

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



REGULAR MEETING

of the California Horse Racing Board will be held on Friday, December 14, 2007, commencing at 9:30 a.m., at the Hollywood Park Casino, 3883 West Century Blvd., Inglewood, California.

AGENDA

Action Items:

1. Discussion and action by the Board on the **Application to Conduct a Horse Racing Meeting of the Sacramento Harness Association (H) at Cal-Expo**, commencing December 27, 2007 through July 31, 2008, inclusive.
2. Report of the **Security and Licensing Committee**.
3. Discussion and action by the Board regarding the proposed amendment of **CHRB Rules 1481, Occupational Licenses and Fees, Rule 1783, Registration of Stable Names, and Rule 1784 Registration to Disclose All Partners**, to permit the licensing of "stable name groups" which would allow multiple entities, each owning multiple horses with different sets of owners under one stable name.
4. Public hearing and action by the Board on the adoption of the proposed amendment to **CHRB Rule 1467, Paymaster of Purses**, to authorize the paymaster to deduct 0.3 percent of the net purse earned by any thoroughbred horse at a thoroughbred race meeting or racing fair for deposit into the California Retirement Management Account (CARMA) to be used to benefit retired thoroughbred racehorses.
5. Report and update on the proposed amendment of **CHRB Rule 1632, Jockey's Riding Fee**, to revise the jockey riding fee structure to comply with AB 649, Statutes of 2007.
6. Discussion and action by the Board regarding the request for approval from Southern California Off-Track Wagering, Inc. to **increase the current 1.06 percent off-site stabling and vaning fund takeout up to the maximum 1.25 percent pursuant to Business and Professions Code Section 19607.1(f)**.
7. Discussion and action by the Board to approve the Thoroughbred Owners of California and the Jockey Guild agreement that would establish the **California Jockeys Trust to provide health, safety, and welfare benefits to California licensed jockeys, former California licensed jockeys and their dependents**.

8. Report and update from Santa Anita and Cushion Track representatives regarding **the drainage issue at the Santa Anita racetrack.**
9. Discussion and action by the Board on the **distribution of race day charity proceeds of the Oak Tree Charitable Foundation in the amount of \$66,800 to 25 beneficiaries.**
10. Discussion and action by the Board on the **distribution of race day charity proceeds of the Pacific Racing Association in the amount of \$142,173 to 12 beneficiaries.**
11. Staff report on the following concluded race meets:
 - A. **Del Mar Thoroughbred Club** at Del Mar from July 18, 2007 through September 5, 2007.
 - B. **San Mateo County Fair** at Bay Meadows from August 8, 2007 through August 19, 2007.
 - C. **Humboldt County Fair** at Ferndale from August 9, 2007 through August 19, 2007.
 - D. **Los Angeles County Fair** at Fairplex from September 7, 2007 through September 24, 2007.
 - E. **Fresno County Fair** at Fresno from October 3, 2007 through October 14, 2007.
12. Election of **Board Chairman and Vice Chairman.**
13. **Public Comment:** Communications, reports, requests for future actions of the Board.
Note: Persons addressing the Board under this item will be restricted to **three (3) minutes** for their presentation.
14. **Closed Session:** For the purpose of receiving advice from counsel, considering pending litigation, reaching decisions on administrative licensing and disciplinary hearings, and personnel matters, as authorized by Section 11126 of the Government Code.
 - A. The Board may convene a Closed Session to confer with and receive advice from its legal counsel regarding the pending litigation described in the attachment to this agenda captioned "Pending Litigation," as authorized by Government Code section 11126(e).

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

STAFF ANALYSIS
December 14, 2007

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

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

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

| December - 2007 | | | | | | |
|-----------------|-----|------|-----|-----|-----|-----|
| Sun | Mon | Tue | Wed | Thu | Fri | Sat |
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| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 H | 26 | 27 | 28 | 29 |
| 30 | 31 | | | | | |

| January - 2008 | | | | | | |
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| February - 2008 | | | | | | |
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| March - 2008 | | | | | | |
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| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 | 31 | | | | | |

| April - 2008 | | | | | | |
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| 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 | 29 | 30 | | | |

| May - 2008 | | | | | | |
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| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 | 31 |

| June - 2008 | | | | | | |
|-------------|-----|-----|-----|-----|-----|-----|
| Sun | Mon | Tue | Wed | Thu | Fri | Sat |
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| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 | 30 | | | | | |

| July - 2008 | | | | | | |
|-------------|-----|-----|-----|-----|-----|-----|
| Sun | Mon | Tue | Wed | Thu | Fri | Sat |
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| 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 | 29 | 30 | 31 | | |

| August - 2008 | | | | | | |
|---------------|-----|-----|-----|-----|-----|-----|
| Sun | Mon | Tue | Wed | Thu | Fri | Sat |
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| 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 24/31 | 25 | 26 | 27 | 28 | 29 | 30 |

- Racing Thursday through Sunday.
- Request permission to petition the CHRB to substitute Monday for Sunday in February if the switch from Wednesday to Sunday proves detrimental or if Hollywood Park returns to a Wednesday-Sunday schedule.
- First live post 5:35 p.m. Thursday and Sunday, 5:35 p.m. Fridays and Saturdays. 6:20 p.m.
- Will coordinate post times with Los Alamitos Quarter Horse races, thoroughbred twilight and evening races and all racing fairs.

- Request Carl Sobey be appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety requirements have been fulfilled.
- Inspection of backstretch worker housing completed.
- Wagering program will use CHRB rules.
 - Early wagering 11:00 a.m. to 5:00 p.m.
 - The early pick four and the late pick four will have a guaranteed pool of \$10,000 dollars.
 - Request to continue Bal-Cal Pick-Four, and pursue other multi-track wagering opportunities. Specific permission will be requested.
- The Advance Deposit Wagering (ADW) providers are TVG, YouBet, XpressBet, Twin Spires.
- Simulcasting conducted with out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.

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

1. Audited Financials.
2. Fire Clearance.
3. Description Of On-Track First Aid Facility.

RECOMMENDATION:

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

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

1. APPLICANT ASSOCIATION

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

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

B. Breed of horse: TB QH H

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

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

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

2. DATES OF MEETING

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

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

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

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

Wed - Sun Tues - Sat Other (specify) **Thursday thru Sunday nights,**
Except Dark: Sunday 1/6, 2/3, 3/23

If the switch from Wednesday to Sunday proves detrimental, SHA reserves the right to petition the CHRB to substitute Monday for Sunday in February. If Hollywood Park returns to a Wednesday-Sunday schedule, SHA reserves the right to petition the CHRB for a Wednesday-Saturday schedule beginning in April.

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

3. RACING PROGRAM

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

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

CHRB CERTIFICATION

Application received: 10/31/07
Deposit received: on file
Reviewed: *cpa*

Hearing date: 12/14/07
Approved date:
License number:

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

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

| S | M | T | W | TH | F | S |
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| CAL | 17 | 18 | 19 | CAL | CAL | CALX |
| 16 | | | | 20 | 21 | 22 |
| CAL | 23 | 24 | 25 | CAL | CAL | CALX |
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| CAL | 19 | 20 | 21 | CAL | CAL | CALX |
| 18 | | | | 22 | 23 | 24 |
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| S | M | T | W | TH | F | S |
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| 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| 31 | | | | | | |

C. Total number of stakes races: 32

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

See attached Schedule II-Stakes Races

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

Yes No If no, what racing colors are to be used: Driver's Colors

F. List all post times for the daily racing program: 5:35 pm All Thursdays and Sundays
6:20 pm Fridays and Saturdays
See attached Schedule III

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

4. RACING ASSOCIATION

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

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

C. CORPORATION

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

| | | | |
|------------------------|------------------|--------------------------|-----------------------|
| Ralph Scurfield | President | Jack Coffey | Vice-President |
| Vickie Desomer | Secretary | Lou Blanas | Director |
| James Kouretas | Director | R. Burnett Miller | Director |
| Ivan Axelrod | Director | Herb Jackson | Director |
5. Names (true names) of all persons, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the corporation and the number of shares held by each: None
6. Number of outstanding shares in the corporation: None
7. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation: N/A
9. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity: N/A

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

Stakes Schedule

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

SCHEDULE III

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

Post Time Schedule

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

Post Time Notes:

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

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

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

D. LLC

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

E. OTHER

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

F. Management and Staff

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

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

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

| | |
|-------------------------|------------------------|
| Richard Feinberg | General Manager |
|-------------------------|------------------------|

5. PURSE PROGRAM

Page 1-9

A. Purse distribution:

1. All races other than stakes:

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

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

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

2. Overnight stakes:

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

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

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

3. Non-overnight stakes:

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

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

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

B. Stakes races:

1. Purse distribution for all stakes races:

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

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

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

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

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

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

Current meet estimate:
 Prior meet actual:

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

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

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

Recognized Horsemen's Organization

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

Total Total

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

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

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

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

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

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

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

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

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

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

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

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

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

Stockmans Bank Account number# On file

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

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

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

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

6. STABLE ACCOMMODATIONS

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

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

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

7. PARI-MUTUEL WAGERING PROGRAM

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

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

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

See Schedule IV - Types of Wagers

- B. Maximum carryover pool to be allowed to accumulate before its distribution **OR** the date(s) designated for distribution of the carryover pool: **Final night of race meet (August 2nd)**
- C. List any options requested with regard to exotic wagering:
Every night the early pick four, and the late pick four will have a guaranteed pool of \$10,000 dollars.

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

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

8. ADVANCE DEPOSIT WAGERING (ADW)

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

9. SIMULCAST WAGERING PROGRAM

- A. Simulcast organization engaged by the association to conduct simulcast wagering: **Southern California Off Track Wagering Inc. (SCOTWInc)**
- B. Attach the agreement between the association and simulcast organization permitting the organization to use the association's live audiovisual signal for wagering purposes and providing access to its totalizator for the purpose of combining on-track and off-track pari-mutuel pools. **On File**
- C. California simulcast facilities the association proposes to offer its live audiovisual signal: **All Licensed California simulcast locations**
- D. Out-of-state wagering systems the association proposes to offer its live audiovisual signal: **See Schedule V- Simulcast Locations**
- E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the association:
All
- F. For **THOROUGHBRED** racing associations, list the host track from which the association proposes to import out-of-state and/or out-of-country thoroughbred races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races": **N/A**

SCHEDULE IV

Sacramento Harness Association December 28, 2007 through August 2, 2008 Proposed Wagering Format

The following CHRB wagering rules will be in affect during the 2008 Sacramento Harness meeting.

| Type | Rule Number |
|-------------------|-------------|
| Exacta (E) | 1959 |
| Trifecta (TRI) | 1979 |
| Daily Double (DD) | 1957 |
| Superfecta (SF) | 1979.1 |
| PK 3 | 1977 |
| PK 4 (PNP) | 1976.9 |
| PK 6 | 1976. |

| Wednesday | Thursday | Friday & Saturday |
|-----------------------------|-----------------------------|-----------------------------|
| Race 1: 1E, 1TRI, 1DD | Race 1: 1E, 1TRI, 1DD | Race 1: 1E, 1TRI, 1DD |
| Race 2: 1E, 1TRI, 1PK4 | Race 2: 1E, 1TRI, 1PK4 | Race 2: 1E, 1TRI, 1PK4 |
| Race 3: 1E, 1TRI, 1SF | Race 3: 1E, 1TRI, 1SF | Race 3: 1E, 1TRI, 1SF |
| Race 4: 1E, 1TRI, 2PK6 | Race 4: 1E, 1TRI, 2PK5 | Race 4: 1E, 1TRI, 2PK5 |
| Race 5: 1E, 1TRI, 1PK3 | Race 5: 1E, 1TRI, 1PK3 | Race 5: 1E, 1TRI, 1PK3 |
| Race 6: 1E, 1TRI, 1PK3 | Race 6: 1E, 1TRI, 1PK3 | Race 6: 1E, 1TRI, 1PK3 |
| Race 7: 1E, 1TRI, 1PK3 | Race 7: 1E, 1TRI, 1PK4 | Race 7: 1E, 1TRI, 1PK3 |
| Race 8: 1E, 1TRI, 1PK3, 1SF | Race 8: 1E, 1TRI, 1PK3, 1SF | Race 8: 1E, 1TRI, 1PK3, 1SF |
| Race 9: 1E, 1TRI, 1PK3 | Race 9: 1E, 1TRI, 1PK4 | Race 9: 1E, 1TRI, 1PK4 |
| Race 10: 1E, 1TRI, 1SF | Race 10: 1E, 1TRI, 1PK3 | Race 10: 1E, 1TRI, 1PK3 |
| Race 11: 1E, 1TRI, 1SF | Race 11: 1E, 1TRI, 1SF | Race 11: 1E, 1TRI, 1PK3 |
| *Race 12: 1E, 1TRI, 1PK3 | Race 12: 1E, 1TRI, 1SF | Race 12: 1E, 1TRI, 1PK3 |
| *Race 13: 1E, 1TRI, 1SF | | Race 13: 1E, 1TRI, 1SF |
| *Race 14: 1E, 1TRI, 1SF | | Race 14: 1E, 1TRI, 1SF |

Wagering Notes:

\$1PK4 (CHRB 1976.9) If no ticket correctly selects all four winners, 25% of net pool paid to winner(s) correctly selecting the most winners, 75% carryover to next pick four wager.

\$2PK6 (CHRB 1976.9) If no ticket correctly selects all five winners, 25% of net pool paid to winner(s) correctly selecting the most winners, 75% carryover to the next racing program.

Every night the early pick four, the pick five, and the late pick four will have a guaranteed pool of \$10,000 dollars.

Schedule V

OUT OF STATE SIMULCAST WAGERING LOCATIONS

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

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

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

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

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

QUARTER HORSE SIMULCAST RACES TO BE IMPORTED

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

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

HARNESS SIMULCAST RACES TO BE IMPORTED

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

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

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

OTHER BREED SIMULCAST RACES TO BE IMPORTED

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

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

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

Every association shall pay over to the simulcast organization within 3 calendar days following the closing of wagering for any day or night racing program, or upon receipt of the proceeds, such amounts that are retained from off-track simulcast wagering, interstate and

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

10. CHARITY RACING DAYS

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

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

11. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

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

SACRAMENTO HARNESS ASSOCIATION

2008 BOARD OF DIRECTORS
ATTACHMENT

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

SUSAN G. KOMEN BREAST CANCER FOUNDATION, INC.**BOARD OF DIRECTORS:****NAMES:****ADDRESSES:**

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Dallas, TX 75244

Norman Brinker

5005 LBJ Freeway, Suite 250,
Dallas, TX 75244

Linda Custard

5005 LBJ Freeway, Suite 250
Dallas, TX 75244

Aimee DiCicco

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Dallas, TX 75244

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Dallas, TX 75244

Cheryl Jernigan

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5005 LBJ Freeway, Suite 250
Dallas, TX 75244

Connie O'Neill

5005 LBJ Freeway, Suite 250
Dallas, TX 75244

Robert Taylor

5005 LBJ Freeway, Suite 250
Dallas, TX 75244

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Sacramento Valley Affillate
 2443 Fair Oaks Boulevard, PMB 223, Sacramento, CA 95825
 916-492-6474 / FAX: 916-941-7896
 Helpline 1-800 I'M AWARE / www.komansacramento.org

Susan G. Komen for the Cure, Sacramento Affiliate
 BOARD OF DIRECTORS

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 1335 Berry Creek Road
 West Sacramento, CA 95709
 916-324-2184
pattie.bastian@boe.ca.gov

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carolscase@comcast.net

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njmallory@aol.com

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blkyngexec@aol.com

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 2021 Daphne Ave.
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trecianienow@aol.com

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 916-375-7604, xt. 1012
dianebrn@surewest.net

Patti Teale, Director
 1642 38th St.
 Sacramento, CA 95816
 916-689-7580
pteale@pacbell.net

The greatest risk factors for
 breast cancer are being female
 and growing older

© 2007

THE CUP WITH LOVE PROJECT

5050 Laguna Blvd, Suite 112 PMB 614
Elk Grove, CA 95758
916.691-2199 or 916.690.5491

November 15, 2007

Mr. Steven Carpenito
Marketing director
Sacramento Harness Association
2335 American River Drive, suite 406
Sacramento, CA 95825

Dear Mr. Carpenito:

Per your request, listed below are our newly elected Cup With Love Project board members for 2007-08 and their addresses.

Ms. Molly Ximenez, Founder & President
3629 Grand Point Lane
Elk Grove, CA 95758

Ms. Gloria Torres, Vice President
6801 Kilconell Drive
Elk Grove, CA 95758

Ms. Sandra P. Poole, Secretary
P.O. Box 22178
Sacramento, CA 95822

Mr. Paul Gacutan, Treasurer
8945 Paulhaus Way
Elk Grove, CA 95758

Colleen Edson, Board Director
1120 Brookline Circle
Roseville, CA 95747

Should you need any additional information, please feel free to contact me at (916) 691-2199 or by cellular at (916) 690-5617.

(1 of 2)

Page 2
Sacramento Harness Association

As the new year approaches we look forward in collaborating with you in outreaching to cancer patients and survivors in the greater Sacramento area.

Shriners Hospital for Children
International Office
2900 Rocky Point Drive
Tampa Florida 33607-1460

Board of Trustees
Ralph W Semb -Chairman
Bernard J Lemieux MD -Vice Chairman
Frank J Roth, Trustee
W. Brandt Bede MD, Trustee
Charles A Claypool, Trustee
Bob Smith, Trustee
Timothy E Morris, Trustee
Raoul L. Frevel, Sr. Trustee

225, Sacramento, CA 95825, 916/923-5447

Page 1-22

- D. Photographic device to be used for photographing the finish of all races, name of the person supplying the service, and expiration date of the service contract: **Plusmic Corp USA – CDV – 210 System – Bill O'Brien – contract through 8/08**
- E. Photo patrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract. Specify the number and location of cameras for dirt and turf tracks. **Pegasus Communications – Jim Porep, President Contract thru 8/08**
Upper Pan Camera, Lower Pan Camera, 1/8 Pole Tower Camera, 5/8 Pole Tower Camera, Infield Warm Up Camera, Paddock Camera, Winners Circle/Finish Line Ground Level Camera. Seven (7)
- F. Type of electronic timing device to be used for the timing of all races, name of the person supplying the service, and expiration date of the service contract:

12. SECURITY CONTROLS

- A. Name and title of the person responsible for security controls on the premises. Include an organizational chart of the security department and a list of the names of security personnel and contact telephone numbers. **Attached**
- B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis: **18**
1. Attach a written plan for enhanced security for graded/stakes races, and races of \$100,000 or more, to include the number of security guards in the restricted areas during a 24-hour period and a plan for detention barns. **N/A**
 2. Detention Barns: **All Items Attached**
 - A. Attach a plan for use of graded stakes or overnight races.
 - B. Number of security guards in the detention barn area during a 24-hour period.
 - C. Describe number and location of surveillance cameras in detention barn area.
 3. TCO2 Testing: **All Items Attached**
 - A. Number of races to be tested, and number of horses entered in each race to be tested.
 - B. Plan for enhanced surveillance for trainers with high-test results.
 - C. Plan for detention barns for repeat offenders.
 - D. Number of security personnel assigned to the TCO2 program.
- C. Describe the electronic security system:

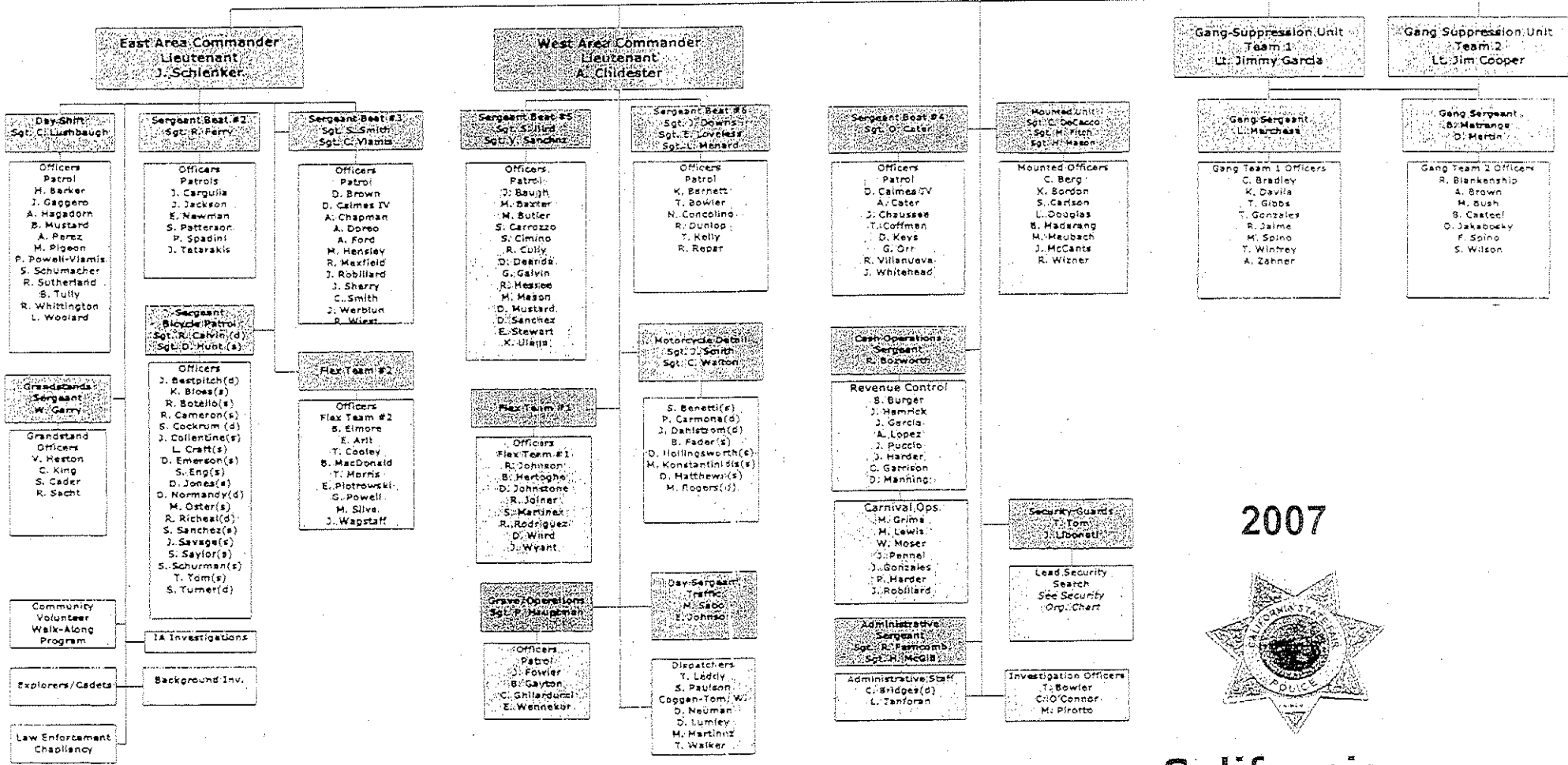


**General Manager
Norb Bartosik**

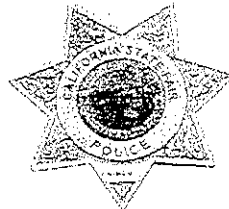
**Deputy General Manager
Brian May**

**Robert L. Craft
Chief of Police**

Cathy Purzell
Staff Services Analyst



2007



**California
Exposition & State Fair
Police Department**

12. Security Controls

A. & B.

Cal Expo Police Department

The Cal Expo Police Department is headed up by Chief Robert Craft. Chief Craft is a retired captain of the Sacramento Sheriffs Department and is one of the highest decorated officers in the history of the department. The Cal Expo police department enjoys a great working and professional relationship with the CHR B staff.

The grandstand and backstretch areas of the Cal Expo facility will be served by our police department. A minimum of 6 police officers, 2 mobile patrol units, 1 armed officer in the detention barn and 4 gatemen will be assigned exclusively to the racetrack, grandstand, and backstretch areas. Our backstretch and detention barn will also be served by unarmed Cal Expo Security Guards.

An organizational chart of our police department is attached and the contact phone numbers are: 916-263-3050 and 916-263-3120

2. - Detention Barn-

Sacramento Harness has constructed a new detention barn. All California Sire Stake races and Overnight Stake races with purse of \$15,000 will be a detention barn race. All horses in those races must report for detention by 12 noon. Those horses will be in detention from then until race time.

Each horse in the detention barn will be limited to two caretakers (one groom and trainer) at a time and each person will be identified by CHR B license, checked, and all equipment will be checked. All functions in the detention barn will be documented and the documentation will be securely filed.

In addition, trainers having high TCO₂ test(s) will be required to race all of their horses out of the detention barn for thirty days. Those horses must also report by 12 noon.

3. TCO₂ Testing

Sacramento Harness will adhere to all CHR B guidelines in conjunction with TCO₂ testing. In addition, horses that have previously tested high will be detained and placed under surveillance cameras each race day for no less than 30 days. The number of security personnel assigned to the TCO₂ program will be determined on a day-to-day basis.

C. Describe the electronic security system:

1. Location and number of video surveillance cameras for the detention barn and stable gate. **Surveillance cameras on all stalls for detained horses with prior TCO2 offenses.**

D. For night racing associations: Describe emergency lighting system

Sacramento Harness Association will employ the use of four generators that will be strategically placed in locations around the racetrack and be turned on continuously while night racing is occurring. In the event of a racetrack light failure, the generators will provide enough light to ensure the safety of all participants. Also, the patrol judge in the starter's car that tracks each race will illuminate the racetrack with their headlights.

Detention Barn Policies & Procedures

1. All horses must report to the detention barn by 12:00 noon race day. Horses late for detention will be requested to be scratched by the Stewards and CHRB.
2. A valid CHRB license is required for detention barn admission. License must be displayed to detention barn security prior to admittance.
3. Only the licensed trainer and the assigned licensed groom are permitted in the detention barn enclosure.
4. CHRB licensed veterinarians will be permitted within the enclosure for lasix administration. Vet must be accompanied by trainer or assigned groom for lasix administration.
5. No therapeutic aids are permitted in the detention barn enclosure.
6. Warmups are permitted on both the front and back track. Horses must return directly to the detention barn or to the paddock following warmup. Horses warming up on back track must use main road only. Violation of any of the above will result in request for scratch.

These policies have been agreed to by contract between the Sacramento Harness Association & California Harness Horseman Association.

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

D. For night racing associations. Describe emergency lighting system:

13. EMERGENCY SERVICES

A. Name, address and emergency telephone number of the ambulance service to be used during workouts and the running of the races: **American Medical Response, 1779 Tribute Road, Sacramento, CA 95815, Contact Steve Guicy, 916/563-0600**

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

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

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

Name address and emergency telephone number of hospital located within 1.5 miles of the racetrack, which whom an agreement is in place to provide emergency medical services: **American Medical Response, 1779 Tribute Road, Sacramento, CA 95815, Contact Steve Guicy, 916/563-0600**

E. Name, address and emergency telephone number of the hospital to be used for admittance and treatment of emergency injuries in the event of an on-track injury to a jockey: **Mercy Hospital, 4001 J Street, Sacramento, CA (916) 453-4553**

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

G. Name of health and safety manager and assistant manager responsible for compliance of health and safety provisions pursuant to B& P Code 19481.3(d): **Wayne Short, Health and Safety Manger; Rick Cisco, Assistant Health and Safety Manger**

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

I. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details): **State Fund Compensation, Policy # on file Expiration 4/1/2008**

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

NOTICE TO APPLICANT: Every licensee conducting a horse racing meeting shall pursuant to B&P Code 19481.3 maintain, staff, and supply an on-track first aid facility, that may be either permanent or mobile, and which shall be staffed and equipped as directed by the board. A qualified and licensed physician shall be on duty at all times during live racing, except that this provision shall not apply to any quarter horse racing at the racetrack if there is a hospital situated no more than 1.5 miles from the racetrack and the racetrack has an agreement with the hospital to provide emergency medical services to jockeys and riders. An ambulance

| | | |
|--|---|----------|
| ACORD CERTIFICATE OF LIABILITY INSURANCE | | 10-26-07 |
| PRODUCER (916) 988-0214 FAX: (916) 989-4719 Albano-Dale-Dunn & Lewis, Inc 9197 Greenback Lane Suite E P. O. Box 2470 Lic#0442296 Orangevale CA 95662 | THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. | |
| INSURED Sacramento Harness Association 2335 American River Drive, Suite 406 Sacramento CA 95825 | INSURERS AFFORDING COVERAGE INSURER A: Lexington Insurance INSURER B: Progressive INSURER C: State Compensation INSURER D: INSURER E: | NAIC # |

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

| INSR ADD'L LTR | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS |
|----------------|--|--------------------|----------------------------------|-----------------------------------|--|
| A | GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR | AIP-00002235253-01 | 9-18-07 | 9-18-08 | EACH OCCURRENCE \$ 1,000,000 |
| | GENL AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC | | | | DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ EXCLUDED PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 |
| B | AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS | 03441742-1 | 3/20/2007 | 3/20/2008 | COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 |
| | | | | | BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ |
| | GARAGE LIABILITY <input type="checkbox"/> ANY AUTO | | | | AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$ |
| A | EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE \$ RETENTION \$ | AIX-00002235254-01 | 9-18-07 | 9-18-08 | EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 |
| C | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below | 1829531-07 | 4/1/2007 | 4/1/2008 | <input checked="" type="checkbox"/> WC STATU- TORY LIMITS <input type="checkbox"/> OTH- ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000 |
| | OTHER | | | | |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS
 *10 Days notice of cancellation applies for non-payment of premium.

| | |
|---|--|
| CERTIFICATE HOLDER California Horse Racing Board 1010 Hurley Way Suite 210 Sacramento, CA 95825 | CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL *30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE Arthur Dunn/JODY |
|---|--|

SACRAMENTO HARNESS ASSOCIATION

**EMERGENCY MEDICAL PROCEDURES
FOR ON-TRACK INJURY TO DRIVERS**

“FIRST RESPONSE”

- In the event of an accident, the Starter; Outrider, and/or Ambulance shall respond immediately.
- The American Medical Response Ambulance will stop on the track and assess the driver(s) need.
- The attending medical professions shall be equipped with advanced cardiac life support (ACLS) and other necessary acute medical treatment equipment & supplies;
- An “on-site evaluation” of injuries to the driver(s) shall be made.

“ON-SITE EVALUATION”

- Based on the Emergency Medical Response (EMT) team on the American Medical Response Ambulance an “on-site evaluation” of injuries, a decision shall be made to either treat the injured driver(s) on-site or to request emergency medical transport for off-site treatment at a hospital trauma center;
 - If on-site treatment is deemed sufficient, the American Medical Response shall treat the injured driver(s); or,
 - If off-site treatment is deemed necessary, a back up ambulance from American Medical Response will be summoned to take over the duties at the track and the original ambulance will transport the injured driver(s).

“INJURY TREATMENT”

- If the injured driver(s) is treated by the EMT on the American Medical Response Ambulance, they will be the primary care provider.
- If a back up ambulance is requested, the injured driver(s) shall be transported to the local hospital.

PRECUDIOS DE EMERGENCIA PARA MANEJADORES

“PRIMERA RESPUESTA”

- En caso de un accidente, respondera la ambulancia, el poniador, o, el carrode comensar.
- La Ambulancia respondera par aver lo necesario.
- La Ambulancia tiene el equipo necesario para accidentes.
- Se hara una evaluacion de acuerdo al accidente.

“EVALUACIO AL INSTANTE”

- Basandose al (EMT) Emergencia Medica Responsable. Que es la ambulancia. Ellos Aran Una evaluacion al instante. Para ver si se puede tartar al momento o ser transportado, al hospital.

“ATENCION AL ACSIDENTADO”

- El accidentado sera tratado de inmediato por (EMT).
- Sies demaciado grabe el accidente sera transportado por ambulancia al hospital.

En caso de algun corredor accidentado se hara un reporte complete por los encargados del tracke.

licensed to operate on public highways provided by the track shall be available at all times during live racing and shall be staffed by two emergency medical technicians licensed in accordance with Division 2.5 (commencing with Section 1797) of the Health and Safety Code, one of whom may be an Emergency Medical Technician Paramedic, as defined in Section 1797.84 of the Health and Safety Code. (b) Each racing association and racing fair shall adopt and maintain an emergency medical plan detailing the procedures that shall be used in the event of an on-track injury. The plan shall be posted in each jockey room in English and Spanish. (c) Prior to every race meeting, the racing association or racing fair shall contact area hospitals to coordinate procedures for the rapid admittance and treatment of emergency injuries. (d) Each racing association or racing fair shall designate a health and safety manager and assistant manager, who shall be responsible for compliance with the provisions of this section and one of whom shall be on duty at all times when live racing is conducted. The health and safety manager may, at the discretion of the racing association, be the person designated to perform risk management duties on behalf of the association.

14. CONCESSIONAIRES AND SERVICE CONTRACTORS

Names and addresses of all persons to whom a concession or service contract has been given, **other than those already identified**, and the goods and/or services to be provided by each: **Ovations – 6473 Sierra Lane, Dublin, CA 94568 – Food & Liquor**

15. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

A. Describe any promotional plans: **A live weekly hour long television show on Comcast SportsNet Thursday evenings which can be seen throughout Northern California and will expose Harness Racing to a new Audience. Several Statewide promotion giveaways. Food & drink specials every night of the racing week. Super Saturday Night Promotion: \$1 night & The Peppermill Pace contest is which we distribute over \$800 in cash and prizes each week. An expanded Handicapping contest to include several satellite wagering facilities. Ad campaign designed to bring new fans to Harness Racing.**

B. Number of hosts and hostesses employed for meeting: **2**

C. Describe facilities set aside for new fans: **New fan/Guest Information and Education Center**

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

1. Horsemen **New Drivers Lounge, New backstretch Laundromat. New track lighting installed.**
2. Fans **Grandstand and Clubhouse renovation completed 6/06**
 1. Facilities in the restricted areas **New state of the art detention barn constructed and opened 5/1/06**

16. SCHEDULE OF CHARGES

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

| | |
|------------------------------|---|
| Admission (general) | \$4.00 (free admission every Sunday) |
| Admission (clubhouse) | No Upgrade |
| Reserved seating (general) | N/A |
| Reserved seating (clubhouse) | No Upgrade |
| Parking (general) | Free |
| Parking (preferred) | No Upgrade |
| Parking (valet) | N/A |
| Programs (on-track) | \$3.00 |
| (Off-track) | \$3.50 |

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

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

17. JOCKEYS/DRIVERS' QUARTERS

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

| | | | |
|-------------------------------------|--------------------------------|-------------------------------------|-------------------------------------|
| <input checked="" type="checkbox"/> | Corners (lockers and cubicles) | How many | <input type="text" value="46"/> |
| <input checked="" type="checkbox"/> | Showers | <input checked="" type="checkbox"/> | Steam room, sauna or steam cabinets |
| <input type="checkbox"/> | Masseur | <input checked="" type="checkbox"/> | Food/beverage service |
| | | <input checked="" type="checkbox"/> | Lounge area |
| | | <input type="checkbox"/> | Certified platform scale |

B. Describe the quarters to be used for female jockeys/drivers: **same type, separated quarters**

18. BACKSTRETCH EMPLOYEE HOUSING

A. Inspection of backstretch housing was completed by **Investigator Martin Snezek** on **June 12, 2007**.

B. Number of rooms used for housing on the backstretch of the racetrack: **92**

C. Number of restrooms available on the backstretch of the racetrack: **8**

D. Estimated ratio of restroom facilities to the number of backstretch personnel: **8/160**

19. TRACK SAFETY

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

B. Describe the type(s) of materials used for the inner and outer railings of the race course, the type of inner railing supports (i.e., metal gooseneck, wood 4" x 4" uprights, offset wood 4" x 4" supports, etc.), the coverings, if any, on the top of the inner railing, and the approximate height of the top of the inner railing from the level of the race course. **Pylons are to be used instead of inner hub rail, an Aluminum Seriline Racing Rail, in full compliance of track safety regulation.**

C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474: **Wayne Short, Director Backstretch Operations & J. R. Williams, and Track Superintendent**

D. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474. **On file**

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

ACORD CERTIFICATE OF LIABILITY INSURANCE

10-26-07

PRODUCER (916)988-0214 FAX: (916)989-4719
 Albano-Dale-Dunn & Lewis, Inc
 9197 Greenback Lane Suite E
 P. O. Box 2470 Lic#0442296
 Orangevale CA 95662

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

INSURED
 Sacramento Harness Association
 2335 American River Drive,
 Suite 406
 Sacramento CA 95825

| INSURERS AFFORDING COVERAGE | NAIC # |
|--------------------------------|--------|
| INSURER A: Lexington Insurance | |
| INSURER B: Progressive | |
| INSURER C: State Compensation | |
| INSURER D: | |
| INSURER E: | |

COVERAGES

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

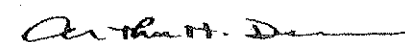
| INSR | ADD'L LTR | INSRD | TYPE OF INSURANCE | POLICY NUMBER | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS |
|------|-----------|-------|--|--------------------|----------------------------------|-----------------------------------|---|
| A | | | GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC | AIP-00002235253-01 | 9-18-07 | 9-18-08 | EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ EXCLUDED PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 |
| B | | | AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS | 03441742-1 | 3/20/2007 | 3/20/2008 | COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ |
| | | | GARAGE LIABILITY <input type="checkbox"/> ANY AUTO | | | | AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$ |
| A | | | EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$ | AYX-00002235254-01 | 9-18-07 | 9-18-08 | EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 |
| C | | | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below | 1829531-07 | 4/1/2007 | 4/1/2008 | <input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000 |
| | | | OTHER | | | | |

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS
 *10 Days notice of cancellation applies for non-payment of premium.

CERTIFICATE HOLDER

California Horse Racing Board
 1010 Hurley Way Suite 210
 Sacramento, CA 95825

CANCELLATION

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

20. DECLARATIONS

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

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

21. CERTIFICATION BY APPLICANT

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

Donna Newman
Print Name

Donna Newman
Signature

Controller
Print Title

10/31/07
Date

CALIFORNIA HORSE RACING BOARD

DECEMBER 14, 2007
REGULAR BOARD MEETING

There is no board package material for item 2

STAFF ANALYSIS
PROPOSED AMENDMENT OF
RULE 1481. OCCUPATIONAL LICENSES AND FEES
RULE 1783. REGISTRATION OF STABLE NAMES
RULE 1784. REGISTRATION TO DISCLOSE ALL PARTNERS
TO PERMIT LICENSING OF
STABLE NAME GROUPS

Regular Board Meeting
December 14, 2007

BACKGROUND

Business and Professions (B&P) Code Section 19440 states the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of Chapter 4, B&P Code. Responsibilities of the Board shall include licensing of each racing association and all persons, other than the public at large, who participate in a horse racing meeting with pari-mutuel wagering. B&P Code Section 19520 provides that every person not required to be licensed under Article 4 (commencing with Section 19480) who participates in, or has anything to do with, the racing of horses shall be licensed by the Board pursuant to rules and regulations that the Board may adopt. No person required to be licensed may participate in any capacity in any horse race meeting without a valid and unrevoked license authorizing the participation.

The CHRB has multiple regulations governing the occupational licensing of individuals who participate in horse racing, and the registration of stable names, partnerships, corporations and limited liability companies (LLC). These regulations fit well with individuals, small partnerships and persons or single entities wishing to run under a stable name; however, this is not necessarily the case with larger groups, especially groups that sell many shares in one or more horses. Little Red Feather Racing (LRFR) is an example of one such group that does not fit the norm with regards to licensing. LRFR is a registered stable name that buys thoroughbred horses, which it markets as an LLC in ownership units of 5 percent to 10 percent. Each horse owned by LRFR is a separate entity with distinct ownership.

In 2006 LRFR contacted staff with a number of licensing issues it felt needed to be addressed. LRFR contended the Board's regulations were "*not practical to modern day partnership groups,*" and made suggestions regarding changes to rules governing stable name registrations. LRFR's main complaint was the manner in which it was listed in the program. Staff worked with LRFR, and it was determined that LRFR would run as "LRFR, et. al." This arrangement worked for approximately 18 months, but in May 2007 LRFR again contacted staff with the same concerns. LRFR wished to be listed in the program under its stable name, without the "et. al." LRFR stated it wanted its statistics accounted in that manner, as it was a "*critical sales tool.*"

The issues regarding LRFR were discussed at the July and October 2007 Security and Licensing Committee meeting. To accommodate the LRFR model, and to allow it to run only under its stable name, staff proposed amending Rule 1783, Registration of Stable Names, and Rule 1784, Registration to Disclose All Partners. Rule 1481, Occupational Licenses and Fees would also have to be amended to reflect the new Stable Name Group registration.

ANALYSIS

The CHRB has received recommendations from LRFR and West Point Thoroughbreds (WPT) for regulatory and procedural changes that would benefit partnership groups such as theirs and - in their opinions - lead to increased horse ownership and revenue to the sport of horse racing. The suggestions fall into two broad categories. The first category is keeping and reporting of statistics on horse ownership (e.g. earnings and wins). This is largely an industry issue and falls outside the Board's rules and regulations. It involves the two major databases utilized by racetracks: InCompass and Equibase.

The second category involves suggested rule changes; specifically, the proposals involve amendments to CHRB Rules 1481, 1783, and 1784:

- 1) Under Rule 1783 and Rule 1784 the Board would create a separate license classification for stable name groups, which would be based on the LRFR business model. A stable name group would allow for multiple entities to run under one stable name. Each entity would be comprised of a unique set of investors, and each would own one or more horses. Any Board licensed horse owner, including horse owners with registered stable names, can invest in a stable name group. These revisions are incorporated in the proposed amendment to Rule 1783 and Rule 1784.
- 2) LRFR wishes to allow investors in stable name groups to have the choice of being licensed or not licensed by the CHRB. This is allowable if the investor is a limited partner, as under the Board's rules limited partners are not licensed. However, if the investor is a general partner, this is *contrary to Horse Racing Law*. B&P Code Section 19520 states that every person who participates in, or has anything to do with, the racing of horses shall be licensed by the Board. Current practice is if a group stable gives CHRB a list of owners, each person on that list must be licensed, as it is assumed they are general partners. However, under the proposed amendment to Rule 1783, the stable name group must indicate if an owner is a limited or general partner. If an owner is a general partner, they must be qualified for a horse owner license. If an owner is a limited partner, they need not be licensed.
- 3) The proposed amendment to Rule 1783 exempts stable name group partners from the provisions of Rule 1606, Coupling of Horses, if their ownership interest in any entity that runs under a stable name group is 10 percent or less. If a partner has an ownership interest in another horse entered in the same race as a horse owned by the stable name group entity in which he has a 10 percent or less interest, the horses need not be coupled. The exemption to Rule 1606 applies only when one or both horses is run under a stable name group. The exemption to Rule 1606 was include because the committee believed a stable name group partner with 10 percent or less ownership interest would have no ability to influence the outcome of a race.

RECOMMENDATION

This item is presented for Board discussion and action.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 4. OCCUPATIONAL LICENSES
PROPOSED AMENDMENT OF
RULE 1481. OCCUPATIONAL LICENSES AND FEES

Regular Board Meeting
December 14, 2007

1481. Occupational Licenses and Fees.

No person required to be licensed shall participate or attempt to participate in a race meeting without holding a valid license authorizing that participation.

(a) A person acting in any capacity within the restricted area of an inclosure, simulcast facility or auxiliary stabling area shall procure the appropriate license(s) and pay the fee required.

(b) A person acting in any of the following capacities shall procure the appropriate license(s) and pay the fee required:

(1) Horse Owner by Open Claim.....\$250

(2) Officer, Director, Partner or any individual or person who holds 5% or more of the outstanding shares of a racing association, simulcast service supplier or totalizator company.
\$200

(3) Horse Owner.....\$150

(4) Trainer, Assistant Trainer, Driver, Jockey, Apprentice Jockey, Jockey Agent.....\$150

(5) Veterinarian.....\$150

(6) Steward, Associate Steward, Steward (Veterinary Service), Simulcast Facility Supervisor, Assistant Simulcast Facility Supervisor, Racing Official, Administrative or Managerial personnel including General Manager of a racing association, simulcast organization or an intrastate guest association, who exercise control over other licensees, horse racing, pari-

mutuel wagering or simulcast operations, or whose duties routinely require access to restricted areas of the inclosure \$150

(7) Bloodstock Agent..... \$150

(8) Valet, Jockey Room or Drivers' Room Attendant or Custodian or Service Person, Colors Attendant, Paddock Attendant \$75

(9) Assistant to a Racing Official or Official, Assistant General Manager of a racing association, simulcast organization or an intrastate guest association, Assistant Starter, Assistant to the Veterinarian, Assistant Manager, Announcer, Paymaster of Purses, Superintendent, Starting Gate Driver, Flagman, Marshal, Stewards' Aide \$75

(10) Exercise Rider, Pony Rider, Outrider \$75

(11) Horseshoer, Stable Agent, Vendor or Vendor's Employee when duties require access to the restricted area, Stable Foreman \$75

(12) Pari-mutuel Employee, Totalizator Technician, Video Operator, Photofinish Operator. \$75

(13) Security Officer, Security Guard, Stable Gateman, Fire Guard, Security Investigator .. \$75

(14) Clerical Employee or Uncategorized Employee of a racing association, intrastate guest association, simulcast organization, simulcast service supplier, totalizator company, horsemen's organization or concessionaire when employed in a restricted area..... \$75

(c) A person acting in the capacity of Backstretch Event Personnel, Groom, Stable Employee or Stable Assistant shall procure the appropriate annual license. The fee for an original license is \$35, and the annual renewal of license is \$20.

(d) A person acting in the capacity of Authorized Agent shall register an authorized agent agreement and registration of authorized agent and pay a fee of \$25 for each registration.

(e) A person or persons electing to conduct racing operations by use of a Stable Name or Stable Name Group shall register the Stable Name and pay a fee of \$300.

(f) A person or persons conducting racing operations as a syndicate, an entity running under a stable name group or as a partnership having more than ten general partners or having one or more limited partners shall register the syndicate, stable name group or partnership as a multiple ownership and pay a fee of \$300.

(g) A person participating in any capacity required to be licensed under this rule who participates or attempts to participate at a mule racing meeting shall procure an annual Mule Racing Participant license and pay an annual fee of \$25. A license for participating in a mule racing meeting is valid only at mule racing meetings and any license otherwise valid for horse racing meetings is not valid for mule racing meetings.

(h) A person whose license-identification card is lost, destroyed or mutilated shall procure a replacement license-identification card and pay a fee of \$15.

(i) A person who elects to participate in the Association of Racing Commissioners International (ARCI) Licensing Reciprocity Program shall pay the associated costs charged by the ARCI and the Federal Bureau of Investigation.

(j) The date the payment of the required fee is received and recorded by the Board is the effective date of issuance of a continuous occupational license for the capacity in which licensed. The fees required herein are for the entire period for which the issued license is to be valid.

Authority: Sections 19440, 19510, 19520 and 19703,
Business and Professions Code.

Reference: Sections 19510, 19512 and 19704,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 12. COLORS, STABLE NAMES, AGENTS
PROPOSED AMENDMENT OF
RULE 1783. REGISTRATION OF STABLE NAMES AND STABLE NAME GROUPS

Regular Board Meeting
December 14, 2007

1783. Registration of Stable Names and Stable Name Groups.

(a) A licensed owner may register a stable name with the Board by filing an application and paying the fee for such stable name.

(1) A stable name is subject to the approval of the Board.

(2) No person may register more than one stable name at the same time.

(3) No person may use the real name of any owner of ~~raee-horses~~ racehorses as his stable name.

(4) No stable name registration may be used for advertising purposes.

(5) A stable name ~~whieh~~ that has already been registered may not be registered by another owner.

(b) A licensed owner may register a stable name group with the Board by filing an application and paying the fee for the stable name group. The stable name group shall be subject to Subparagraphs (a)(1) through (a)(5) above. The stable name group may establish multiple entities that shall run under the name of the registered stable name group.

(1) Each entity shall be registered, as applicable, in accordance with Rule 1506; Rule 1507 and Rule 1784 of this division.

(2) The entity shall name the horse(s) it owns, and such horse(s) shall be owned separately from the other entities within the stable name group.

(3) Each entity shall possess a unique roster of owners. The roster shall name each owner and state if the owner is a general or a limited partner as well as the percentage of ownership of each. The roster shall be filed with the racing office and with the Board's occupational licensing office.

(4) A licensed owner may participate in the horse ownership of one or more entities that run under a stable name group.

(5) A partner whose ownership interest in any entity that runs under a stable name group is 10 percent or less of such entity is not subject to the provisions of Rule 1606 of this division. This subsection is applicable only when a horse owned by the entity in which the partner participates is entered to race in the same race in which the partner has ownership interest in another horse that is entered to race.

(bc) The granting of a stable name or stable name group registration by the Board shall not relieve any person from his obligation to file or register a fictitious name as provided by the laws of the State of California.

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

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

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 12. COLORS, STABLE NAMES, AGENTS
PROPOSED AMENDMENT OF
RULE 1784. REGISTERED STABLE NAMES

Regular Board Meeting
December 14, 2007

1784. Registration to Disclose All Partners.

(a) An application to register a stable name shall disclose the real names of all partnership or ownership interests participating in the stable and the percentage of ownership interest of each, including the interest owned by any corporation, limited liability company (Corporations Code section 17000 et seq.), general partnership, limited partnership, trust, estate, person or individual.

(b) A registered stable name group shall comply with the provisions of Subparagraph (a) of this regulation for each entity that runs under the stable name group.

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

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

STAFF ANALYSIS
PROPOSED AMENDMENT OF
RULE 1467. PAYMASTER OF PURSES

Regular Board Meeting
December 14, 2007

BACKGROUND

A discussion regarding the status of racehorse retirement farms was held at the April 2007 Regular Board Meeting. The Board heard a presentation by Grace Belcuore of California Equine Retirement Foundation, Inc., as well as testimony from the industry at large. The consensus was that retired racehorses could be rehabilitated and used in a number of capacities, and that owners needed to become more involved in the fate of their horses once they were finished racing. Additionally, a dedicated source of income was needed to finance and expand current voluntary efforts to care for retired racehorses. Representatives of Thoroughbred Owners of California (TOC) stated TOC had formed an Equine Retirement Committee to explore alternative sources of income for racehorse retirement. The issue was discussed again at the May 2007 Regular Board Meeting. TOC representatives presented a proposal to form a TOC managed California Retirement Management Account (CARMA) for retired thoroughbred horses. At the same time, the Board examined proposals for an amendment to Rule 1467, Paymaster of Purses. At the July 2007 Regular Board Meeting staff was directed to notice a proposed amendment to Rule 1467 to implement the CARMA program.

ANALYSIS

The proposed amendment to Rule 1467 would direct the paymaster of purses to deduct 0.3 percent of the net purse earned by any thoroughbred horse at a thoroughbred racing association or fair meeting, which would be deposited into the California Retirement Management Account (CARMA). The CARMA, which is to be established by the TOC, is a charitable trust fund for the benefit of California Thoroughbred retirement/rehabilitation facilities. The proposed amendment defines "net purse earned" and provides a mechanism through which an owner may opt-out of the 0.3 percent contribution to CARMA. In addition, the amendment to Rule 1467 states the CARMA funds shall be distributed to qualified retirement/rehabilitation facilities as determined by the horsemen's organization. The criteria for such organizations states that they must be not for profit, they must be exempt from federal or state income taxes and they must be Board approved. These requirements correspond with criteria for organizations designated to receive charity race day proceeds under Board Rule 2047, Requests for Approval of Charity Fund Distribution. The proposed amendment states the horsemen's organization must submit to the Board an annual audited financial statement regarding the CARMA within 90 days of the close of the horsemen's organization's fiscal year. This corresponds with Rule 2048, Horsemen's Organization Welfare Fund, which requires the horsemen's organization that maintains a welfare fund to submit a financial report within 90 days after the close of its fiscal year.

RECOMMENDATION

Several comments regarding the proposed amendment were received during the 45-day public comment period. Persons who commented in opposition to the proposed amendment stated the proposal represents over-regulation and is another reason racing in California is so expensive. Persons who commented about the "opt-out" provision stated they would rather have an "opt-in" provision so owners must choose to participate instead of taking action to withdraw. Another issue was the focus on owners' purses. One comment noted trainers and jockeys receive up to 20 percent of the purse earnings, and asked if they, too, would participate.

Staff received a petition with over 140 signatures of licensed horse owners who support the proposed amendment.

This item is presented for Board discussion and action.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 3. RACING ASSOCIATION
PROPOSED AMENDMENT OF
RULE 1467. PAYMASTER OF PURSES

Regular Board Meeting
December 14, 2007

1467. Paymaster of Purses.

(a) The association shall appoint a paymaster of purses who shall maintain records as the association and the Board direct. All records shall be separate from those of the Board and are subject to inspection by the Board at any time. The duties of the paymaster of purses or their assistants shall consist of the following:

(1) Maintain records which shall include the name, address, state or country of residence, social security number or federal identification number of each horse owner, trainer, driver, jockey or apprentice jockey participating at the race meeting who has funds due or on deposit in their horsemen's account.

(2) Keep jockey and driver accounts, receive their fees and disburse said fees to the proper claimants.

(3) Verify that the correct claiming price is on deposit with the association before any claim in a claiming race is accepted as official.

(4) Receive and disburse the purses and other awards of each race.

(5) Receive all stakes, entrance money, fines, purchase money in claiming races and other monies that properly come into the paymaster's possession.

(6) Accept money belonging to another association, provided the money is returned within five working days to that association.

(7) Disclose the Cal-bred awards to the respective breed agencies.

(8) Accept and file all required statements of partnerships, assignments of interest, lease agreements, and registrations of authorized agents.

(9) Disburse all monies to the entitled individuals, unless otherwise provided in this section, within 30 calendar days after the meet ends.

(10) Estimate escrow accounts and receive, maintain and disburse funds as directed by the Board.

(11) Deduct from the horse owner's account, and deposit into the account of the horse owner's trainer, 10% percent of the purse earned on any horse that finishes first, second or third at thoroughbred race meetings. ~~For purposes of this section "purse earned" means all amounts earned except in stakes races in which case "purse earned" means all amounts earned less any nomination, entry or starter fees paid by the owner.~~ Such payments shall be disbursed to the trainer and will be available at the office of the paymaster of purses no later than seven days after the race was conducted. Any amounts so paid shall be repaid to the paymaster forthwith by the trainer upon any order requiring redistribution.

(12) Deduct from the horse owner's account, and deposit into the account of the horse owner's trainer, 10% percent of the net purse earned on any horse that finishes first, second or third at quarter horse meetings. Such payments shall be disbursed to the trainer and will be available at the office of the paymaster of purses no later than seven days after the race was

conducted. Any amounts so paid shall be repaid to the paymaster forthwith by the trainer upon any order requiring redistribution.

(b) For the purposes of this regulation "purse earned" or "net purse earned" means all amounts earned except in stakes races in which case "purse earned" or "net purse earned" means all amounts earned less any nomination, entry or starter fees paid by the owner.

(bc) Horse owners may elect not to have 10% percent of the purse earned deducted from their account by filing with the paymaster of purses at each racing association at which the owner wishes it to be in effect, a form CHRB-134 (New 1/02), Notification of Exclusion To Trainer 10% Program, which is hereby incorporated by reference. The form CHRB-134 (New 1/02) is available at the office of the paymaster of purses at any race meeting.

(ed) A form CHRB-134 (New 1/02) may be filed with the paymaster of purses at any time during a race meeting, and

- (1) Shall apply to all horses owned in whole or in part by the owner,
- (2) Shall be binding on all licensed owners with an interest in the horse or horses,
- (3) Shall apply to all trainers employed by the owner, and
- (4) Shall remain in force until written revocation is submitted to the paymaster at the race meeting at which the form CHRB-134 (New 1/02) was submitted.

(e) Deduct from the horse owner's account 0.3 percent of the net purse earned by any thoroughbred horse at a thoroughbred racing association or Fair meeting, and deposit into the California Retirement Management Account (CARMA), a charitable trust fund maintained by the horsemen's organization representing thoroughbred horse owners (horsemen's organization), for distribution to California thoroughbred retirement/rehabilitation facilities,

which provide livestock care and services to retired thoroughbred horses that competed in thoroughbred races in California.

(1) Thoroughbred horse owners may elect not to have the 0.3 percent deducted from the net purse by filing with the paymaster of purses at each racing association at which the owners wish it to be in effect, a form CHRB - 206 (New 09/07), Notification of Exclusion of CARMA Contribution, which is hereby incorporated by reference. The form CHRB - 206 (New 09/07) is available at the office of the paymaster of purses at any race meeting.

(2) The horsemen's organization shall distribute CARMA funds at least on an annual basis to retirement/rehabilitation facilities, as determined by the organization. Such retirement/rehabilitation facilities shall be:

(a) A nonprofit corporation or organization.

(b) Exempt or entitled to an exemption from federal or state income taxes.

(c) Approved by the Board.

(3) The horsemen's organization shall file with the Board within 90 days of the close of its fiscal year an audited financial statement of the CARMA.

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

Reference: Sections 19433 and 19434,
Business and Professions Code.

To the Paymaster of Purses at: _____
Track

The undersigned hereby notifies the paymaster to **not deduct** from my owner's account and deposit into the California Retirement Management Account (CARMA) 0.3 percent of the net purse on any thoroughbred horse in which I have an interest.

Horse Owner: _____

or

Stable Name: _____

Mailing Address:

Street Number

City

State

Zip Code

Telephone No.: (____) _____ FAX No.: (____) _____

List All Racing Partnerships in which you have an interest:

Horseman's Account Nos.: _____

The undersigned understands that this notification is effective only the racing facility indicated above, and applies to all horses in which the person or entity indicated above has an interest, until revoked in writing. The undersigned also declares that he/she is authorized to act on behalf of all entities listed above.

Signature of authorized licensed horse owner

Date

Print Name

Distribution: Paymaster of Purses; Licensed Horse Owner; TOC
DO NOT forward a copy to CHRB.

STAFF ANALYSIS
PROPOSED AMENDMENT OF
RULE 1632. JOCKEY'S RIDING FEE

Regular Board Meeting
December 14, 2007

BACKGROUND

Business and Professions (B&P) Code Section 19420 states jurisdiction and supervision over meetings in California where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings, is vested in the California Horse Racing Board (Board). B&P Code Section 19440 provides that the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the Board shall include adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. B&P Code Section 19562 provides that the Board may prescribe rules, regulations, and conditions, consistent with the provisions of this chapter, under which all horse races with wagering on their results shall be conducted in California.

Assembly Bill (AB) 649, Chapter 605, Statutes of 2007, added Section 19501 to the B&P Code. Section 19501 provides that effective January 1, 2008, the minimum amount awarded to a jockey who finishes second or third in a horse race, and the scale of minimum jockey riding fees for losing mounts, shall be increased by ten dollars. Board Rule 1632, Jockey's Riding Fee, provides a scale of jockey riding fees to be used in the absence of a contract or special agreement. A proposal to amend Board Rule 1632 was heard at the November 2007 Regular Board Meeting. The proposed amendment would have brought jockey riding fees in line with the requirements of AB 649.

While no formal action was taken, the Board acquiesced in the staff's suggestion that the proposed text receive further language edits and that filing the rulemaking as an "emergency" rulemaking action be considered.

ANALYSIS

Emergency rulemaking filings must comply with established standards for emergency regulations. The definition of an "emergency" for OAL purposes has recently been revised from what prior case law had dictated, now defined as: "...a situation that calls for immediate action to avoid serious harm to the public peace, health, safety, or general welfare." In addition, further statutory amendments provide that "A finding of emergency based only upon expediency, convenience, best interest, general public need, or speculation, shall not be adequate to demonstrate the existence of an emergency." And the controlling statute further states that "enactment of an urgency statute shall not, in and of itself, constitute a need for immediate action."

Staff, in consultation with counsel has reached the conclusion that a successful emergency regulation filing is unlikely. Instead, staff submitted the regulatory action to OAL as a "Section 100" filing, which does not require a 45-day public comment period. A Section 100 filing may be used when legislation leaves an agency (such as the Board) with no discretion to adopt a change that differs in substance from the one chosen. AB 649 requires an increase in jockey riding fees, and the Board has no discretion regarding the amount of the increase.

OAL has 30 days to review the Section 100 filing. If it approves the regulation, it will be submitted to the Secretary of State for publication in the California Code of Regulations. Staff requested an "effective upon filing date," so, if approved by OAL, the regulation will be effective the date it is filed with the Secretary of State, but no sooner than January 1, 2008.

The attached text was submitted to the OAL as a Section 100 filing.

CALIFORNIA HORSE RACING BOARD
 TITLE 4. CALIFORNIA CODE OF REGULATIONS
 ARTICLE 6. ENTRIES AND DECLARATIONS
 PROPOSED AMENDMENT OF RULE
 RULE 1632. JOCKEY'S RIDING FEE

Regular Board Meeting
 December 14, 2007

1632. Jockey's Riding Fee.

(a) Winning jockey Jockey riding fees in the absence of a contract or special agreement are:

| <u>GROSS PURSE</u> | <u>Winning Mount</u> |
|---------------------------|----------------------|
| \$100,000 and up: | 10% of Win Purse |
| \$50,000-99,999: | 10% of Win Purse |
| \$25,000-49,999: | 10% of Win Purse |
| \$15,000-24,999: | 10% of Win Purse |
| \$10,000-14,999: | 10% of Win Purse |
| \$5,000-9,999: | 10% of Win Purse |
| \$3,500-4,999: | 10% of Win Purse |
| \$2,000-3,499: | 10% of Win Purse |
| \$1,500-1,999: | 10% of Win Purse |
| \$700-1,499: | 10% of Win Purse |
| \$600-699: | \$36.00 |
| \$599 and under: | \$33.00 |

(1) The purpose of Subdivision (a) is not to set a minimum or maximum fee. It provides a fee if the parties have not made a written agreement to the contrary.

(2) All fees pursuant to Subdivision (a) are payable in the lower purse range until the next higher purse range is reached, unless there is a written agreement to the contrary.

(b) Non-winning jockey riding fees are:

| <u>GROSS PURSE</u> | <u>Winning Mount</u> | <u>2nd Mount</u> | <u>3rd Mount</u> | <u>Losing Mount</u> |
|---------------------------|----------------------|------------------------------------|-----------------------------------|-------------------------------------|
| \$100,000 and up: | 10% of Win Purse | 5% of Place Purse, plus \$10.00 | 5% of Show Purse, plus \$10.00 | \$105.00 <u>\$115.00</u> |
| \$50,000-99,999: | 10% of Win Purse | 5% of Place Purse, plus \$10.00 | 5% of Show Purse, plus \$10.00 | \$80.00 <u>\$90.00</u> |
| \$25,000-49,999: | 10% of Win Purse | 5% of Place Purse, plus \$10.00 | 5% of Show Purse, plus \$10.00 | \$65.00 <u>\$75.00</u> |
| \$15,000-24,999: | 10% of Win Purse | 5% of Place Purse, plus \$10.00 | 5% of Show Purse, plus \$10.00 | \$55.00 <u>\$65.00</u> |

| | | | | | |
|----------------------------|------------------|------------------------------------|-----------------------------------|---------|---------|
| \$10,000-14,999: | 10% of Win Purse | 5% of Place Purse, plus \$10.00 | 5% of Show Purse, plus \$10.00 | \$50.00 | \$60.00 |
| \$5,000-9,999: | 10% of Win Purse | \$65.00 | \$75.00 | \$50.00 | \$60.00 |
| \$3,500-4,999: | 10% of Win Purse | \$55.00 | \$65.00 | \$45.00 | \$55.00 |
| \$2,000-3,499: | 10% of Win Purse | \$45.00 | \$55.00 | \$40.00 | \$50.00 |
| \$1,500-1,999: | 10% of Win Purse | \$35.00 | \$45.00 | \$33.00 | \$43.00 |
| \$700-1,499: | 10% of Win Purse | \$33.00 | \$43.00 | \$33.00 | \$43.00 |
| \$600-699: | \$36.00 | \$33.00 | \$43.00 | \$33.00 | \$43.00 |
| \$599 and under: | \$33.00 | \$33.00 | \$43.00 | \$33.00 | \$43.00 |

(1) The purpose of Subdivision (b) is to set a minimum, but not a maximum riding fee.

No non-winning jockey shall be paid less than the riding fee set forth in Subdivision (b).

(2) All fees pursuant to Subdivision (b) are payable in the lower purse range until the next higher purse range is reached unless there is a written agreement to the contrary.

However, no such written agreement shall reduce the minimum required by Subsection (b).

~~(b) The purpose of this rule is not to set a minimum or maximum fee. It provides a fee if the parties have not made a written agreement to the contrary.~~

~~(c) All fees are payable in the lower purse range until the next higher purse range is reached, unless there is a written agreement to the contrary.~~

(c) (d) A jockey's fee is considered earned when the jockey is weighed out by the clerk of scales. The fee shall not be considered earned if the jockey elects to take himself off of his mount. If there is a substitution of jockeys, no additional jockey fee or double jockey fee need be paid except when ordered by the stewards.

(d) (e) In this rule "Win Purse" means the amount paid the winning horse less the fees paid by the owner to enter the horse in the race.

(e) (f) If the parties agree on the fee to be paid the jockey, a contract or agreement in writing signed by the jockey or his agent and the owner or his authorized agent specifying the agreed upon fee if a winning mount, second place mount, third place mount and losing mount

shall be delivered to the paymaster of purses before the running of the race in question. The paymaster of purses shall debit the owner's purse account under the contract or written agreement. If no contract or written agreement is submitted before the running of the race in question, the paymaster of purses shall debit the owner's purse account under the fee scale set forth in this rule.

(f) ~~(g)~~ A jockey may not share in the fees of another jockey.

Authority: Sections 19440, 19501 and 19562,
Business and Professions Code.

Reference: Sections 19401 (a) and (e), 19420, and 19440, and 19501,
Business and Professions Code.

STAFF ANALYSIS
REQUEST FOR AN INCREASE IN THE STABLING AND
AND VANNING FUND RATE FOR CENTRAL OR SOUTHERN CALIFORNIA

Regular Board Meeting
December 14, 2007

BACKGROUND

Pursuant to section 19607 of the California Horse Racing Law, when satellite wagering is conducted on thoroughbred racing at associations or fairs for the central or southern zones a percent of the total amount handled by satellite wagering facilities for the central or southern zones will be deducted for stabling and vanning. The organization that administers the central or southern zones stabling and vanning fund is the Southern California Off-Track Wagering, Inc. (SCOTWINC).

ANALYSIS

The last adjustment to the central or southern zone stabling and vanning fund rate occurred on March 27, 2003. At that time, the percent was increased from 0.94 to 1.06 percent. The fund rate is an estimate and is subject to change when necessary. However, section 19607.1(f) of the California Horse Racing Law, mandates that the Board shall approve all changes to the stabling and vanning fund rate, not to exceed a 1.25 percent maximum.

According to the SCOTWINC Stabling & Vanning Committee (Committee), the current fund rate of 1.06 percent will lead to a shortfall in 2008 because of increased off-site stabling costs and a decline in revenue. According to the Committee, stabling costs have risen because of increased labor costs, water quality issues and track/backside maintenance. The Committee also notes that revenue generated from wagers handled at satellite wagering facilities has shown a steady decrease the last few years, partly attributable to Advance Deposit Wagering which does not contribute to the fund. The Committee also notes an increase in vanning costs due to rising fuel and insurance costs. The attached spreadsheet provides further details.

Because of these factors the Committee is requesting an increase in the fund rate to the maximum allowed under the California Horse Racing Law of 1.25 percent effective December 26, 2007.

RECOMMENDATION

Staff recommends that the Board hear from SCOTWINC representatives and other interested parties regarding the increase. This item is for discussion and action.

SCOTWINC STABLING & VANNING FUND***

| Revenue | 2002/03 | 2003/04 | 2004/05 | 2005/06 | 2006/07 | Projected 2008 at 1.06% | Projected 2008 at 1.25% |
|------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|-------------------------------|-------------------------------|
| | \$ 8,209,033 | \$ 8,542,980 | \$ 8,484,305 | \$ 9,933,131 | \$ 9,757,848 | \$ 9,230,000 | \$ 10,873,679 |
| Expenses | | | | | | | |
| Santa Anita | \$ 1,608,000 | \$ 1,068,000 | \$ 2,638,000 | \$ 2,567,000 | \$ 1,853,000 | \$ 2,686,000 | \$ 2,686,000 |
| Hollywood | \$ 1,495,000 | \$ 1,992,000 | \$ 1,534,500 | \$ 1,606,500 | \$ 2,269,500 | \$ 1,619,250 | \$ 1,619,250 |
| Pomona | \$ 2,010,358 | \$ 1,700,000 | \$ 1,830,702 | \$ 2,500,000 | \$ 2,581,825 | \$ 2,700,000 | \$ 2,700,000 |
| San Luis Rey | \$ 1,500,000 | \$ 1,500,000 | \$ 1,586,554 | \$ 1,700,000 | \$ 1,700,000 | \$ 1,700,000 | \$ 1,700,000 |
| Vanning | \$ 1,212,050 | \$ 1,375,732 | \$ 1,302,775 | \$ 1,464,285 | \$ 1,521,475 | \$ 1,700,000 | \$ 1,700,000 |
| Misc. Expenses | \$ 879,984 | \$ 136,001 | \$ 135,999 | \$ 136,000 | \$ 136,097 | \$ 141,000 | \$ 141,000 |
| Total Expenses | \$ 8,705,392 | \$ 7,771,733 | \$ 9,028,530 | \$ 9,973,785 | \$ 10,061,897 | \$ 10,546,250 | \$ 10,546,250 |
| Surplus/Deficit | \$ (496,359) | \$ 771,247 | \$ (544,225) | \$ (40,654) | \$ (304,049) | \$ (1,316,250) | \$ 327,429 |

***Figures are based on the SCOTWINC Fiscal Year (October 1-September 30)

In 2008, SCOTWINC will move it's fiscal year to a calendar year.

Current Stabling Rate is 1.06%

STAFF ANALYSIS
JOCKEYS' HEALTH INSURANCE AND
WELFARE PROGRAM AND CA JOCKEYS' TRUST

BACKGROUND

California Business and Professions Code 19612.9 provides a means for the California Horse Racing Board (CHRB) to fund a program of health and welfare benefits to California licensed jockeys, former California licensed jockeys, and their dependents. The Thoroughbred Owners of California (TOC) and Jockeys' Guild have negotiated and entered into agreements that specify the eligibility and other requirements for a jockey, former jockey, and dependents to qualify for coverage. Through the end of 2007, the Jockeys' Guild provided the coverage for the eligible participants under California's plan.

ANALYSIS

Pursuant to Section 19612.9 of the Business and Professions Code, unclaimed refunds are distributed to the TOC for the purpose of negotiating an agreement of at least three years duration with the jockeys' organization representing the majority of jockeys licensed by the Board. The TOC and Jockeys' Guild have negotiated and reached that agreement.

Furthermore, the agreement includes the establishment and operation of a separate trust to provide for the administration of the property and income derived from the Board's unclaimed refunds distributions and for the granting of the benefits to jockeys and their families. Amounts that had in previous years gone to the Guild for the support of the Jockeys' Health Insurance and Welfare Program will go to the trust beginning January, 2008. The Board's contribution is defined by Section 19612.9, and currently equals approximately \$1million per year.

RECOMMENDATION

Staff recommends approval of the TOC/Guild agreement and the California Jockeys Welfare Trust agreement and declaration.

CALIFORNIA HORSE RACING BOARD

DECEMBER 14, 2007
REGULAR BOARD MEETING

There is no board package material for item 8

CALIFORNIA HORSE RACING BOARD

DECEMBER 14, 2007
REGULAR BOARD MEETING

There is no board package material for item 9

STAFF ANALYSIS
REQUEST OF PACIFIC RACING ASSOCIATION
TO DISTRIBUTE CHARITY DAY RACING PROCEEDS

Regular Board Meeting
December 14, 2007

BACKGROUND

Business and Professions (B&P) Code Section 19550 states that the board shall require each licensed racing association that conducts 14 or less weeks of racing to designate 3 racing days, and each licensed racing association that conducts more than 14 weeks of racing to designate five racing days during any one meeting, to be conducted as charity days by the licensee for the purpose of distribution of the net proceeds therefrom to beneficiaries through the distributing agent. B&P Code 19556 provides that the distributing agent shall make the distribution to beneficiaries qualified under this article. At least 50 percent of the distribution shall be made to charities associated with the horse racing industry.

According to B&P Code Section 19555, each licensee shall pay over such charity days' net proceeds to such distributing agent as soon as practicable after the determination thereof, and such agent or agents shall hereafter distribute not less than 90 percent of the aggregate proceeds from charity days' racing received and available for distribution by it to beneficiaries within 12 calendar months after the last day of the meeting during which such charity days were conducted. The balance, if any, of such aggregate charity days' net proceeds not distributed within such 12-month period shall be distributed as soon thereafter as is practicable.

ANALYSIS

The Pacific Racing Association doing business as "Golden Gate Fields," is requesting approval to distribute proceeds from charity day races conducted at Golden Gate Fields during its 2006 race meets. The net proceeds from the charity days totaled \$142,173. The list of organizations selected and amount to be distributed is listed on the attached document. Staff notes that 92% of the proceeds will be given to racing related organizations.

As a note, the 2006 charity days proceeds were not distributed within 12 months as required under section 19555 of the B&P Code.

RECOMMENDATION

Staff recommends that the Board approve this request.

Golden Gate Fields

November 7, 2007

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

Re: Golden Gate Fields' Charity Days

Gentlemen:

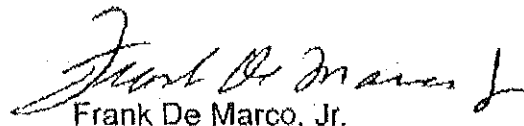
Pacific Racing Association, doing business as "Golden Gate Fields," has determined the beneficiaries of proceeds from "Charity Days" races conducted at Golden Gate Fields during its meets ending May 7, 2006, October 15, 2006 and February 11, 2007. The net proceeds from the "Charity Days" totaled \$142,173.

Attached hereto is the list of the organizations selected to be the beneficiaries of the Charity Days proceeds and the amount to be distributed to each. Distributions will be made upon approval of the proposed amounts by the California Horse Racing Board.

Please note that approximately 92% of the distributions are to horse related charities.

Should you have any questions regarding the distributions or the matters set forth herein, please do not hesitate to contact the undersigned.

Very truly yours,



Frank De Marco, Jr.

FDM:mr

Enclosure

Golden Gate Fields
 Distribution of Charity Day Proceeds
 Meet Ending February 5, 2006
 Meet Ending June 8, 2006
 Meet Ending December 18, 2006

| | |
|---|------------------|
| I. <u>Horse Related Charities – BP 19556(b)</u> | |
| Racetrack Chaplaincy of America (Northern California Council) | \$ 18,000 |
| Edwin J. Gregson Foundation | 50,629 |
| II. <u>Welfare Fund for Backside Personnel – BP 19641(b)</u> | |
| California Thoroughbred Horsemen's Foundation | 7,109 |
| III. <u>Fund for Substance or Alcohol Abuse – BP 19556(b)</u> | |
| Winners Foundation | 27,000 |
| IV. <u>Disabled Jockeys Fund – BP 19556(c)</u> | |
| Disabled Riders Endowment | 28,435 |
| V. <u>Other Qualified Charities</u> | |
| Friends of Albany Seniors | 1,000 |
| Friends of Alameda County Library | 1,000 |
| Clausen House | 1,000 |
| Pacific Institute for Community Organization | 1,000 |
| Jesuit School of Theology, UC Berkeley | 1,000 |
| Albany Education Foundation | 5,000 |
| Cal Rec Sports Development Fund | <u>1,000</u> |
| Total | <u>\$142,173</u> |

END-OF-MEET OUTLINE SUMMARY

Del Mar

July 18, 2007 – September 5, 2007

Race Days: 43

AVERAGE DAILY STATISTICS

| | PERCENTAGE CHANGE |
|---------------------------------|-------------------|
| Ave. Daily Handle | 8.57% |
| Ave. On-Track | 4.09% |
| Ave. Off-Track | -0.34% |
| Ave. Out-Of-State | 14.21% |
| Ave. ADW | 17.59% |
| Ave. Daily Attendance | 0.17% |
| Ave. Daily On-Track Attendance | 2.62% |
| Ave. Daily Off-Track Attendance | -3.93% |

San Mateo County Fair

August 8, 2007 – August 19, 2007

Race Days: 11

AVERAGE DAILY STATISTICS

| | PERCENTAGE CHANGE |
|---------------------------------|-------------------|
| Ave. Daily Handle | -6.62% |
| Ave. On-Track | -7.96% |
| Ave. Off-Track | -5.35% |
| Ave. Out-Of-State | -12.55% |
| Ave. ADW | 9.10% |
| Ave. Daily Attendance | -9.55% |
| Ave. Daily On-Track Attendance | -11.40% |
| Ave. Daily Off-Track Attendance | -8.13% |

Humboldt County Fair

August 9, 2007 – August 19, 2007

Race Days: 10

AVERAGE DAILY STATISTICS

| | PERCENTAGE CHANGE |
|---------------------------------|-------------------|
| Ave. Daily Handle | 19.47% |
| Ave. On-Track | 8.00% |
| Ave. Off-Track | 4.60% |
| Ave. Out-Of-State | 29.47% |
| Ave. ADW | 41.60% |
| Ave. Daily Attendance | -0.37% |
| Ave. Daily On-Track Attendance | 4.50% |
| Ave. Daily Off-Track Attendance | -4.07% |

Los Angeles County Fair

September 7, 2007 – September 24, 2007

Race Days: 16

AVERAGE DAILY STATISTICS

| | PERCENTAGE CHANGE |
|---------------------------------|-------------------|
| Ave. Daily Handle | -3.29% |
| Ave. On-Track | -6.03% |
| Ave. Off-Track | -12.51% |
| Ave. Out-Of-State | 0.81% |
| Ave. ADW | 12.31% |
| Ave. Daily Attendance | -4.68% |
| Ave. Daily On-Track Attendance | 0.75% |
| Ave. Daily Off-Track Attendance | -8.84% |

Fresno

October 3, 2007 – October 14, 2007

Race Days: 11

AVERAGE DAILY STATISTICS

| | PERCENTAGE CHANGE |
|---------------------------------|-------------------|
| Ave. Daily Handle | -1.21% |
| Ave. On-Track | -8.83% |
| Ave. Off-Track | -8.11% |
| Ave. Out-Of-State | 10.55% |
| Ave. ADW | 10.35% |
| Ave. Daily Attendance | -5.12% |
| Ave. Daily On-Track Attendance | -3.28% |
| Ave. Daily Off-Track Attendance | -10.13% |

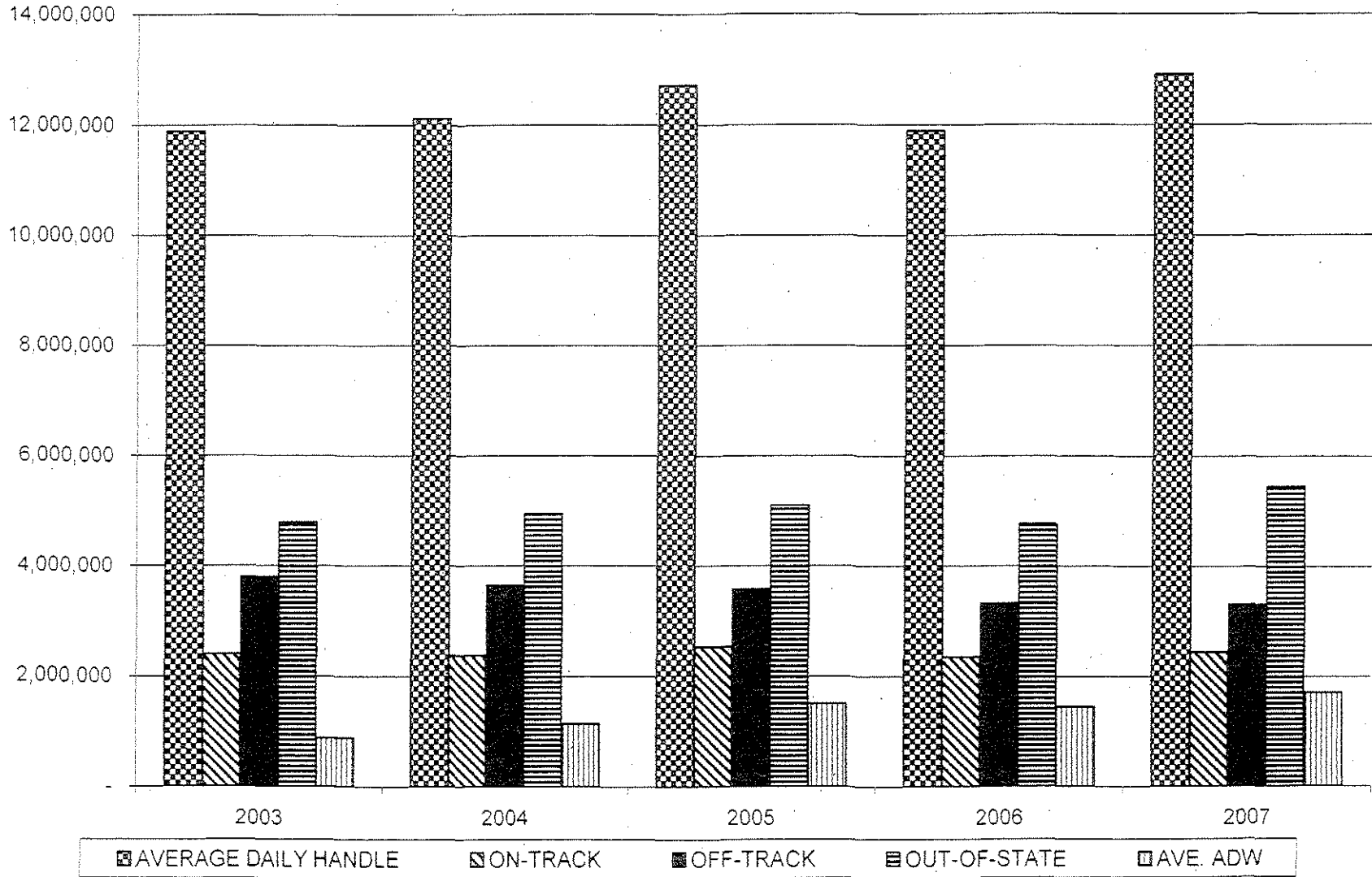
DEL MAR THOROUGHBRED CLUB

Page 11-3

| YEAR | 2003 | 2004 | 2005 | 2006 | 2007 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| TOTAL RACE DAYS | 43 | 43 | 43 | 43 | 43 |
| TOTAL HANDLE | 510,968,915 | 521,113,745 | 546,971,289 | 511,215,853 | 555,050,004 |
| ON-TRACK | 102,961,640 | 102,242,996 | 108,907,840 | 100,685,048 | 104,800,660 |
| OFF-TRACK | 163,303,386 | 156,275,504 | 153,435,395 | 142,506,515 | 142,018,812 |
| OUT-OF-STATE | 206,549,861 | 213,128,960 | 219,543,395 | 205,406,734 | 234,599,938 |
| ADW | 38,154,028 | 49,466,286 | 65,084,660 | 62,617,556 | 73,630,594 |
| LIVE | 425,274,411 | 439,615,212 | 464,253,682 | 431,523,299 | 476,608,230 |
| OUT-OF-ZONE IMPORTED | 37,152,703 | 34,190,989 | 31,488,617 | 30,933,530 | 27,639,697 |
| INTERSTATE IMPORTED | 48,223,773 | 47,307,544 | 43,587,871 | 41,153,304 | 41,840,125 |
| INTERNATIONAL IMPORTED | 318,027 | 0 | 7,641,119 | 7,605,719 | 8,961,953 |
| AVERAGE DAILY HANDLE | 11,882,998 | 12,118,924 | 12,720,263 | 11,888,741 | 12,908,140 |
| AVERAGE ON-TRACK | 2,394,457 | 2,377,744 | 2,532,740 | 2,341,513 | 2,437,225 |
| AVERAGE OFF-TRACK | 3,797,753 | 3,634,314 | 3,568,265 | 3,314,105 | 3,302,763 |
| AVERAGE OUT-OF-STATE | 4,803,485 | 4,956,487 | 5,105,660 | 4,776,901 | 5,455,813 |
| AVERAGE ADW | 887,303 | 1,150,379 | 1,513,597 | 1,456,222 | 1,712,339 |
| AVERAGE LIVE | 9,897,499 | 10,223,610 | 10,974,298 | 10,212,303 | 11,292,330 |
| AVERAGE OUT-OF-ZONE IMPORTED | 864,016 | 795,139 | 732,293 | 719,384 | 642,784 |
| AVERAGE INTERSTATE IMPORTED | 1,121,483 | 1,100,175 | 1,013,671 | 957,054 | 973,026 |
| AVERAGE INTERNATIONAL IMPORTED | 7,396 | 0 | 177,700 | 176,877 | 208,418 |
| TOTAL TAKEOUT | 96,899,391 | 102,211,988 | 107,017,562 | 100,196,471 | 108,963,493 |
| EFFECTIVE TAKEOUT | 18.96% | 19.61% | 19.57% | 19.60% | 19.63% |
| STATE LICENSE FEES | 6,284,789 | 6,230,514 | 6,170,609 | 5,736,023 | 5,876,286 |
| STATE % | 1.23% | 1.20% | 1.13% | 1.12% | 1.06% |
| TRACK COMMISSIONS | 19,395,550 | 19,483,346 | 19,919,590 | 17,291,141 | 19,270,659 |
| ADW COMMISSIONS | 1,639,819 | 2,118,562 | 2,787,835 | 2,822,669 | 3,053,837 |
| TOTAL COMMISSIONS | 21,035,369 | 21,601,908 | 22,707,426 | 20,113,810 | 22,324,496 |
| TRACK % | 4.12% | 4.15% | 4.15% | 3.93% | 4.02% |
| HORSEMEN'S PURSES | 19,099,761 | 19,219,732 | 19,648,143 | 18,221,899 | 18,939,768 |
| ADW PURSES | 1,609,388 | 2,083,484 | 2,745,893 | 2,780,261 | 3,008,650 |
| TOTAL PURSES | 20,709,150 | 21,303,216 | 22,394,036 | 21,002,160 | 21,948,417 |
| HORSEMEN'S % | 4.05% | 4.09% | 4.09% | 4.11% | 3.95% |

| | | | | | |
|---------------------------|-----------|-----------|-----------|-----------|-----------|
| CAIIFORNIA ATTENDANCE | 1,268,228 | 1,232,763 | 1,185,297 | 1,118,896 | 1,120,764 |
| ON-TRACK | 725,922 | 733,237 | 731,287 | 700,192 | 718,511 |
| OFF-TRACK | 542,306 | 499,526 | 454,010 | 418,704 | 402,253 |
| DAILY ATTENDANCE | 29,494 | 28,669 | 27,565 | 26,021 | 26,064 |
| AVERAGE DAILY ON - TRACK | 16,882 | 17,052 | 17,007 | 16,284 | 16,710 |
| AVERAGE DAILY OFF - TRACK | 12,612 | 11,617 | 10,558 | 9,737 | 9,355 |
| TOTAL RACE EVENTS | 372 | 371 | 372 | 371 | 371 |
| TOTAL RUNNERS | 3,048 | 3,064 | 3,128 | 3,139 | 3,213 |
| AVERAGE RUNNERS PER EVENT | 8.2 | 8.3 | 8.4 | 8.5 | 8.7 |
| AVERAGE HANDLE PER RUNNER | 139,526 | 143,478 | 148,419 | 137,472 | 148,337 |

DEL MAR THOROUGHBRED CLUB



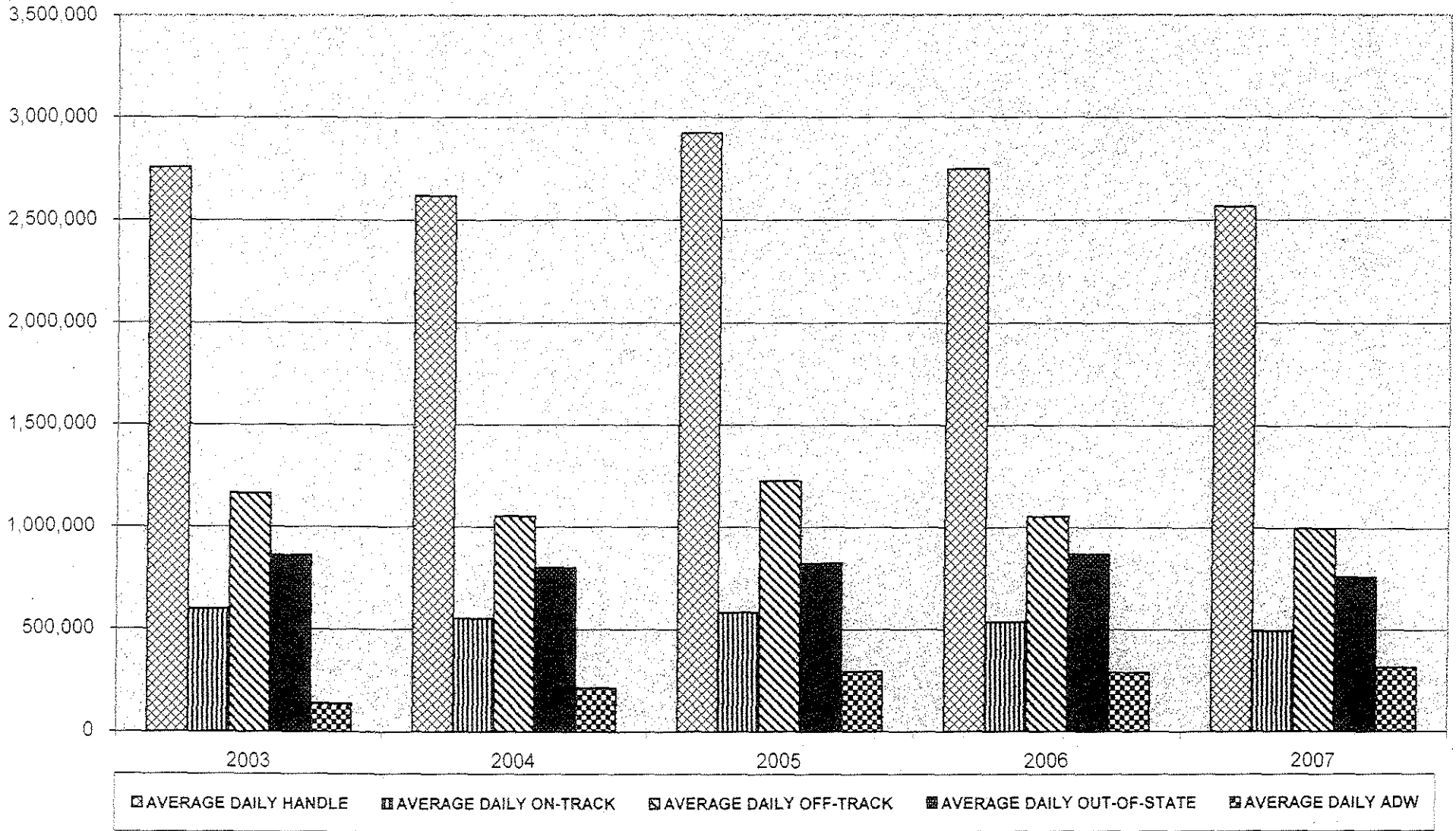
SAN MATEO COUNTY FAIR

| YEAR | 2003 | 2004 | 2005 | 2006 | 2007 |
|-----------------------------------|------------|------------|------------|------------|------------|
| TOTAL RACE DAYS | 12 | 12 | 12 | 12 | 11 |
| TOTAL HANDLE | 33,095,531 | 31,429,897 | 35,073,812 | 32,980,437 | 28,229,727 |
| ON-TRACK | 7,160,665 | 6,616,631 | 6,973,546 | 6,436,307 | 5,430,099 |
| OFF-TRACK | 13,989,697 | 12,662,765 | 14,743,259 | 12,668,775 | 10,991,809 |
| OUT-OF-STATE | 10,296,174 | 9,602,634 | 9,851,395 | 10,421,845 | 8,353,997 |
| ADW | 1,648,996 | 2,547,867 | 3,505,612 | 3,453,511 | 3,453,822 |
| LIVE | 18,984,046 | 17,822,238 | 19,233,174 | 19,057,608 | 15,880,149 |
| OUT-OF-ZONE IMPORTED | 7,555,523 | 6,909,926 | 7,952,233 | 6,922,768 | 6,006,626 |
| INTERSTATE IMPORTED | 6,555,963 | 6,697,733 | 6,485,633 | 5,614,615 | 4,943,287 |
| INTERNATIONAL IMPORTED | 0 | 0 | 1,402,772 | 1,385,446 | 1,399,464 |
| AVERAGE DAILY HANDLE | 2,757,961 | 2,619,158 | 2,922,818 | 2,748,370 | 2,566,339 |
| AVERAGE DAILY ON-TRACK | 596,722 | 551,386 | 581,129 | 536,359 | 493,645 |
| AVERAGE DAILY OFF-TRACK | 1,165,808 | 1,055,230 | 1,228,605 | 1,055,731 | 999,255 |
| AVERAGE DAILY OUT-OF-STATE | 858,015 | 800,220 | 820,950 | 868,487 | 759,454 |
| AVERAGE DAILY ADW | 137,416 | 212,322 | 292,134 | 287,793 | 313,984 |
| AVERAGE DAILY LIVE | 1,582,004 | 1,485,186 | 1,602,764 | 1,588,134 | 1,443,650 |
| AVG. DAILY OUT-OF-ZONE IMPORTED | 629,627 | 575,827 | 662,686 | 576,897 | 546,075 |
| AVG. DAILY INTERSTATE IMPORTED | 546,330 | 558,144 | 540,469 | 467,885 | 449,390 |
| AVG. DAILY INTERNATIONAL IMPORTED | 0 | 0 | 116,898 | 115,454 | 127,224 |
| TOTAL TAKEOUT | 6,355,874 | 6,409,255 | 7,168,798 | 6,758,863 | 5,781,751 |
| EFFECTIVE TAKEOUT | 19.20% | 20.39% | 20.44% | 20.49% | 20.48% |
| STATE LICENSE FEES | 233,949 | 204,161 | 230,433 | 203,190 | 161,171 |
| STATE % | 0.71% | 0.65% | 0.66% | 0.62% | 0.57% |
| TRACK COMMISSIONS | 1,155,665 | 1,054,551 | 1,158,909 | 1,054,130 | 884,360 |
| ADW COMMISSIONS | 82,106 | 113,891 | 164,036 | 174,010 | 157,892 |
| TOTAL COMMISSIONS | 1,237,771 | 1,168,442 | 1,322,944 | 1,228,140 | 1,042,252 |
| TRACK % | 3.49% | 3.36% | 3.30% | 3.20% | 3.13% |
| HORSEMEN'S PURSES | 1,165,836 | 1,061,645 | 1,164,261 | 1,059,757 | 887,929 |
| ADW PURSES | 82,684 | 114,906 | 165,216 | 174,825 | 156,795 |
| TOTAL PURSES | 1,248,519 | 1,176,551 | 1,329,477 | 1,234,582 | 1,044,724 |
| HORSEMEN'S % | 3.52% | 3.38% | 3.32% | 3.21% | 3.15% |

SAN MATEO COUNTY FAIR

| YEAR | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------------------|--------|--------|--------|--------|--------|
| CALIFORNIA ATTENDANCE | 71,453 | 61,286 | 64,845 | 62,676 | 51,964 |
| ON-TRACK | 30,836 | 25,818 | 25,428 | 27,310 | 22,181 |
| OFF-TRACK | 40,617 | 35,468 | 39,417 | 35,366 | 29,783 |
| AVERAGE DAILY ATTENDANCE | 5,954 | 5,107 | 5,404 | 5,223 | 4,724 |
| AVERAGE DAILY ON - TRACK | 2,570 | 2,152 | 2,119 | 2,276 | 2,016 |
| AVERAGE DAILY OFF - TRACK | 3,385 | 2,956 | 3,285 | 2,947 | 2,708 |
| TOTAL RACE EVENTS | 112 | 101 | 113 | 111 | 93 |
| TOTAL RUNNERS | 760 | 670 | 800 | 761 | 597 |
| AVERAGE STARTS PER EVENT | 6.8 | 6.6 | 7.1 | 6.9 | 6.4 |
| AVERAGE HANDLE PER START | 24,979 | 26,600 | 24,041 | 25,043 | 26,600 |

SAN MATEO COUNTY FAIR



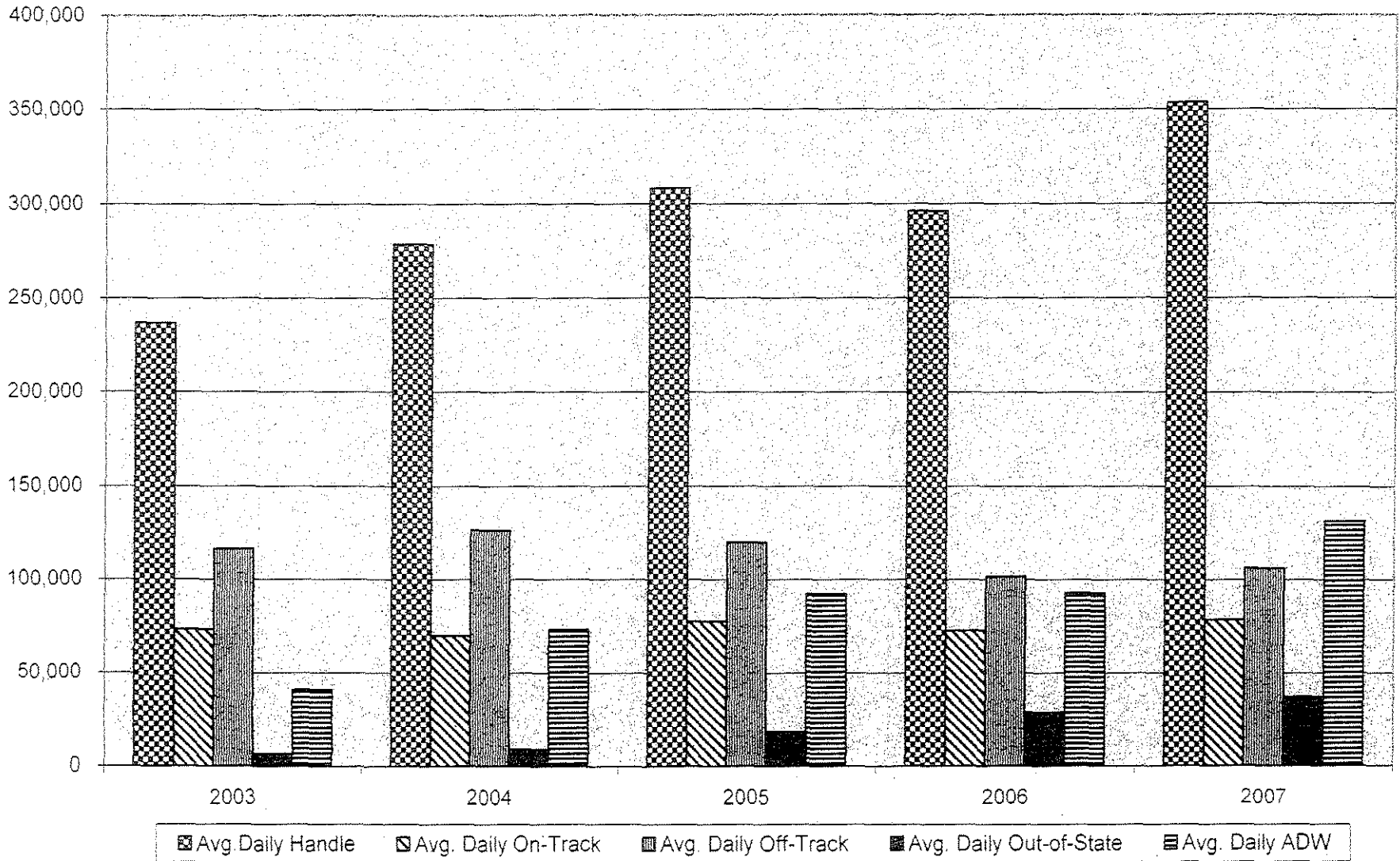
HUMBOLDT COUNTY FAIR

| YEAR | 2003 | 2004 | 2005 | 2006 | 2007 |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|
| TOTAL RACE DAYS | 10 | 10 | 10 | 10 | 10 |
| TOTAL HANDLE | 2,369,492 | 2,787,149 | 3,080,934 | 2,959,549 | 3,535,699 |
| ON-TRACK | 731,046 | 699,081 | 775,170 | 727,308 | 785,505 |
| OFF-TRACK | 1,163,479 | 1,264,637 | 1,200,644 | 1,015,848 | 1,062,530 |
| OUT-OF-STATE | 65,262 | 91,763 | 182,915 | 286,480 | 370,914 |
| ADW | 409,705 | 731,669 | 922,205 | 929,913 | 1,316,750 |
| LIVE | 2,369,492 | 2,787,149 | 3,080,934 | 2,959,549 | 3,535,699 |
| OUT-OF-ZONE IMPORTED | 0 | 0 | 0 | 0 | 0 |
| INTERSTATE IMPORTED | 0 | 0 | 0 | 0 | 0 |
| INTERNATIONAL IMPORTED | 0 | 0 | 0 | 0 | 0 |
| AVERAGE DAILY HANDLE | 236,949 | 278,715 | 308,093 | 295,955 | 353,570 |
| AVERAGE DAILY ON-TRACK | 73,105 | 69,908 | 77,517 | 72,731 | 78,551 |
| AVERAGE DAILY OFF-TRACK | 116,348 | 126,464 | 120,064 | 101,585 | 106,253 |
| AVERAGE DAILY OUT-OF-STATE | 6,526 | 9,176 | 18,292 | 28,648 | 37,091 |
| AVERAGE ADW | 40,971 | 73,167 | 92,220 | 92,991 | 131,675 |
| AVERAGE LIVE | 236,949 | 278,715 | 308,093 | 295,955 | 353,570 |
| AVG. OUT-OF-ZONE IMPORTED | 0 | 0 | 0 | 0 | 0 |
| AVG. INTERSTATE IMPORTED | 0 | 0 | 0 | 0 | 0 |
| AVG. INTERNATIONAL IMPORTED | 0 | 0 | 0 | 0 | 0 |
| TOTAL TAKEOUT | 479,314 | 566,834 | 626,069 | 599,750 | 705,465 |
| EFFECTIVE TAKEOUT | 20.23% | 20.34% | 20.32% | 20.26% | 19.95% |
| STATE LICENSE FEES | 26,769 | 28,050 | 28,682 | 25,764 | 27,840 |
| STATE % | 1.13% | 1.01% | 0.93% | 0.87% | 0.79% |
| TRACK COMMISSIONS | 115,380 | 118,212 | 122,852 | 112,792 | 119,063 |
| ADW COMMISSIONS | 20,179 | 34,561 | 43,675 | 48,837 | 62,997 |
| TOTAL COMMISSIONS | 135,559 | 152,773 | 166,527 | 161,629 | 182,061 |
| TRACK % | 5.72% | 5.48% | 5.41% | 5.46% | 5.15% |
| HORSEMEN'S PURSES | 119,605 | 122,188 | 127,540 | 117,310 | 124,006 |
| ADW PURSES | 21,083 | 35,780 | 45,104 | 50,668 | 65,505 |
| TOTAL PURSES | 140,688 | 157,968 | 172,644 | 167,977 | 189,512 |
| HORSEMEN'S % | 5.94% | 5.67% | 5.60% | 5.68% | 5.36% |

HUMBOLDT COUNTY FAIR

| YEAR | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------------------|--------|--------|--------|--------|--------|
| CALIFORNIA ATTENDANCE | 58,433 | 52,587 | 53,112 | 50,829 | 50,643 |
| ON-TRACK | 22,442 | 21,759 | 22,811 | 21,975 | 22,964 |
| OFF-TRACK | 35,991 | 30,828 | 30,301 | 28,854 | 27,679 |
| DAILY ATTENDANCE | 5,843 | 5,259 | 5,311 | 5,083 | 5,064 |
| AVERAGE DAILY ON - TRACK | 2,244 | 2,176 | 2,281 | 2,198 | 2,296 |
| AVERAGE DAILY OFF - TRACK | 3,599 | 3,083 | 3,030 | 2,885 | 2,768 |
| TOTAL RACE EVENTS | 71 | 73 | 75 | 77 | 75 |
| TOTAL RUNNERS | 416 | 421 | 483 | 484 | 506 |
| AVERAGE RUNNERS PER EVENT | 5.9 | 5.8 | 6.4 | 6.3 | 6.7 |
| AVERAGE HANDLE PER START | 5,696 | 6,620 | 6,379 | 6,115 | 6,988 |

HUMBOLDT COUNTY FAIR



LOS ANGELES COUNTY FAIR

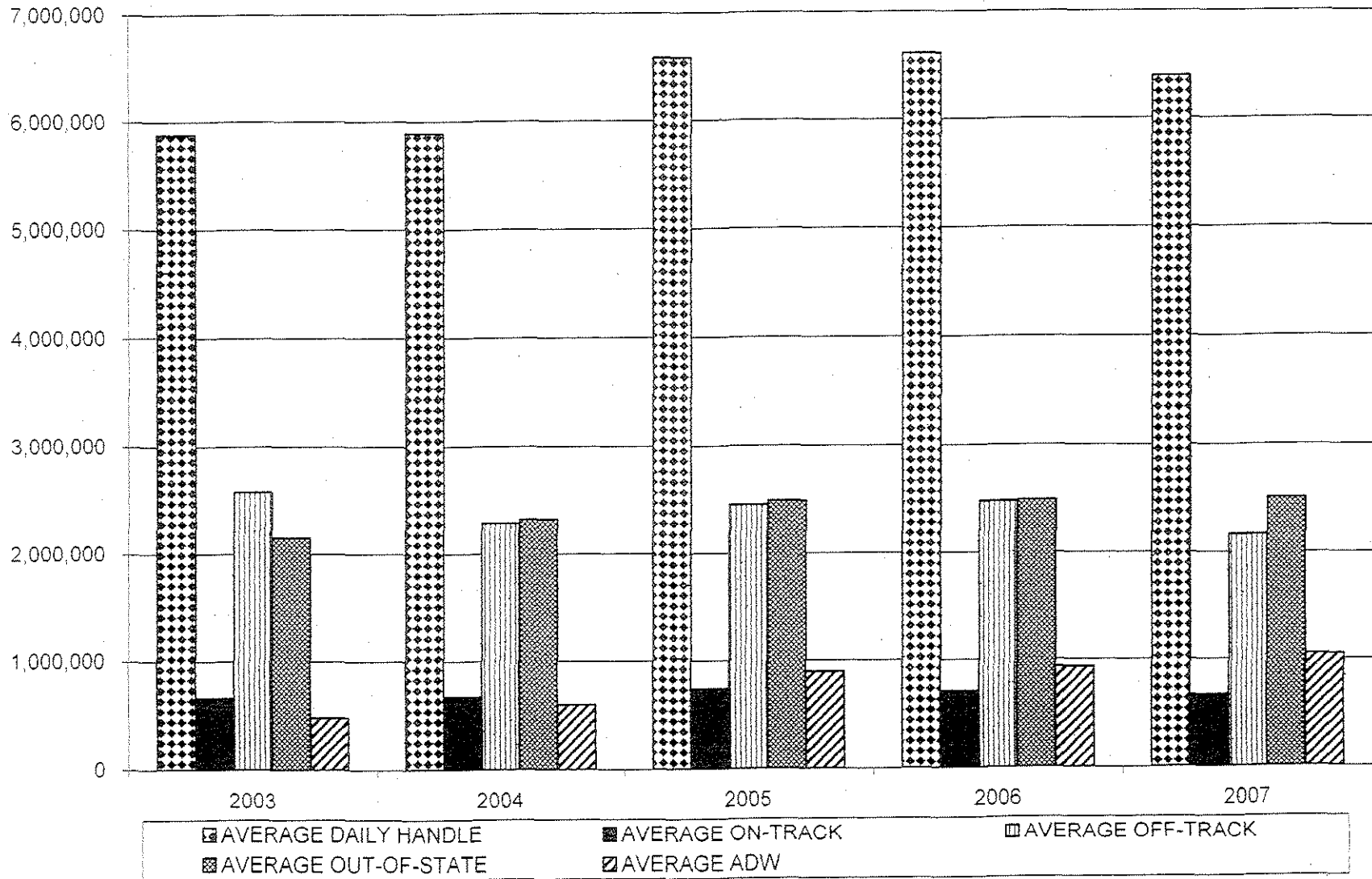
Page 11-12

| YEAR | 2003 | 2004 | 2005 | 2006 | 2007 |
|------------------------------|------------|-------------|-------------|-------------|-------------|
| TOTAL RACE DAYS | 17 | 17 | 16 | 16 | 16 |
| TOTAL HANDLE | 99,915,178 | 100,085,726 | 105,308,618 | 105,729,325 | 102,245,598 |
| ON-TRACK | 11,253,410 | 11,435,087 | 11,814,889 | 11,339,530 | 10,656,216 |
| OFF-TRACK | 43,661,731 | 38,915,821 | 39,296,731 | 39,650,079 | 34,690,456 |
| OUT-OF-STATE | 36,634,196 | 39,512,164 | 39,810,968 | 39,812,708 | 40,133,863 |
| ADW | 8,165,841 | 10,222,655 | 14,386,030 | 14,927,009 | 16,765,063 |
| LIVE | 75,287,217 | 77,217,016 | 82,471,596 | 83,960,568 | 81,982,862 |
| OUT-OF-ZONE IMPORTED | 9,219,108 | 8,119,819 | 7,248,591 | 7,337,850 | 5,858,472 |
| INTERSTATE IMPORTED | 15,408,853 | 13,930,515 | 12,628,164 | 11,030,022 | 11,176,512 |
| INTERNATIONAL IMPORTED | 0 | 818,376 | 2,960,267 | 3,400,885 | 3,227,752 |
| AVERAGE DAILY HANDLE | 5,877,363 | 5,887,396 | 6,581,769 | 6,608,083 | 6,390,350 |
| AVERAGE ON-TRACK | 661,965 | 672,652 | 738,431 | 708,721 | 666,014 |
| AVERAGE OFF-TRACK | 2,580,102 | 2,289,166 | 2,456,046 | 2,478,130 | 2,168,154 |
| AVERAGE OUT-OF-STATE | 2,154,953 | 2,324,245 | 2,488,186 | 2,488,294 | 2,508,366 |
| AVERAGE ADW | 480,344 | 601,333 | 899,127 | 932,938 | 1,047,816 |
| AVERAGE LIVE | 4,428,660 | 4,590,317 | 5,339,491 | 5,460,091 | 5,325,663 |
| AVERAGE OUT-OF-ZONE IMPORTE | 542,300 | 477,636 | 453,037 | 458,616 | 366,154 |
| AVERAGE INTERSTATE IMPORTED | 906,403 | 819,442 | 789,260 | 689,376 | 698,532 |
| AVERAGE INTERNATIONAL IMPORT | 0 | 48,140 | 185,017 | 212,555 | 201,735 |
| TOTAL TAKEOUT | 18,504,823 | 20,624,141 | 21,701,650 | 21,986,890 | 21,132,484 |
| EFFECTIVE TAKEOUT | 18.52% | 20.61% | 20.61% | 20.80% | 20.67% |
| STATE LICENSE FEES | 991,746 | 927,161 | 935,056 | 952,140 | 855,026 |
| STATE % | 0.99% | 0.93% | 0.89% | 0.90% | 0.84% |
| TRACK COMMISSIONS | 2,903,231 | 2,877,898 | 2,906,569 | 2,959,734 | 2,703,932 |
| ADW COMMISSIONS | 369,531 | 468,057 | 680,593 | 733,876 | 648,568 |
| TOTAL COMMISSIONS | 3,272,762 | 3,345,955 | 3,587,162 | 3,693,610 | 3,352,500 |
| TRACK % | 3.28% | 3.34% | 3.41% | 3.49% | 3.28% |
| HORSEMEN'S PURSES | 2,938,180 | 2,915,205 | 2,946,658 | 3,000,009 | 2,743,106 |
| ADW PURSES | 374,640 | 474,538 | 691,124 | 745,379 | 658,121 |
| TOTAL PURSES | 3,312,820 | 3,389,742 | 3,637,782 | 3,745,388 | 3,401,227 |
| HORSEMEN'S % | 3.32% | 3.39% | 3.45% | 3.54% | 3.33% |

LOS ANGELES COUNTY FAIR

| YEAR | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------------------|---------|---------|---------|---------|---------|
| CALIFORNIA ATTENDANCE | 258,527 | 233,095 | 206,852 | 205,940 | 196,310 |
| ON-TRACK | 114,648 | 102,255 | 88,494 | 89,446 | 90,114 |
| OFF-TRACK | 143,879 | 130,840 | 118,358 | 116,494 | 106,196 |
| AVERAGE DAILY ATTENDANCE | 15,207 | 13,711 | 12,928 | 12,871 | 12,269 |
| AVERAGE DAILY ON - TRACK | 6,744 | 6,015 | 5,531 | 5,590 | 5,632 |
| AVERAGE DAILY OFF - TRACK | 8,463 | 7,696 | 7,397 | 7,281 | 6,637 |
| TOTAL RACE EVENTS | 197 | 196 | 195 | 195 | 195 |
| STARTS | 1,549 | 1,513 | 1,524 | 1,579 | 1,733 |
| AVERAGE STARTS PER EVENT | 7.9 | 7.7 | 7.8 | 8.1 | 8.9 |
| AVERAGE HANDLE PER START | 48,604 | 51,036 | 54,115 | 53,173 | 47,307 |

LOS ANGELES COUNTY FAIR



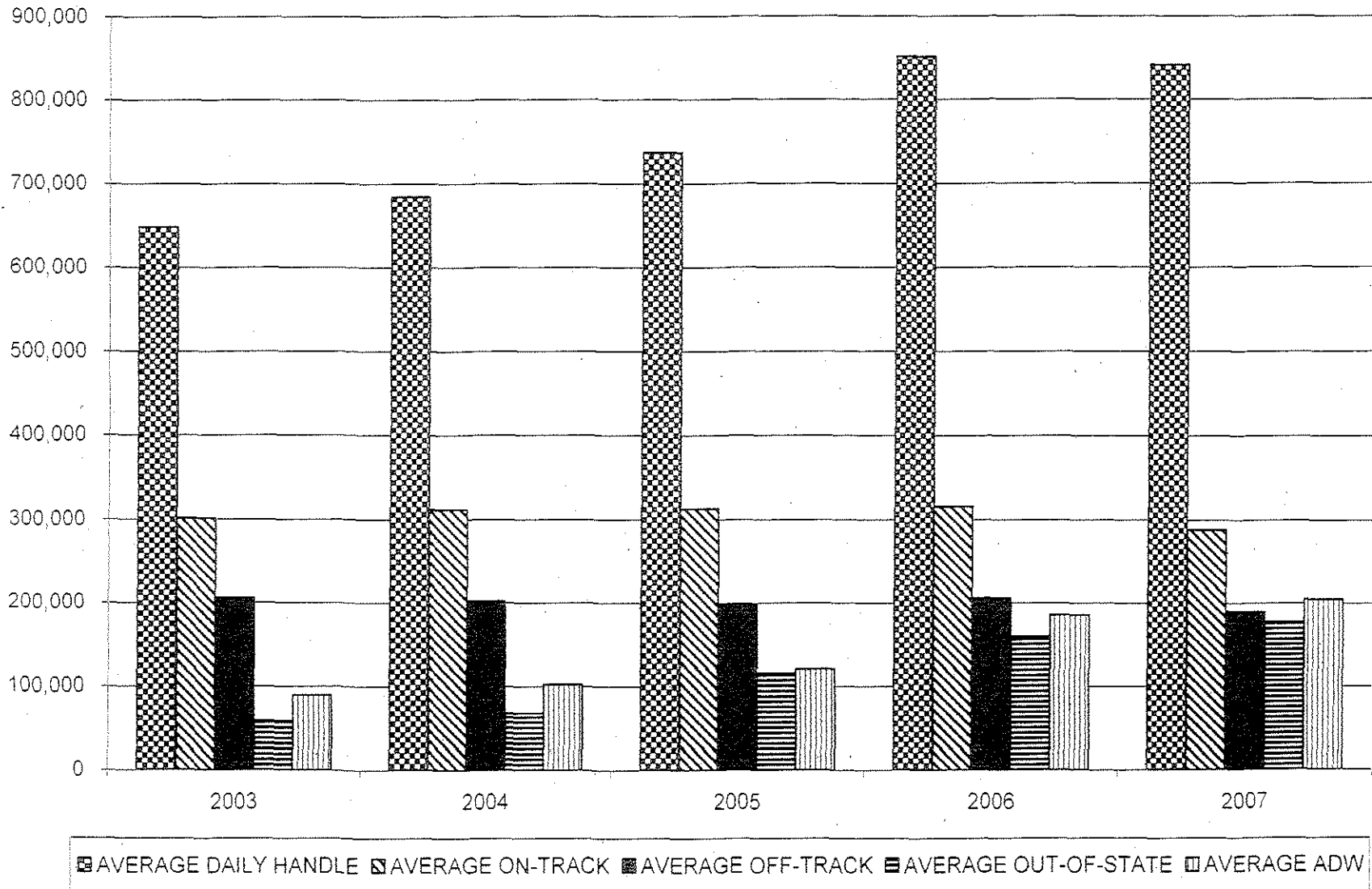
FRESNO FAIR

| YEAR | 2003 | 2004 | 2005 | 2006 | 2007 |
|------------------------------|-----------|-----------|-----------|-----------|-----------|
| TOTAL RACE DAYS | 11 | 10 | 11 | 11 | 11 |
| TOTAL HANDLE | 7,122,973 | 6,840,268 | 8,104,725 | 9,364,097 | 9,251,137 |
| ON-TRACK | 3,313,016 | 3,117,712 | 3,442,261 | 3,476,203 | 3,169,221 |
| OFF-TRACK | 2,266,360 | 2,023,142 | 2,183,595 | 2,268,316 | 2,084,257 |
| OUT-OF-STATE | 645,210 | 675,873 | 1,270,851 | 1,763,598 | 1,949,618 |
| ADW | 898,388 | 1,023,541 | 1,208,018 | 1,855,981 | 2,048,041 |
| LIVE | 7,122,973 | 6,840,268 | 8,104,725 | 9,364,097 | 9,251,137 |
| OUT-OF-ZONE IMPORTED | 0 | 0 | 0 | 0 | 0 |
| INTERSTATE IMPORTED | 0 | 0 | 0 | 0 | 0 |
| AVERAGE DAILY HANDLE | 647,543 | 684,027 | 736,793 | 851,282 | 841,012 |
| AVERAGE ON-TRACK | 301,183 | 311,771 | 312,933 | 316,018 | 288,111 |
| AVERAGE OFF-TRACK | 206,033 | 202,314 | 198,509 | 206,211 | 189,478 |
| AVERAGE OUT-OF-STATE | 58,655 | 67,587 | 115,532 | 160,327 | 177,238 |
| AVERAGE ADW | 89,839 | 102,354 | 120,802 | 185,598 | 204,804 |
| AVERAGE LIVE | 647,543 | 684,027 | 736,793 | 851,282 | 841,012 |
| AVERAGE OUT-OF-ZONE IMPORTED | 0 | 0 | 0 | 0 | 0 |
| AVERAGE INTERSTATE IMPORTED | 0 | 0 | 0 | 0 | 0 |
| TOTAL TAKEOUT | 1,261,192 | 1,429,489 | 1,656,646 | 1,898,916 | 1,883,453 |
| EFFECTIVE TAKEOUT | 17.71% | 20.90% | 20.44% | 20.28% | 20.36% |
| STATE LICENSE FEES | 80,181 | 74,770 | 83,664 | 86,967 | 80,596 |
| STATE % | 1.13% | 1.09% | 1.03% | 0.93% | 0.87% |
| TRACK COMMISSIONS | 391,003 | 365,845 | 409,846 | 421,450 | 390,807 |
| ADW COMMISSIONS | 40,546 | 54,051 | 56,441 | 92,318 | 93,414 |
| TOTAL COMMISSIONS | 431,549 | 419,896 | 466,287 | 513,767 | 484,221 |
| TRACK % | 6.41% | 6.50% | 6.09% | 5.80% | 5.53% |
| HORSEMEN'S PURSES | 414,005 | 387,669 | 433,732 | 445,680 | 412,536 |
| ADW PURSES | 42,755 | 57,023 | 59,610 | 97,722 | 98,874 |
| TOTAL PURSES | 456,760 | 444,692 | 493,342 | 543,403 | 511,410 |
| HORSEMEN'S % | 6.41% | 6.50% | 6.09% | 5.80% | 5.53% |

FRESNO FAIR

| YEAR | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------------------|---------|--------|---------|---------|---------|
| CALIFORNIA ATTENDANCE | 110,934 | 98,984 | 113,914 | 122,317 | 116,049 |
| ON-TRACK | 73,301 | 69,412 | 81,823 | 89,434 | 86,498 |
| OFF-TRACK | 37,633 | 29,572 | 32,091 | 32,883 | 29,551 |
| AVERAGE DAILY ATTENDANCE | 10,085 | 9,898 | 10,356 | 11,120 | 10,550 |
| AVERAGE DAILY ON - TRACK | 6,664 | 6,941 | 7,438 | 8,130 | 7,863 |
| AVERAGE DAILY OFF - TRACK | 3,421 | 2,957 | 2,917 | 2,989 | 2,686 |
| TOTAL RACE EVENTS | 101 | 91 | 99 | 100 | 99 |
| TOTAL RUNNERS | 762 | 747 | 702 | 798 | 758 |
| AVERAGE RUNNERS PER EVENT | 7.5 | 8.2 | 7.1 | 8.0 | 7.7 |
| AVERAGE HANDLE PER START | 9,348 | 9,157 | 11,545 | 11,734 | 12,205 |

FRESNO FAIR



CALIFORNIA HORSE RACING BOARD

DECEMBER 14, 2007
REGULAR BOARD MEETING

There is no board package material for item 12