listed on file for the customer.

4. If the Advance Deposit Wagering records will be maintained at a site other than the out-of-state Hub provide the name, address, telephone and fax numbers and the hours of operation:

All records are maintained at Youbet.com. The following entities also store certain information:

Youbet.com, Inc. – 5901 De Soto Avenue, Woodland Hills, CA 91367

United Tote Company – 5901 De Soto Avenue, Woodland Hills, CA 91367

7. PARI-MUTUEL

- A. Name, address and telephone number of the pari-mutuel audit firm:

**Piercy Bowler Taylor & Kern
Certified Public Accountants & Business Advisors
6100 Elton Avenue, Suite 1000
Las Vegas, Nevada 89107
Phone: (702)384-1120
Fax: (702) 870-2474**

- B. Type(s) of pari-mutuel or totalizer equipment to be used and the simulcast organization, name of the entity supplying equipment, and expiration date of the service contract:

Totalizer equipment: United Tote Company – No Contract

Simulcast organization: Youbet Inter-Tote Systems Protocol (“ITSP”) is provided by Robertson Communication, term is December 31, 2008.

- C. List the locations of the racing venues on which Advance Deposit Wagering will be accepted:

See ATTACHMENT 13

NOTICE – The pari-mutuel system used must use a device or combination of devices authorized and operated exclusively for placing, receiving, or otherwise making a wager and by which a person must subscribe to in order to place, receive or otherwise make a wager; an effective customer and age verification system and the appropriate data security standards to prevent unauthorized access by any person who has not subscribed or who is under the age of 18.

8. CONTRACTS AND AGREEMENTS

A. List name and address of all organizations you will contract with to facilitate Advance Deposit Wagering that are not provided in other sections of this application:

Robertson Communications Network, Inc., 4175 Cameron Street, Suite B-10, Las Vegas, NV 89103

B. List each contract or agreement to facilitate Advance Deposit Wagering that is not finalized and signed:

N/A

9. ADVERTISING

Name and address of the advertising agency you will use:

Youbet.com has an internal advertising group and employs The Ad Barn for advertising campaigns.

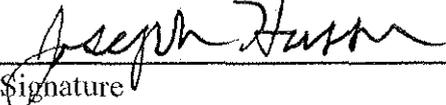
**The Ad Barn
3147 Glenmanor Place
Los Angeles, CA 90039
Phone 310-694-4977
Fax 323-665-7305**

NOTICE – Pursuant to Rule 2072 (h) all advertisements shall contain a statement that persons under 18 are not allowed to open or have access to Accounts. All advertisements shall contain contact information for a recognized problem-gambling support organization. Additionally, pursuant to B&P Section 19604 (D) (3) advertisements shall not be deceptive to the public.

10. CERTIFICATION

I hereby certify under penalty of perjury that I have examined this Application, that all of the foregoing statements in this Application are true and correct, and that I am authorized to attest to this Application.

Joseph Hasson
Print Name


Signature

V.P. Online Operations
Print Title

September 28, 2007
Date

STAFF ANALYSIS
November 29, 2007

ISSUE: APPLICATION FOR APPROVAL TO CONDUCT ADVANCE DEPOSIT WAGERING FOR XPRESSBET, INC., JANUARY 1, 2008 THROUGH DECEMBER 31, 2009.

XpressBet filed its application as an out-of-state multi-jurisdictional wagering hub to provide Advance Deposit Wagering. They are currently licensed through December 31, 2007 as an out-of-state multi-jurisdictional wagering hub to provide Advance Deposit Wagering.

- January 1, 2008 through December 31, 2009, during all times races are run which could be up to twenty-four hours a day. They have applied for a two-year license. Assembly Bill 765 (Evans) approved by the Governor on October 13, 2007 includes specific provisions that must be met before an ADW provider can accept wagers.

These include: (*Excerpts taken from AB 765*)

No ADW provider may accept wagers on races conducted in California from a resident of California unless all of the following conditions are met:

1. The ADW provider must be licensed by the Board.
2. A written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made.
3. The agreement referenced in subparagraph (2) shall have been approved in writing by the horsemen's organization responsible for negotiating purse agreements for the breed on which the wagers are made in accordance with the Interstate Horseracing Act (15 U.S.C. Sec. 3001, et seq.), regardless of the location of the ADW provider, whether in California or otherwise, including, without limitation, any and all requirements contained therein with respect to written consents and required written agreements of horsemen's groups to the terms and conditions of the acceptance of those wagers and any arrangements as to the exclusivity between the host racing association or fair and the ADW provider. For purposes of this subdivision, the substantive provisions of the Interstate Horseracing Act shall be taken into account without regard to whether, by its own terms, that act is applicable to advance deposit wagering on races conducted in California accepted from residents of California.

No ADW provider may accept wagers on races conducted outside of California from a resident of California unless all of the following conditions are met:

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

Under AB 765

"The board shall not approve an application for an original or renewal license as an ADW provider unless the entity, if requested in writing by a bona fide labor organization no later than ninety days prior to licensing, has entered into a contractual agreement with that labor organization"

AB 765 Defines

“Hub agreement” as a written agreement providing for contractual compensation paid with respect to advance deposit wagers placed by California residents on a particular breed of racing conducted outside of California. In the event a hub agreement exceeds a term of two years, then an ADW provider, one or more racing associations or fairs that together conduct no fewer than five weeks of live racing for the breed covered by the hub agreement, and the horsemen's organization responsible for negotiating purse agreements for the breed covered by the hub agreement shall be signatories to the hub agreement. A hub agreement is required for an ADW provider to receive contractual compensation for races conducted outside of California.”

Pursuant to an agreement reached involving all ADW applicants and the TOC an eight-month experiment that opens up thoroughbred racing to all ADW providers has been completed. The agreement began Wednesday November 7, 2007 with the opening of the Hollywood Park and Golden Gate Fields fall race meetings and continues through the closing day of the Hollywood Park spring-summer race meeting.

- Xpressbet will provide advance deposit wagering services, under the eight-month agreement, for the following:
 - Hollywood Park
 - Bay Meadows Racing Association
 - Golden Gate Fields
 - Santa Anita Park

Xpressbet will also provide advance deposit wagering services for the following:

- California Authority of Racing Fairs
- Del Mar Thoroughbred Club at Del Mar
- Oak Tree Racing Association at Santa Anita Park
- Sacramento Harness at Cla Expo
- Los Alamitos Racing Association at Los Alamitos Race Course

The following items have not been submitted:

- Eight-Month Experiment Agreement between: TVG, Xpressbet, Churchill Downs Technology Initiatives Company dba TwinSpies.com Brisbet.com Twinbet.com, Winticket.com, and Youbet; Thoroughbred Owners of California and Hollywood Park, Bay Meadows, Golden Gate Fields, Santa Anita Park.

The following matters remain unsolved and will need to be completed before ADW wagers can be accepted:

1. Contractual Agreement with Labor Organization.
2. Hub Agreement.

RECOMMENDATION:

Staff recommends that the Board hear from the applicant concerning the status of unresolved matters.

STATE OF CALIFORNIA
 CALIFORNIA HORSE RACING BOARD (CHRB)
 APPLICATION FOR LICENSE TO CONDUCT ADVANCE DEPOSIT WAGERING
 CHRB-133 (New 9/01)

Application is made to the CHRB for a license to conduct Advance Deposit Wagering in accordance with the California Business and Professions (B&P) Code and CHRB Rules and Regulations (Rule) and comply with the provisions of the Interstate Horseracing Act, 15 U.S.C. 3001 to 3007.

NOTICE -- By submitting the Application the out-of-state Applicant consents to the jurisdiction of California courts and the application of California law as to all California wagers and operations.

Application must be filed not later than 90 days in advance of the date scheduled to conduct advance deposit wagering and must be accompanied by a bond or other form of financial security in the amount of \$500,000.

I. OUT-OF-STATE MULTI-JURISDICTIONAL WAGERING HUB (out-of-state Hub)

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

XpressBet, Inc.
200 Race Track Road
Washington, PA 15301
Telephone: (412) 232-6916
Facsimile: (412) 232-6917

B. Name, title, license number and racing jurisdiction where licensed for all management personnel:

Please note that under Oregon law, the following individuals are not required to hold a license issued by the Oregon Racing Commission, but each individual does hold a license issued by the CHRB.

<u>Name</u>	<u>Title</u>	<u>CHRB License No.</u>
Ronald W. Luniewski	President	275875
Blake S. Tohana	Executive Vice-President and Chief Financial Officer	278963
James Bromby	Senior Vice-President, Operations	277254
Brant Latta	Senior Vice-President, Operations	268701
William G. Ford	Secretary	287893
Mary Lyn Seymour	Vice-President and Controller	281811

C. Name, title and mailing address of the California agent for receipt of service of process:

CT Corporation System
818 West Seventh Street
Los Angeles, CA 90017

CHRB CERTIFICATION

Application received: 10/2/07
 Reviewed: *(signature)*

Hearing date: 11/29/07
 Approval date:

- D. Attach the contract with the California racing association or fair and the required horsemen's approval under the Interstate Horseracing Act that permits you to provide Advance Deposit Wagering services and identify the amount of the market access fee to be paid to the California racing association or fair for access to the California market for wagering purposes.

Below is a list of the Race Track licensees with which XpressBet has contracted or is in the process of contracting with the entities listed. Please find attached as Exhibit 1 a copy of various Race Track licensee agreement, along with a copy of XpressBet's agreement with the Thoroughbred Owners of California.

<u>Race Track</u>	<u>Licensee</u>
Santa Anita Park	Los Angeles Turf Club, Incorporated
Bay Meadows Racecourse	Bay Meadows Racing Association
Golden Gate Fields	Pacific Racing Association
California Expo	Sacramento Harness Association
Stockton	San Joaquin Fair
Fresno	Fresno County Fair
Pleasanton	Alameda County Fair
Vallejo	Solano County Fair
Santa Rosa	Sonoma County Fair
Bay Meadows Racecourse	San Mateo Fair
Del Mar	Del Mar Thoroughbred Club
Fairplex Park	Los Angeles County Fair Association
Humboldt	Humboldt County Fair

2. DATES OF OPERATION

- A. Dates Advance Deposit Wagering will be conducted:
XpressBet, Inc. will conduct advance deposit wagering as of January 1, 2008 up to and including December 31, 2009.
- B. Hours Advance Deposit Wagering will be conducted:
While races are run, up to twenty-four (24) hours per day

3. BUSINESS STRUCTURE

- A. Corporation (complete subsection B)
 LLC (complete subsection C)
 Other (specify, and complete subsection D)

Complete the applicable subsection

B. CORPORATION

- 1. Registered name of the corporation:
XpressBet, Inc.
- 2. State where incorporated:
Delaware

3. Registry or file number for the corporation:
3373240
4. Name of all officers and directors, titles, and number of shares of the corporation held by each;

<u>Name</u>	<u>Title</u>	<u>Number of Shares Owned</u>
Ronald W. Luniewski	President	None
Blake S. Tolana	Executive Vice-President and Chief Financial Officer	None
James Bromby	Senior Vice-President, Operations	None
Brant Latta	Senior Vice-President, Operations	None
William G. Ford	Secretary	None
Mary Lyn Seymour	Controller	None

5. Names (true names) of all entities and persons, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the corporation and the number of shares held by each:
Magna Entertainment Corp. – 100 Shares
6. Number of outstanding shares in the corporation:
100 common shares
7. Are the shares listed for public trading? Yes No **X**
If yes, on what exchange and how is the stock listed:
Note that Magna Entertainment Corp.'s Class A Subordinate Voting Stock is traded on the NASDAQ National Market under the symbol "MECA" and on the Toronto Stock Exchange under the symbol "MECA".
8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation:
Not applicable
9. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
Magna Entertainment Corp.
10. Attach the most recent annual audited financial statements for the corporation, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the corporation and/or the Securities and Exchange Commission and/or the California Corporations Commission.
Magna Entertainment Corp. reports its financial results on a consolidated basis and therefore separate financials of the Applicant are not available. Attached as Exhibit 2 for your review are the 2006 audited annual financial statements and the unaudited six-month financial

statements for the period ending June 30, 2007 of the Applicant's parent, Magna Entertainment Corp.

11. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the license.

As per discussions with the CHRB, the XpressBet business plan for 2008 is being provided under separate cover and shall remain confidential at all times to the CHRB.

C. LLC - Not Applicable

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

D. OTHER - Not Applicable

1. Name(s) of partners/sole proprietor:
2. If a partnership, attach partnership agreement.
3. Attach a business plan to include a detailed budget that shows anticipated revenue, expenditures and cash flow by month projected for the term of the license.

4. ESTABLISHING ADVANCE DEPOSIT WAGERING ACCOUNTS – must comply with Rule 2075.

- A. List the procedures to establish an Account:
Included in the attached Exhibit 3, Plan of Operation, is the Applicant's Account Opening Procedures.
- B. If an application form is used to establish an Account, attach a copy of the form.
Attached as Exhibit 4 is a copy of the application form. Similar forms are used for on-site or in-person applications.

- C. Name and address of the third party you will use to confirm identity, residence and age verification:

In respect of wagers placed through the Applicant's internet and telephone account wagering products, the Applicant will utilize the services of Equifax Information Services LLC to provide identity, residence and age verification services. The address of Equifax Information Services LLC is set forth below:

Equifax Information Services LLC
1550 Peachtree N.W.
Atlanta, Georgia 30348

Attached hereto as Exhibit 5 is information about Equifax and a copy of its most recent Form 10-K as filed with the United States Securities and Exchange Commission.

In respect of wagers placed through the Applicant's Horse Wizard™ simplified wagering machines (the "SWMs"), the Applicant will not conduct a third party verification of identification for users of the Applicant's SWMs located at Santa Anita and Golden Gate Fields. As previously stated in the Applicant's amendment to its 2004 ADW license, which the CHRB approved on September 15, 2004, the Applicant respectfully submits that no third party verification of user identification is necessary with respect to the SWMs because all wagers placed through the SWMs will be treated as wagers made by a resident of the jurisdiction where the track offering the SWMs is located.

5. OPERATION OF ADVANCE DEPOSIT WAGERING ACCOUNTS – must comply with Rule 2073.

- A. Submit a copy of your plan for operation.
Attached as Exhibit 3 is Applicant's *Plan of Operation*.

- B. List the type of deposits you will accept:
In respect of internet and telephone account wagering, the Applicant will accept the following types of deposits: cash deposits made directly, personal checks, cashier's checks, money orders made directly or mailed, debits to an Account Holder's credit card or debit card, and wire and other electronic transfers from a monetary account controlled by Account Holder.

In respect of accounts opened in connection with wagers placed through the Applicant's SWMs, the Applicant will accept cash, cashiers checks, money orders and any other certified forms of funds for deposit in person at Santa Anita or Golden Gate Fields. Personal checks, wire transfers and credit cards may not be used for deposits to SWM accounts.

- C. Identify any fees or transaction-related charges and the amount that will be assessed:
For purposes of internet and telephone account wagering, customers will not be charged a monthly membership or wagering fee or a per-call or wager

transaction fee. However, customers may be charged a value added transaction fee of \$0.25 per telephone call when dealing with a live teller. Processing fees may be charged in respect of deposits made pursuant to Item 5B above, via credit card cash advance or wire transfers.

To the extent credit cards are used/permitted to be used in connection with internet and telephone account wagering, processing fees for credit card cash advances will be no greater than 6%. High value customers may not be subject to credit card cash advance processing fees.

A wire transfer of less than \$250.00 is subject to a \$5 processing fee. A wire transfer of greater than \$250.00 is not subject to any charge.

Customers requesting special delivery (e.g. courier) may be charged the cost of those services.

None of the aforementioned fees and/or charges will be charged in respect of accounts opened in connection with wagers placed through the Applicant's SWMs because none of the services set forth above will be offered for funding an account opened in connection with wagering through the Applicant's SWMs.

As the distribution platforms evolve and future enhancements deliver increased functionality to customers, monthly fees or surcharges may be implemented for added value services.

6. SECURITY ACCESS

- A. Attach your security access policy and safeguards pursuant to B&P Section 19604 (c) (2). Policy must include the following:
Please refer to Exhibit 6 for Items 1 – 4.

1. Description of the technology to ensure identity, residence, and age verification when an Account is established.
2. Description of the technology to ensure confidentiality of the Means of Personal Identification.
3. Methods and locations available for Account Holders to withdraw funds from their Account.
4. If the Account Deposit Wagering records will be maintained at a site other than the out-of-state Hub provide the name, address, telephone and fax numbers and the hours of operation.

7. PARI-MUTUEL

- A. Name, address and telephone number of the pari-mutuel audit firm:

Bowen & McBeth
10722 Arrow Route, Suite 110
Rancho Cucamonga, California 91730
Telephone: 909-944-6465
Facsimile: 909-980-4788

8. **CONTRACTS AND AGREEMENTS**

A. List name and address of all organizations you contracted with to facilitate Advance Deposit Wagering:

**AmTote International, Inc.
11200 Pepper Road
Hunt Valley, MD 21031-1324**

**Magna Entertainment Corp. (supplier of SWMs)
337 Magna Drive
Aurora, ON L4G 7K1
Canada**

B. List each contract or agreement to facilitate Advance Deposit Wagering that is not finalized and signed: **N/A**

9. **ADVERTISING**

Name and address of the advertising agency you will use:

**Candelaria Advertising
1545 Idlewood Rd.
Glendale, California 91202**

NOTICE – Pursuant to Rule 2072 (h) all advertisements shall contain a statement that persons under 18 are not allowed to open or have access to Accounts. All advertisements shall contain contact information for a recognized problem-gambling support organization. Additionally, pursuant to B&P Section 19604 (D) (3) advertisements shall not be deceptive to the public.

10. **CERTIFICATION**

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

Ron Luniewski
Print Name:


Signature:

President
Print Title:

10-4-2007
Date:

CALIFORNIA HORSE RACING BOARD

NOVEMBER 29, 2007
REGULAR BOARD MEETING

There is no board package material for item 18

CALIFORNIA HORSE RACING BOARD

NOVEMBER 29, 2007
REGULAR BOARD MEETING

There is no board package material for item 19

CALIFORNIA HORSE RACING BOARD

NOVEMBER 29, 2007
REGULAR BOARD MEETING

There is no board package material for item 20