

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

of the **California Horse Racing Board** will be held on **Tuesday, August 21, 2007**, commencing at **10:00 a.m.**, at the **San Luis Rey Downs Training Center, 5772 Camino Del Rey, Bonsall, California**.

There will be a tour of the **San Luis Rey Downs Training Center**, commencing at **8:30 a.m.** for all interested parties. Also, a reception and tour of the **Vessel's Stallion Farm** will be held following the meeting for all interested parties.

AGENDA

Action Items:

1. Approval of the **minutes of the regular meeting of July 19, 2007**.
2. Discussion by the Board **concerning the future of the San Luis Rey Downs Training Center**.
3. Discussion and action by the Board on the **Application for License to Conduct a Horse Racing Meeting of the Oak Tree Racing Association (T) at Santa Anita**, commencing September 26 through November 4, 2007, inclusive.
4. Discussion and action by the Board on the **Application for License to Conduct a Horse Racing Meeting of the Big Fresno Fair (F) at Fresno**, commencing October 3 through October 14, 2007, inclusive.
5. Public hearing and action by the Board on the **proposed amendment of CHRB Rule 1486, Term of License**, to set the term for the Backstretch Event Personnel license classification.
6. Update and discussion by the Board **on the legislative bills concerning California's horseracing industry**.
7. Discussion and action by the Board on the **nomination of members to the Board of Directors of the California Thoroughbred Horsemen's Foundation, Inc.**
8. Discussion and action by the Board **concerning granting the Executive Director and the Chairman of the Board the authority to execute and approve settlements involving medication violations for class I, II and III drug substances**.

9. Discussion and action by the Board **concerning host fee compliance as per Business and Professions Code 19604.**
10. Discussion and action by the Board **on the proposed adoption of the CHRB Conflict of Interest and Ethics Code.**
11. Discussion by the Board regarding the **feasibility of closing wagering early from sites that do not have instantaneous transfers of wagering information to prevent odds changes once the race has begun.**
12. Staff mid-year track report on the following race meets:
Concluded race meets:
 - A. **Pacific Racing Association** at Golden Gate Fields from December 26, 2006 through February 11, 2007.
 - B. **Los Angeles Turf Club** at Santa Anita from December 26, 2006 through April 22, 2007.
 - C. **Bay Meadows Racing Association** at Bay Meadows from February 14, 2007 through April 22, 2007.
 - D. **Pacific Racing Association** at Golden Gate Fields from April 25, 2007 through June 10, 2007.
 - E. **Hollywood Park Racing Association** at Hollywood Park from April 25, 2007 through July 15, 2007.
 - F. **San Joaquin County Fair** at Stockton from June 14, 2007 through June 24, 2007.
 - G. **Alameda County Fair** at Pleasanton from June 27, 2007 through July 8, 2007.**In progress race meets through July 31, 2007:**
 - A. **Sacramento Harness Association** at Cal Expo from December 28, 2006 through July 28, 2007.
 - B. **Los Alamitos Quarter Horse Racing Association** at Los Alamitos from December 28, 2006 through December 23, 2007.
 - C. **Sonoma Solano Wine Country Racing** at Solano County Fair from July 11, 2007 through July 15, 2007 continuing at Santa Rosa County Fair from July 18, 2007 through August 6, 2007.
 - D. **Del Mar Thoroughbred Racing Association** at Del Mar from July 18, 2007 through September 5, 2007.
13. Report of the **Security and Licensing Committee.**
14. Report of the **Pari-Mutuel/ADW and Simulcast Committee.**
15. Report of the **Strategic Planning Committee.**
16. **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.

17. **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. Personnel
 - B. Board may convene a Closed Session to consider any of the attached pending litigation.
 - C. The Board may also convene a Closed Session to consider any of the attached pending administrative licensing and disciplinary hearings.

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

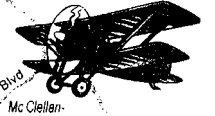
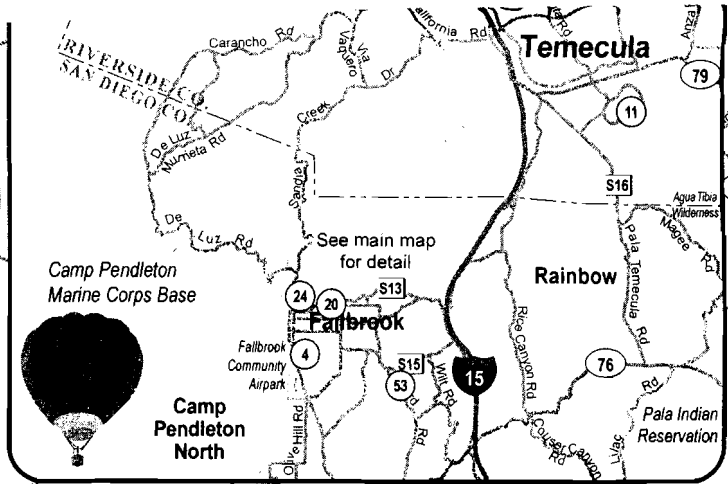
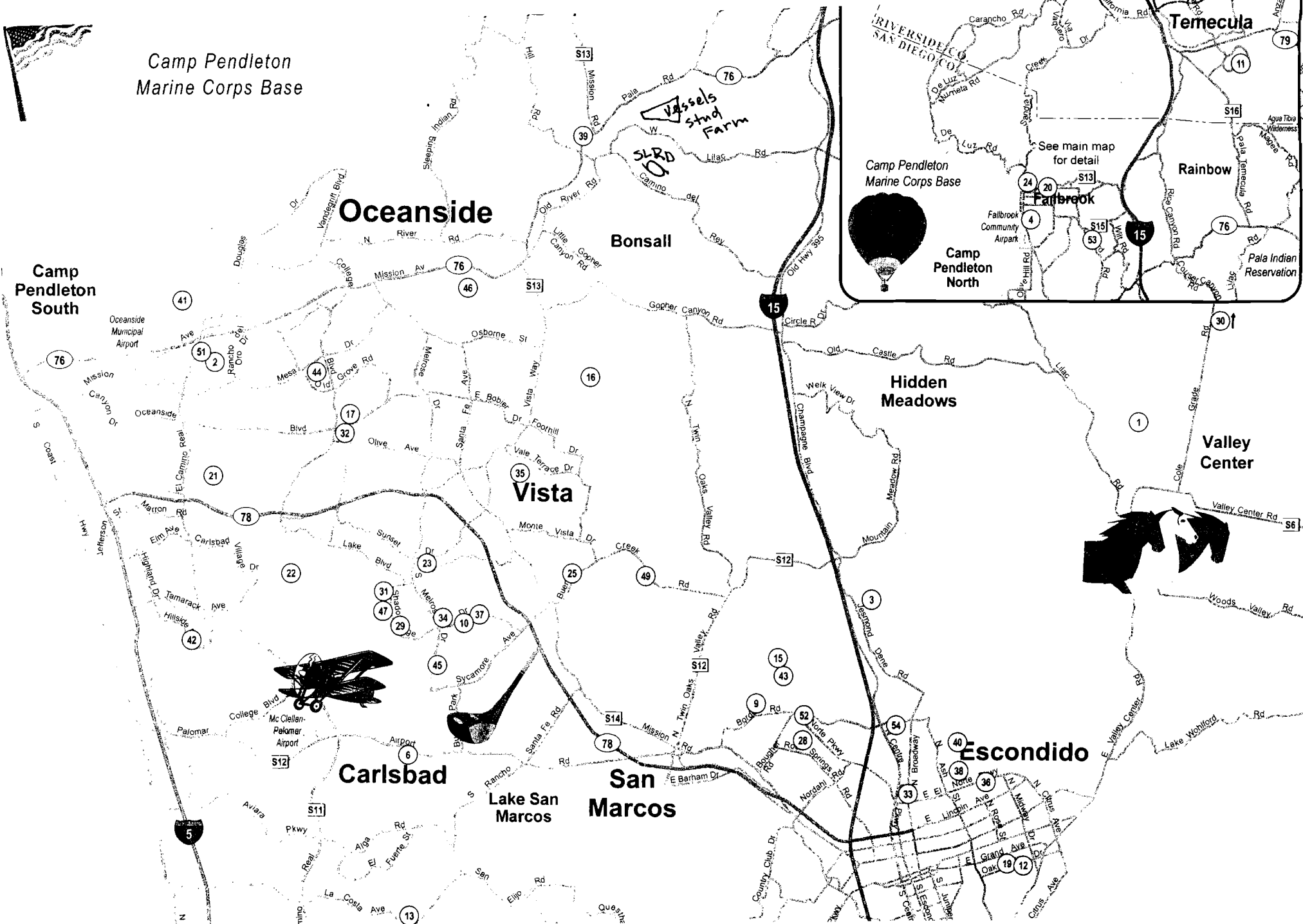
CALIFORNIA HORSE RACING BOARD

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

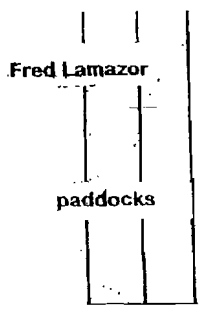
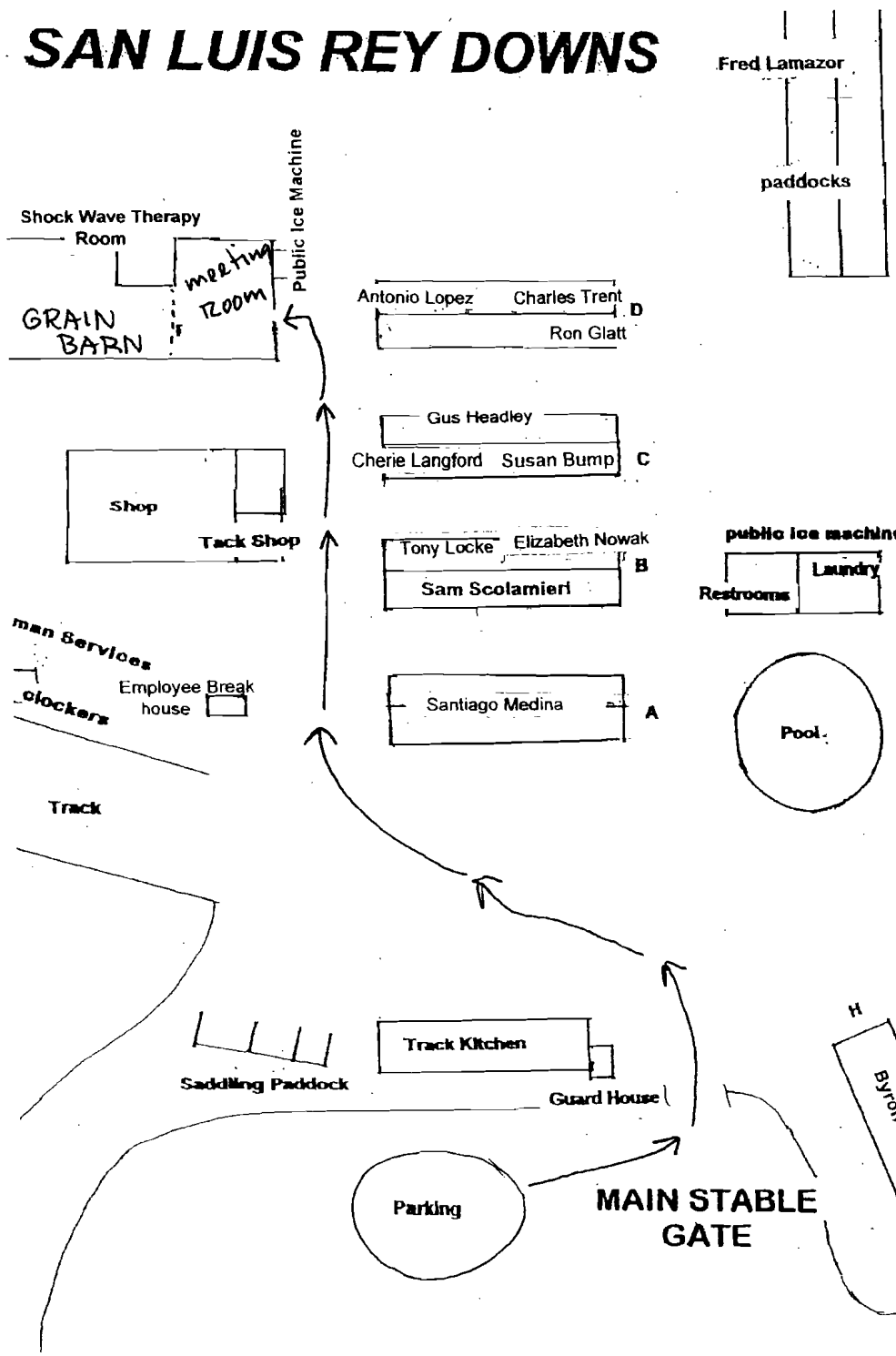
Date of Notice: August 10, 2007



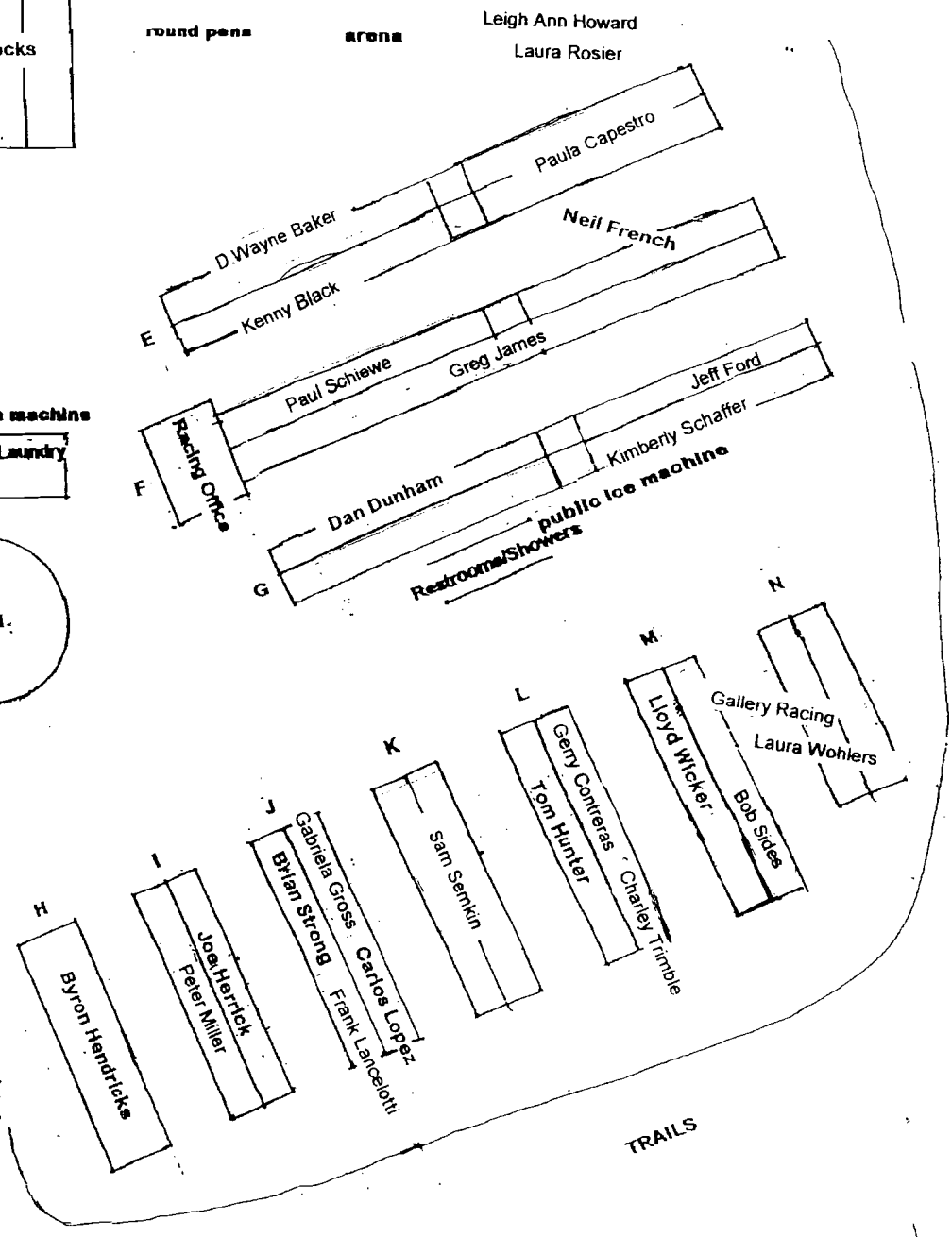
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PROCEEDINGS of the Regular Meeting of the **California Horse Racing Board** held at the **Del Mar Surfside Race Place**, 2260 Jimmy Durante Boulevard, Del Mar, California, on **July 19, 2007**.

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

MINUTES

Chairman Shapiro asked for approval of the minutes of the Regular Meeting of June 19, 2007. Executive Director Ingrid Fermin stated she had a correction to a name on page 22. Chairman Shapiro said the change would be made. Commissioner Choper **motioned** to approve the minutes as amended. Vice-Chairman Harris **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE BAY MEADOWS RACING ASSOCIATION (T) AT BAY MEADOWS, COMMENCING AUGUST 22 THROUGH NOVEMBER 4, 2007, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the Bay Meadows Racing Association (BMRA) proposed to run 52 days for a total of 447 races. Ms. Wagner stated BMRA did not run during the same period in 2006. The first post time would be 12:45 p.m. daily, and 7:00 p.m. Friday nights. BMRA's advance deposit wagering (ADW) providers were TVG, XpressBet and YouBet. Ms. Wagner said the application was complete, and staff recommended the Board approve the

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application as presented. Chairman Shapiro stated on most racing associations' applications the projected number of races per day was historically 8.6. However, sometimes there would actually be eight races a day during the week, and ten or 11 races on the weekend, with short fields. Chairman Shapiro asked if it would be better to lower the 8.6 races per day so there would not be so many races on the weekends. Bernie Thurman of BMRA said the actual number of races per day was 8.48, but the racing associations put 8.6 on their applications because that was the maximum possible. Chairman Shapiro said it seemed there were too many six or seven horse fields. He stated he was questioning how the process could be improved to preserve the horse population and give fans a better wagering product. Chairman Shapiro added he became concerned when he saw 11 races at the end of a meeting with a couple of four horse fields. Chairman Shapiro asked if BMRA was adding any stalls, or working with Golden Gate Fields (GGF) while GGF installed its synthetic racing surface. Ms. Fermin said portable stalls would be added at Pleasanton and Vallejo to accommodate horses normally stabled at GGF. Thirty-two portable stalls would also be added at BMRA. Ms. Thurman stated everyone had been accommodated, but if more horses came down from the northwest other arrangements would be made. Chairman Shapiro said he noted BMRA would use JetBet machines. Ms. Thurman stated JetBet machines were currently in place at BMRA, but this would be the first meeting where the majority of the terminals would be new. Vice-Chairman Harris commented the machines could be a little complicated for novice fans. Ms. Thurman said BMRA would have service representatives present to coach fans through the process. Commissioner Amerman said he noted BMRA would spend approximately 1.4 million dollars for advertising that would appeal to people who would go to the track anyway.

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He stated the industry, in general, should be reaching out to younger persons, and he wondered if BMRA had explored using the Internet. Commissioner Amerman stated the Internet was much more specific and the cost was not prohibitive. Ms. Thurman said BMRA was working on using the Internet. She stated BMRA also held Family Days on the infield, which attracted a lot of children, and it had a Junior Jockey Club, which allowed children to see the horses and meet jockeys. Ms. Thurman said BMRA also held activities on Friday nights that attracted local college students. Chairman Shapiro asked if there was anything regarding the ADW contracts that could cause problems with wagering at the meeting. Ms. Thurman said there were no problems with ADW. Commissioner Amerman **motioned** to approve the application to conduct a horse racing meeting of BMRA. Commissioner Moretti **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE LOS ANGELES COUNTY FAIR (F) AT FAIRPLEX, COMMENCING SEPTEMBER 7 THROUGH SEPTEMBER 24, 2007, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the Los Angeles County Fair (LACF) proposed to run 16 days, the same number of days as in 2006 for a total of 201 races. The first post time would be 1:00 p.m. Monday, Wednesday and Thursday, and 12:00 p.m. Friday, Saturday and Sunday. LACF would use YouBet, TVG and XpressBet as advance deposit wagering (ADW) providers. Ms. Wagner stated the application was complete, and staff recommended the Board approve the application as presented. Chairman Shapiro asked if LACF projected its purses based on its actual 2006 performance. Mike Seder of LACF said the purses were based on the 2006 performance. He stated there was a triple carryover of approximately \$100,000, and

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that was why LACF could offer the same purse levels as in 2006. Chairman Shapiro said he noted some of the stakes levels were \$150,000 to \$200,000, which he thought was great. He added he saw improvements had been made to the grandstand. Paul Ryneveld of LACF described improvements to the grandstand and the clubhouse at LACF. Vice-Chairman Harris asked if admission to the fair allowed for free admission to the track. Mr. Ryneveld said that was correct. Chairman Shapiro stated he thought LACF did an impressive job of marketing the fair and the track. Scott Kelly of LACF stated the fair just concluded an agreement with Univision Television, which was a major Spanish language media partnership, and would take LACF into a different market. Commissioner Amerman asked if the marketing budget was up from 2006. Mr. Kelly said the marketing budget represented a 5 or 6 percent increase over the previous year. Commissioner Amerman said he noted there was only \$7,500 for Internet marketing, which was not a great amount. Mr. Kelly said LACF had been shifting its media buy over to its website as the business climate changed. He stated in the month of September 2007 the website would have a million and a half unique user visits, which translated to 150 million hits. LACF was investing significant monies in its web program to engage customers who used the Internet. Chairman Shapiro asked if there were any issues with ADW providers that might interfere with the signal. Mr. Henwood of LACF said there were no problems. Commissioner Amerman **motioned** to approve the application for license to conduct a horse racing meeting of LACF. Commissioner Moretti **seconded** the motion, which was **unanimously carried**.

PUBLIC HEARING BY THE BOARD ON THE PROPOSED AMENDMENT OF CHRB RULE 1978, SELECT FOUR, TO PROVIDE OTHER ALTERNATIVES, INSTEAD OF SUBSTITUTING THE POST TIME FAVORITE, FOR A HORSE SCRATCHED FROM ANY LEG OF THE SELECT FOUR.

Mike Martin, CHRB staff, said the proposed amendment of Board Rule 1978, Select Four, would change the name of the regulation to "Pick Four." Instead of automatically giving fans the favorite in a race where their selection was scratched, the proposed amendment would allow for the designation of an alternate runner to replace a scratched selection, or if an alternate selection were not designated, the wager would be paid out of a consolation pool, depending on when the scratch occurred. Vice-Chairman Harris said that meant if the horse was scratched, and the fan did not designate an alternate selection, the wager would be put in a separate pool. Mr. Martin said that was correct. Vice-Chairman Harris commented he liked the concept, but it would be difficult to explain to the wagering public. Mr. Martin stated the wagering public still did not understand the concept, as applied to the Pick Three, which was amended in 2006. He said the racing associations had agreed to publicize the changes in the racing program and on their web sites, and the Daily Racing Form was going to print the changes. Mr. Martin said he also planned to approach the advance deposit wagering providers regarding publicity for the changes. Vice-Chairman Harris asked if it mattered when the scratch occurred. Mr. Martin said if the scratch was before the first leg ran, the wager would be refunded. Commissioner Moss **motioned** to adopt the amendment to Rule 1978. Commissioner Choper **seconded** the motion, which was **unanimously carried**.

PUBLIC HEARING 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, SHOETING MULES, TO PROVIDE THAT MULES MAY RUN UNSHOD.

Jacqueline Wagner, CHRB staff, said the proposal would add Article 10.5, which would be an article to contain all mule racing rules; Rule 1747, Mule Racing Rules, which specified that mule races must adhere to CHRB rules in general, but rules unique to mule racing would be placed under Article 10.5, and Rule 1748, Shoeing Mules, to provide that mules may run unshod. The proposal to allow mules to run unshod was a request of the American Mule Racing Association. The proposed addition of Article 10.5, Rule 1747 and Rule 1748 was noticed for a 45-day public comment period. No comments were received. Ms. Wagner stated staff recommended the Board adopt the proposal as presented. Vice-Chairman Harris said he was concerned that under Rule 1748 the association had to announce in the program that a mule was running unshod, or it had to be announced over the public address system prior to the race. He stated if someone forgot to make such an announcement, it would be another reason for a fan that lost a wager to protest. Chairman Shapiro said a change to the text would mean another notice period. Vice-Chairman Harris stated that did not matter, as the requirement for shoes had been waived with regards to mules. Chairman Shapiro said the item would be **deferred**.

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

Jacqueline Wagner, CHRB staff, said the proposal to amend Rule 1849, Nerving, and to repeal Rule 1850, Posterior Digital Neurectomy, and Rule 1851, List of Nerved Horses, was noticed to the public for a 45-day period. Staff received a comment from the Board's Equine Medical Director, Dr. Rick Arthur. Ms. Wagner stated Dr. Arthur was present to address the issue. Dr. Arthur said he opposed the proposed amendment to Rule 1849 and the repeal of Rule 1850 and Rule 1851. He said of the 37 racing states only Arizona and Iowa prohibited nerved horses from running in a race. The horse racing industry had been striving for years for uniformity, and the proposed action was contrary to that effort. However, the most important reason to keep the regulations on the books was there was no justification for the proposed action. Dr. Arthur stated nerving was a well-accepted procedure for a very specific group of chronic problems in the posterior portion of the foot. The surgical procedure was taught at every veterinary school and was probably the most common surgical procedure in equine medication worldwide. Dr. Arthur said the procedure was safe for the horse and rider, and benefited the horse by eliminating chronic discomfort in the posterior part of the foot. The procedure was analogous to a root canal, where the root was taken out of the tooth, and the tooth functioned well, but the pain was gone. Dr. Arthur added there was no documented history of any racing fatality associated with the posterior digital neurectomy. He said the rule was rarely used, and there were currently only two horses that were registered at California

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racetracks as having a posterior digital neurectomy. Dr. Arthur said the procedure was used only when more conservative approaches were unsuccessful, and gave an example of a horse that had been nerved. Dr. Arthur stated one reason the regulations were on the books was to specifically identify horses that had the procedure. The horse's papers would be permanently marked that the horse had the procedure and so would the examination cards. Before the horse could race the official veterinarian would examine it. Conversely, it was difficult to determine if a horse had been nerved. Prohibiting nerved horses without an enforcement scheme would be problematic. Dr. Arthur stated the Board would be better off knowing a horse's true condition. He said he spoke with the jockeys about the proposal and heard only one comment regarding nerving affecting a horse's gait. However, one reason the procedure was allowed was that it did not affect the horse's gait; instead it eliminated pain. Chairman Shapiro asked what was currently stopping a trainer from not reporting a nerved horse. Dr. Arthur said he did not know why a trainer would do something like that when it was perfectly legal to run a nerved horse. With the system the Board had in place it was currently of no benefit for anyone to try to hide the procedure. Chairman Shapiro asked why nerved horses had to be registered. Dr. Arthur said such horses were registered so they could be examined with their true condition in mind. He stated, however, that if someone did not wish to report the procedure, it would be difficult to detect. Chairman Shapiro asked if there was any chance that a nerved horse would not be able to feel anything in any part of its foot. Dr. Arthur said complications in the procedure were generally unidentified infections, which in the racing environment would be very unusual. Dr. Arthur added the procedure the Board was trying to ban was common worldwide, and in 30 years of practice he had never seen a case where the horse could not feel

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its full foot, nor had he heard of such a case presented at any meetings. Chairman Shapiro stated he was not disputing the therapeutic value of heel nerving. He was questioning racehorses traveling in excess of 40 miles an hour with the possibility of not feeling any part of their feet. The procedure was not common in racehorses on the track, so why take any chances. Dr. Arthur stated there was no evidence heel nerving had ever been related to a fatality in horse racing. The procedure had been used in horse racing for many decades, and there was no history of such problems. Chairman Shapiro asked if there had ever been a study of nerved horses and breakdowns. Dr. Arthur said there was no such study. He stated the Board was looking at changing something that was a national practice in horse racing for over 40 years just because it sounded bad. Dr. Arthur conceded the action would not affect many horses, but he would like a sound, scientific basis before the action was taken. Commissioner Amerman asked what positions were taken in Europe and Asia regarding heel nerving. Dr. Arthur said he did not know about Europe or Asia, but the International Equestrian Federation had rules against heel nerving, which he understood could be changed because they were impossible to regulate. Commissioner Choper asked who supported the action, and were there any arguments apart from those heard. Dr. Arthur stated the action was Chairman Shapiro's initiative. Chairman Shapiro said he favored doing everything possible to protect the health of the horse. However, he also believed the industry needed to think outside what it had been doing for the past 40 years. He stated he was stunned when he learned the procedure still existed. The procedure had a very ugly name, but in reality it was not as bad as it sounded. Chairman Shapiro said he agreed heel nerving had a therapeutic use, but he questioned whether it was good for racing. Vice-Chairman Harris asked if Dr. Meagher, the Board's original

Equine Medical Director, would support the action. Dr. Arthur said Dr. Meagher wanted to make a presentation in opposition to the action at the May 2007 Regular Meeting of the Board, but could not. Commissioner Amerman stated he understood that if the action were taken, the Board could not regulate heel nerving. Dr. Arthur said there was no test the Board could defend in court. A veterinarian could not just poke at a horse's foot and tell it was heel nerved. Commissioner Amerman said if there was no way to enforce the regulation, it seemed difficult to pass. Chairman Shapiro asked if an x-ray or any other test was available to tell if a horse was heel nerved. Dr. Arthur said one could examine a horse and have an idea that it had been heel nerved, but there was no test that could be defended in court. There was no way to document the procedure unless there was evidence of a surgical scar or a history of heel nerving. Vice-Chairman Harris asked if it was true that having the procedure on the horse's papers was helpful in ruling out different things if there were issues during an examination. Dr. Arthur said that was true, and the current rule was written so the information would be on the papers. Darryl Haire of the Jockey's Guild said his organization was in favor of the proposed action. He stated jockeys, in general, were opposed to heel nerving, and some riders believed heel nerved horses stumbled out of the gate more often. Commissioner Moretti asked if there were only two horses registered as heel nerved in California, how did the jockeys know a horse was heel nerved? Mr. Haire said jockeys heard about heel nerving from trainers in other states. Commissioner Moretti stated she did not want to take anything away from jockey safety, but it seemed like there was only anecdotal evidence. Marsha Naify Thoroughbred Owners of California (TOC) said her organization supported the proposed action. The TOC did not want heel nerved horses running, and it believed that despite the

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benefits of the procedure, it created a negative public perception. Commissioner Moretti asked if many owners knew of horses being heel nerved, but not registered as such. Ms. Naify said she knew of no owners with such knowledge. Commissioner Amerman said there were only two horses registered in California, but TOC seemed to think there were a lot more. Ms. Naify said TOC did not know how many heel nerved horses ran in California. Commissioner Amerman said if the Board adopted the proposal the public perception would disappear, but the Board would be left with no way of testing for nerved horses. He asked if TOC was sure about the public; who was saying there was more heel nerved horses racing in California than the two already registered? Ms. Naify said heel nerving was part of the general public perception regarding medication issues. Commissioner Moss asked if TOC agreed that horses could be secretly heel nerved if the action was adopted. Ms. Naify said that was possible, but the TOC board was clear in that it believed the practice should not be allowed in horse racing. Commissioner Moss asked if Dr. Arthur had addressed the TOC board regarding heel nerving. Ms. Naify said he did not. Dan McFarlan, a trainer spoke in favor of the proposed action. Chairman Shapiro said he did not like the notion that any horse was running with the chance of not feeling its foot. He stated he understood it would be hard to regulate, but that was a problem that already existed. If veterinarians continued to nerve horses after a repeal of the regulation, they had better beware, as if there was a new diagnostic way of figuring it out, they would lose their licenses. Chairman Shapiro said he would personally like to make a **motion** to amend Rule 1849, and repeal Rule 1850 and Rule 1851. Vice-Chairman Harris asked if that would exclude horses from the grounds that were currently nerved. Ms. Wagner said the proposed amendment would exclude nerved horses from the grounds of a racetrack. Chairman

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Shapiro stated the proposed action was not meant to impact any current litigation. He asked if the Board would create any damages as a result of adopting the proposal. Deputy Attorney General Derry Knight said the Board could grandfather in existing horses; however, the Board was a regulatory agency and was entitled to take action that could impact existing horses. Chairman Shapiro said he would **amend** his **motion** to grandfather in any existing nerved horses that were properly registered as of July 20, 2007. Commissioner Moss said tabling the action until the litigation was over was another option. Chairman Shapiro said his **motion** could be **tabled** and each commissioner could give his or her view to determine if the item would go forward, or not. Vice-Chairman Harris said he understood the reasons for the action, but he was not in favor of the change. He stated any action needed to be based on sound science, and as the veterinary opinion indicated there was no need to alter current practice, he was not convinced. Commissioner Choper said he heard both sides of the argument, but there was always value in delaying decisions. He stated he would like Dr. Arthur to talk to Thoroughbred Owners of California. Commissioner Choper said he would also like the jockeys to have another meeting to respond to concerns, and to see what the consensus might be. He added the rule would have to be put out for additional comment, so deferring the issue would be the least obtrusive way of handling it. Commissioner Moretti asked if any of the other 35 state racing jurisdictions were considering banning heel nerving. Dr. Arthur said he contacted veterinarians around the country and no one had heard any indication that such an action was being considered. Dr. Arthur commented he met with the jockeys twice and found they were philosophically against racing heel nerved horses. He added he would be happy to meet with the TOC board to discuss the issue. Dr. Arthur stated

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he would also check to see what the policy was in Asia and Europe. Chairman Shapiro **withdrew** his **motion** and **deferred** the item.

DISCUSSION AND ACTION BY THE BOARD ON THE FEASIBILITY OF AMENDING CHRB RULE 1685, EQUIPMENT REQUIRED, TO ALLOW THE USE OF ALTERNATE TYPES OF WHIPS.

Chairman Shapiro stated during the last week of the Hollywood Park meeting he met jockeys who showed him a new whip that appeared to be much kinder to horses. However, the whip was outside the boundaries of Rule 1685, Equipment Required. Chairman Shapiro said the regulation described the type of whip allowed for use on California racetracks, and would need to be amended to authorize use of the new whip. The new whip made a louder popping sound yet would nearly eliminate the chance of a horse being inadvertently cut by a sharp edge. Vice-Chairman Harris asked if language for an amendment had been developed. Jacqueline Wagner, CHRB staff, said an amendment had not been written. Chairman Shapiro asked if the current rule could be waived to allow for use of the new whip. Deputy Attorney General Derry Knight said the rule could be waived, but it would have to be done in a manner that described what it was being waived in favor of, otherwise, the rule would be negated. He added the rule could be waived under the current agenda item. Chairman Shapiro **motioned** to temporarily waive Rule 1685 – by a notice of rule suspension issued by the Executive Director, which would detail the temporarily authorized additional whip - to permit the use of an alternate whip as presented and described. Commissioner Moss asked if anyone had determined if the sound made by the whip would frighten other horses. Darryl Haire of the Jockey's Guild said he understood the whip made a similar – yet louder – sound as whips

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currently in use. However, the alternate whips focused the horse's attention. It was possible the new whips could spook another horse, but that happened with authorized whips. Mr. Haire added the alternate whips were being used in Delaware and Europe. Commissioner Moretti **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD REGARDING THE UPDATE FROM THE THOROUGHBRED OWNERS OF CALIFORNIA CONCERNING ITS PROPOSAL DESIGNED TO PROVIDE SUPPORT FOR RETIREMENT FARMS FOR HORSES THAT HAVE RETIRED FROM RACING.

Chairman Shapiro said the Office of the Attorney General informed the Board that it could not take action with regards to mandating any percentage of winnings to be directed to a fund, such as a racehorse retirement fund, without legislation. He stated that meant the Board was looking at a voluntary program sponsored by Thoroughbred Owners of California (TOC). The program would provide a fund of money, on a voluntary basis, from owners, which would help support certified racehorse retirement farms. The voluntary fund would be called "California Retirement Management Account" or "CARMA." Marsha Naify of TOC said her organization proposed to amend Board Rule 1467, Paymaster of Purses, to deduct three tenths of one percent of the net purse earned by any thoroughbred horse for deposit into CARMA. Ms. Naify said the deduction would be voluntary, with an "opt-out" provision for owners who did not wish to contribute. Madeline Auerbach of TOC spoke about the TOC racehorse retirement program and why it was needed. Ms. Naify stated the TOC retirement program was only one part of what was needed to care for retired racehorses in California. She said the TOC recognized the number one priority was educating owners, breeders, sellers and horse organizations about the responsibility of horse ownership. The TOC had a five point plan

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which would: 1) establish and fund the CARMA program; 2) educate owners and the industry regarding horse ownership; 3) annually accredit and evaluate California racehorse rehabilitation and retirement facilities; 4) extend CARMA funding with the assistance of TOC's industry partners; and 5) work with other retired horse organizations to address the issue on a national level. Ms. Naify said the Board had requested statistics regarding the number of retired horses in California. She stated TOC was working with California retirement farms to arrive at some numbers, but that should not stop the industry from enacting the proposed amendment to Rule 1467. Chairman Shapiro asked if the proposed amendment and the TOC program would have a negative impact on the ability of retirement farms to raise funds. Priscilla Clark of Tranquility Farms said there was potential for a negative impact if the TOC fund was perceived as addressing the problem. She stated most farms had a small core of supporters with whom they were in close communication, so she did not see the proposal as mitigating existing streams of support. It was the farm's responsibility to educate its supporters regarding its needs, where the TOC money was used, and where additional needs existed. Vice-Chairman Harris said one of his concerns was the inability of the industry to provide the Board with numbers, so it could determine the magnitude of the need. He stated the Board wanted to ensure good care for horses, but it seemed it was getting ahead of itself without knowing the numbers of horses, how much per year it would cost to keep one horse and how it could better quantify the total need. Commissioner Choper asked if there were clear eligibility requirements for TOC support. Ms. Naify said the TOC was primarily concerned with thoroughbred horses that had raced in California. She stated every horse was going to be identified, and its race record could be retrieved. Part of the accreditation process for the

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retirement farms would be to see what kinds of horses they had and how many were California horses. Ms. Clark said there were approximately 8,600 starters in California in 2006. The average horse raced 4.8 starts and then they were finished, so that meant there were was a large population of retired horses and there were thousands of owners presented with the dilemma of what to do with a horse at the end of its somewhat short racing career. Ms. Clark said Tranquility Farms carved a niche into the system by providing a service for the horse and the owner and making it exclusive to the horse coming off California's racetracks. Tranquility Farms ran photographs, biographies and specific abilities of horses on its website, which was widely available in the horse racing media where people would be looking to purchase horses. Ms. Clark said she did not want customers to feel they were taking on a charity case; instead, they should feel they were getting a bargain on a very good quality horse. Commissioner Amerman said he applauded TOC's program, but he was concerned that the Board was looking at a concept too small to solve the issue. He asked what the net purses were in California, and what would the .03 percent generate. Commissioner Amerman stated he believed the take-out should be larger as this was a one-time opportunity to present the issue to owners. He said he talked to a gentleman connected with the Ferdinand fee in the State of New York, and he learned it only generated \$36,000. Commissioner Amerman said he understood it was a different program, but it demonstrated the need to know the numbers that would be generated because the issue was a one-time opportunity to solve a large problem in California, and unless the industry thought big enough, it would be disappointed with the end result. Ms. Naify said in 2006 there was approximately 150 million dollars distributed in purses. If every owner were to stay in the program, the .03 percent take out would result in \$450,000 a year.

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Commissioner Amerman asked what numbers the TOC used to determine how many people would opt-out? Ms. Naify said that was a guess, but between 10 and 25 percent of owners might opt-out, which would make \$400,000 a more accurate figure. Commissioner Amerman said in 2006 Tranquility Farms cared for one hundred horses on a constant basis, and its budget was \$385,000. Ms. Naify said that was true, but the TOC program was going to be a grant process, and organizations that received such grant money still raised private funds. The TOC retirement program was only an adjunct to retirement farm income. The TOC used the .03 percent figure because it felt owners could live with it. TOC also intended to get its industry partners to be part of the funding, and it will solicit private donations. The TOC retirement fund already received two pledges of \$5,000 each to fund the account and give grant money without the rule change. Commissioner Amerman said TOC was proposing a big idea, but it needed to go beyond owners; jockeys, trainers and racing associations. He asked what TOC planned regarding outreach to the industry. Ms. Naify said Commissioner Amerman was correct in that the problem was the industry's responsibility, but TOC felt the owners had to take the first step. However, the program would be expanded to include every part of the industry. Commissioner Moretti said California and other states required that an "E" waste fee be paid when electronic equipment was purchased. The fee was to take care of the disposal for computers, phones and other such items. She asked if such a fee for horse sales was discussed. Commissioner Moretti said she appreciated the need to have a voluntary program, but if it was inadequate, in five years the industry might find itself taking care of fewer horses. Ms. Naify said in the future - if TOC recognized its program was inadequate it would rework it, but the current proposal was a compromise. There were people who wanted it to be

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mandatory, and others did not want a program at all. The TOC tried to find a compromise and a consensus that the entire industry could accept. Chairman Shapiro said the TOC program was only the first step, and it was laying a foundation to build on. It would be nice to have data to quantify the program, but unfortunately that was not currently available. Meanwhile, there was a growing need that could be addressed. Chairman Shapiro stated he thought the Board should approve the proposal and look at it as a beginning. The TOC program could be monitored and the Board could work with the industry to find ways to raise additional funds. Commissioner Amerman asked why the program could not be mandatory. Chairman Shapiro stated that would require legislation. Commissioner Amerman said that was something the Board could help the industry achieve. Chairman Shapiro stated the industry should craft legislation to achieve that. Vice-Chairman Harris said his problem was that the proposal was only a band-aid. It would not generate a lot of money, and the opt-out provision would only confuse owners. He stated he would rather see data to determine how much money was needed and come up with a program that would include all segments of the industry. Chairman Shapiro said he appreciated Vice-Chairman Harris's concerns, but the proposal was only the start of something that would grow. Chairman Shapiro stated there were two drafts of the proposed rule change. The only difference was that one draft required approval of the Board, while the other draft did not. He stated he would favor some Board oversight to ensure the certification was done well, and the moneys were properly spent. Ms. Naify said the TOC opposed the draft that required Board approval of the distribution. However, the TOC would submit financial statements for audit. Chairman Shapiro asked if TOC could live with the Board's version of the proposed amendment. Ms. Naify said if that was the Board's pleasure,

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the TOC would agree because it wanted the regulation to be approved. Chairman Shapiro **motioned** to direct staff to notice draft “B” of the proposed amendment to Board Rule 1467. Commissioner Moss **seconded** the motion, which was **carried** with Vice-Chairman Harris voting “**no.**” Vice-Chairman Harris said he voted against the motion because there was not enough data to determine the scope of the problem, which meant the proposed solution could be inadequate. Ms. Naify stated TOC was involved in gathering data, and it would provide the Board with ongoing reports as it was collected. However, TOC believed it had to start somewhere, and the current proposal was a start. Vice-Chairman Harris asked who was the TOC point person. Ms. Naify said Vice-Chairman Harris could contact her, Guy Lamothe or Lucinda Mandela. Frank Vessels, a horse owner, spoke about the TOC proposal. He suggested there was not enough money to support all the retirement centers, and the program could turn out to be a disaster. Commissioner Amerman said the retirement farms were currently working well, and solicited funds on their own. The proposed program was meant to supplement retirement farms’ income, so they could meet the oncoming crisis. The proposal was a foundation from which more would follow.

DISCUSSION AND ACTION BY THE BOARD ON THE REQUEST BY THE PACIFIC COAST QUARTER HORSE RACING ASSOCIATION TO DEFER ACTION ON THE PROPOSED AMENDMENT OF RULE 1690.1, TOE GRABS PROHIBITED, FOR UP TO SIX MONTHS IN ORDER TO CONDUCT A STUDY RELATIVE TO THE USE OF TOE GRABS GREATER THAN FOUR MILLIMETERS ON THE FRONT SHOES OF QUARTER HORSES WHILE RACING.

Bud Alessio of the Pacific Coast Quarter Horse Racing Association (PCQHRA) said a study relative to the use of toe grabs on quarter horses participating in a race had never been done in California. He stated one study in Oklahoma was conducted and it came up with conclusions

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regarding the heel. Funding was raised for a California study, and Dr. Sue Stover of UC Davis would be involved. Dr. Mark Martinelli, a veterinarian specializing in equine orthopedic surgery spoke about the research done regarding toe grabs and quarter horses. He stated a 2001 post-mortem study out of Oklahoma found there was no association between toe grabs and injury. Dr. Martinelli also spoke about observations made regarding quarter horses at Los Alamitos racetrack. He stated the concern was that a ban on the use of toe grabs in quarter horse racing would be premature and detrimental to the health and safety of quarter horses. The proposed study would include a retrospective analysis of quarter horse racing injuries in California, and an examination of the racing videos associated with those injuries. In addition, the study would look at data from post-mortems of quarter horses in California. The study would also gather data on injured horses from the present, forward, and examine the interaction of the quarter horse limb with the racetrack surface. Chairman Shapiro said the PCQHRA should be congratulated for initiating a study, and the Board should grant the parties time to complete an investigation. Vice-Chairman Harris asked how many quarter horses were using high toe grabs. Frank Vessels of PCQHRA said the majority of quarter horses were using four millimeter toe grabs. Vice-Chairman Harris commented that meant the majority of quarter horses using toe grabs were within the confines of the current rule.

DISCUSSION AND ACTION BY THE BOARD ON THE DISTRIBUTION OF CHARITY RACE DAY PROCEEDS OF THE LOS ANGELES TURF CLUB, INCORPORATED, IN THE AMOUNT OF \$252,873 TO 46 BENEFICIARIES.

Roberto Zavala, CHRB staff, said the Los Angeles Turf Club (LATC) requested approval to distribute \$252,873 in charity race day proceeds. Mr. Zavala stated the distribution would

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give more than 73 percent of the funds to horse racing related organizations. He said staff found the request to be in order and recommended the Board approve it as presented. Chairman Shapiro **motioned** to approve the request to distribute charity race day proceeds of the LATC. Commissioner Moretti **seconded** the motion, which was **unanimously carried**.

STAFF MID-YEAR REPORT ON THE FOLLOWING RACE MEETS:

CONCLUDED RACE MEETS:

- A. PACIFIC RACING ASSOCIATION AT GOLDEN GATE FIELDS FROM DECEMBER 26, 2006 THROUGH FEBRUARY 11, 2007.**
- B. LOS ANGELES TURF CLUB AT SANTA ANITA FROM DECEMBER 26, 2006 THROUGH APRIL 22, 2007.**
- C. BAY MEADOWS RACING ASSOCIATION AT BAY MEADOWS FROM FEBRUARY 14, 2007 THROUGH APRIL 22, 2007.**
- D. PACIFIC RACING ASSOCIATION AT GOLDEN GATE FIELDS FROM APRIL 25, 2007 THROUGH JUNE 10, 2007.**
- E. SAN JOAQUIN COUNTY FAIR AT STOCKTON FROM JUNE 14, 2007 THROUGH JUNE 24, 2007.**

IN PROGRESS RACE MEETS THROUGH JUNE 30, 2007:

- A. SACRAMENTO HARNESS ASSOCIATION AT CAL EXPO FROM DECEMBER 28, 2006 THROUGH JULY 28, 2007.**
 - B. LOS ALAMITOS QUARTER HORSE RACING ASSOCIATION AT LOS ALAMITOS FROM DECEMBER 28, 2006 THROUGH DECEMBER 28, 2007.**
 - C. HOLLYWOOD PARK RACING ASSOCIATION AT HOLLYWOOD PARK FROM APRIL 25, 2007 THROUGH JULY 15, 2007.**
 - D. ALAMEDA COUNTY FAIR AT PLEASANTON FROM JUNE 27, 2007 THROUGH JULY 8, 2007.**
-

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

PUBLIC COMMENT

Chairman Shapiro said it was time to work on the 2008 race dates. He stated he would like the entire Board to meet as the Race Dates Committee to hear the discussions. The Committee would focus on 2008 and it will look over the next many years to determine how the Board

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could develop a strategic plan to deal with the uncertainties and challenges facing the industry.

Chairman Shapiro announced that the Board received a State award for excellence in financial reporting. He congratulated staff and thanked everyone involved in the achievement.

MEETING ADJOURNED AT 1:35 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

CALIFORNIA HORSE RACING BOARD

AUGUST 21, 2007
REGULAR BOARD MEETING

There is no board package material for Item 2

STAFF ANALYSIS
August 21, 2007

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE OAK TREE RACING ASSOCIATION AT SANTA ANITA SEPTEMBER 26, 2007 THROUGH NOVEMBER 4, 2007.

Oak Tree Racing Association filed its application to conduct a thoroughbred horse racing meeting at Santa Anita:

- September 26 through November 4, 2007, or 31 days, 5 more than 2006. The association proposes to race 266 races, or 8.58 per day. In 2006 they raced 8.69 races per day with an average of 8.16 runners per race. The (actual) average daily purse for the 2006 meet was \$409,346. The (estimated) average daily purse for this meet is \$389,516.
- The race dates proposed are the dates the Board allocated.

| September - 2007 | | | | | | |
|------------------|-----|-----|-----|-----|-----|-----|
| 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 | 25 | 26 | 27 | 28 | 29 |

| October - 2007 | | | | | | |
|----------------|-----|-----|-----|-----|-----|-----|
| Sun | Mon | Tue | Wed | Thu | Fri | Sat |
| 30 | 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- 2007 | | | | | | |
|----------------|-----|-----|-----|-----|-----|-----|
| Sun | Mon | Tue | Wed | Thu | Fri | Sat |
| | | | | 1 | 2 | 3 |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 | |

- Racing 5 days per week, Wednesday through Sunday, with 8 races weekdays, 9 opening day, weekends and Monday, October 8, and 11 Saturday, November 3, California Cup Day.
 - Request the option to program 10 races on opening day, weekends and October 8.
- Racing concurrently with the Fresno District Fair and Bay Meadows. Bay Meadows will be dark 10/3, 10/4, 10/10 and 10/11.
- First post 1:00 p.m. weekdays and 12:30 p.m. weekends and holidays.
 - 12:00 p.m. November 3, California Cup Day, and closing day November 4.
- Request Jennifer Paige be appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety requirements have been fulfilled.
- Wagering program will use CHRB rules.
 - Early wagering 8:30 a.m. to 10:00 a.m. each day except California Cup Day.
- The Advance Deposit Wagering (ADW) providers are TVG and Xpressbet.
- Simulcasting conducted with other out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- Inspection of backstretch worker housing completed.

RECOMMENDATION:

Staff recommends the Board approve the application.

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:

**Oak Tree Racing Association
Santa Anita Park
285 W. Huntington Drive
Arcadia, CA 91007**

**Telephone: 626/574-6345 or 574-7223
Fax Phone: 626/447-2940**

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.

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: **September 26 through November 4, 2007**

B. Actual dates racing will be held: **September 26, 27, 28, 29, and 30
October 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 17, 18,
19, 20, 21, 24, 25, 26, 27, 28, 31
November 1, 2, 3, 4**

C. Total number of days or nights of racing: **31 Days**

D. Days or nights of the week races will be held:
 Wed - Sun Tues - Sat other (specify)

E. Number of days or nights of racing per week: **5 Days
Exception: 6 Days Monday, October 8 through
Sunday, October 14, 2007**

CHRB CERTIFICATION

Application received: *6/27/07*
Deposit received: *on file*
Reviewed: *apo*

Hearing date: *8/21/07*
Approved date:
License number:

3. RACING PROGRAM

- A. Total number of races: **Estimate 266***
- B. Number of races for each day or night: **8 races weekdays**
9 races Opening Day, Weekends and Monday, October 8; (*) with the option to program 10 races on such days.
11 races Saturday, November 3, 2007, California Cup Day
- C. Total number of stakes races: **28 including California Cup Day**
- D. Attach a listing of all stakes races and indicate the date to be run and the added money or guaranteed purse for each. Note the races that are designated for California-bred horses. **Attached**
- E. Will provisions be made for owners and trainers to use their own registered colors?
 Yes No If no, what racing colors are to be used:
- F. List all post times for the daily racing program:

| | Weekdays | Weekends & Holidays |
|---------|------------------------------------|------------------------------------|
| Race 1 | 1:00 p.m. | 12:30 p.m. |
| Race 2 | 1:30 p.m. | 1:00 p.m. |
| Race 3 | 2:00 p.m. | 1:30 p.m. |
| Race 4 | 2:30 p.m. | 2:00 p.m. |
| Race 5 | 3:00 p.m. | 2:30 p.m. |
| Race 6 | 3:30 p.m. | 3:00 p.m. |
| Race 7 | 4:00 p.m. | 3:30 p.m. |
| Race 8 | 4:30 p.m. | 4:00 p.m. |
| Race 9 | 5:00 p.m. <i>(When applicable)</i> | 4:30 p.m. <i>(When applicable)</i> |
| Race 10 | 5:30 p.m. <i>(When Applicable)</i> | 5:00 p.m. <i>(When applicable)</i> |

Exceptions: **California Cup Day, Saturday, November 3** **12:00 PM**
 Closing Day, Sunday, November 4 **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).

2007 Oak Tree Stakes - costs

| RACE DATE | RACE | COST | PURSE | AGE | DISTANCE | B/C \$ | CLOSES | FEE |
|-------------|--|-------------|------------|------------------|-----------------|-----------|--------|-----|
| Wed, Sep 26 | SEN. KEN MADDY HANDICAP (G III) | \$90,000 | \$100,000 | F/M, 3 & UP | abt. 6 1/2 (T) | | 20-Sep | 100 |
| Sat, Sep 29 | GOODWOOD STAKES (G I) | \$375,000 | \$500,000* | 3 & UP | 1 1/8 M | \$100,000 | 20-Sep | 500 |
| Sat, Sep 29 | YELLOW RIBBON STAKES (G I) | \$375,000 | \$400,000 | F/M, 3 & UP | 1 1/4 M (T) | | 20-Sep | 400 |
| Sat, Sep 29 | OAK LEAF STAKES (G I) | \$180,000 | \$250,000* | F, 2 YO | 1 1/16 M | \$50,000 | 20-Sep | 250 |
| Sun, Sep 30 | NORFOLK STAKES (G I) | \$180,000 | \$250,000* | 2 YO | 1 1/16 M | \$50,000 | 20-Sep | 250 |
| Sat, Oct 6 | CLEMENT L. HIRSCH TURF CHAMPIONSHIP (G I) | \$230,000 | \$250,000 | 3 & UP | 1 1/4 M (T) | | 27-Sep | 250 |
| Sat, Oct 6 | JUNE DARLINGL STAKES | | \$65,000+ | F, 2 YO (CA) | 7 F | | 27-Sep | 65 |
| Sun, Oct 7 | LADY'S SECRET STAKES (G I) | \$160,000 | \$250,000 | F/M, 3 & UP | 1 1/16 M | \$75,000 | 27-Sep | 250 |
| Sun, Oct 7 | OAK TREE MILE (G II) | \$180,000 | \$250,000* | 3 & UP | 1 M (T) | \$50,000 | 27-Sep | 250 |
| Sun, Oct 7 | ANCIENT TITLE STAKES (G I) | \$180,000 | \$250,000* | 3 & UP | 6 F | \$50,000 | 27-Sep | 250 |
| Mon, Oct 8 | CAVONNIER STAKES | | \$65,000+ | 2 YO (CA) | 7 F | | 27-Sep | 65 |
| Sat, Oct 13 | OAK TREE DERBY (G II) | \$135,000 | \$150,000 | 3 YO | 1 1/8 M (T) | | 4-Oct | 150 |
| Sun, Oct 14 | HAROLD C. RAMSER, SR. HANDICAP | \$90,000 | \$100,000 | F, 3 YO | 1 M (T) | | 4-Oct | 100 |
| Sat, Oct 20 | ANOAKIA STAKES | \$90,000 | \$65,000+ | F, 2 YO | 6 F | | 11-Oct | 65 |
| Sun, Oct 21 | JACK GOODMAN STAKES | | \$65,000+ | 2 YO | 6 F | | 11-Oct | 65 |
| Sat, Oct 27 | MORVICH HANDICAP (G III) | | \$100,000 | 3 & UP | abt 6 1/2 F (T) | | 18-Oct | 100 |
| Sun, Oct 28 | CARLETON F. BURKE HANDICAP (G III) | \$90,000 | \$100,000 | 3 & UP | 1 1/2 M (T) | | 18-Oct | 100 |
| Sat, Nov 3 | CALIFORNIA CUP CLASSIC presented by SMITH BARNEY | | \$250,000 | 3 & UP (CA) | 1 1/8 M | | 20-Aug | 100 |
| Sat, Nov 3 | CALIFORNIA CUP MILE | | \$175,000 | 3 & UP (CA) | 1 M (T) | | 20-Aug | 50 |
| Sat, Nov 3 | CALIFORNIA CUP MATRON | | \$150,000 | F/M, 3 & UP (CA) | 1 1/16 M | | 20-Aug | 50 |
| Sat, Nov 3 | CALIFORNIA CUP SPRINT | | \$150,000 | 3 & UP (CA) | 6 F | | 20-Aug | 50 |
| Sat, Nov 3 | CALIFORNIA CUP DISTAFF | | \$150,000 | F/M, 3 & UP (CA) | abt 6 1/2 f (T) | | 20-Aug | 50 |
| Sat, Nov 3 | CALIFORNIA CUP JUVENILE (COLTS & GELDINGS) | | \$125,000 | 2 YO (CA) | 1 1/16 M | | 20-Aug | 50 |
| Sat, Nov 3 | CALIFORNIA CUP JUVENILE (FILLIES) | | \$125,000 | F, 2 YO (CA) | 1 1/16M | | 20-Aug | 50 |
| Sat, Nov 3 | CALIFORNIA CUP DISTANCE HANDICAP | | \$100,000 | F/M, 3 & UP | 1 1/4 M (T) | | 20-Aug | 50 |
| Sat, Nov 3 | CALIFORNIA CUP STARTER HANDICAP | | \$50,000 | 3 & UP (CA) | 1 1/2 M (T) | | 18-Oct | 100 |
| Sat, Nov 3 | CALIFORNIA CUP STARTER SPRINT HANDICAP | | \$50,000 | 3 & UP (CA) | 6 F | | 18-Oct | 100 |
| Sun, Nov 4 | LAS PALMAS HANDICAP (G II) | \$135,000 | \$150,000 | F/M, 3 & UP | 1 M (T) | | 18-Oct | 150 |
| | | \$2,490,000 | | | | | | |
| Sat, Oct 27 | BREEDERS' CUP DAY @ Churchill Downs | | | | | | | |

Supplemental nominations available for all stakes...

**Pending TOC Approval

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: **Oak Tree Racing Association**
2. State where incorporated: **California**
3. Registry or file number for the corporation: **D5468-730**
4. Names of all officers and directors, titles, and the number of shares of the corporation held by each:
- | | |
|----------------------------------|---|
| Dr. Jack K. Robbins | President and Director |
| Sherwood C. Chillingworth | Executive Vice President, Director |
| Thomas R. Capehart | Vice-President-Secretary, Director |
| Dr. Rick M. Arthur | Vice-President-Assistant Secretary, Director |
| John H. Barr | Vice-President, Director |
| Richard Mandella | Vice President, Director |

Note: There are no shares of stock, but there are six membership certificates issued; One to each Director. Oak Tree Racing Association is a not-for-profit and Non-dividend paying corporation.

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. Each of the Directors owns one (1) membership.
6. Number of outstanding shares in the corporation: **Six**
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: **Thomas R. Capehart, Vice President-Secretary**
9. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity: **N/A**
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.

Financial statements as of May 31, 2007, are presently being prepared by our independent auditors, Vicenti, Lloyd & Stutzman. It is anticipated that these statements will be completed by late August and will be promptly forwarded to the Board. Latest available statements as of May 31, 2006 are on file with CHRB.

D. LLC N/A

E. OTHER N/A

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:

| | |
|----------------------------------|--|
| Dr. Jack K. Robbins | President and Director |
| Sherwood C. Chillingworth | Executive Vice President & Managing Officer, Director |
| Thomas R. Capehart | Vice-President-Secretary, Director |
| Dr. Rick M. Arthur | Vice-President-Assistant Secretary, Director |
| John H. Barr | Vice-President, Director |
| Richard Mandella | Vice President, Director |
| Ron Charles | President, Los Angeles Turf Club, Incorporated |
| George Haines II | General Manager |
| Candace Coder-Chew | Director of Print & Graphics |
| Aaron Vercruyse | Simulcast Coordinator |
| Steve Guise | Director of Facility & Grounds |
| Allen Gutterman | Director of Marketing |
| Randy Hartzell | Director of Mutuels |
| Dick Honaker | Director of Operations & Security |
| Gina Lavo | Controller |
| Pete Siberell | Director of Community Services & Special Projects |
| Ken Walker | Director of Industrial Relations |
| Amy J. Zimmerman | Director of Broadcasting |
| Nina Zukin | Director of Information Services |
| Trevor Denman | Public Address Commentator |
| Steve Wood | Track Superintendent |
| Jay Cohen | Hornblower |

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:

**Sherwood C. Chillingworth, Executive Vice President & Managing Officer,
Oak Tree Racing Association**

5. PURSE PROGRAM

A. Purse distribution:

- 1. All races other than stakes:
 - Current meet estimate: **\$ 7,634,000**
 - Prior meet actual: **\$ 6,400,000**
- 2. Overnight stakes:
 - Current meet estimate: **\$ 260,000**
 - Prior meet actual: **\$ 260,000**
- 3. Non-overnight stakes:
 - Current meet estimate: **\$ 2,490,000**
 - Prior meet actual: **\$ 2,485,000**

B. Stakes races:

- 1. Purse distribution for all stakes races:
 - Current meet estimate: **\$ 2,750,000**
 - Prior meet actual: **\$ 2,745,000**
- 2. Percentage of the purse distribution for all stakes races that will be distributed for California-bred stakes races:
 - Current meet estimate: **Cal Cup (\$1,325,000)* Not included in stakes figure.**
 - Prior meet actual: **Cal Cup (\$1,325,000)* Not included in stakes figure.**

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

Current meet estimate: **\$ 1,350,000**
 Prior meet actual: **\$ 1,175,000**

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 | \$ 78,000 | NTRA | \$ 92,500 |
| TOC | \$ 105,200 | TOC | \$ 92,200 |
| CTT | *\$ 157,800 | CTT | *\$138,300 |
| *Pension Fund \$ 105,200 | | *Pension Fund \$103,725 | |
| *Administration \$ 52,600 | _____ | *Administration \$34,575 | _____ |
| TOTAL | \$ 341,000 | TOTAL | \$ 323,000 |

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

Current meet estimate: **\$12,075,000**
 Prior meet actual: **\$10,643,000**

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

Current meet estimate: **\$ 7,369,000**
 Prior meet actual: **\$ 6,500,000**

- G. Purse funds to be generated from interstate handle:
 Current meet estimate: **\$ 2,309,700**
 Prior meet actual: **\$ 1,950,000**
- H. Bank and account number for the Paymaster of Purses' purse account:
**CitiBank, 787 W. 5th Street 29th Floor, Los Angeles, CA 90071, 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 I 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:
\$ 620,000 (\$8.00/day/stall; excluding vaning costs)
- H. Estimated cost to provide vaning from off-site stalls for this meeting. Show fees to be paid for vaning per-horse: **\$96,400 Estimated vaning cost.**
\$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 | \$1PNP4 | | \$1PPN | CHRB #1959, 1957, 1977, 1976.9, 1976.8 |
| 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 | | \$1PNP5 | \$2PNP6 | CHRB #1959, 1957, 1977, 1976.9 (PK 5-6) |
| Race #5 | \$1E | \$2DD | \$1PK3 | \$1PNP4 | \$1PNP5 | \$2PNP6 | CHRB #1959, 1957, 1977, 1976.9 (PK 4-5-6) |
| Race #6 | \$1E | \$2DD | \$1PK3 | \$1PNP4 | \$1PNP5 | \$2PNP6 | CHRB #1959, 1957, 1977, 1976.9 (PK 4-5-6) |
| Race #7 | \$1E | \$2DD | \$1PK3 | \$1PNP4 | \$1PNP5 | | CHRB #1959, 1957, 1977, 1976.9 (PK 4-5) |
| Race #8 | \$1E | \$2DD | \$1PK3 | \$1PNP4 | | | CHRB #1959, 1957, 1977, 1976.9 |
| Race #9 | \$1E | \$2DD | | | | | CHRB #1959, 1957 |
| Race #10 | \$1E | \$2DD | | | | | CHRB #1959, 1957 |

- Rolling \$2 Daily Doubles beginning with Race #1. (CHRB #1957)
- \$1 Trifecta on all eligible races. (CHRB #1979)
- \$0.10 Superfecta on all eligible races. (CHRB #1979.1)
- Incoming simulcasts will follow host track format.
- \$1 Place PK-8 on 8-race program; Place PK-9 on 9-race program, Place PK-10 on 10-race program. Alternate runner provision (CHRB #1976.9) or if not marked, Closing Line Favorite evidenced by the amounts wagered in the win pool. [All \$1 Wagers] No carryover. Pay all tickets with most winners. (CHRB 1976.8)
- \$2 PNP-6 last six live races 70% Carryover, 30% Minor. Alternate runner provision. (CHRB #1976.9)
- \$1 PNP-5 last five live races. Mandatory payout daily. Pay all tickets with most winners. (CHRB #1976.9)
- \$1 PNP4 last four live races. (CHRB #1976.9) Mandatory payout daily.
- \$2 Parlay Wagering Races 1-10 (CHRB #1954.1)
- Additional deduction provided by subdivision (a) of Section 19611.5 will be made.
- No PK-5 offered on guaranteed PK-6 days.

B. Maximum carryover pool to be allowed to accumulate before its distribution OR the date(s) designated for distribution of the carryover pool: **Sunday, November 4, 2007**

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 AM to 10:00 AM each day.

Exception: California Cup Day

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, William J. Huntley, President Expires: September, 2012

8. 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.
Agreement on file with CHRB.

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

| | |
|---|--|
| <ul style="list-style-type: none"> Alameda County Fair Antelope Valley Fair Barona Casino Bay Meadows Cal. Expo Desert Expo Earl Warren Showground's – 19th DAA ExpoCentre Fairplex Fantasy Springs Casino Fresno District Fair – 21st DAA Fresno Club One Wagering Facility Golden Gate Hollywood Park Kern County Fair – 15th DAA Lake Perris Sports Pavilion Los Alamitos | <ul style="list-style-type: none"> Monterey County Fair – 7th DAA National Orange Show Redwood Acres Fair – 9th DAA San Bernardino County Fair – 28th DAA San Joaquin Fair – 2nd DAA Santa Barbara County Fair – 37th DAA Santa Clara County Fair Shasta District Fair – 27th DAA Solano County Fair Sonoma County Fair 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 – OTRA 2007 - Subject to Change/Additions

| Guest | State | Guest | State |
|------------------------------------|---------------|--|---------------|
| America Tab | Ohio | Midway Slots & Simulcast | Delaware |
| Amwest Entertainment | North Dakota | Monmouth Park | New Jersey |
| Arapahoe Park | Colorado | Montana Simulcast Partners | Montana |
| Arlington International Racecourse | Illinois | Monticello Raceway | New York |
| Atlantic City Casino Assn. | New Jersey | Mount Pleasant Meadows | Michigan |
| Atlantic City Race Course | New Jersey | Mountaineer Park | West Virginia |
| Atokad Downs | Nebraska | Nassau/Suffolk OTB | New York |
| Balmoral Park/Maywood | Illinois | Nevada Pari-Mutuel Association | Nevada |
| Bettor Racing OTB (Royal River) | South Dakota | New Jersey Sports & Exposition Authority | New Jersey |
| Beulah Park | Ohio | New York City Off-Track Betting | New York |
| Birmingham Race Course | Alabama | New York Racing Association | New York |
| Blue Ribbon Downs | Oklahoma | Newport Jai-Alai | Rhode Island |
| Bluffs Run Greyhound Park & Casino | Iowa | Northfield Park | Ohio |
| Boyd Gaming, dba Delta Downs | Louisiana | Northville Racing Corp. | Michigan |
| Buffalo Trotting Association | New York | Oaklawn Park | Arkansas |
| Calder Race Course | Florida | Ocean Downs | Maryland |
| Canterbury Park | Minnesota | Penn National Race Course | Pennsylvania |
| Capital District OTB | New York | Philadelphia Park | Pennsylvania |
| Capital Sports Pty Ltd. | Australia | Plainridge Race Course | Massachusetts |
| Catskill OTB | New York | Portland Meadows | Oregon |
| Charles Town Races | West Virginia | Prairie Meadows | Iowa |
| Choctaw Racing Services, LLC | Oklahoma | Raceway Park | Ohio |
| Churchill Downs | Kentucky | Racing & Gaming Services, Inc. | British WI |
| Churchill Downs Sports Spectrum | Kentucky | Remington Park | Oklahoma |

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| | | | |
|-------------------------------------|---------------|--|---------------|
| Coeur d' Alene Casino | Idaho | Retama Park | Texas |
| Colonial Downs | Virginia | River Downs | Ohio |
| Columbus Races | Nebraska | Rockingham Park | New Hampshire |
| Connecticut OTB | Connecticut | Rosecroft Raceway | Maryland |
| Corpus Christi Greyhound Race Track | Texas | Ruidoso Downs | New Mexico |
| Crystal Palace Casino | Bahamas | Saginaw Harness Raceway | Michigan |
| Dairyland Greyhound Park | Wisconsin | Sam Houston Race Park, LTD | Texas |
| Delaware Park | Delaware | Saratoga Raceway | New York |
| Dover Downs | Delaware | Scarborough Downs | Maine |
| Downs at Albuquerque | New Mexico | Scioto Downs | Ohio |
| Ellis Park | Kentucky | Southland Greyhound Park | Arkansas |
| Emerald Downs | Washington | Sports Creek Raceway | Michigan |
| European Simulco | Austria | State Fair Park | Nebraska |
| Evangeline Downs | Louisiana | Stevenson & Associates, Inc. (Common) | Florida |
| Fair Meadows at Tulsa | Oklahoma | Suffolk Downs | Massachusetts |
| Fairgrounds Race Course | Louisiana | Suffolk OTB | New York |
| Fairmount Park | Illinois | Sunland Park | New Mexico |
| Finger Lakes Race Track | New York | Sunray Park | New Mexico |
| Fonner Park | Nebraska | The Green Track | Alabama |
| Freehold Raceway | New Jersey | The Greyhound Park at Post Falls | Idaho |
| Geneva Lakes Kennel Club | Wisconsin | The Meadows | Pennsylvania |
| Gillespie County Fair Race Meet | Texas | The Texas Hub at Gulf Greyhound | Texas |
| Great Lakes Downs | Michigan | Thistledown Racing | Ohio |
| Hawthorne National LLC | Illinois | Tri-State Racetrack & Gaming Center | West Virginia |
| Hazel Park | Michigan | Turf Paradise | Arizona |
| Hinsdale Greyhound Park | New Hampshire | Turfway Park | Kentucky |
| Hoosier Park | Indiana | Western Regional OTB | New York |
| Horsemen's Park | Nebraska | Wheeling Downs | West Virginia |
| Indiana Downs | Indiana | Wichita Greyhound Park | Kansas |
| International All Sports Limited | Florida | Wonderland Greyhound Park | Massachusetts |
| Jackson Harness Raceway | Michigan | Woodlands | Kansas |
| Keeneland Association | Kentucky | Wyoming OTB | Wyoming |
| Las Vegas Dissemination Co. | Nevada | XpressBet, Inc. | California |
| Lebanon Raceway | Ohio | Yonkers Raceway | New York |
| Les Bois Park | Idaho | Youbet / I.R.G. | California |
| Lewiston Raceways, Inc. | Maine | Zia Park | New Mexico |
| Lien Games, Inc. | North Dakota | Separate Pool: | |
| Lincoln Park | Rhode Island | Woodbine/Hastings | Canada |
| Lone Star Race Park Ltd. | Texas | Stevenson & Associates, Inc. (Separate) | |
| Louisiana Downs | Louisiana | Arima Race and Sports Book | Trinidad |
| LVDC / Elite Turf Club | Nevada | Caliente: Mexico, Central & South America, | |
| LVDC / Tribal Locations | Nevada | Panama, Austria | |
| Manor Downs | Texas | Presidente Remon | Panama |
| Maryland Jockey Club | Maryland | | |

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":

***OTRA 2007 Import List: (Subject to Change)**

*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 | Races |
|-----------------------------------|--------------------------------------|
| Aqueduct - AQU: DEC-APRIL | Selected Feature and/or Stakes Races |
| Calder Race Course - CRC: DEC-JAN | Selected Feature and/or Stakes Races |
| Fairground @ La. Downs: DEC-APRIL | Selected Feature and/or Stakes Races |
| Fort Erie - Canada: APRIL | Full Card |
| Gulfstream Park - GP: JAN-APRIL | Selected Feature and/or Stakes Races |
| Hastings - HST: APRIL | Full Card |
| Hawthorne - HAW: FEB-APRIL | Selected Feature and/or Stakes Races |
| Keeneland - KEE: APRIL | Selected Feature and/or Stakes Races |
| Laurel Park - LRL: JAN-APRIL | Selected Feature and/or Stakes Races |
| Lone Star Park - LS: APRIL | Selected Feature and/or Stakes Races |
| Louisiana Downs - LAD: APRIL | Selected Feature and/or Stakes Races |

| | |
|------------------------------------|--------------------------------------|
| Northlands Park - NP: MARCH-APRIL | Full Card |
| Oaklawn Park - OP: JAN-APRIL | Selected Feature and/or Stakes Races |
| Philadelphia Park - PHA: JAN-APRIL | Selected Feature and/or Stakes Races |
| Pimlico - PIM: APRIL | Selected Feature and/or Stakes Races |
| Portland Meadows - DEC-APRIL | Selected Feature and/or Stakes Races |
| Remington Park - RP: APRIL | Selected Feature and/or Stakes Races |
| River Downs - RD: APRIL | Selected Feature and/or Stakes Races |
| Stampede Park - STP: APRIL | Full Card |
| Tampa Bay Downs - TAM: DEC-APRIL | Selected Feature and/or Stakes Races |
| Thistledown - TDN: MARCH-APRIL | Selected Feature and/or Stakes Races |
| Turf Paradise - TUP: DEC-APRIL | Selected Feature and/or Stakes Races |
| Turfway Park - TP: JAN-APRIL | Selected Feature and/or Stakes Races |
| Woodbine - WO: APRIL | Full Card |

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

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

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

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

9. 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:

Oak Tree Charitable Foundation, 285 W. Huntington Drive, Arcadia, CA 91007

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

| | |
|----------------------------------|---|
| Dr. Jack K. Robbins | President and Director |
| Sherwood C. Chillingworth | Executive Vice President, Director |
| Dr. Rick M. Arthur | Vice-President-Assistant Secretary, Director |
| John H. Barr | Vice-President, Director |
| Thomas R. Capehart | Vice-President-Secretary, Director |
| Richard Mandella | Vice President, Director |

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).

10. 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 Paigc |
| Horseshoe Inspector | Victor Tovar |
| Paddock Judge | Dawn Jackson |
| Patrol Judges | Ruben Hernandez, Dawn Jackson |
| 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, 2007

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

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
- 2) 3/8 tower on dirt 55:1 lens
- 3) hillside/square box on hill grass (remote) 18:1 lens
- 4) 1/4 tower on both grass and dirt 24:1 lens
- 5) tight pan camera on both grass and dirt 70:1 lens
- 6) loose pan camera on both grass and dirt 36:1 lens
- 7) 7/8 tower on grass 55:1 lens
- 8) 7/8 tower on dirt 55:1 lens
- 9) winner's circle 24:1 lens
- 10) wireless starting gate and saddling barn 18:1 lens
- 11) wireless lower finish line and interviews 14:1 lens
- 12) walking ring 14:1 lens
- 13) east saddling barn (remote) 7:1 lens
- 14) west saddling barn (remote) 7:1 lens
- 15) studio 18:1 lens
- 16) infield speaker pole (remote) 18:1 lens
- 17) ENG camera 20:1 lens
- 18) ENG camera 15:1 lens
- 19) East saddling barn enclosed saddling stall (lock-down)
- 20) West saddling barn enclosed saddling stall (lock-down)
- 21) 5/16 Camera outside of main track rail 14:1 lens

Public

- | | |
|----------|---|
| 250 | 13" Gateway Flat Screen Monitors |
| 30 | 42" LG Plasma Monitors |
| over 600 | 9" Sony receivers |
| over 500 | 27" Sony receivers |
| over 350 | 32" Sony receivers |
| over 75 | 13" Sony receivers |
| over 150 | 10" Sony receivers |
| 150 | 20" Sony receivers |
| 8 | Barco Video Projectors |
| 1 | 40'x53' Display Ad Large screen LED video board |
| 2 | Barco LED Screens |
| 1 | 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- Chryon Maxine! Graphics Generators
- 1- Abekes Dveous digital effects machine
- 2- 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 ¼ pole camera
 - 1 hillside camera *turf*
 - 1 5/16th camera *dirt/turf*
- F. Type of electronic timing device to be used for the timing of all races, name of the person supplying the service, and expiration date of the service contract:

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

11. SECURITY CONTROLS

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

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 11-A

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

1 Chief of Security
1 Stable Security Manager
7 Investigators
1 Dispatcher/Child Care
40 Security Guards
1 Risk & Office Manager
1 Fire Marshall
13 Gatemen
1 Stable Credentials Secretary

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

A cooperative effort by Oak Tree Racing Association, Los Angeles Turf Club, Incorporated and TOC, has created and implemented a plan for Graded/Stakes Races. Under the plan, each horse entered in a graded race is assigned a contracted security officer. Each of these officers has received training from OTRA/LATC Stable Security management, the CHRB and one or more track veterinarians. Each officer is also 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. OTRA/LATC also tests for carbon dioxide (TCO/2) levels of entries prior to all races.

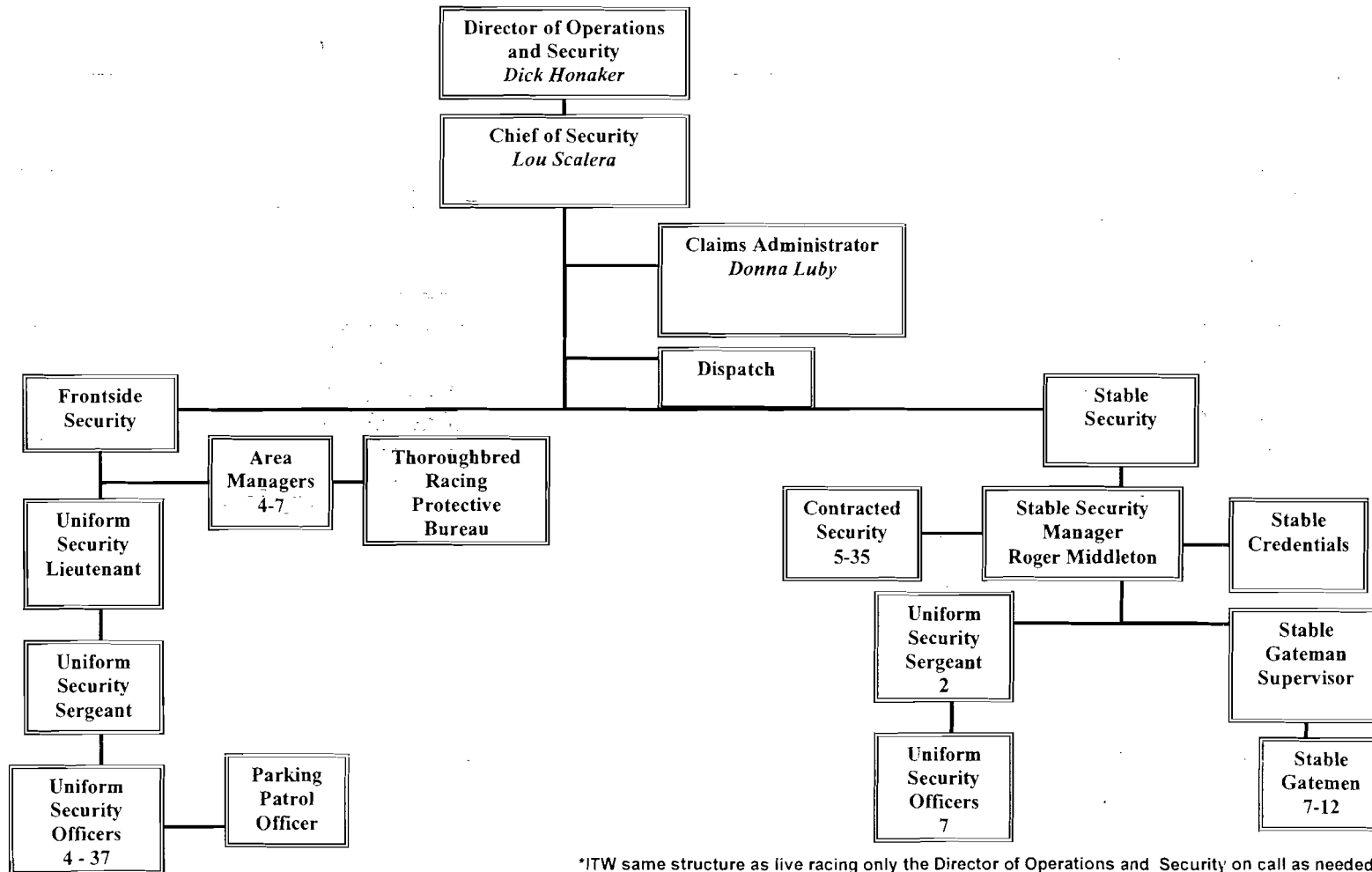
2. Detention Barns

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

As indicated in the Testing Policy and Procedures, attached as Exhibit 12B, the Detention Barn is used when a trainer's entry tests high for carbon dioxide (TCO2). All race entries for the offending trainer must be transported to the Detention Barn by noon of the day prior to the scheduled race. In addition to the electronic surveillance as mentioned in section C1, below, a contracted security guard is then placed on duty for every 3 horses in the Detention Barn. In addition, entries for graded races that are confined to the Detention Barn receive a contracted security officer six (6) hours before post as indicated in (1) above.

- b. Number of security guards in the detention barn area during a 24-hour period.
See B2 (a) above.

Organizational Chart



*ITW same structure as live racing only the Director of Operations and Security on call as needed.



**2007 Testing Policy & Procedures
Stall Application Supplemental Form**

Oak Tree Racing Association is entitled to perform physiological tests consisting of the taking of blood samples from owners' horses entered in races to be conducted at the 2007 meet. It is the understanding of the parties that such samples will be tested for bicarbonate levels. Trainers of horses showing a total carbon dioxide (TCO₂) of 37 millimoles per liter of plasma or more shall be subject to the following actions:

1st Offense – For the first test that results in a total carbon dioxide (TCO₂) of 37 millimoles per liter of plasma or more, the registered trainer of such horse shall have his/her barn, and all owners' horses stabled therein, subject to surveillance for a period of 45 days from the date of the infraction. 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 after notice to said trainer of the first incidence, may, by agreement of the TCO₂ Committee, be subject to confinement in a Protection Barn beginning at noon on the day before said horse is scheduled to compete. The costs of such protection services/surveillance including, but not limited to, \$150.00 for security and \$25.00 for stall renovation per horse/entrant, being born by the trainer or owner of such horse.

2nd Offense – For the second test that results in a total carbon dioxide (TCO₂) of 37 millimoles per liter of plasma or more, the registered trainer of such horse shall have his/her barn, and all owners' horses stabled therein, under surveillance for a period of 60 days from the date of the infraction. 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 45 days after notice to said trainer of the second incidence, may, by agreement of the TCO₂ Committee, be subject to confinement in a Protection Barn beginning at noon the day before said horse is scheduled to compete. The costs of such protection services/surveillance, including but not limited to, \$150.00 for security and \$25.00 for stall renovation per horse/entrant, per day, being born by the trainer or owner of such horse.

3rd Offense – For the third test that results in a total carbon dioxide (TCO₂) of 37 millimoles per liter of plasma or more, the registered trainer of such horse shall have his/her barn, and all owners' horses stabled therein, under surveillance for a period of 75 days from the date of the infraction. 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 after notice to said trainer of the third incidence, may, by agreement of the TCO₂ Committee, be subject to confinement in a Protection Barn beginning at noon the day before said horse is scheduled to compete. The costs of such protection services/surveillance including, but not limited to, \$150.00 for security and \$25.00 for stall renovation per horse/entrant, per day, being born by the trainer or owner of such horse.

My signature below indicates that I have read the above policy and understand the consequences if a horse under my care tests positive.

By: Trainer

Date:

12. EMERGENCY SERVICES

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

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

Fire inspection of the stabling area has been completed and submitted with this application as Exhibit 12-C.

- D. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details):

Liberty Mutual Insurance Company

Policy # On file

Effective 1/1/07 – 1/1/08

- E. 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.



City of Arcadia

Fire Department

David Lugo
Fire Chief

June 29, 2007

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

RE: Los Angeles Turf Club Fire Clearance (Oak Tree Meet)

Gentlemen:

The Arcadia Fire Department, Bureau of Fire Prevention conducted a Fire and Life Safety Inspection of the facilities at Los Angeles Turf Club to be used for the 2007 Oak Tree Meet.

It is requested that this letter be accepted as the report of that inspection. During this inspection no serious fire or life safety code violations were noted, and all permitted uses may continue.

In accordance with regulations as adopted by the California Horse Racing Board, this letter may be accepted as a fire clearance from this office for the 2007 Oak Tree Racing Meet at Los Angeles Turf Club, Arcadia, California.

Sincerely,

Mark Krikorian
Fire Marshal

cc: George Haines, General Manager, L.A.T.C.
Mary Saenz, Office Operations, L.A.T.C.
Stephen Guise, Director of Facilities & Grounds, L.A.T.C.
Doug Thorneberry, Asst. Facility Manager, L.A.T.C.
Jerry Gardner, Fire Safety Consultant, L.A.T.C.
Mike Miser, Fire Marshal, L.A.T.C.

| |
|------------------------------|
| Ref. No. 320005652773 |
|------------------------------|

| |
|---------------------------------|
| 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
1010 Hurley Way, Suite 300
Sacramento, CA 91007
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.; MI Developments Inc.; a/o
 Oaktree Racing Association, Inc.
 285 West Huntington Drive
 Arcadia, CA 91007
 USA

Coverage

| | | | |
|--|----------------------------|--|---------------------------|
| US Workers Comp/Employers Liability | Insurer | Liberty Mutual Insurance Company | |
| | Policy # | WC1-B71-072827-037 | |
| | Effective | 01-Jan-2007 | Expiry 01-Jan-2008 |
| | Limits of Liability | Workers Compensation As Per Applicable Law | |

Cancellation / Termination

The Insurer will endeavour to provide THIRTY (30) days written notice of cancellation/termination to the addressee.

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

Aon Reed Stenhouse Inc.

Dated : 08-May-2007
 Issued By : Lima,Ashley Marie
 Tel : 416-868-5691



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

THE POLICY CONTAINS A PARTIAL PAYMENT OF LOSS CLAUSE

1

AON

13. CONCESSIONAIRES AND SERVICE CONTRACTORS

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

HANDICAPPERS

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

Mr. Toby Turrell (Winners) (CHRB-25A and CHRB-87 on file with CHRB.)
14112 Enfield Circle
Westminster, CA 92683

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

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

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

Triangle Turf Publications (CHRB-25A and CHRB-87 on file with CHRB.)
William R. & Karen S. Archer
1 Scott Street
Gardnerville, NV 89410

14. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

A. Describe any promotional plans.

- **Direct mail offering “Day on Us” to patrons including free parking, program and admission on Opening Day**
- **Commemorative souvenir container of the original dirt track given out to fans on Opening Day**
- **Two KROQ Microbrew Festivals in the infield**
- **Stein giveaway for all fans on September 29**
- **Direct mail offer to patrons with two Clubhouse passes and one mystery mutuel voucher valid during the 2nd week**
- **Other various direct mail offers sent to segments of the mailing list throughout the season**
- **Breeders’ Cup Challenge Fleece Sweatshirt giveaway on October 7**
- **Dollar Day promotions on October 8 and November 4 with \$1 admission, programs, beer, hotdogs, sodas and popcorn**
- **Premium Giveaway to THOROUGHBREDS Members on October 13 – Item TBD**
- **Burbank Road Kings Car Show in the infield on October 13**
- **Carnival Days on October 20-21.**
- **Breeders Cup Day promotion - TBD**
- **Cal Cup Day Giveaway – Item TBD**
- **\$1,000,000 Guaranteed Pick 6 on Cal Cup Day**
- **Seniors free general admission every Thursday (62 and older)**
- **Family Fun Days in the infield every Sunday**
- **Handicapping Challenge Contest**
- **ShowVivor online contest with a \$10,000 prize pool**
- **\$300,000 Guaranteed Pick 4 on weekends**
- **\$200,000 Guaranteed Pick 4 on weekdays**

B. Number of hosts and hostesses employed for meeting:

Patron Service Representatives on weekdays and 6 on weekends.

C. Describe facilities set aside for new fans:

Jim Quinn will hold handicapping seminars adjacent to walking ring on weekends primarily for new fans.

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

1. **Horsemen: Cushion Track to be installed.**
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 will be replaced, Fire Prevention systems updated and stall door and lighting fixtures replaced. In addition, every restroom has been painted and fixtures, flooring and tile replaced as needed.**

15. 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 (general) Free
 - Reserved seating (clubhouse) \$ 5.00 (Sold on premium days only.)
\$ 7.50 (Daily box seat, sold every day.)
 - Parking (general) \$ 4.00
 - Parking (preferred) \$ 6.00
 - Parking (valet) \$ 10.00
 - Programs (on-track) \$ 2.25
 - (off-track) \$ 2.25

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

Turf Club Season admission: One Card - \$300.00 (Adjusted for 31 race days.)
Two Cards - \$500.00 (Adjusted for 31 race days.)

Season Box Seat: \$130.00 per seat (Adjusted for 31 race days.)

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

16. JOCKEYS/DRIVERS' QUARTERS

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

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

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

Same amenities as above, but in separate quarters.
They share food and beverage service area.

17. BACKSTRETCH EMPLOYEE HOUSING

- A. Inspection of backstretch housing scheduled for August 30, 2007 by CHRB investigator Jim Hamilton.
- B. Number of rooms used for housing on the backstretch of the racetrack: **445**
- C. Number of restrooms available on the backstretch of the racetrack:
29 Restrooms (116 toilets, 99 lavatories, 45 urinals, 64 showers)
- D. Estimated ratio of restroom facilities to the number of backstretch personnel: **47**

18. TRACK SAFETY

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

| |
|-------|
| 5.280 |
|-------|

 feet.
- B. Describe the type(s) of materials used for the inner and outer railings of the race course, the type of inner railing supports (i.e., metal gooseneck, wood 4" x 4" uprights, offset wood 4" x 4" supports, etc.), the coverings, if any, on the top of the inner railing, and the approximate height of the top of the inner railing from the level of the race course.
Inside rail of the main track has metal goosenecks with a 6 inch aluminum rail with sheet metal 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: **Steve Guise, Director of Facility & Grounds**
- D. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474. **On file**
- E. If the association is requesting approval to implement alternate methodologies to the provisions of Article 3.5, Track Safety Standards, pursuant to CHRB Rule 1471, attach a Certificate of Insurance for liability insurance which will be in force for the duration of the meeting specified in Section 2. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of liability insurance. Additionally, the CHRB must be listed as additionally insured on the liability policy at a minimum amount of \$3 million per incident. The liability insurance certificate must be on file in the CHRB headquarters office prior to the conduct of any racing. N/A

19. DECLARATIONS

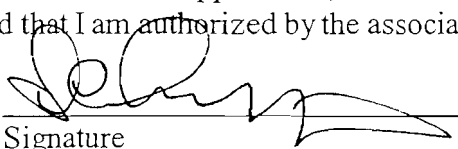
- A. All labor and lease agreements and concession and service contracts necessary to conduct the entire meeting has been finalized except as follows (if no exceptions, so state): **No exceptions.**
- B. Attach each horseman's agreement pursuant to CHRB Rule 2044. **On file.**
- C. Attach a lease agreement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

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

20. CERTIFICATION BY APPLICANT

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

Sherwood C. Chillingworth
Print Name


Signature

Executive Vice-President
Print Title

6/26/07
Date

STAFF ANALYSIS
August 21, 2007

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE FRESNO DISTRICT FAIR AT FRESNO OCTOBER 3-14, 2007.

- Fresno District Fair filed its application to conduct a horse racing meeting at Fresno:
- October 3-14, 2007, or 11 days, the same as 2006. The fair proposes to race a total of 94 races, one less than 2006.
- The proposed race dates are the approved dates allocated to the fair.

| October – 2007 | | | | | | |
|----------------|-----|-----|-----|-----|-----|-----|
| 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 6 days the first week and 5 days the second week with 8 races per day Monday and Wednesday, 8 to 9 Thursday, Friday and Saturday and 9 to 10 Sunday.
 - Number of horses available determines the number of daily races programmed by breed.
 - 2006 - average number of runners per race:
Thoroughbred – 8.32, Quarterhorse – 7.25, Arabian – 7.08, Mule – 7.5
- Racing concurrently with Oak Tree Racing Association and Bay Meadows. Bay Meadows will be dark 10/3, 10/4, 10/10 and 10/11.
- First post 12:37 p.m. Saturday and Sunday, 1:30 p.m. Friday and 1:15 p.m. Monday, Wednesday and Thursday.
 - Requesting an additional five minutes in between races Saturday and Sunday to prevent shut outs at the betting windows.
- Request Darrell Sparks be appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety requirements have been fulfilled.
- Wagering program will use CHRB rules.
 - Early wagering will begin at 10:00 a.m.
- The Advance Deposit Wagering (ADW) providers are TVG, Xpressbet and Youbet.
- Simulcasting conducted with other out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- Inspection of backstretch worker housing completed.

RECOMMENDATION:

Staff recommends the Board approve the application.

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

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

1. APPLICANT FAIR ASSOCIATION

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

21st District Agricultural Association
The Big Fresno Fair
1121 South Chance Avenue
Fresno, Ca. 93702
(559) 650-3247; FAX (559) 650-3226

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

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

2. DATES OF RACE MEETING

A. Inclusive dates of race meeting: October 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 2007

B. Dates racing will NOT be held: Tuesday, October 9, 2007

C. Total number of racing days: 11 Days

3. RACING PROGRAM

A. Total number of races: 94

B. Number of races by breed:

Thoroughbreds Quarter Horses Appaloosas
 Arabians Paints Mules

CHRB CERTIFICATION

Application received: 7/2/07
Reviewed: *[Signature]*

Hearing date: 8/21/07
Approved date:
License number:

- C. Number of races daily: **Monday/Wednesday - 8 Races**
Thursday/Friday/Saturday - 8 to 9 Races
Sunday - 9 to 10 Races

| | 1st Sun. | 2 nd Sun. | Mon. | Tues. | 1st Wed. | 2 nd Wed. | 1st Thurs. | 2 nd Thurs. | 1st Fri. | 2 nd Fri. | 1st Sat. | 2 nd Sat. |
|--------------|-------------|-------------------------|------|-------|-------------|-------------------------|---------------|---------------------------|-------------|-------------------------|-------------|-------------------------|
| Thoroughbred | 6 | 7 | 5 | | 4 | 7 | 4 | 5 | 5 | 5 | 5 | 5 |
| Other Breeds | 3 | 3 | 3 | | 4 | 1 | 4 | 3 | 4 | 4 | 3 | 4 |
| Total | 9 | 10 | 8 | | 8 | 8 | 8 | 8 | 9 | 9 | 8 | 9 |

- D. Total number of stakes races by breed:

Thoroughbreds Quarter Horses Appaloosas
 Arabians Paints Mules

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

| | | |
|--|--|--|
| Friday, October 5, 2007 Arabians, 3 Years Old & Up Six Furlongs | California ARC Gold Cup | \$ 12,000 Guaranteed (Includes \$2,000 from ARAC) Noms Close 9/30/07 |
| Sunday, October 7, 2007 Mules, 3 Years Old & Up 350 Yards | AMRA World Championship Futurity | \$ 10,000 Guaranteed Noms Close 10/2/07 |
| Sunday, October 14, 2007 Quarter Horses, 2 Years Old 400 Yards | Fresno Quarter Horse Futurity 14 th Running | \$ 10,000 Guaranteed Noms Close 10/8/07 |
| Sunday, October 14, 2007 Mules, 3 Years Old & Up 440 Yards | Fresno AMRA Gold Cup 13 th Running | \$ 10,000 Guaranteed Noms Close 10/8/07 |
| Sunday, October 14, 2007 Arabians, 3 Years Old & Up 1 1/16 Miles | K Cuch Jedah Stakes 10 th Running | \$12,000 Guaranteed (Includes \$2,000 from ARAC) Noms Close 10/8/07 |

OVERNIGHT STAKES SCHEDULE

| | | |
|---|---|---|
| Friday, October 12, 2007 Six Furlongs, 2 Years Old | The Harvest Futurity 4 th Running | \$ 45,000 Guaranteed Noms Close 10/5/07 12 Noon |
| Sunday, October 14, 2007 Thoroughbreds, 3 Years Old & Up One Mile | Bulldog Stakes 16 th Running | \$ 50,000 Guaranteed Noms Close 10/8/07 12 Noon |

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

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

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

| | MON/WED/THURS | FRIDAYS | SATURDAYS * | SUNDAYS * |
|----------|-------------------------------|----------------|--------------------|------------------|
| Race #1 | 1:15 p.m. | 1:30 p.m. | 12:37 p.m. | 12:37 p.m. |
| Race #2 | 1:45 p.m. | 2:00 p.m. | 1:12 p.m. | 1:12 p.m. |
| Race #3 | 2:15 p.m. | 2:30 p.m. | 1:42 p.m. | 1:42 p.m. |
| Race #4 | 2:45 p.m. | 3:00 p.m. | 2:12 p.m. | 2:12 p.m. |
| Race #5 | 3:15 p.m. | 3:30 p.m. | 2:42 p.m. | 2:42 p.m. |
| Race #6 | 3:45 p.m. | 4:00 p.m. | 3:12 p.m. | 3:12 p.m. |
| Race #7 | 4:15 p.m. | 4:30 p.m. | 3:42 p.m. | 3:42 p.m. |
| Race #8 | 4:45 p.m. | 5:00 p.m. | 4:12 p.m. | 4:12 p.m. |
| Race #9 | *5:15 p.m. | 5:30 p.m. | 4:42 p.m. | 4:42 p.m. |
| Race #10 | *Thursdays if 9 races are run | | | 5:12 p.m. |

With the approval of the Board, the Big Fresno Fair will set its post times in a manner that will enhance the California racing product from Santa Anita and Bay Meadows.

***During Saturday and Sunday races, requesting an additional five (5) minutes in between races due to customers being shut out at the betting windows. In previous years, we have had to ask stewards for additional minutes at post time due to long lines at the betting windows.**

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

4. FAIR ASSOCIATION

- A. Names of the fair directors:

| | |
|---|---|
| <p>Debbie Jacobsen, President Richard "Tim" Bakman Joseph De Los Santos Vernon Jones</p> | <p>Larry Serpa, Vice-President Elizabeth Hudson Ardie Der Manuel Wangyee Vang William "Bill" White</p> |
|---|---|

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

Chief Executive Officer John C. Alkire; Director Ardie Der Manuel

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

| | |
|---|--|
| <p>John C. Alkire, CEO Richard Horner, Pari-Mutuel Manager Steve Wood, Track Superintendent Daniel White, Director of Racing</p> | <p>Stacy Rianda, Deputy Manager II Anita Ortega, Stable Superintendent Chuck George, Track Foreman John Heinrich, Maintenance Supervisor II</p> |
|---|--|

5. PURSE PROGRAM

A. Purse distribution:

1. All races other than stakes:

Current meet estimate: \$516,700

Prior meet actual: \$388,360

2. Overnight stakes:

Current meet estimate: \$ 95,000

Prior meet estimate: \$ 90,000

3. Non-overnight stakes:

Current meet estimate: \$ 54,000

Prior meet actual: \$ 54,000

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

Current meet estimate: \$ 29,076

Prior meet actual: \$ 29,076

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

| Current meet estimate: | | Prior meet actual: |
|------------------------|-----------------|--------------------|
| CTT | \$ 1,983 | \$ 2,121 |
| TOC | \$ 3,966 | \$ 4,241 |
| NTRA | \$ 5,541 | \$ 2,696 |
| PCQHRA | \$ 957 | \$ 1,614 |
| CWAR | \$ -0- | \$ -0- |
| ARAC | \$ 7,800 | \$ 6,939 |
| AMRA | \$ 4,860 | \$ 7,081 |
| CHBPAPEN | \$ 5,949 | \$ 6,362 |
| CTHF | \$ 5,949 | \$ 6,362 |
| Totals: | \$37,005 | \$37,416 |

D. Amount from **all sources** to be distributed at the meeting in the form of purses or other benefits to horsemen (5A+5B+5C):Current meet estimate: **\$731,781**Prior meet actual: **\$598,852**

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

Current meet estimate: **\$540,606**Prior meet actual: **\$524,860**

F. Purse funds to be generated from interstate handle:

Current meet estimate: **\$12,875**Prior meet actual: **\$12,500**G. Bank and account number for the Paymaster of Purses purse account:
West America Bank – Account #On file (CARF)

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

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

6. STABLE ACCOMMODATIONS

- A. Number of usable stalls available for racehorses at the track where the meeting is held: **780 stalls plus 80 portable stalls.**
- B. Minimum number of stalls believed necessary for the meeting: **860**
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: **None**
- D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site: **N/A**
- E. Attach each contract or agreement between the fair and the person(s) furnishing off-site stabling accommodations for eligible racehorses that cannot be provided stabling on-site. **N/A**

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

- F. Total number of usable stalls made available **on-site** for the **1986** meeting: **1,037**
- 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, fairs may elect to offer wagering programs using CHRB Pari-mutuel Rules, the Association of Racing Commissioners International (RCI) Uniform Rules of Racing, Chapter 9, Pari-mutuel Wagering, or a combination of both. Please complete the following schedule for the types of wagering other than WPS and the minimum wager amount for each:

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

| TYPE OF WAGERS | APPLICABLE RULES |
|-------------------------------|---------------------|
| Example Race\$1 E; \$1 Double | CHRB #1959; RCI #VE |
| Exacta (E) | CHRB #1959 |
| Quinella (Q) | CHRB #1958 |

| | |
|---------------------------|--------------|
| Pick 3 (PK3) | CHRB #1977 |
| Daily Double (DD) | CHRB #1957 |
| Trifecta (TRI) | CHRB #1979 |
| Superfecta (SF) | CHRB #1979.1 |
| Place Pick (n) Pool (PPN) | CHRB #1976.8 |
| Pick (n) Pool (PNP) | CHRB #1976.9 |
| Select 4 (PK4) | CHRB #1978 |

Race # Type of Wagers

| | | |
|----------|--|-----------------------------|
| Race #1 | \$1 E, \$1 PK3, \$1 PK4, \$1 PNP, \$1 TRI, \$2 Q, \$2 DD, \$.10 SF | |
| Race #2 | \$1 E, \$1 PK3, \$1 PK4, \$1 PNP, \$1 TRI, \$2 Q, \$2 DD, \$.10 SF | |
| Race #3 | \$1 E, \$1 PK3, \$1 PK4, \$1 PNP, \$1 TRI, \$2 Q, \$2 DD, \$.10 SF | |
| Race #4 | \$1 E, \$1 PK3, \$1 PK4, \$1 PNP, \$1 TRI, \$2 Q, \$2 DD, \$.10 SF | |
| Race #5 | \$1 E, \$1 PK3, \$1 PK4, \$1 PNP, \$1 TRI, \$2 Q, \$2 DD, \$.10 SF | \$1 PNP for 8 Race Program |
| Race #6 | \$1 E, \$1 PK3, \$1 PK4, \$1 PNP, \$1 TRI, \$2 Q, \$2 DD, \$.10 SF | \$1 PNP for 9 Race Program |
| Race #7 | \$1 E, \$1 PK3, \$1 PK4, \$1 PNP, \$1 TRI, \$2 Q, \$2 DD, \$.10 SF | \$1 PNP for 10 Race Program |
| Race #8 | \$1 E, \$1 PK3, \$1 TRI, \$2 Q, \$2 DD, \$.10 SF | No DD on 8 Race Program |
| Race #9 | \$1 E, \$1 TRI, \$2 Q, \$2 DD, \$.10 SF | |
| Race #10 | \$1 E, \$1 TRI, \$2 Q, \$.10 SF | |

- B. Maximum carryover pool to be allowed to accumulate before its distribution **OR** the date(s) designated for distribution of the carryover pool: **October 14, 2007, last day of race meet.**
- C. List any options requested with regard to exotic wagering:
\$1 PNP when applicable; and \$.10 SF when applicable.
- D. Will "advance" or "early bird" wagering be offered? Yes No
If yes, when will such wagering begin: **"Early Bird" Wagering will begin 10 a.m. day of event.**
- E. Type(s) of pari-mutuel or totalizator equipment to be used by the fair and the simulcast organization, the name of the person(s) supplying equipment, and expiration date of the service contract:
Scientific Games Racing (Autotote), George Brannon, September 30, 2012
Equipment description on file with Board.

8. SIMULCAST WAGERING PROGRAM

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

NORTHERN CALIFORNIA
Alameda County Fair, Pleasanton
Bay Meadows, San Mateo

SOUTHERN CALIFORNIA
Barona Casino, Lakeside
Fantasy Springs Casino (Cabazon), Indio

| | |
|--|---|
| Big Fresno Fair, Fresno | Del Mar Thoroughbred Club, Del Mar |
| California State Fair & Exposition, Sacramento | Hollywood Park, Inglewood |
| Club One, Fresno | Desert Expo Centre, Indio |
| Golden Gate Fields, Albany | The Farmers Fair, Perris |
| Kern County Fair, Bakersfield | Antelope Valley Fair, Lancaster |
| Monterey County Fair, Monterey | Santa Barbara County Fair, Santa Maria |
| Redwood Acres Fair, Eureka | Los Alamitos Racecourse, Los Alamitos |
| San Mateo County Fair, San Mateo | National Orange Show, San Bernardino |
| San Joaquin County Fair, Stockton | Fairplex Park, Pomona |
| Santa Clara County Fair, San Jose | Santa Anita, Arcadia |
| Shasta District Fair, Anderson | Viejas Casino & Turf Club, Alpine |
| Solano County Fair, Vallejo | Earl Warren Showgrounds, Santa Barbara |
| Sonoma County Fair, Santa Rosa | Sycuan Gaming Center, El Cajon |
| Stanislaus County Fair, Turlock | Ventura County Fair, Ventura |
| Tulare County Fair, Tulare | San Bernardino County Fair, Victorville |

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

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

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

| Name of Host Track | Race Dates | Full Card or Selected Feature and/or Stakes Races |
|--------------------|------------------|---|
| Calder | 10/3/07-10/14/07 | Full or Partial Cards |
| Delaware Park | 10/3/07-10/14/07 | Full or Partial Cards |
| Fort Erie | 10/3/07-10/14/07 | Full or Partial Cards (International) |
| Hastings Park | 10/3/07-10/14/07 | Full or Partial Cards (International) |
| Hawthorne Park | 10/3/07-10/14/07 | Full or Partial Cards |
| Laurel Park | 10/3/07-10/14/07 | Full or Partial Cards |
| Louisiana Downs | 10/3/07-10/14/07 | Full or Partial Cards |
| Meadowlands | 10/3/07-10/14/07 | Full or Partial Cards |
| NYRA (Belmont) | 10/3/07-10/14/07 | Full or Partial Cards |
| Northlands Park | 10/3/07-10/14/07 | Full or Partial Cards (International) |
| Penn National | 10/3/07-10/14/07 | Full or Partial Cards |
| Philadelphia Park | 10/3/07-10/14/07 | Full or Partial Cards |
| Portland Meadows | 10/3/07-10/14/07 | Full or Partial Cards |
| Remington Park | 10/3/07-10/14/07 | Full or Partial Cards |

N. CA Racing Fairs/CARF
OCTOBER 3-14, 2007
Prepared 5/8/07

BIG FRESNO FAIR/FRESNO

| Common Pool Locations | Common Pool Locations | Common Pool Locations |
|-----------------------------------|-------------------------------------|--|
| AmencaTAB | Ellis Park | Northfield Park |
| AmWest Entertainment | Emerald Downs | Cedar Downs OTB |
| Cypress Bayou(LA) | Evangeline Downs | Northville Downs |
| Riders Up(SD) | Fair Grounds | Oaklawn Park |
| The Sports Center (SD) | Fair Meadows | Ocean Downs |
| Time Out Lounge (SD) | Finger Lakes | Penn National |
| Arapahoe Park | Fonner Park | Philadelphia Park |
| Arlington Park | Freehold Raceway | Plainridge Race Course |
| Atlantic City Race Course | Gillespie County Fair | Plainridge Race Course - acct wagering |
| Atokad Downs | Great Lakes Downs | Pocono Downs |
| Balmoral Park/Maywood Park | Greenetrack | Portland Meadows |
| Bangor Historic Track/Millers OTB | Gulf Greyhound Park at Post Falls | Prairie Meadows |
| Beulah Park | Gulf Greyhound (Texas Hub) | Raceway Park |
| Birmingham Race Course | Harrah's Chester Downs | Racing & Gaming Services (RGS) |
| Blue Ribbon Downs | Hamngton Raceway | Racing World |
| Bluff's Run Greyhound Track | Hawthorne Race Course | Victor Chandler Int'l |
| Buffalo Raceway | Hazel Park | Raynham Taunton Greyhound |
| Calder Race Course | Hinsdale Greyhound Park (NO ADW) | Raynham Taunton Greyhound-Acct Wager |
| Canadian Associations | Hoosier Park @ Anderson | Remington Park |
| Assinboia downs | Horsemen's Park | Retama Park |
| Clinton Raceway | Indiana Downs | River Downs |
| Connaught Park-Aylmer | | Rockingham Park |
| Elmira Raceway | | Rockingham Park Account Wagering |
| Ex Park IVR | IRG | Seabrook Greyhound |
| Flamboro Downs | Jackson Harness Raceway | Rosecroft Raceway |
| Fort Ene Racetrack | Keeneland | Royal River Racing |
| Fraser Downs | Kentucky OTB | Ruidoso Downs |
| Georgian Downs | Las Vegas Dissemination | Sam Houston Race Park |
| Hanover Raceway | Lebanon Raceway | Valley Greyhound Park |
| Hastings Park | Les Bois Park | Saratoga Raceway |
| Hippodrome de Montreal | Lewiston Raceway/OTB ME | Scarborough Downs |
| Hippodrome de Quebec | Lien Games | Scioto Downs |
| Kawartha Downs | | Southland Racing Corporation |
| Marquis Downs | North Dakota Horse Park | Sports Creek Raceway |
| Northlands | Clubhouse Lounge | Suffolk Downs |
| Picov Downs | SkyDancer Casino | Suffolk Downs OTB's |
| Quinte Raceway | Chips Lounge and Casino | Suffolk Regional OTB (NY) |
| Rideau Carleton Raceway | El Rancho Motor Hotel OTB | Sunland Park |
| Royal Britannia Hub | Idaho Falls Racing OTB | SunRay Park |
| Stampede Park | Rumors OTB | Tampa Bay Downs |
| Sudbury Downs | Aberdeen Racing OTB (SD) | The Meadows (PA Only) |
| TBC Teletheatres | Mitch's Grandstand OTB | Thistledown |
| Western Fair Raceway | Lincoln Greyhound Park | Tioga Downs |
| Windsor Raceway | Lodge at Belmont | Tn-State Greyhound |
| Woodbine | Lodge at Belmont - account wagering | Turf Paradise |
| Canterbury Park | Lone Star Park | Turfway Park |
| Capital Distnct Regional OTB | Louisiana Downs | TVG |
| Catskill Regional OTB | LVDC | US OFF-TRACK |
| Charles Town Race Course | | Western Region OTB |
| Chester Downs | Atlantis Paradise Casino | Wheeling Downs |
| Choctaw Racing Services | Cities of Gold/Poljoaque | Wichita Greyhound |
| Comanche Nation Games | Crystal Palace Casino | Will Rogers Downs |
| Oneida Bingo | Elite Turf Club #1 | Wonderland Greyhound |
| Red River Casino | Elite Turf Club #2 | Woodlands |
| Churchill Downs | Fire Lake | Wyoming OTB (NO ADW) |
| Coeur d'Alene Casino | Foxwoods Resort and Casino | Xpressbet |
| Coeur d'Alene Acct Wagemng | Meskwaki Bingo & Casino | Yavapai Downs |
| Colonial Downs | Polawatomi | Yonkers Raceway |
| Columbus Races | Spirit Mountain Casino | Youbet |
| Connecticut OTB | Stables, The | International Racing Group (IRG) |
| Divi Carina Bay Casino | Magna International | Zia Park |
| Ho-Chunk Casino | Manor Downs | |
| John Martin's Manor | Maryland Jockey Club | |
| Mohegan Sun Casino | Meadowlands/Monmouth | |
| Randall James Racetrack | Mobile Greyhound | |
| Royal Beach Casino | Montana Simulcast Partners | |
| Shoreline Star Greyhound | Monticello Raceway | |
| Tote Investment Racing Service | Mountaineer Park | |
| Corpus Chnsti Greyhound | Mount Pleasant Meadows | |
| Dairyland Greyhound Park | Nassau Regional OTB | |
| Delaware Park | Nebraska State Fair Park | |
| Delta Downs | Nevada Pan-Mutuel Assn | |
| Dover Downs | New Jersey Casinos | |
| Downs @ Albuquerque | Newport Jai-Ala: | |
| | New York City OTB | |
| | New York Racing Association | |

| Separate Pool Locations |
|----------------------------|
| Hipodromo Presidente Remon |
| LVDC (NV) |
| MIR/Caliente |

| | | |
|---------------|------------------|---------------------------------------|
| River Downs | 10/3/07-10/14/07 | Full or Partial Cards |
| South America | 10/3/07-10/14/07 | Full or Partial Cards (International) |
| Suffolk Downs | 10/3/07-10/14/07 | Full or Partial Cards |
| Thistledown | 10/3/07-10/14/07 | Full or Partial Cards |
| Turf Paradise | 10/3/07-10/14/07 | Full or Partial Cards |
| Turfway Park | 10/3/07-10/14/07 | Full or Partial Cards |
| Woodbine | 10/3/07-10/14/07 | Full or Partial Cards (International) |
| Zia Park | 10/3/07-10/14/07 | Full or Partial Cards |

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

N/A

OTHER BREED SIMULCAST RACES TO BE IMPORTED

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

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

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

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

9. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

- A. Racing officials nominated:

| | |
|-----------------------------|--|
| Association Veterinarian(s) | Shan Collette - DVM Track Fitness Veterinarian Don Dooley – CHRB Veterinarian |
| Clerk of Scales | Cheryl White |
| Clerk of the Course TB | Dolores Collins |
| EB | Dolores Collins |
| Film Specialist | Danny Winick |
| Horse Identifier | Darrell Sparks |
| Horseshoe Inspector | Maurice Fitzpatrick |
| Patrol Judge | Danny Winick |
| Paddock Judge/Patrol Judge | Mathew Nichols |
| Placing Judges | Mathew Nichols/Myra Truitt |
| Starter | Robert Mooneyhan |
| Timer | Melody Truitt |

- B. Management officials in the racing department:

| | |
|-------------------------------------|------------------|
| Director of Racing | Daniel White |
| Racing Secretary | Zachary Soto |
| Assistant Racing Secretary | Dee Dee Robinson |
| Paymaster of Purses | Victoria Layne |
| Others (identify by name and title) | |

- C. Name, address and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards:
Esquire Deposition Services, 516 W. Shaw, Suite 200, Fresno, Ca. 93704 (559) 261-2324
- D. Photographic device to be used for photographing the finish of all races, name of the person supplying the service, and expiration date of the service contract:
Plusmic Corporation USA, Bill O'Brien Expires 12/07/07
- E. Photopatrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract. Specify the number and location of cameras for dirt and turf tracks.
Pegasus Communications, Inc., Jim Porep, April 30, 2008
Equipment Description: 5 cameras - (3 towers, 1 pan, 1 hand-held)
- F. Type of electronic timing device to be used for the timing of all races, name of the person supplying the service, and expiration date of the service contract:
Permanently installed system-laser, Pegasus Communications, Inc., Jim Porep, April 30, 2008

10. SECURITY CONTROLS

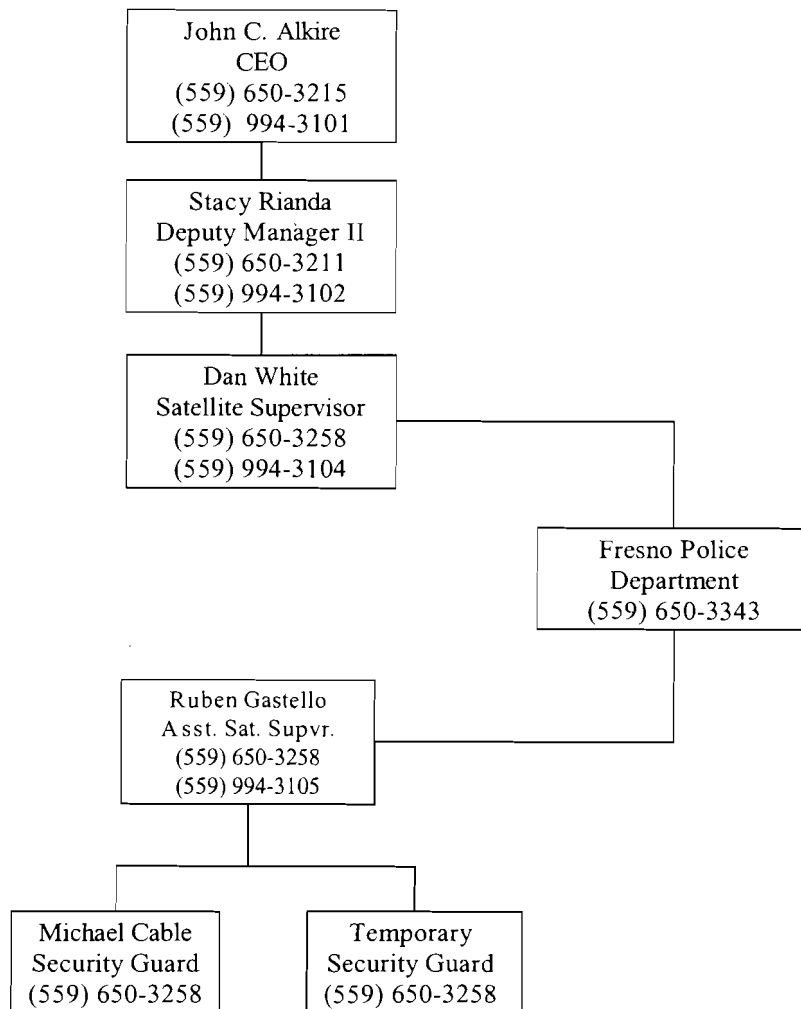
- A. Name and title of the person responsible for security controls on the premises. Include an organizational chart of the security department and a list of the names of security personnel and contact telephone numbers.
Daniel White, Director of Racing
Office: (559) 650-3258; Cell: (559) 994-3104
- Organizational Chart Attached**
- B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis:
Grandstand Security Guards: 4 Security Guards plus 2 Fresno Police Department Officers. Stable Gate Area Security Guards: 6 Gatemen; 2 Stable Area Patrol; 4 Security Guards; and an on-grounds stall superintendent lives in the backside area and makes rounds throughout the night checking the horses and stalls.
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: **N/A (The Fair is not running graded stakes)**
 - A. Attach a plan for use of graded stakes or overnight races.
 - B. Number of security guards in the detention barn area during a 24-hour period.
 - C. Describe number and location of surveillance cameras in detention barn area.

Item #10-A

Security Organizational Chart

A number of security controls are made available during the Fair's live race meet and is coordinated by Fair Management and the Director of Racing. The grandstand is conducted by grandstand Security Guards as well as the Officers of the Fresno Police Department Command Center, who patrols all four floors of the grandstand and patrols the outside horse racing seats of the grandstand. Security Guards are assigned in the stable area, if and when issues arise and escalate, Fair Management and the Command Center become involved as needed and make necessary arrests and/or ejections. The Director of Racing and Fair Management will work closely with CHRB staff in the backstretch area on a daily basis throughout the run of the Fair.

**21st District Agricultural Association
The Big Fresno Fair
2007**



3. TCO2 Testing:

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

All Thoroughbred races and all horses.

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

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

- C. Plan for detention barns for repeat offenders.

Ten (10) stalls adjacent to test barn, which are under 24-hour video surveillance.

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

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

- C. Describe the electronic security system.

Money Room and Tote Room – security system includes motion sensors, door contact sensors monitored by Central Alarm; Money Room Manager carries a panic button.

Grandstand –security system includes motion sensors, door contacts monitored by ADT Security Service.

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

Will work with CARF to provide cameras for the detention barn (TC02 Testing Trailer) and will conduct random security patrols throughout the barn area in conjunction with CHRB investigators.

11. EMERGENCY SERVICES

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

American Ambulance, 2911 E. Tulare Street, Fresno, CA 93721 (559) 443-5900

- B. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites: **None**

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

Fire Marshall is scheduled to inspect Fresno Fair's portable horse stalls September 18, 2007.

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



March 13, 2007

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

Re: Big Fresno Fair/21st DAA
1121 South Chance Avenue
Fresno, CA 93702

Please be advised that the Big Fresno Fair/21st DAA is a member of the California Fair Services Authority (CFSA), and participates in the following self-insurance and loss pooling programs which are administered by CFSA:

I. COMPREHENSIVE GENERAL LIABILITY PROGRAM

Limit \$10,000,000 CSL per occurrence
Coverage continuous until cancelled

II. WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY

- A. Primary Coverage \$500,000 self-insured retention California Fair Services Authority
Coverage continuous until cancelled
- B. Excess Coverage (a) Workers' Compensation: \$199,500,000 in excess of \$500,000
(b) Employers' Liability: \$4,500,000 in excess of \$500,000
Coverage provided by CSAC Excess Insurance Authority
Term: 07/01/2006 to 07/01/2007

CFSA represents to CHRB that within the above limits, terms and provisions of the coverage stated, to the extent provided by law, CFSA will provide defense, payment, and indemnification on loss funding in accordance with the terms of the contractual assumption of the Big Fresno Fair/21st DAA as set forth in CHRB's "Insurance Requirements".

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

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

Sincerely,

Lianne Lewellen
Risk Analyst

12. CONCESSIONAIRES AND SERVICE CONTRACTORS

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

| COMPANY | OWNER | ADDRESS | CONCESSION SERVICE |
|----------------------------|-----------------------|---|---|
| C & C Concessions | Charles Giordano | P. O. Box 1651 Ontario, Ca. 91762 | Food & Beverage, Alcoholic & Non-Alcoholic Beverage |
| Speeda Sound | Mike King | 5617 W. San Madele Fresno, Ca. 93722 | Sound Equipment |
| Winner's Circle Restaurant | Don Fowler | 1100 Howe Avenue #450 Sacramento, Ca. 95825 | Cafe |
| Bob's Card, Inc. | Tiffany Bohland | 6288 Highland Meadows Medina, OH 44256 | Tip Sheets |
| Cal Horse | Rick Harris | 26807 Proveda Mission Viejo, Ca. 92691 | Tip Sheets |
| Photos by Frank | Patricia Visco | 5024 Katella #124 Los Alamitos, Ca. 90720 | Winner's Circle Photos |
| Silver Bar Leasing | Tracy Foote | 2445 S. Fruit Fresno, Ca. 93706 | Portable Stalls |
| 1 Sound View Loop | CARF Contract | South Salem, NY 10590 | Starting Gate |
| Bailey Mobile Laundry | Frances Lorene Dutton | 1129 Avenida Sevilla #7-B Walnut Creek, Ca. 94595-3741 | Jockeys Laundry |
| Daily Racing Form | Bill Brandt | 100 Broadway New York, NY 10005 | Program Printing & Delivery |
| NOTWINC | Bryan Wayte | 11875 Dublin Blvd. Dublin, Ca. 94568 | Armored Car Service |

13. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

A. Describe any promotional plans:

The 2007 Big Fresno Fair will operate its eleven days of live horse racing October 3-14 with the dark day on Tuesday, October 9th. All dedicated horse racing television spots are run on local television stations and cable and promotions of the Fresno Fair's Race Meet will also be included in radio spots and in all publicity materials; Hispanic Announcer on board both Sundays. (See attached)

B. Number of hosts and hostesses employed for meeting: **6**

C. Describe facilities set aside for new fans: **Daily Handi-Capping Seminars**

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

1. Horsemen – **New in 2007 - added more trees on the backside and again upgraded the stalls and tack rooms; planted grass and installed over two miles of sprinkler pipe and pop-up sprinklers to irrigate the Infield; planted 733 poplar trees and 50 cypress trees surrounding the racetrack; remodeled and upgraded several of the horse stalls and tack rooms; and for the third year, offering the Owner/Trainer appreciation BBQ and giving away awards for the Special Trainer, Top Jockey Thoroughbred, Top Jockey Mixed Breed, and Top Groom.**
2. Fans – **In 2007 - expanded the club house seating area on the 4th floor; added two large fans on the 2nd floor betting area; painted more murals on the second floor; upgraded**

Item # 13-A



1121 S. Change Avenue
Fresno, Ca. 93702
(559) 650-3247

PROMOTION OF LIVE HORSE RACING AT THE 2007 BIG FRESNO FAIR

The tradition of live horse racing at The Big Fresno Fair is an extremely important part of our Fair celebration and is therefore integrated into all global fair positioning as it relates to marketing and advertising of our annual Fair event. Listed below are the more concentrated efforts to help promote the Live Racing attraction at the 2007 Big Fresno Fair.

Paid Buy

Although reference to live horse racing is included in our global fair advertising, an additional live horse racing buy is purchased annually, allowing us to target a more specific demographic for live horse racing, based on agency research regarding the average horse racing enthusiast.

- TV
 - o Dedicated Horse Racing TV Spot is run on English & Spanish language local broadcast and cable TV. Minimum \$20,000 paid schedule with an anticipated \$40,000 or more in promotional added value.
- Radio
 - o Live Horse Racing to be promoted on the top Fresno Stations. Minimum of \$20,000 paid schedule with an anticipated \$40,000 or more in promotional added value.
- Print
 - o AA Section - Main Fair tab will include Live Horse Racing Section – Distribution 200,000. Approximate value \$22,000.
 - o Dedicated Horse Racing ads to run in the Sports section of local newspaper. Approximate value \$6,000.
 - o Live Horse Racing included in approx. \$5000 of advertising in local Spanish Language newspaper, Vida En El Valle.
 - o Live Horse Racing to be included in approximately 25,000 of additional global Fair print promotion in The Fresno Bee.

On Grounds Promotion

- Grand Hat Day (Opening Day)
 - o Contest – Racing patrons encouraged to come to the races wearing a unique hat. Best hat wins “One Grand” in cash. Local celebrity judges.
 - o Promotional value of over \$80,000 on KMJ, one of the leading radio stations in the market for our target demo.
- KMJ as an official Radio sponsor of Live Horse Racing at The Big Fresno Fair
 - o KMJ RV – Most widely listened to local news stations broadcasts the most popular local news talk radio show live from the infield 12 days of Fair.
 - o Track announcer feed plugged into RV for race updates transmitted to station throughout the day.

- Bulldog Stakes
 - o Contest – Patrons are encouraged to wear Red to celebrate the Fresno State Bulldog Stakes & be entered to win cash prizes at the races.
- VIP Suite
 - o Sponsors, Friends of the Fair & Satellite Wagering VIP are offered a private location where they can enjoy the live racing venue effectively working as additional incentive for securing sponsorship funding.
- Live Horse Racing Sponsorship
 - o Sponsors and cities within the County of Fresno are included in race sponsorship packages which help stimulate interest in the live horse racing venue as a place to entertain business partners and encourages additional parties during live horse racing.

Additional Promotional Advertising

- Website
 - o Dedicated page to promote Live Racing at The Big Fresno Fair.
 - o URL links offered as added value from several live racing sponsor sites.
- Collateral
 - o Reference to Horse Racing in all collateral and print promotion created for global Fair initiatives--Daily schedules, flyers & posters.

Public Relations/Earned Media

The Big Fresno Fair Public Relations Department strategically plans news coverage suggestions and organizes interviews, information and planning for on-site media prior to and during The Big Fresno Fair. As part of planning, an entire section of the annual media kit is designated to include live horse racing information and is distributed to all local TV and Radio stations and print media. Examples from 2006 include:

- Minimum 4 stations broadcast their morning news shows live from The Big Fresno Fair's race track including interviews with trainers, experts on betting and jockeys.
- Minimum 8 packaged news stories were aired during the event. Topics included backstretch improvements, local racing horse owners and trainers and wagering tips and information for the layperson.

grandstand restrooms and installed tile flooring in all restrooms; added a second cantina on the first floor of the north grandstand area; adding a 46' x 36' VIP deck above the 3rd floor roof; adding a new life-size replica of the 1890 grandstand at the entrance of the Infield parking area; a new gate entrance on Kings Canyon Avenue entrance to increase efficiency and be safer for fair patrons; installed permanent steel fencing on the south and north side of the grandstand for crowd control; a new life size horse & jockey statue entering the paddock area; looking at contracting a professional music coordinator to include background music between races; will conduct a KMJ Hat Day Promotion giving away one thousand dollars to the person with the most unique hat; and invite the fifteen outlying cities in Fresno County to a "day at the races" for their city.

- 3. Facilities in the restricted areas – Rewired phone lines in the press box and put in new phones; repainted the tote board; upgraded the paddock area installing tire-derived rubber tile products on the walking surface; put in installation and sheetrock behind the mutuel lines to provide more and better temperature and sound control.

14. SCHEDULE OF CHARGES

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

| | | | | |
|------------------------------|---|---------|--------------|----------------|
| Admission (general) | - | \$ 8.00 | \$5.00 Child | \$7.00 Seniors |
| Admission (clubhouse) | - | \$ 5.00 | | |
| Reserved seating (general) | - | \$ 4.00 | | |
| Reserved seating (clubhouse) | - | N/A | | |
| Parking (general) | - | \$ 5.00 | | |
| Parking (preferred) | - | \$ 7.00 | | |
| Parking (Chance Lot) | - | \$10.00 | | |
| Parking (valet) | - | N/A | | |
| Programs (on-track) | - | \$ 1.00 | | |
| (off-track) | - | \$ 2.00 | | |

B. Describe any "Season Boxes" or other special accommodation fees:
Box seats are sold in advance - \$642.00 (Box of 4)

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

15. JOCKEYS' QUARTERS

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

| | | | |
|-------------------------------------|--------------------------------|-------------------------------------|-------------------------------------|
| <input checked="" type="checkbox"/> | Corners (lockers and cubicles) | How many | <input type="text" value="22"/> |
| <input checked="" type="checkbox"/> | Showers | <input checked="" type="checkbox"/> | Steam room, sauna or steam cabinets |
| <input checked="" type="checkbox"/> | Masseur | <input checked="" type="checkbox"/> | Food/beverage service |
| | | <input checked="" type="checkbox"/> | Lounge area |
| | | <input checked="" type="checkbox"/> | Certified platform scale |

B. Describe the quarters to be used for female jockeys:
Same as men's quarters. Built in 1990 and 1991. Separate locker rooms, restrooms, sauna room, bunkroom, and shower room for female jockeys.

16. BACKSTRETCH EMPLOYEE HOUSING

- A. Inspection of backstretch housing is **scheduled for 8/5/07 by CHRB Investigator Martin Snezek.**
- B. Number of rooms used for housing on the backstretch of the racetrack:
106 tack rooms, a possible 54 to be used for housing.
- C. Number of restrooms available on the backstretch of the racetrack:
Four trailers—two, 48-foot restroom trailers with five restrooms each available for both men and women; and two, 28-foot shower trailers with four showers and 1 restroom each available for both men and women.
- D. Estimated ratio of restrooms to the number of backstretch personnel:
**1 – Receiving Barn; 58 in RV Trailer Park; 3 Portable Toilets (2 @Gate #10; 1 @ Gap)
1 – Racing Secretary’s Office; 1 - Winner’s Circle Café.**

17. TRACK SAFETY

- A. Total distance of the racecourse - measured from the finish line counterclockwise (3' from the inner railing) back to the finish line: **Approximately 5,129 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, metal (powder coated); outer rail, metal, aluminum & galvanized chain link; inner rail supports, metal gooseneck; inner rail top shield is made of sheet metal; shield is 39" above the track surface.
- C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474: **Track Masters, Inc., Steve Wood**
- D. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474. **On file**
- E. If the fair is requesting approval to implement alternate methodologies to the provisions of Article 3.5, Track Safety Standards, pursuant to CHRB Rule 1471, attach a Certificate of Insurance for liability insurance which will be in force for the duration of the meeting specified in Section 2. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of liability insurance. Additionally, the CHRB must be listed as additionally insured on the liability policy at a minimum amount of \$3 million per incident. The liability insurance certificate must be on file in the CHRB headquarters office prior to the conduct of any racing. **N/A**

18. DECLARATIONS

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

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

19. CERTIFICATION BY APPLICANT

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

John C. Alkire

 Print Name

Chief Executive Officer

 Print Title



Signature

June 29, 2007

Date

STAFF ANALYSIS
PROPOSED AMENDMENT OF
RULE 1486. TERM OF LICENSE

Regular Board Meeting
August 21, 2007

BACKGROUND

Business and Professions (B&P) Code Section 19440 provides the Board shall license all persons, other than the public at large, who participate in a horse racing meeting with pari-mutuel wagering. B&P Code Section 19510 states no person required to be licensed may participate in any capacity in any horse race meeting without a valid and unrevoked license. B&P Code Section 19520 states every person not required to be licensed under Article 4 who participates in, or has anything to do with, the racing of horses shall be licensed by the Board pursuant to the rules and regulations the Board may adopt. B&P Code Section 19521 provides that an original license issued pursuant to this article shall be issued for a period of the calendar year in which it is issued, and shall be renewable for a period, not to exceed three years, which the Board may, by regulation, establish. Board Rule 1486, Term of License, states every original occupational license for groom, stable employee, stable assistant and mule-racing participant expires in the calendar year in which they are issued. Original licenses shall be automatically extended to expire on the last day of the birth month of the licensee, and renewal licenses shall expire on the last day of the birth month of the licensee on an annual basis.

At the February 2007 Regular Board Meeting a proposal to add a new class of license for “backstretch event personnel” was adopted. The proposal added the license class to Board Rule 1481, Occupational Licenses and Fees. The new class of license expires on an annual basis, which makes it necessary to add it to Rule 1486, the rule that describes the term of such “one-year” licenses. The proposal to amend Rule 1486 was heard at the April 2007 Regular Board meeting. The Board determined it would defer the issue until it could be heard in conjunction with industry proposals regarding retention of backstretch event personnel licenses and backstretch event personnel job description and training. The item was heard again at the May 2007 Regular Board Meeting where industry representatives asked for additional time to complete proposals regarding backstretch event personnel job description and training standards. In the meantime, because the proposed amendment is considered a housekeeping issue, staff was directed to initiate a 45-day public comment period.

ANALYSIS

The license classification of backstretch event personnel was added to Rule 1481 in early 2007. However, the term of the license was not added to Rule 1486. The proposal to amend Rule 1486 would correct this omission by adding “backstretch event personnel” to those classes of license whose term is one year. As with the other classes of occupational licenses under Rule

1486, the initial license would expire on the last day of the year in which it is issued, and would automatically be extended to the last day of the birth month of the licensee in the following year. Each subsequent license would expire on the licensee's birth date.

During the 45-day public comment period staff received comments from Local 1877 of the Service Employees International Union (Local 1877). Local 1877 stated the issue of backstretch event personnel arose due to the "failure or refusal" of racing associations to provide regularly licensed security personnel to monitor horses entered in stake races and other special events, and further contended the reason unlicensed security officers were used was purely economic, as using officers from the standing security force would require high premium wage rates. This perspective is contrary to the reasoning used to add the license classification to Rule 1481. The Board has encouraged racing associations to enhance security for graded stakes and other special events. Racing associations hire backstretch event personnel on an as-needed basis to supplement existing security officers. The comment is also outside the scope of the proposed amendment to Rule 1486. The license classification already exists under Rule 1481. The proposed amendment to Rule 1486 merely defines the term of the license.

The Local 1877 comment also claims no "specific justification" has been made for a one-year term of license, and intimates the term is an attempt to differentiate backstretch event personnel work from professional security officers already employed at the racetrack. This is also contrary to the reasoning behind the one-year term of license. Backstretch event personnel are used by the associations on an "as needed" basis. Such persons will be on the track sporadically, and as private security firms provide them, there is no guarantee the same individuals will return to work each event. The one-year term ensures that a private security guard - who has worked once or twice on the backstretch - does not possess a license that grants three years of access to the inclosure.

The comment from Local 1877 stated unless the proposed amendment to Rule 1486 is part of an overall review of the security standards Local 1877 would object to its adoption. Local 1877 believes the following issues should be resolved as part of such an overall review:

1. The minimum training required for backstretch event personnel.
2. The proper mix of human and electronic surveillance.
3. Standards of conduct and business practices of subcontracted employers.
4. Officer retention rights should contractors/payroll agencies change.
5. Actual custody of license.

Local 1877 proposed that security industry representatives; racetrack management; California Thoroughbred Racing Association and union representatives jointly develop standards to the Board for final adoption.

Hollywood Park and Santa Anita have submitted a draft of policies and guidelines regarding backstretch event personnel. The draft policy addresses the selection of an outside security

company to provide backstretch event personnel; training and briefing of backstretch event personnel; and instructional material and forms.

RECOMMENDATION

Staff recommends the Board adopt the amendment to Rule 1846 as presented.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 4. OCCUPATIONAL LICENSES
PROPOSED AMENDMENT OF
RULE 1486. TERM OF LICENSE

Regular Board Meeting
August 21, 2007

1486. Term of License.

(a) Every occupational license, original or renewal, granted by the Board under this Article, other than a license as a groom, stable employee, stable assistant and mule racing participant shall expire in its third year on the last day of the birth month of the licensee.

(b) Every original occupational license as groom, stable employee, stable assistant, backstretch event personnel and mule racing participant shall expire on the last day of the calendar year in which it is issued. Such original license shall be automatically extended to expire on the last day of the birth month of the licensee. Renewal licenses shall expire on the last day of the birth month of the licensee on an annual basis.

Authority: Sections 19440 and 19704,
Business and Professions Code.

Reference: Sections 19510, 19520, 19521 and 19704,
Business and Professions Code.



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1247 W. 7th St.
L.A., CA 90017
(213) 680-9567
Fax: (213) 488-0328

Orange County Office
1516 N. Sycamore St.
Santa Ana, CA 92701
(714) 245-9700
Fax: (714) 245-9710

San Diego Office
4265 Fairmount Ave.
Suite 260
San Diego, CA 92105
(619) 641-3050
Fax: (619) 641-3055

San Jose Office
1010 Ruff Dr.
San Jose, CA 95110
(408) 280-7770
Fax: (408) 280-7804

Oakland Office
8105 Edgewater Dr.
Suite 235
Oakland, CA 94621
(510) 553-1877
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Sacramento Office
1401 21st St., Suite 310
Sacramento, CA 95814
(916) 498-9505
Fax: (916) 497-0806

San Francisco Office
45 Polk Street, 2nd Floor
San Francisco, CA 94102
(415) 552-1301
Fax: (415) 552-1307

SERVICE EMPLOYEES
INTERNATIONAL UNION

(Via Fax, Electronic & U. S. Mail)

July 23, 2007

Harold Coburn, Regulation Analyst
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, California 95825

Re: NOTICE PROPOSAL TO AMEND RULE 1486

Dear Mr. Coburn:

SEIU Local 1877, on its own behalf and on behalf of all potential licensees under the above-entitled proposal, hereby submits written comments on this proposed regulatory action.

Background

This issue has come before the board due to the failure or refusal of several horse racing meetings to provide regularly licensed security personnel to enforce industry and Board standards in connection with the integrity of "backstretch" security of horses involved in "stakes" races.

The reason that unlicensed security officers were assigned to these duty posts was strictly economic. At Hollywood Park for example, a large, professional "in-house" security force, experienced in the industry was in place at the time the unlicensed security officers were first assigned to this duty. Rather than simply assign officers from the standing security force, the racetrack management decided that the high premium wage rates that would be required to adequately provide proper security at the standards they have set for such work at the racetrack were simply too high. So, management opted for unlicensed and untrained personnel provided by small private patrol operators instead of the industry-trained and professional security officers already employed at the racetrack.

This problem has a purely economic cause and economic factors must be factored into the solution.



Mr. Harold Coburn
July 23, 2007
Page 2.

Length of License Term

Although the specific justification for a one-year license term has not (to my knowledge) been made, it appears to be another attempt to differentiate this type of racetrack security work from the rest of the security work incident to a live racing meet normally and traditionally provided by in-house security officers.

The length of term for the Rule 1481 license for “backstretch event personnel” should be related to the same factors that justify the length of license term for regular security officers. If there is an operational, industry based reason for the shorter license period it will (hopefully) be explained by the industry representatives on or before August 21, 2007. If no such credible explanation is made it is fair to assume that the profit maximization efforts of the race meeting operators now seeks to drive CHRB policy as well as the security problem that has brought this issue before the board in the first place.

Recommendations to the Board

The length of the license term should not be considered in the absence of an overall policy that insures proper standards for backstretch event security. The proposed amendment should only be adopted as part of an overall review of the security standards -- including the proper compensation levels and rights to self-organization by backstretch security officers -- in order to properly address this problem. Some of the other issues that should be resolved as part of this review include,

1. The minimum training required for this work.
2. The proper mix of human and electronic surveillance.
3. Standards of conduct and business practices of subcontracted employers.
4. Officer retention rights should contractors/payroll agencies change.
5. Actual custody of licenses.

Mr. Harold Coburn
July 23, 2007
Page 3

With regard to points 1 and 2, we recommend that security industry representatives, racetrack management representatives, the CTRA and Union representatives of the security officers jointly

develop standards to be recommended to the Board for final adoption. There are strong opinions among both the Union and members of the CTRA as to the proper approach to training and surveillance and the racetrack operators should not be free to develop those standards unilaterally or in concert with security operators that do not bargain collectively with their officers. I have attached documents that demonstrate the level of concern by trainers at Santa Anita and Hollywood Park on these issues.

The Union and the security officers that we represent respectfully request that the Board hold detailed public hearings specifically on the issues raised herein before any other action is taken, including the proposed amendment to Rule 1486.

Sincerely,



LEE G. HALL, Sr.
Vice President

LH/ds

Attachment(s)

Subject Live or Camera or Both
 "in Barn area" for Security

Local #1877 ^{See Halliday}
~~via month~~

- 1st Mel Stute Live
- 2nd Bill Spawr Live - with someone with knowledge of horses
- 3rd Gary Stute Live
- 4th Clifford Sise Live
- 5th Gary Mandella Live
- 6th Craig Lewis Live + Both need much Security as possible
- 7th Jeff Mullins Live - all the way
- 8th Bob Beom Live
- 9th David Bernstein Live + Both - but favor Live
- 10th Dan Hendrick Live
- 11th Bob Hess Live - Very much so
- 12th Barry Abram's Live or Camera but will people knowing what they are doing.
- 13th Juan Garcia Live
- 14th Jack Carava Live
- 15th Jim Cassidy Live
- 16th Jerry Fanning Live
- 17th Kathy Walsh Live
- 18th Ken McConny + assistance Trainer Don Larden's Live
- 19th Robert Side Live
- 20th Paul Aquie Live
- 21st Patrick Hallagan Live
- 20? 22nd Peter Easton Live
- live 23rd David Hoffman Live - Need Security who has knowledge of Horses + Trainers + owner.
- 18? 24th Richard Mandella Both - but don't like the idea of Camera.
- both 25th Ken Nettles - Both + all the Security we can get
- 26th T.R. Bell II Both
- 27th Donald Warren Both - I want somebody that knows what they are doing.
- 28th Sam Benkin Both
- 29th Cesar Dominguez Both
- 30th Jose Silva Both

over

- 31# Hector Palmer - Both
- 32# Steve Knapp - Both
- 33# Mike Harrington - Both
- H 34# Eduardo Lina - Camera
- Camera 35# Tim Yabteen - Camera
- 36# Christopher Pined - Camera
- 37# Rafael Becerra Camera

1 38# Sanford Shulman - Said I should talk to
Ron Charles

1 39# Carla Gaines - it does not matter.

Local 1877 Lei Hall Si
Vivian Morett

Subject - Security for Boen Area
LIVE or Camera or Both
April 25-26-28-29-2007

Local #1877
Lee Hall Sr.
Vicen Morett
Dave Stillwell

- 1st Mike Mitchell - LIVE is concern with people with camera coming in his barn should know not to get on the right side of horse might get hurt should use left side ~~might get hurt~~ & he not responsible if they get hurt?
- 2nd Juan Reviriego - LIVE
- 3rd B.D.A. Cecil - LIVE
- 4th J. C. Lanani - LIVE
- 5th Craig Dollase - LIVE
- 6th Eric Guillot - LIVE - Said Security for Sure.
- 7th David - A. Craig - LIVE - with people knowing what to do.
- 8th Charles Stutta - LIVE - no doubt about it.
- 9th Richard Matlow - LIVE
- 10th Eddie Truman - LIVE
- 11th Mike Puffe - LIVE - got to have live security
- 12th John Ekinoff - BOTH
- 13th A. C. Villa - BOTH
- 14th Jack Van Boy - BOTH - but with people that are knowledgeable.
- 15th Robert Frankel - BOTH
- 16th Neil Drysdale - BOTH - said you can have one without the other.
- 17th John Sadler - BOTH - the security that their now can be key nasty?
- 18th Ron Ellis - BOTH
- 19th Ted West - ~~both~~ Camera - said I'll just go and ~~review~~ the film.
- 20th Nick Hines both Review

LEGISLATIVE UPDATE
CALIFORNIA HORSE RACING BOARD
HORSERACING BILLS

2-Year Bills

Regular Board Meeting
August 21, 2007

ASSEMBLY BILLS

AB 688(Portantino) Horse racing.

Status: 05/02/2007-Failed Deadline pursuant to Rule 61(a)(2). Last location was G.O.

Location: 05/02/2007-A 2 YEAR

Summary: Existing law authorizes advance wagering accounts to provide a full accounting of deposits and wagers. After the payment of winning wagers and the deduction of contractual compensation and a host fee, where applicable, existing law requires payments to various racing entities in California, payment of certain percentages of the amount handled on advance deposit wagers paid for specific funds, and the remaining money to be distributed as commission, purses, and incentive awards, as specified. A percentage of the amount handled on advance deposit wagers is paid to the Department of Industrial Relations for specified costs associated with audits and other costs. Further, existing law exempts market access fees from advance deposit wagering from the calculations, as specified. These provisions remain in effect only until January 1, 2008, and as of that date are repealed. This bill would add provisions to do all of the above, except that those funds directed to the Department of Industrial Relations under current law would be directed to the Gambling Addiction Program Fund, as specified.

AB 1156(Levine) Child support: satellite wagering winnings.

Status: 05/02/2007-Failed Deadline pursuant to Rule 61(a)(2). Last location was G.O.

Location: 05/02/2007-A 2 YEAR

Summary: Would require a satellite wagering facility, if a wagerer's winnings are subject to federal income tax withholding, to determine if the wagerer is listed in the California Child Support Automation System and, if the wagerer is delinquent in his or her child support obligations, to withhold from the wagerer's winnings the amount of any delinquency. The bill would require the facility to forward the amount withheld to the Department of Child Support Services. This bill contains other existing laws.

AB 1345(Plescia) Special Trust Fund for the Economic Stabilization of Horse Racing.

Status: 05/02/2007-Failed Deadline pursuant to Rule 61(a)(2). Last location was G.O.

Location: 05/02/2007-A 2 YEAR

Summary: Would create the Special Trust Fund for the Economic Stabilization of Horse Racing, into which a portion of the funds generated from gaming activities authorized pursuant to all new tribal-state compacts that are ratified, or existing compacts that are amended, on or after January 1, 2007, would be deposited. The bill would specify how the moneys in that fund would be disbursed annually. To the extent that the bill would create a fund that would be continuously appropriated, the bill would create an appropriation.

SENATE

SB 397(Denham) California Horse Racing Board.

Status: 05/02/2007-Failed Deadline pursuant to Rule 61(a)(2). Last location was RLS.

Location: 05/02/2007-S 2 YEAR

Summary: Would also require the board to adopt dates for horse races.

SB 561(Margett) Horse racing: parimutuel wagering: technology.

Status: 05/14/2007-Failed Deadline pursuant to Rule 61(a)(3). Last location was G.O.

Location: 05/14/2007-S 2 YEAR

Summary: Would include electronic terminal wagering as an authorized form of totalizator wagering.

SB 616(Margett) Waste discharge requirements: horse racing facilities.

Status: 05/02/2007-Failed Deadline pursuant to Rule 61(a)(2). Last location was E.Q.

Location: 05/02/2007-S 2 YEAR

Summary: Would require the state board to prescribe general waste discharge requirements for horse racing facilities. These requirements would apply to the discharge of waste at horse racing facilities that are subject to the NPDES permit program. The state board would be required to prescribe requirements that include specified components, to the extent permitted by federal law.

SB 792(Florez) Horse racing: Vincent-Maddy California Thoroughbred Race Cup.

Status: 05/02/2007-Failed Deadline pursuant to Rule 61(a)(2). Last location was REV. & TAX

Location: 05/02/2007-S 2 YEAR

Summary: Would establish the Vincent-Maddy California Thoroughbred Race Cup series, which would consist of 4 races per year at specified venues in the state. The bill would divert any state sales and use tax imposed pursuant to existing law on the sale of thoroughbred horses into the Vincent-Maddy California Thoroughbred Race Cup Fund,

which the bill would create. Money in the fund would be evenly divided, to be used as supplements to purses in that race series.

SB 873(Florez) Special Trust Fund for the Economic Stabilization of Fairs and Horse Racing.

Status: 06/08/2007-Failed Deadline pursuant to Rule 61(a)(8). Last location was APPR. SUSPENSE FILE

Location: 06/08/2007-S 2 YEAR

Summary: Would create the Special Trust Fund for the Economic Stabilization of Fairs and Horse Racing within the Fair and Exposition Fund, into which a portion of the funds generated from gaming activities authorized pursuant to all new tribal-state compacts that are ratified, or existing compacts that are amended, on or after January 1, 2007, would be deposited. The bill would specify how the moneys in that fund would be disbursed annually. To the extent that the bill would create a fund that would be continuously appropriated, the bill would create an appropriation. This bill contains other related provisions and other existing laws.

SB 994(Florez) Horse racing.

Status: 05/02/2007-Failed Deadline pursuant to Rule 61(a)(2). Last location was G.O.

Location: 05/02/2007-S 2 YEAR

Summary: Would provide that a person licensed to conduct horse races may operate remote location wagering using totalizator or other equipment approved by the board to accept wagers in accordance with rules established by the board. This bill contains other related provisions and other existing laws.

LEGISLATIVE UPDATE
CALIFORNIA HORSE RACING BOARD
HORSERACING BILLS

Chaptered Bills

Regular Board Meeting
August 21, 2007

SB 125(Harman) Horse racing.

Chapter Number: 72

Status: 07/17/2007-Chaptered by the Secretary of State, Chapter Number 72, Statutes of 2007

Summary:

Existing law requires a quarter horse racing association in the southern zone to show races of a harness racing association in the northern zone via satellite, and requires a harness racing association in the northern zone to show races of a quarter horse racing association in the southern zone via satellite, as specified. Existing law also requires each racing association to pay the other an additional 5% of the amount wagered on the satellite races at their respective facilities, as specified. Existing law requires that the additional 5% received by harness racing associations be distributed equally as commissions to the racing association and as purses to the horsemen participating in the meeting. This bill expands the distribution schedule described above for the additional 5% of the amount wagered on satellite races received to each racing association by deleting the reference to harness racing associations. Existing law prohibits certain authorized fees or charges from being paid by the operator of a satellite wagering facility that was licensed in the northern zone prior to January 1, 2000. This bill states that it is, and always has been, the intent of the Legislature that this provision apply to impact fees charged by a thoroughbred racing association or a thoroughbred fair racing association in the northern zone, on satellite wagers accepted by satellite facilities operated by those associations.

SB 249(Negrete McLeod) Horse racing: unauthorized payments.

Chapter Number: 75

Status: 07/17/2007-Chaptered by the Secretary of State, Chapter Number 75, Statutes of 2007

Summary:

Existing law prohibits racing associations or fairs that are licensed in California from making unauthorized payments to a horse owner or agent for the benefit of horsemen, and prohibits horse owners or their agents from accepting unauthorized payments or other consideration, except as specified. This bill provides that this prohibition does not apply to any payment by a licensed thoroughbred racing association in connection with funds contributed or authorized by the horsemen's organization responsible for negotiating

purse agreements on behalf of the horsemen participating in the racing meeting, including purse supplements, sponsorship contributions, or promotional funds.

SB 317(Denham) Horse racing: official veterinarians.

Chapter Number: 77

Status: 07/17/2007-Chaptered by the Secretary of State, Chapter Number 77, Statutes of 2007

Summary: Requires applicants for license as an official veterinarian to pass both a written and oral exam, and would establish qualifications for persons to be admitted to the official veterinarian exam.

SB 921(Vincent) Horse racing: equine medication.

Chapter Number: 155

Status: 07/27/2007-Chaptered by the Secretary of State, Chapter Number 155, Statutes of 2007

Summary: Establishes a monetary penalty of not more than \$100,000 for a violation of the prohibition on administering unauthorized substances to horses entered in a horse race.

LEGISLATIVE UPDATE
CALIFORNIA HORSE RACING BOARD
HORSERACING BILLS

Pending Bills

Regular Board Meeting
August 21, 2007

ASSEMBLY BILLS

AB 241(Price) Horse racing: satellite wagering.

Last Amend: 08/01/2007

Status: 07/17/2007-Read second time, amended, and re-referred to Com. on APPR.

Location: 07/17/2007-S APPR.

Calendar: 08/20/07 10 a.m. - John L. Burton Hearing Room (4203) SEN

APPROPRIATIONS

Summary: Would authorize an additional 15 minisatellite wagering sites, as defined, in each zone under certain conditions. The bill would also require the board to adopt emergency regulations to implement the new facilities by April 1, 2008. The bill would authorize satellite wagering to continue to be conducted at certain racetracks that have closed, under certain conditions.

AB 649(Ma) Horse racing: jockeys.

Last Amend: 07/17/2007

Status: 07/17/2007-Read second time, amended, and re-referred to Com. on APPR.

Location: 07/17/2007-S APPR.

Calendar: 08/20/07 10 a.m. - John L. Burton Hearing Room (4203) SEN

APPROPRIATIONS

Summary: Would require the scale of minimum jockey riding fees for losing mounts of thoroughbred horses 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.

AB 765(Evans) Horse racing: racetrack inclosures.

Last Amend: 06/04/2007

Status: 07/10/2007-From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 5. Noes 0.)

Location: 07/10/2007-S APPR.

Calendar: 08/20/07 10 a.m. - John L. Burton Hearing Room (4203) SEN

APPROPRIATIONS

Summary: Would provide that certain fairs or associations, or combined entities, may contribute 1% of the handle to be used for maintenance and improvements at a fair's racetrack inclosure, for those fairs that contribute. The money raised would be deposited into the Inclosure Facilities Improvement Account, a continuously appropriated account created by the bill in the Fair and Exposition Fund, thereby making an appropriation. The bill would direct the Secretary of Food and Agriculture to appoint a committee to advise on the administration of the funds raised pursuant to the provisions of the bill, and would require the secretary to report any allocations made pursuant to those provisions of the bill, as specified.

AB 813(Portantino) Advance deposit wagering.

Last Amend: 07/09/2007

Status: 07/09/2007-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on G.O.

Location: 07/09/2007-S G.O.

Summary: Would extend that authorization indefinitely, and revise and recast provisions relating to advance deposit wagering, including clarifying terms, imposing requirements on advance deposit wagering providers, requiring the consent of a horsemen's organization before conducting advance deposit wagering on races conducted in this state, prescribing a process for hub fee agreements and disputes, and revising how the proceeds from advance deposit wagers are distributed. The bill would make additional conforming changes by deleting alternate provisions of law related thereto. The bill would require existing collective bargaining units to be expanded to include all employees of licensees who accept or process parimutuel wagers or operate, repair, service, or maintain equipment that accepts or processes those wagers. The bill would require a certain percentage of the handle on advance deposit wagers to be used to establish and administer a defined contribution plan for California licensed jockeys, as specified.

AB 1286(Richardson) Horse racing: county fairs.

Last Amend: N/A

Status: 07/25/2007-Read second time. To third reading.

Location: 07/25/2007-S THIRD READING

Calendar: 08/20/07 270 SEN THIRD READING FILE

Summary: Would authorize the Alameda County Fair to operate 2 additional satellite wagering facilities, with certain approval, as specified. The bill would also authorize the Los Angeles County Fair to conduct satellite wagering at one additional location, under certain conditions.

AB 1289(Price) Advance deposit wagering: out-of-state providers.

Last Amend: 04/09/2007

Status: 06/14/2007-Referred to Com. on G.O.

Location: 06/14/2007-S G.O.

Summary: Would remove from that definition, and from all provisions related to the authorization of advance deposit wagering, the reference to a multijurisdictional wagering hub located outside of the state.

AB 1308(Torrico) Horse racing.

Last Amend: N/A

Status: 07/25/2007-Read second time. To third reading.

Location: 07/25/2007-S THIRD READING

Calendar: 08/20/07 272 SEN THIRD READING FILE

Summary: Would authorize a thoroughbred association or fair, subject to approval by the board, to deduct from the parimutuel pool for any type of wager, a specified percentage for the meeting of the thoroughbred association or fair that accepts the wager.

AB 1616(Garrick) Horse racing: controlled substances: administrative hearings.

Last Amend: 05/24/2007

Status: 06/26/2007-Read second time. To third reading.

Location: 06/26/2007-S THIRD READING

Calendar: 08/20/07 85 SEN THIRD READING FILE

Summary: Would instead require referral to either a Board of Stewards or hearing officer appointed by the California Horse Racing Board at the election of the respondent .

AB 1736(Committee on Governmental Organization) Horse racing.

Last Amend: 07/02/2007

Status: 07/16/2007-From Consent Calendar. To third reading.

Location: 07/16/2007-S THIRD READING

Calendar: 08/20/07 171 SEN THIRD READING FILE

Summary: Would add Travers Stakes to the list of events not included in the limitation on imported races.

SENATE BILLS

SB 282(Cox) State Fair Leasing Authority.

Last Amend: 07/03/2007

Status: 07/12/2007-From committee: Do pass, but first be re-referred to Com. on APPR. (Ayes 14. Noes 0.) Re-referred to Com. on APPR.

Location: 07/12/2007-A APPR.

Summary: Would authorize the formation of a joint powers entity, the State Fair Leasing Authority, to be composed of the Department of Food and Agriculture, the Department of Finance, the Department of General Services, and the California Exposition and State Fair, appointed as specified. The authority would be authorized to enter into leases or other agreements for the use of the State Fair Race Track or any other property owned or controlled by the California Exposition and State Fair, and to enter into indebtedness, including issuing bonds, in order to carry out its purposes. The bill would require the California Exposition and State Fair, in consultation with the authority, to prepare a master plan approved by the board of directors of the fair for the long-range comprehensive development and improvement of the property of the California Exposition and State Fair.

SB 379(Denham) Horse racing: out-of-country thoroughbred races.

Last Amend: N/A

Status: 07/12/2007-From committee: Do pass, but first be re-referred to Com. on APPR. (Ayes 13. Noes 0.) Re-referred to Com. on APPR.

Location: 07/12/2007-A APPR.

Summary: Would add the Dubai Cup to the list of imported races not subject to the limitation of 23 races per day.

SB 436(Vincent) Horse racing: harness or quarter horses.

Last Amend: 07/09/2007

Status: 07/16/2007-Hearing postponed by committee. (Refers to 7/11/2007 hearing)

Location: 07/09/2007-A G.O.

Summary: Would revise that provision to instead permit the association to add a race for up to 5 races per night, as specified. The bill would also delete a provision that limits to no more than 2 races, the number of races that may be added to the number allowable on a single night.

SB 863(Yee) Horse racing.

Last Amend: 07/17/2007

Status: 07/17/2007-Read second time. Amended. Re-referred to Com. on APPR.

Location: 07/17/2007-A APPR.

summary: Existing law establishes the California Horse Racing Board consisting of 7 members appointed by the Governor. This bill would prohibit more than 3 members of the board who are licensed to participate in the horse racing industry from serving on the board at the same time. The bill would also require the board to promulgate and adopt regulations regarding conflicts of interest and ethics for the board, and would provide that the Governor may remove any member of the board for any reason.

STAFF ANALYSIS
REQUEST FOR APPROVAL OF
CALIFORNIA THOROUGHBRED HORSEMEN'S FOUNDATION, INC
BOARD MEMBER NOMINATIONS

Regular Board Meeting
August 21, 2007

BACKGROUND

CHRB Rule 2049(a) designation and approval of horsemen's welfare fund, provides the charitable corporation shall have a minimum of five and a maximum of nine directors or trustees who are subject to Board approval. The charitable corporation may not be a subsidiary or division of the horsemen's organization. The directors or trustees of the charitable corporation may be common directors of the horsemen's organization if at least 40 percent of the directors or trustees of the charitable corporation have no financial interest in horse racing as a licensed horse owner, trainer, or assistant trainer and are not a current member of the horsemen's organization. The term of a director or trustee is two years. A director or trustee may serve succeeding terms.

The California Thoroughbred Horsemen's Foundation, Inc. (CTHF) is a horsemen's welfare organization pursuant to Board Rule 2049. During the June 2007 Board of Directors' meeting of the CTHF, nominations were held for open board member positions. The following individuals were nominated for a two-year term, expiring June 30, 2009:

| | |
|-----------------|-------------------------------|
| Noble Threewitt | Licensed Thoroughbred Trainer |
| Ken Smole | Licensed Thoroughbred Owner |
| Cliff Goodrich | |
| George Nicholaw | |
| Lynda Ross | |

ANALYSIS

The CTHF is requesting Board approval of the five nominations submitted. These nominations bring the board to a total of nine members, of which four are licensed trainer/owners.

RECOMMENDATION:

Staff recommends that the Board approve this request.

CALIFORNIA THOROUGHBRED HORSEMEN'S FOUNDATION, INC.

"Assisting Horsemen in Need"



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RECEIVED JUL 16 2007

July 10, 2007

NOBLE THREEWITT
President

RICK ARTHUR, D.V.M.
Chair

GEORGE NICHOLAW
Vice Chair

ROBERT BEAN
Secretary

Board of Directors
FARIBA ARIZ, M.D.
RICK ARTHUR, D.V.M.
ROBERT BEAN
RANDALL BROWNING, M.D.
GERI FORRESTER
JON S. KELLY
GEORGE NICHOLAW
BARBARA SCURFIELD
NOBLE THREEWITT

LEONARD DORFMAN
Director Emeritus

KEVIN BOLLING
Executive Director

ROBERT FORGNONE
Counsel

Mrs. Ingrid Fermin
Executive Director
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

Dear Mrs. Fermin,

During the June Board of Directors' meeting of the California Thoroughbred Horsemen's Foundation, Inc., nominations were held for open board member positions. The following individuals were nominated for a two-year term, expiring June 30, 2009:

| | |
|-----------------|-------------------------------|
| Noble Threewitt | Licensed Thoroughbred Trainer |
| Ken Smole | Licensed Thoroughbred Owner |
| Cliff Goodrich | |
| George Nicholaw | |
| Lynda Ross | |

Pursuant to Rule 2049(a) of the California Horse Racing Board Rules and Regulations, the nominations are submitted to the CHRB for approval. These nominations bring the board to a total of nine members.

Please let me know if there is anything we can do to assist in the process. I look forward to hearing from you.

Sincerely,

Kevin Bolling
Executive Director

CALIFORNIA HORSE RACING BOARD

AUGUST 21, 2007
REGULAR BOARD MEETING

There is no board package material for Item 8

STAFF ANALYSIS
ADW AND HOST FEE COMPLIANCE

Regular Board Meeting
August 21, 2007

BACKGROUND:

Advance Deposit Wagering (ADW) allows customers to deposit funds into accounts to wager online and over the telephone. These wagers are commingled into pools at host tracks where the races are being run, and are within the pari-mutuel wagering system regulated by the California Horse Racing Board.

ANALYSIS:

Section 19604 of the California Horse Racing Law authorizes ADW. Specifically, Section 19604(b) states that a California ADW licensee may deduct up to 6.5% of the amount handled on a race or races for providing their service, and may also deduct up to 3.5% as a host fee if they contract with an out-of-state track to use that track's signal in their ADW program for California patrons.

An issue of how much an out-of-state host can charge a California ADW for host fees has been presented. At this time the Board has received a complaint that an out-of-state host has requested host fees greater than 3.5% from an approved California ADW licensee. The issue raises a concern that the Board needs to address.

RECOMMENDATION:

This item is for discussion and action. The Board may wish to hear from industry representatives on this issue.

Business and Professions Code.

19604. Notwithstanding any other provision of law, in addition to parimutuel wagering otherwise authorized by this chapter, advance deposit wagering may be conducted upon approval of the board. The board may authorize any racing association or fair, during the calendar period it is licensed by the board to conduct a live racing meeting in accordance with the provisions of Article 4 (commencing with Section 19480), to accept advance deposit wagers or to allow these wagers through a betting system or a multijurisdictional wagering hub in accordance with the following: (a) Racing associations and racing fairs may form a partnership, joint venture, or any other affiliation in order to further the purposes of this section. (b) As used in this section, "advance deposit wagering" means a form of parimutuel wagering in which a person residing within California or outside of this state establishes an account with a licensee, a board-approved betting system, or a board-approved multijurisdictional wagering hub located within California or outside of this state, and subsequently issues wagering instructions concerning the funds in this account, thereby authorizing the entity holding the account to place wagers on the account owner's behalf. An advance deposit wager may be made only by the entity holding the account pursuant to wagering instructions issued by the owner of the funds communicated by telephone call or through other electronic media. The licensee, a betting system, or a multijurisdictional wagering hub shall ensure the identification of the account's owner by utilizing methods and technologies approved by the board. Further, at the request of the board, any licensee, betting system, or multijurisdictional wagering hub located in California, and any betting system or multijurisdictional wagering hub located outside of this state that accepts wagering instructions concerning races conducted in California or accepts wagering instructions from California residents, shall provide a full accounting and verification of the source of the wagers thereby made, including the zone and breed, in the form of a daily download of parimutuel data to a database designated by the board. Additionally, when the board approves a licensee, a betting system, or a multijurisdictional wagering hub, whether located within California or outside of this state, to accept advance deposit wagering instructions on any race or races from California residents, the licensee, betting system, or multijurisdictional wagering hub may be compensated pursuant to a contractual agreement with a California licensee, in an amount not to exceed 6.5 percent of the amount handled on a race or races conducted in California, and in the case of a race or races conducted in another jurisdiction, may be compensated in an amount not to exceed 6.5 percent, plus a fee to be paid to the host racing association not to exceed 3.5 percent, of the amount handled on that race or races. The amount remaining after the payment of winning wagers and after payment of the contractual compensation and host fee, if any, shall be distributed as a market access fee in accordance with subdivision (g). As used in this section, "market access fee" means the contractual fee paid by a betting system or multijurisdictional wagering hub to the California licensee for access to the California market for wagering purposes. As used in this section, "licensee" means any racing association or fair, or affiliation thereof authorized in subdivision (a). (c) (1) The board shall develop and adopt rules to license and regulate all phases of operation of advance deposit wagering for licensees, betting systems, and multijurisdictional wagering hubs located in California. Betting systems and multijurisdictional wagering hubs located and operating in California shall be approved by

the board prior to establishing advance deposit wagering accounts or accepting wagering instructions concerning those accounts and shall enter into a written contractual agreement with the bona fide labor organization that has historically represented the same or similar classifications of employees at the nearest horse racing meeting. Permanent state or county employees and nonprofit organizations that have historically performed certain services at county, state, or district fairs may continue to provide those services, notwithstanding this requirement. (2) The board shall develop and adopt rules and regulations requiring betting systems and multijurisdictional wagering hubs to establish security access policies and safeguards, including, but not limited to, the following: (A) The betting system or wagering hub shall utilize the services of a board-approved independent third party to perform identity, residence, and age verification services with respect to persons establishing an advance deposit wagering account. (B) The betting system or wagering hub shall utilize personal identification numbers (PINs) and other technologies to assure that only the accountholder has access to the advance deposit wagering account. (C) The betting system or wagering hub shall provide for withdrawals from the wagering account only by means of a check made payable to the accountholder and sent to the address of the accountholder or by means of an electronic transfer to an account held by the verified accountholder or the accountholder may withdraw funds from the wagering account at a facility approved by the board by presenting verifiable personal and account identification information. (D) The betting system or wagering hub shall allow the board access to its premises to visit, investigate, and place expert accountants and other persons it deems necessary for the purpose of ensuring that its rules and regulations concerning credit authorization, account access, and other security provisions are strictly complied with. (3) The board shall prohibit advance deposit wagering advertising that it determines to be deceptive to the public. The board shall also require, by regulation, that every form of advertising contain a statement that minors are not allowed to open or have access to advance deposit wagering accounts. (d) As used in this section, a "multijurisdictional wagering hub" is a business conducted in more than one jurisdiction that facilitates parimutuel wagering on races it simulcasts and other races it offers in its wagering menu. (e) As used in this section, a "betting system" is a business conducted exclusively in this state that facilitates parimutuel wagering on races it simulcasts and other races it offers in its wagering menu. (f) In order for a licensee, betting system, or multijurisdictional wagering hub to be approved by the board to conduct advance deposit wagering, it shall meet both of the following requirements: (1) All wagers thereby made shall be included in the appropriate parimutuel pool of the host racing association or fair under a contractual agreement with the applicable California licensee, in accordance with the provisions of this chapter. (2) The amounts deducted from advance deposit wagers shall be in accordance with the provisions of this chapter. (g) The amount received as a market access fee from advance deposit wagers, which shall not be considered for purposes of Section 19616.51, shall be distributed as follows: (1) An amount equal to 0.0011 multiplied by the amount handled on advance deposit wagers originating in California for each racing meeting shall be distributed to the Center for Equine Health to establish the Kenneth L. Maddy Fund for the benefit of the School of Veterinary Medicine at the University of California at Davis. (2) An amount equal to 0.0003 multiplied by the amount handled on advance deposit wagers originating in California for each racing meeting shall be distributed to the Department of Industrial Relations to cover costs associated with audits conducted pursuant

to Section 19526 and for the purposes of reimbursing the State Mediation and Conciliation Service for costs incurred pursuant to this bill. However, if that amount would exceed the costs of the Department of Industrial Relations, the amount distributed to the department shall be reduced, and that reduction shall be forwarded to an organization designated by the racing association or fair described in subdivision (a) for the purpose of augmenting a compulsive gambling prevention program specifically addressing that problem. (3) An amount equal to 0.00165 multiplied by the amount handled on advance deposit wagers that originate in California for each racing meeting shall be distributed as follows: (A) One-half of the amount shall be distributed to supplement the trainer-administered pension plans for backstretch personnel established pursuant to Section 19613. Moneys distributed pursuant to this subparagraph shall supplement, and not supplant, moneys distributed to that fund pursuant to Section 19613 or any other provision of law. (B) One-half of the amount shall be distributed to the welfare fund established for the benefit of horsemen and backstretch personnel pursuant to subdivision (b) of Section 19641. Moneys distributed pursuant to this subparagraph shall supplement, and not supplant, moneys distributed to that fund pursuant to Section 19641 or any other provision of law. (4) With respect to wagers on each breed of racing that originate in California, an amount equal to 2 percent of the first two hundred fifty million dollars (\$250,000,000) of handle from all advance deposit wagers originating from within California annually, an amount equal to 1.5 percent of the next two hundred fifty million dollars (\$250,000,000) of handle from all advance deposit wagers originating from within California annually, and an amount equal to 1 percent of handle from all advance deposit wagers originating from within California in excess of five hundred million dollars (\$500,000,000) annually, shall be distributed as satellite wagering commissions. The satellite wagering facility commissions calculated in accordance with this subdivision shall be distributed to each satellite wagering facility and racing association or fair in the zone in which the wager originated in the same relative proportions that the satellite wagering facility or the racing association or fair generated satellite commissions during the previous calendar year. In the event of a reduction in the satellite wagering commissions, pursuant to this section, the benefits therefrom shall be distributed equitably as purses and commissions to all associations and racing fairs generating advance deposit wagers in proportion to the handle generated by those associations and racing fairs. For purposes of this section, the purse funds distributed pursuant to Section 19605.72 shall be considered to be satellite wagering facility commissions attributable to thoroughbred races at the locations described in that section. (5) With respect to wagers on each breed of racing that originate in California for each racing meeting, after the payment of contractual obligations to the licensee, the betting system, or the multijurisdictional wagering hub, and the distribution of the amounts set forth in paragraphs (1) through (4), inclusive, the amount remaining shall be distributed to the racing association or fair that is conducting live racing on that breed during the calendar period in the zone in which the wager originated, and this amount shall be allocated to that racing association or fair as commissions, to horsemen participating in that racing meeting in the form of purses, and as incentive awards, in the same relative proportion as they were generated or earned during the prior calendar year at that racing association or fair on races conducted or imported by that racing association or fair after making all deductions required by applicable law. Purse funds generated pursuant to this section may be utilized to pay 50 percent of the total costs and fees incurred due to the

implementation of advance deposit wagering. "Incentive awards" shall be those payments provided for in Sections 19617.2, 19617.7, 19617.8, 19617.9, and 19619. The amount determined to be payable for incentive awards shall be payable to the applicable official registering agency and thereafter distributed as provided in this chapter. If the provisions of Section 19601.2 apply, then the amount distributed to the applicable racing associations or fairs from advance deposit wagering shall first be divided between those racing associations or fairs in direct proportion to the total amount wagered in the applicable zone on the live races conducted by the respective association or fair. Notwithstanding this requirement, when the provisions of subdivision (b) of Section 19607.5 apply to the 2nd District Agricultural Association in Stockton or the California Exposition and State Fair in Sacramento, then the total amount distributed to the applicable racing associations or fairs shall first be divided equally, with 50 percent distributed to applicable fairs and 50 percent distributed to applicable associations. For purposes of this subdivision, the zones of the state shall be as defined in Section 19530.5, except as modified by the provisions of subdivision (f) of Section 19601, and the combined central and southern zones shall be considered one zone. Notwithstanding any provision of this section to the contrary, the distribution of the market access fee, other than the distributions specified in paragraph (1) or (2), may be altered upon the approval of the board, in accordance with an agreement signed by all parties receiving a distribution under paragraphs (4) and (5). (h) Notwithstanding any provisions of this section to the contrary, all funds derived from advance deposit wagering that originate from California for each racing meeting on out-of-state and out-of-country thoroughbred races conducted after 6 p.m., Pacific time, shall be distributed in accordance with this subdivision. With respect to these wagers, 50 percent of the amount remaining after the payment of contractual obligations to the multijurisdictional wagering hub, betting system, or licensee and the amounts set forth in paragraphs (1) through (5), inclusive, of subdivision (g) shall be distributed as commissions to thoroughbred associations and racing fairs, as thoroughbred and fair purses, and as incentive awards in accordance with subdivision (g), and the remaining 50 percent, together with all funds derived for each racing meeting from advance deposit wagering originating from California out-of-state and out-of-country harness and quarter horse races conducted after 6 p.m., Pacific time, shall be distributed as commissions on a pro rata basis to the applicable licensed quarter horse association and the applicable licensed harness association, based upon the amount handled in-state, both on- and off-track, on each breed's own live races in the previous year by that association, or its predecessor association. One-half of the amount thereby received by each association shall be retained by that association as a commission, and the other half of the money received shall be distributed as purses to the horsemen participating in its current or next scheduled licensed racing meeting. (i) Notwithstanding any provisions of this section to the contrary, all funds derived from advance deposit wagering which originate from California for each racing meeting on out-of-state and out-of-country nonthoroughbred races conducted before 6 p.m., Pacific time, shall be distributed in accordance with this subdivision. With respect to these wagers, 50 percent of the amount remaining after the payment of contractual obligations to the multijurisdictional wagering hub, betting system, or licensee and the amounts set forth in paragraphs (1) through (5), inclusive, of subdivision (g) shall be distributed as commissions as provided in subdivision (h) for licensed quarter horse and harness associations, and the remaining 50 percent shall be distributed as commissions to

the applicable thoroughbred associations or fairs, as thoroughbred and fair purses, and as incentive awards in accordance with subdivision (g). (j) A racing association, a fair, or a satellite wagering facility may accept and facilitate the placement of any wager from a patron at its facility that a California resident could make through a betting system or multijurisdictional wagering hub duly offering advance deposit wagering in this state, and the facility accepting the wager shall receive a 2-percent commission on that wager in lieu of any distribution for satellite commissions pursuant to subdivision (g). (k) Any disputes concerning the interpretation or application of this section shall be resolved by the board. This section shall remain in effect only until January 1, 2008, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2008, deletes or extends that date.

STAFF ANALYSIS
ITEM #10
COMMISSIONERS' CONFLICT OF INTEREST ISSUES

REGULAR BOARD MEETING
AUGUST 22, 2007

BACKGROUND:

Horse Racing Law, Bus. & Prof. Code section 19423 et seq., provides guidance and specifics for the conduct of commissioners relative to the industry they regulate. The State Fair Political Practices Commission oversees laws and rules governing how commissioners report their financial interests and obligations. Governor's Executive Order 66-2 establishes a code of ethical standards which is applicable to gubernatorial appointees such as CHRB members

ANALYSIS:

During June 2007, Department of Consumer Affairs Legal and Administrative staff presented a half-day session to the CHRB Commissioners that included sections on conflict of interest and ethics - the legal framework, practical application, and continuing education demands. Subsequently, all CHRB Commissioners received copies of the draft Ethics and Conflict of Interest sections from the Commissioners' Manual currently in revision. All the Commissioners have received and acknowledged their understanding of the subject contents. The draft sections may not be entirely current relative to all demands the Commissioners may be subject to: note that Horse Racing Law exempts Commissioners from the Government Code Section 19990 restrictions. Staff have accumulated and present in today's Board package relevant items and information for the Board to review, discuss, and act on prospectively.

RECOMMENDATION:

This item for discussion and action. Staff recommends the Board direct staff to complete a final draft CHRB Ethics and Conflict of Interest Policy for ratification at the September Board Meeting.

CHRB COMMISSIONERS' MANUAL

DRAFT ETHICS AND CONFLICT OF INTEREST SECTION

VII. ETHICAL CONSIDERATIONS, INCOMPATIBLE ACTIVITIES, CONFLICTS OF INTEREST AND THE POLITICAL REFORM ACT

7.1 The Political Reform Act of 1974

The Political Reform Act of 1974, as it governs conflicts of interest, is primarily designed to prevent persons from financially benefiting by virtue of their official position. This act requires state agencies to adopt a Conflict of Interest Code that outlines the specific responsibilities of board members and employees in that agency. (Article 20, Rule 2000 of the California Horse Racing Board's Rules and Regulations addresses the Board's Conflict of Interest Rule.) Two major aspects of the Political Reform Act included in the Conflict of Interest Code: one refers to disqualification, the other to financial disclosure. Board members have responsibilities under each of these aspects, which are separately discussed below.

7.2 Disqualification

Government Code, Section 87100, sets forth the general prohibition:

No public official at any level of state or local government shall make, participate making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest. A public official has a financial interest in a decision if it is reasonably foreseeable that the decision will have a material effect, distinguishable from its effect on the public generally, on the official or on a member of his or her family relating to:

- a) Any interest valued at \$1,000 or more in a business entity or real property;
- b) Any source of income of \$250 or more promised or received within the 12-month period prior to the decision;
- c) Any business entity in which the board member is a director, officer, partner, trustee, employee or holds any position of management.

Any board member who has a financial interest must disqualify himself/herself from making or attempting to use his/her official position to influence the decision. The question of whether a board member has a financial interest that would present a legal conflict of interest is a complex one and must be decided on a case-by-case review of the particular facts involved. Therefore, the following practical approach is suggested. A board member must ask himself/herself a key question: Would this decision have a financial effect on me, my family, my business, my employer or my job? If the answer is "yes", he/she should contact the Board's Deputy Attorney General or the Fair Political Practices Commission and discuss whether he/she should disqualify himself/herself from making or participating in the making of the decision.

7.3 Financial Disclosure

The Conflict of Interest Code also requires all board members to file annual financial disclosure statements. New board members are required to file a disclosure statement within 30 days after assuming office; or, if subject to Senate confirmation, 30 days

after being appointed or nominated. Annual financial statements must be filed not later than April 1st of each year. A "Leaving Office Statement" must also be filed within 30 days after an affected board member or other official leaves office. Board members are not required to disclose all their financial interests. Government Code, Section 87302(b), indicates when an item is reportable:

- An investment, interest in real property or income shall be made reportable by the Conflict of Interest Code if the business entity in which the investment is held, the interest in real property, or the income or source of income may foreseeable be affected materially by any decision made or participated in by the designated employee by virtue of his or her position.

To determine what investments, interests in property or income must be reported by a board member, reference should be made to the California Horse Racing Board's Conflict of Interest Code. Questions concerning particular financial situations and related requirements should be directed to the Board's Deputy Attorney General or the Fair Political Practices commission. As most decisions by board members take place at public meetings of the particular board, disqualification would be made a part of the official record of the meeting. A member would indicate his/her disqualification and disclose the nature of the financial interest and how the decision would affect that interest.

7.4 California Horse Racing Board Policy: Incompatible Activities

In accordance with Government Code Section 19990, the following employments, activities, or enterprises are considered inconsistent, incompatible, or in conflict with the duties of all state officers and employees:

- Using the prestige or influence of the state, or the appointing authority of the officers for their private gain or advantage, or the private gain or advantage of another.
- Using state time, facilities, equipment or supplies for private gain or advantage.
- Using confidential information available by virtue of state employment for private gain or advantage, or providing confidential information to persons to whom issuance has not been authorized.
- Receiving or accepting money, or any other consideration, from anyone other than the state for the performance of his or her duties as a state officer.
- Performing an activity, in other than his or her capacity as a state officer, which is subject, directly or indirectly, to the control, inspection, review, audit, or enforcement by the officer.
- Receiving or accepting, directly or indirectly, any gift, including money or any service, gratuity, favor, entertainment, hospitality, loan or any other thing of value from any one who is doing or seeking to do business of any kind with the officer's appointing authority, or whose activities are regulated or controlled by the appointing authority, under circumstances from which it could reasonably be substantiated that the gift was intended to influence the officer in his or her official duties, or was intended as a reward for any official action performed by the officer. "Gift" means anything of value, whether tangible or intangible, for which equal or greater value is not paid. You must disclose gifts received during

the reporting period aggregating \$50 or more from any source covered by your disclosure category, without regard to the location (inside or outside your - jurisdiction) of the donor. (Any number of gifts from one person, the values of which add up to \$50 during the calendar year, must be disclosed.)

- Subject to any other laws, rules or regulations, failing to devote his or her full time, attention, and efforts to his or her state office during his or her hours as a state officer.

These limitations do not attempt to specify every possible incompatible activity. Nothing in this section of the manual should be construed by any party as the sole provisions of law and administrative rules, which must be observed by each state officer, and employer of this agency. What is presented here merely forms a guide that should be carefully observed in accordance with each individual's conscience and good judgment.

CONFLICT OF INTEREST-RELATED ISSUES
Selected Provisions of Particular Importance to
California Horse Racing Board (CHRB) Commissioners
(Rev. 8/10/07)

Horse Racing Law (HRL)

1. Prohibited Interests for Commissioners, Commissioner's spouse, or any dependent child
(Bus. & Prof. Code, § 19423):

- financial interest in any horse racing track;
- financial interest or position of management with any business entity which conducts parimutuel horse racing; or
- financial interest in a management or concession contract with any business entity which conducts parimutuel horse racing.

2. Purse Awards Allowable for Commissioners (Bus. & Prof. Code, § 19424):

- CHRB commissioners authorized to receive a purse award “as owner of a horse or as a breeder of a California-bred horse.”

Fair Political Practices Commission (FPPC) financial conflict of interest provisions:

3. With a significant exception applicable to CHRB commissioners who are racehorse owners and breeders, public officials are prohibited from participating in decisions if:

- the outcome of the decision is sufficiently likely to have an important impact on the official's economic interests, **and**
- if a significant portion of the public body's jurisdiction (i.e., the “public generally”) does not also feel the important impact on their economic interest. (Gov. Code, §§ 87100, 87103.)
- **BUT**, the HRL creates a significant exemption for CHRB commissioners who are owners and breeders, providing that such commissioners are the “public generally” for purposes of these FPPC financial conflict of interest provisions. (Bus. & Prof. Code, § 19424.5.)

4. Gifts, Honoraria, Travel and Loans Limitations

- FPPC fact sheet/brochure captioned “*Limitations and Restrictions on Gifts, Honoraria, Travel and Loans,*” available from FPPC web site (www.FPPC.ca.gov).

5. Statement of Economic Interests Disclosures (Gov. Code, § 87300 et seq.)

- Assets and income of public officials which may be materially affected by their official actions required to be disclosed on Form 700 when assuming office, annually, and upon leaving office. (See www.FPPC.ca.gov and CHRB administration for details.)

California Administrative Procedure Act prohibition on bias by decision-makers

6. Commissioners, as decision-makers in adjudicative matters coming before the CHRB:

- Must, as the adjudicators, “be separated from the investigative, prosecutorial, and advocacy functions within the agency.” (Gov. Code, § 11425.10, subd. (a)(4))
- Are “subject to disqualification for bias, prejudice, or interest in the proceeding.” (Gov. Code, § 11425.10, subd. (a)(5).)
- And must avoid any ex parte communication, which is a communication regarding any issue in a pending CHRB enforcement proceeding. (Gov. Code, § 11425.10, subd. (a)(8).)

Executive Order 66-2

7. Governor’s Executive Order 66-2 establishes code of ethical standards which is applicable to gubernatorial appointees such as CHRB members, and “is to be followed in addition to any and all other statutes and executive orders (i.e. the Fair Political Practices Act of 1974) which might affect questions of conflict of interest, incompatibility or ethics relating to gubernatorial appointees.”

- Prohibits, for example, an appointee from “using confidential information acquired by virtue of State involvement for the appointees private gain or advantage, or the private gain or advantage of another.”

Required Ethics Training

8. Ethics training is required of all persons who are required to file an FPPC statement of economic interest (form 700). (Gov. Code, § 11146 et seq.)

- New FPPC filers (including new board appointees) are mandated to take the ethics training within 6 months, and thereafter every two years. (Gov. Code, § 11146.3, subd. (b).)
- Training can be taken online
 - FPPC web sit (www.FPPC.ca.gov) has link to Attorney General’s site where both an interactive and non-interactive version of the training are available.
 - A VHS tape version is also available.



OFFICE OF THE GOVERNOR

TO ALL GUBERNATORIAL APPOINTEES

Pursuant to Executive Order 66-2, please be advised that there exists a code of ethical standards which is applicable to gubernatorial appointees, not including judicial or county board of supervisor appointees. This code of ethical standards is to be followed in addition to any and all other statutes and executive orders (i.e. the Fair Political Practices Act of 1974) which might affect questions of conflict of interest, incompatibility or ethics relating to gubernatorial appointees.

Applicable portions of the code are set out below. You are requested to carefully read these sections and to comply with both their letter and spirit. Any questions in this regard can be directed to the Appointments Secretary, Governor's Office, State Capitol, Sacramento, California 95814.

STANDARDS OF ETHICAL CONDUCT

No employment, activity, or enterprise shall be engaged in by any gubernatorial appointee which might result in, or create the appearance of resulting in any of the following:

1. Using the prestige or influence of a State office for the appointees private gain or advantage, or the private gain or advantage of another.
2. Using state time, facilities, equipment, or supplies for the appointees private gain or advantage, or the private gain or advantage of another.
3. Using confidential information acquired by virtue of State involvement for the appointees private gain or advantage, or the private gain or advantage of another.
4. Receiving or accepting money or any other consideration from anyone other than the State for the performance of an act which the appointee would be required or expected to render in the regular course of hours of his State employment or as a part of his duties as a State officer.

Standards of Ethical Conduct (cont.)

5. Performance of an act in other than his capacity as an appointee and officer of the State knowing that such an act may later be subject, directly or indirectly, to the control, inspection, review, audit or enforcement by such appointee of of the agency by which he is employed or in which he serves. (This, of course, would not preclude an "industry" member of a board or commission e.g. a barber who is a member of the State Board of Barber Examiners--from performing the normal functions of his occupation.)

6. Receiving or accepting, directly or indirectly, any gifts, including money, any service, gratuity, favor, entertainment, hospitality, loan, or any other thing of value, from anyone who is doing or is seeking to do business of any kind with the State or whose activities are regulated or controlled in any way by the State, under circumstances from which it reasonably could be inferred that the gift was intended to influence him in his official duties or was intended as a reward for any official action on his part.

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Executive Department
State of California

EXECUTIVE ORDER 66-2

Governor's Code of Ethical Standards.

472000
1965
Robert F. Kennedy

By virtue of the authority vested in me as Governor of the State of California, I hereby proclaim the following Code of Ethical Standards to be the official policy of the Executive Department of the State of California applicable to each and every officer and employee thereof.

ARTICLE I

DECLARATION OF POLICY

State officers and employees are responsible to all of the people of the State and not to any favored segment or group. The business and affairs of the State must be conducted in such an impartial manner that all persons understand that no State officer or employee can be influenced by other than proper methods. State officers and employees must avoid all situations where prejudice, bias or opportunity for personal gain could influence their decisions. They must equally avoid circumstances suggesting that favoritism or personal gain is the motivating force in the conduct of State government.

It is the intent of this code to set forth the minimum ethical standards to be followed by all officers and employees of the Executive Department. These standards are intended not only to require officers and employees to avoid activities that might result in using a public office or employment for private gain or the giving of favored treatment to any organization or person, but also to maintain public confidence in the Executive Department by prohibiting activities that might permit opportunity for personal gain or personal preference to influence decisions. The objectives are to maintain an impartial administration of the State government and to maintain public confidence in government.

ARTICLE II

STANDARDS OF ETHICAL CONDUCT

No employment, activity, or enterprise shall be engaged in by any officer or employee of the Executive Department of the State which might result in, or create the appearance of resulting in, any of the following:

Executive Department

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1. Using the prestige or influence of a State office or employment for the officer's or employee's private gain or advantage, or the private gain or advantage of another.
2. Using State time, facilities, equipment, or supplies for the officer's or employee's private gain or advantage, or the private gain or advantage of another.
3. Using confidential information acquired by virtue of State employment for the officer's or employee's private gain or advantage, or the private gain or advantage of another.
4. Receiving or accepting money or any other consideration from anyone other than the State for the performance of an act which the officer or employee would be required or expected to render in the regular course or hours of his State employment or as a part of his duties as a state officer or employee.
5. Performance of an act in other than his capacity as a state officer or employee knowing that such act may later be subject, directly or indirectly, to the control, inspection, review, audit or enforcement by such officer or employee or the agency by which he is employed.
6. Receiving or accepting, directly or indirectly, any gift, including money, any service, gratuity, favor, entertainment, hospitality, loan, or any other thing of value, from anyone who is doing or is seeking to do business of any kind with the State or whose activities are regulated or controlled in any way by the State, under circumstances from which it reasonably could be inferred that the gift was intended to influence him in his official duties or was intended as a reward for any official action on his part.

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ARTICLE III

APPLICATION

The standards of ethical conduct set forth in Article II hereof shall be made applicable without exception to all officers and employees in the Executive Department of the State of California, whether they are members of the state civil service or are exempt from civil service.

All officers and employees who have been appointed by the Governor shall conform to these standards without further directive. All other officers or employees who serve under a State appointing power shall comply with the incompatibility statements issued by their respective appointing power as provided for in Article IV hereof.

Failure to conform to the standards of ethical conduct so prescribed may lead to removal from office, termination of employment, or other action as the situation may warrant.

ARTICLE IV

INCOMPATIBILITY STATEMENTS

Pursuant to Government Code Section 19251 enacted in 1949, each appointing power determines and states the activities which are considered to be inconsistent, incompatible, or in conflict with the duties of its officers and employees. These statements are subject to the review and approval of the State Personnel Board.

Each appointing power in the Executive Department of the State is directed to re-examine its existing statement and revise it, if necessary, or adopt a new statement which requires all its officers and employees to comply with the standards of ethical conduct prescribed in Article II hereof. Further, each appointing power is encouraged to add to such standards as may be necessary and make them more specific and definite with reference to its particular activities and functions.

The State Personnel Board, in reviewing and approving these incompatibility statements, is requested to consider the standards of ethical conduct required herein as a guide to its action.

Each appointing power shall advise each of its officers and employees of its incompatibility statement and that the standards of ethical conduct required shall be strictly complied with.

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Each appointing power shall submit a written report to the Governor by March 15, 1966, describing in detail the action that it has taken to review, revise and promulgate an incompatibility statement containing the standards of ethical conduct set forth in this code and the extent to which current incompatibility statements now cover these matters.

The State Personnel Board shall submit a report to the Governor by May 15, 1966, summarizing the action that has been taken by all the appointing powers and by the State Personnel Board in this review, revision, and promulgation.

ARTICLE V

ADVISORY OPINIONS AND EXCEPTIONSA. Appointing Powers

A number of the appointing powers have included in their incompatibility statements provisions requiring officers and employees to advise the appointing power when a situation arises as to which the officer or employee is in doubt as to whether contemplated conduct is prohibited. Advice is given in such situations as to whether the officer or employee may proceed. Further, some appointing powers have issued directives describing general situations in connection with their functions where the possible interest or personal gain of the officer or employee is considered to be of such a minor nature that it will not influence action and therefore is not prohibited. This type of advice and exception is desirable so as not to needlessly restrict State personnel if the permitted activities are such that the officer or employee will not be violating the policy underlying this code as set forth in Article I.

Although the making of numerous exceptions is not encouraged, each appointing power is requested to:

1. Describe in writing situations that commonly arise in the activities or functions of the appointing power in which the appointing power considers that the possible personal interest or gain of an officer or employee is of such a minor nature that it will not violate the policy underlying this code.

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2. Designate one or more persons in the department or agency to whom specific questions can be directed and from whom guidance may be sought by its officers and employees when questions arise concerning whether a contemplated activity is prohibited by the standards of ethical conduct required and the policy underlying this code.

All officers and employees should be encouraged to discuss any activities where policy requires further definition with persons designated by the appointing power and to be guided by the advice then given. While such discussions and advice shall be considered as confidential, the appointing power or the Governor may determine that a matter involved has become of such importance that the public interest requires disclosure.

B. Other Officers

The heads of many State departments and agencies and a number of officers of the state are appointed by and serve at the pleasure of the Governor. It is desirable that such officers have an independent body from whom they can seek guidance where questions arise as to whether an activity contemplated by such an officer violates this code and the policy underlying it. The Governor has high regard and confidence in the judgment and discretion of the State Personnel Board which has broad experience and background in governmental activities and believes that the public and State officers share this regard and confidence. Therefore such officers are directed to seek guidance from the State Personnel Board when in doubt as to whether an activity they contemplate is prohibited by this code and the policy underlying it. The Personnel Board shall utilize its good judgment in giving such guidance.

Any inquiry to the Personnel Board on these matters shall be treated by the Personnel Board and the Governor as confidential. Information as to individuals involved will be made available only to the Governor and will not be made public except at the specific direction of the Governor when he deems that a matter has become of such importance that the public interest requires disclosure.

ARTICLE VI

REPORTING OF FINANCIAL INTERESTS

This article shall apply only to State officers holding the following positions:

Executive Department

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Agency administrators

Heads of departments

Deputy Directors of departments

Members of the Governor's staff

Salaried members of boards and commissions appointed by the Governor

Salaried executive officers of boards and commissions whose members are appointed by the Governor

All other salaried officials appointed by the Governor

Not later than May 15, 1966, the officers now holding the positions listed above shall submit to the Governor a written report containing the following:

1. A list of the names of all corporations, companies, firms, or other business enterprises, partnerships, nonprofit organizations, and educational or other institutions which do business with or are regulated, controlled, or otherwise affected by the activities of any department, agency, board, or commission of the State of California, in which he has any interest in any of the following ways:
 - (a) As an employee, officer, owner, director, trustee, partner, legal, accounting, or business adviser or consultant;
 - (b) A continuing financial interest through a pension or retirement plan, shared income, or otherwise, as a result of any current or prior employment or business or professional association; or
 - (c) A financial interest through the ownership of stocks, bonds, or other securities, the value of which is in excess of \$5,000.00.
2. A list of the names of his creditors who do business with or are regulated, controlled, or otherwise affected by the activities of his department, agency, board, or commission.

Executive Department

State of California

Page 7

other than those to whom he may be indebted by reason of a mortgage on property which he occupies as a personal residence or to whom he may be indebted for current and ordinary household and living expenses.

- 3. A list of all his interests in real property or rights in lands, other than property which he occupies as a personal residence, which are, or may reasonably be, affected by acquisitions of real property or interest therein by agency, department, board or commission of the State of California.

Henceforth, prior to appointment to any of the positions listed above, the Governor will first require the submission of a report containing the above information.

Each report required by this article shall be kept up to date by submission of amended reports of any changes in or additions to the information required thereon as any change occurs, or, in any event, on March 1 of each succeeding year.

The reports submitted to the Governor shall be treated as confidential. Information thereon will not be made public except at the specific direction of the Governor when he deems that a matter has become of such importance that the public interest requires disclosure.

ARTICLE VII

PUBLICATION AND POSTING

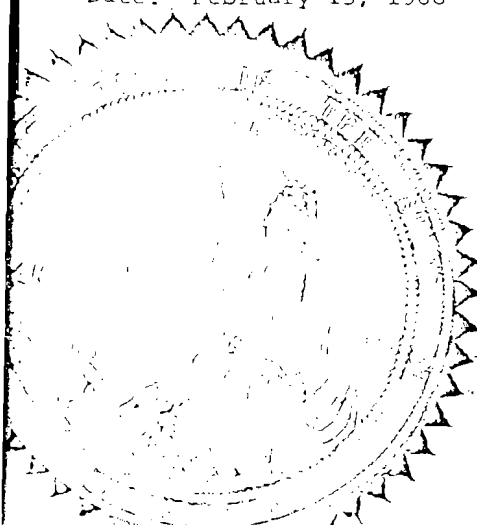
Copies of this code shall be distributed to all state officials and employees. The code shall be posted in a conspicuous location in all State facilities.

Date: February 15, 1966

Richard G. B...
GOVERNOR OF CALIFORNIA

ATTEST:

Lucas J. ...
SECRETARY OF STATE



CALIFORNIA HORSE RACING BOARD

AUGUST 21, 2007
REGULAR BOARD MEETING

There is no board package material for Item 11

STAFF ANALYSIS
STAFF MID-YEAR REPORT ON RACE TRACK RESULTS

Regular Board Meeting
August 21, 2007

BACKGROUND:

This item contains a mid-year report for the recently concluded and in progress race meets. Staff is prepared to answer questions regarding the information presented.

RECOMMENDATION:

These items are for information and discussion.

MID-YEAR TRACK REPORT SUMMARY

For the California Horse Racing Board meeting August 21, 2007. The report includes a summary on handle for the following race meets:

Concluded race meets:

- A. **Pacific Racing Association** at Golden Gate Fields from December 26, 2006 through February 11, 2007.
- B. **Los Angeles Turf Club** at Santa Anita from December 26, 2006 through April 22, 2007.
- C. **Bay Meadows Racing Association** at Bay Meadows from February 14, 2007 through April 22, 2007.
- D. **Pacific Racing Association** at Golden Gate Fields from April 25, 2007 through June 10, 2007.
- E. **San Joaquin County Fair** at Stockton from June 14, 2007 through June 24, 2007.
- F. **Alameda County Fair at Pleasanton** from June 27, 2007 through July 8, 2007.
- G. **Hollywood Park Racing Association** at Hollywood Park from April 25, 2007 through July 15, 2007.

In progress race meets through July 31, 2007:

- A. **Sacramento Harness Association** at Cal Expo from December 28, 2006 through July 28, 2007.
- B. **Los Alamitos Quarter Horse Racing Association** at Los Alamitos from December 28, 2006 through December 28, 2007.
- C. **Wine Country Racing** at Solano July 11, 2007 through July 15, 2007 continuing at Santa Rosa July 18, 2007 through August 6, 2007.
- D. **Del Mar Thoroughbred Association** at Del Mar July 18, 2007 through September 5, 2007

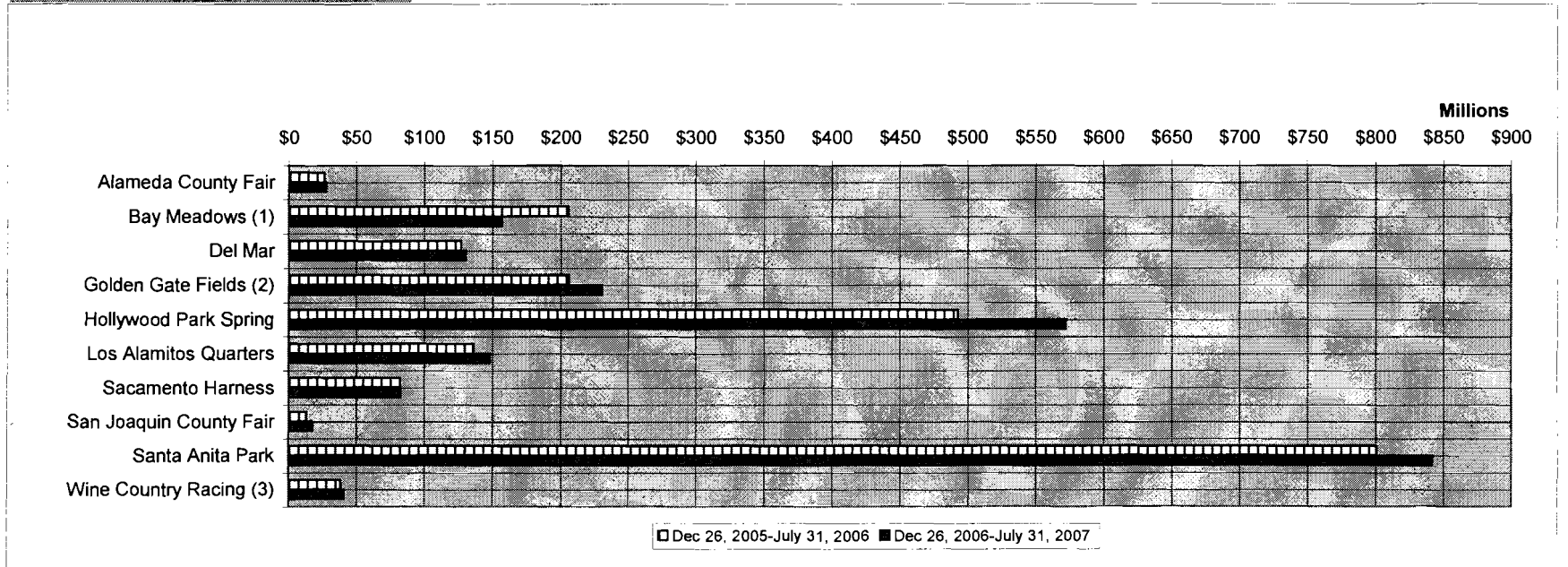
MID-YEAR TRACK REPORT 2006 vs 2007

| Race Meets | 2006 Race Days as of July 31, 2006 | 2006 Total Handle (4) | 2006 Avg Daily Handle | 2007 Race Days as of July 31, 2007 | 2007 Total Handle (4) | 2007 Avg Daily Handle | Average Difference | % Change |
|-------------------------|------------------------------------|-------------------------|-----------------------|------------------------------------|-------------------------|-----------------------|--------------------|--------------|
| Alameda County Fair | 11 | \$ 26,223,981 | \$ 2,383,998 | 11 | \$ 27,356,683 | \$ 2,486,971 | \$ 102,973 | 4.32% |
| Bay Meadows (1) | 59 | 205,486,335 | 3,482,819 | 48 | 156,988,205 | 3,270,588 | (212,232) | -6.09% |
| Del Mar | 12 | 127,100,658 | 10,591,671 | 12 | 130,437,873 | 10,869,823 | 278,151 | 2.63% |
| Golden Gate Fields (2) | 65 | 206,128,151 | 3,171,202 | 66 | 230,533,024 | 3,492,925 | 321,722 | 10.15% |
| Hollywood Park Spring | 61 | 492,633,713 | 8,075,963 | 63 | 571,951,996 | 9,078,603 | 1,002,641 | 12.42% |
| Los Alamitos Quarters | 123 | 136,281,908 | 1,107,983 | 122 | 148,404,581 | 1,216,431 | 108,448 | 9.75% |
| Sacramento Harness | 122 | 82,228,602 | 674,005 | 118 | 82,614,940 | 700,127 | 26,122 | 3.88% |
| San Joaquin County Fair | 10 | 13,052,755 | 1,305,276 | 9 | 17,894,146 | 1,988,238 | 682,963 | 52.32% |
| Santa Anita Park | 86 | 800,708,834 | 9,310,568 | 85 | 841,690,632 | 9,902,243 | 591,675 | 6.35% |
| Wine Country Racing (3) | 17 | 38,341,726 | 2,255,396 | 17 | 40,773,639 | 2,398,449 | 143,054 | 6.34% |
| Total To Date | 566 | \$ 2,128,186,062 | \$ 3,760,046 | 551 | \$ 2,248,645,720 | \$ 4,081,027 | \$ 320,981 | 8.54% |

Notes:

1. BM 2006 includes race meets 12/26/05-2/5/06 & 5/10/06-6/18/06. BM 2007 includes race meet 2/14/07-4/22/07.
2. GGF 2006 includes race meet 2/8/06-5/7/06. GGF 2007 includes race meets 12/26/06-2/11/07 & 4/25/07-6/10/07.
3. Wine Country Racing combines the Solano and Sonoma County Fairs.
4. Traditional and ADW handle generated on races conducted in California by the track where race was ran.

Race meets in progress as of July 31



CALIFORNIA HORSE RACING BOARD

AUGUST 21, 2007
REGULAR BOARD MEETING

There is no board package material for Item 13

CALIFORNIA HORSE RACING BOARD

AUGUST 21, 2007
REGULAR BOARD MEETING

There is no board package material for Item 14

CALIFORNIA HORSE RACING BOARD

AUGUST 21, 2007
REGULAR BOARD MEETING

There is no board package material for Item 15