

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 **Thursday, June 22, 2006**, commencing at **2:15 p.m.**, at the **Veterinary Medical Instructional Surgery Facility, Room 1102 on the campus of the University of California at Davis, Davis, California.** Visitors may park in Lot 57 (\$6.00).

AGENDA

Action Items

1. Discussion and action by the Board on the **approval of the minutes of the special teleconference meeting** on May 15, 2006.
2. Discussion and action by the Board on the **approval of the minutes of the regular meeting** on May 25, 2006.
3. Discussion and action by the Board on the **Application to Conduct a Horse Race Meeting of the San Mateo County Fair (F) at Bay Meadows** from August 9 through August 23, 2006, inclusive.
4. Discussion and action by the Board on the **Application to Conduct a Horse Race Meeting of the Humboldt County Fair (F) at Ferndale** from August 10 through August 20, 2006, inclusive.
5. Discussion and action by the Board on the **Application to Conduct a Horse Race Meeting of the Sacramento Harness Association (H) at Cal-Expo** from August 12 through December 16, 2006, inclusive.
6. Discussion and action by the Board on the **distribution of race day charity proceeds of the Oak Tree Charitable Foundation in the amount of \$74,500 to 25 beneficiaries.**
7. Discussion and action by the Board on the **temporary suspension of CHRB Rule 1606 – Coupling of Horses, for the Los Alamitos Quarter Horse race meet** at the Los Alamitos Race Course.
8. Discussion and action by the Board on the **temporary suspension of CHRB Rule 1663(b) – Entry of Claimed Horse**, as requested by the California Authority of Racing Fairs.
9. Discussion and action by the Board on **clarifying the requirement for associations to install proper drainage when installing a synthetic track surface.**

10. Discussion and action by the Board on the **proposed amendment to CHRB Rule 1582 – Form of Entries.**
11. Discussion and action by the Board on **future race dates and strategic planning.**
12. Discussion and action by the Board on the **request by the California Harness Horsemen’s Association that the horsemen’s health and welfare money from the “outs”, be distributed pursuant to statute.**
13. Informational update by a representative from Scientific Games Racing on **the status of the Scientific Games Racing Quantum Data Center (QDC) and the planned migration of California customers** to the QDC in Sacramento, California.
14. Report from racing associations on their **efforts and plans to install new totalizator technology** at the racetracks given the numerous problems and delays and failures.
15. Presentation by the CHRB staff of a new **monthly statistical report and year-to-date handle and attendance information.**
16. Discussion on **pending horse racing legislation.**

Other Business

17. **General Business:** Communications, reports, requests for future action of the Board.
Note: Persons addressing the Board under this item will be restricted to **five (5) minutes** for their presentation.
18. **Old Business:** Issues that may be raised for discussion purposes only, which have already been brought before the Board. **Note:** Persons addressing the Board under this item will be restricted to **five (5) minutes** for their presentation.
19. **Executive Session:** For the purpose of receiving advice from counsel, considering pending litigation, reaching decisions on administrative licensing and disciplinary hearings, and personnel matters, as authorized by Section 11126 of the Government Code.
 - A. Personnel.
 - B. Board may convene an Executive Session to consider any of the attached pending litigation.
 - C. The Board may also convene an Executive Session to consider any of the attached pending administrative licensing and disciplinary hearings.

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

CALIFORNIA HORSE RACING BOARD

Richard B. Shapiro, Chairman
Marie G. Moretti, Vice Chairman
John Andreini, Member
William A. Bianco, Member
John C. Harris, Member
Jerry Moss, Member
Ingrid Fermin, Executive Director

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PENDING LITIGATION
JUNE 2006

CASE

CASE NUMBER

MARTIN, JOHN v.
California Horse Racing Board

Sacramento County Superior Court
No. 98CS00952

**CALIFORNIA HARNESS HORSEMEN'S
ASSOCIATION and CAPITOL RACING,
LLC, v.**
California Horse Racing Board

Sacramento County Superior Court
No. 03CS01033

BERG, PAMELA A. v.
California Horse Racing Board

Sacramento County Superior Court
No. 04AS03127

CAPITOL RACING, LLC, v
California Horse Racing Board and
(California Harness Horsemen's Association
interested Party)

Sacramento County Superior Court
No. 05CS01116

JAMGOTCHIAN, JERRY v.
California Horse Racing Board, et al.

Los Angeles County Superior Court
No. BS102641

PROCEEDINGS of the Special Teleconference Meeting of the **California Horse Racing Board** held at **California Horse Racing Board Headquarters**, 1010 Hurley Way Suite 300, Sacramento, California; **California Thoroughbred Breeders Association**, 201 Colorado Place, Arcadia, California; **Hollywood Park Race Track**, 1050 South Prairie Avenue, Inglewood, California; **Chairman Shapiro**, 5000 North Parkway Calabasas, Calabasas, California; **Commissioner Harris**, 23300 West Oakland Avenue, Coalinga, California; **Commissioner Andreini**, 220 West 20th Street, San Mateo, California; **Bay Meadows Race Track**, 2600 South Delaware Street, San Mateo, California; **Santa Anita Park Race Track, Baldwin Terrace Room**, 285 West Huntington Drive, Arcadia, California; **Los Alamitos Race Course Stewards Office**, 4961 Katella Avenue, Los Alamitos, California; **Del Mar Thoroughbred Club Surfside Race Place**, 2260 Jimmy Durante Boulevard, Del Mar, California, on **May 15, 2006**.

Present: Richard B. Shapiro, Chairman
Marie G. Moretti, Vice-Chairman
William A. Bianco, Member
John C. Harris, Member
Jerry Moss, Member
Roy Minami, Assistant Executive Director
Derry Knight, Deputy Attorney General

DISCUSSION AND ACTION BY THE BOARD ON THE TEMPORARY SUSPENSION OF THE FOLLOWING RULES FOR THE HOLLYWOOD PARK AND BAY MEADOWS 2006 SPRING RACE MEETINGS:

CHRB RULE 1606 - COUPLING OF HORSES; RULE 1974 - WAGERING INTEREST.

CHRB RULE 1420 - DEFINITIONS; RULE 1954.1 - PARLAY WAGERING ON WIN, PLACE OR SHOW; RULE 1957 - DAILY DOUBLE; RULE 1959 - SPECIAL QUINELLA (EXACTA); RULE 1976 - UNLIMITED SWEEPSTAKES; RULE 1976.8 - PLACE PICK (N); RULE 1976.9 - PICK (N) POOL; RULE 1977 - PICK THREE; RULE 1978 - SELECT FOUR; RULE 1979 - TRIFECTA; AND RULE 1979.1 - SUPERFECTA.

Chairman Shapiro said the purpose of the Special Teleconference Meeting of the Board was discussion and action on the temporary suspension of Rule 1606, Coupling of Horses, and portions of associated rules that referred to coupling. Commissioner Harris said if there were no coupling of horses, associated rules would be immaterial as far as they related to coupling, so why would such rules have to be changed? Jacqueline Wagner, CHRB staff, said each of

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the rules referenced coupling. If the practice of coupling were suspended, the rules referencing coupling would also have to be addressed. Commissioner Harris stated that depending on how the coupling rule was suspended; there could still be instances where horses might be coupled. If a minimum number of wagering interests were required before uncoupling, or if horses owned by certain combinations of persons were coupled, the Board might not want to waive the provisions in the pari-mutuel regulations. Commissioner Moss stated he believed the proposal was made so fans would not make wagers and find themselves with a horse they did not want. He said he wondered if there was any statistical information regarding how many times that had happened. Commissioner Harris stated that was one of the original issues, but increased field sizes was an even bigger issue. Some of the data showed larger fields significantly increased the handle. Commissioner Moss said he agreed. He asked if there was a way to build in a minimum number of individual wagering interests in a particular race before uncoupling occurred. Jack Liebau of Hollywood Park and Bay Meadows said if Rule 1606 was waived the tracks would institute a house rule requiring at least five separate wagering interests before uncoupling of any horses. Deputy Attorney General (DAG) Derry Knight stated Rule 1606 could be waived with conditions. If the Board wished, it could waive the regulation with the stipulations outlined by Mr. Liebau. Ron Charles of Magna Entertainment suggested at least one meeting of racing secretaries, racetrack management and other interested parties to ensure the industry was involved and could provide input. Commissioner Harris said the Board wanted input, but it was going forward on an experimental basis. Mr. Charles said the Thoroughbred Owners of California rule required six wagering interests for a non-claiming race and seven for a claiming race. The Board would

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want to continue those numbers as uncoupling horses would increase wagering interests, and that was the purpose of the experiment. Mr. Liebau said he believed Mr. Charles was referring to a rule that dealt with carding races. There was no rule that prevented an association from carding a race with fewer interests, but if there was a race with six or seven entries, the association must use that race. Commissioner Harris said that was a separate issue. Mr. Charles said he would hate to see half the field under one trainer. If a single trainer had three different wagering interests, would five other interests be required? Mr. Liebau said the house rule proposed by Hollywood Park and Bay Meadows stated no trainer could have more than three horses in a race, so uncoupling would not result in a trainer with more than three separate wagering interests. He commented Santa Anita tested the rule with respect to maiden allowance races. Mr. Charles said Santa Anita's test required seven wagering interests to help increase the field, and so one trainer would not own half the field. Mr. Liebau said the Board was only talking about an experiment, which would provide valuable future data. Mr. Charles stated he merely wanted the industry to discuss the issues relevant to a house rule, as there were issues such as preference. Mr. Liebau said the proposed house rule was written to address preference, and anyone with common ownership would not be able to knock any other owner out of a race. Chairman Shapiro said he agreed the proposal should be carefully crafted so everyone would understand what it would mean with regards to the horsemen's agreements. He asked if trainers were currently allowed more than two horses in a race, and if so, what type of races? Mr. Liebau said at Santa Anita the rule was first tried with maiden races, and required seven wagering interests. Rick Hammerle of Hollywood Park stated his organization allowed a single trainer to enter up to three horses

only in a maiden allowance race. Commissioner Harris said he believed the house rule should be kept. Mr. Hammerle asked if trainers would be penalized if they took advantage of the suspension by repeatedly scratching over time. Commissioner Harris commented repeated scratches were a problem without common ownership. Chairman Shapiro said he understood Mr. Hammerle's concern. He asked what Hollywood Park did in such situations. Mr. Hammerle stated Hollywood Park at least had the stewards call such persons in and let them know the practice was not appreciated. He said he wanted something in place as it was a problem without common ownership, and it would be easy for a trainer to take advantage of the situation. Mr. Charles stated bogus entries were the largest concern and could be one issue an industry meeting could deal with, so everyone understood the procedures. Mr. Liebau said he did not have a problem collaborating with all the racing secretaries with respect to the house rule. The issue of scratching was not new, as the industry had been dealing with it for years. Commissioner Harris said the issue of repeated scratches was a problem, but it was a side issue to the proposed waiver of Rule 1606. Commissioner Harris **motioned** to give the Chairman the authority to waive the rules regarding coupling of horses for the Bay Meadows spring meeting only, subject to any field having at least five wagering interests before uncoupling occurs. Commissioner Moss **motioned** to waive the rules regarding coupling of horses for Bay Meadows and Hollywood Park spring meetings, provided there were at least five wagering interests in a race. He stated the racing secretaries could meet in the near future to offer suggestions. DAG Knight said the Board had the authority to waive the rules with conditions, but it did not have the authority to allow the racing secretaries to set conditions. Chairman Shapiro asked if the issue could be placed on the May 2006 agenda. He stated the

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racing secretaries could meet prior to the May Regular Board Meeting and decide how many entries would be required before uncoupling occurred. The Board could decide if it would adopt the plan at the May 2006 Regular Meeting. DAG Knight said his only concern was that the Board would defer to a committee of racing secretaries. The Board had the power to set any conditions it wished when waiving its rules. Chairman Shapiro said the Board was not deferring to a committee. The racing secretaries would discuss the house rules, and the Board would decide if it wished to waive its rules with conditions brought forth by the industry. He stated he wanted to make sure the industry was working in concert to ensure the experiment worked. Chairman Shapiro asked if the Board could waive the regulations on a case-by-case basis until the May 2006 Regular Meeting. DAG Knight said the Board could waive the regulation pending further action of the Board in May 2006 as long as it specified what the conditions were. However, the issue was not set up for a case-by-case basis. If the rules were going to be waived, they should be waived across the board. Commissioner Harris **seconded** the motion. Ms. Wagner stated in addition to Rule 1606 the rules to be waived were: 1954.1(h); 1957(j); 1959(d); 1976(e); 1976.8(d); 1976.9(c)(1); 1977(c); 1978(e); 1979(c); and 1979.1(c). The motion was **unanimously carried**. Chairman Shapiro said the experiment at Bay Meadows and Hollywood Park spring meetings would be examined at the June 2006 Regular Board meeting.

MEETING ADJOURNED AT 1:38 P.M.

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

Chairman

Executive Director

PROCEEDINGS of the Regular Meeting of the **California Horse Racing Board** held at the **Los Alamitos Race Course, Finish Line Room**, 4961 Katella Avenue, Los Alamitos, California, on **May 25, 2006**.

Present: Richard B. Shapiro, Chairman
John Andreini, Member
William A. Bianco, Member
John C. Harris, Member
Jerry Moss, Member
Ingrid J. Fermin, Executive Director
Derry L. Knight, Deputy Attorney General

MINUTES

Chairman Shapiro asked for approval of the minutes of the Regular Meeting of April 27, 2006.

Commissioner Harris **motioned** to approve the minutes. Commissioner Bianco **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION TO CONDUCT A HORSE RACE MEETING OF THE SOLANO COUNTY FAIR (F) AT VALLEJO FROM JULY 12 THROUGH JULY 24, 2006, INCLUSIVE.

Roy Minami, CHRB staff, said the Solano County Fair (SCF) proposed to run 11 days, the same number of days as in 2005, for a total of 125 races, one more than in 2005. The first post time would be 12:45 p.m. Mr. Minami stated the application was complete and staff recommended the Board approve the application as presented. Chairman Shapiro said he noted the signal would be sent to many entities. He asked if SCF or California Authority of Racing Fairs (CARF) had looked at who would receive the signal. Joe Barkett of SCF said CARF managed the contracts for out-of-state simulcasting. SCF made an effort to determine if the entities were licensed by the jurisdiction in which they operated. Chairman Shapiro asked

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what kind of an entity Stevens and Associates was. Mr. Barkett stated Stevens and Associates was a subsidiary simulcast coordinator that packaged contracts for various simulcast entities in the United States and elsewhere. Chairman Shapiro asked how SCF knew Stevens and Associates was not sending the signal to illegal offshore wagering facilities. John Reagan, CHRB staff, said staff met with Stevens and Associates several times over the years. He said Stevens and Associates appeared to be a serious business that made an effort to deal with legitimate entities. Chairman Shapiro asked if the cameras used at SCF were “head-on” and what equipment did the stewards have to ensure a clear picture to see the races. Mr. Barkett said he talked to the stewards about their concerns, and SCF added a camera and trimmed some trees. He added he believed the cameras were head-on. Chairman Shapiro said it would be helpful if SCF could state exactly what type of cameras it had so the Board would know its officials had the tools they needed to properly officiate. Chris Korby of CARF said his organization made arrangements to install a 5/16ths camera at each fair. He stated he did not know if the cameras would be in place by the opening of the first two fairs, but an agreement had been entered into with a video company to provide the equipment. Commissioner Harris asked if there were any issues with advance deposit wagering contracts. Mr. Korby said there were no issues, as all the contracts were in place. Chairman Shapiro **motioned** to approve the application for license to conduct a horse racing meeting of SCF. Commissioner Bianco **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION TO CONDUCT A HORSE RACE MEETING OF THE SONOMA COUNTY FAIR (F) AT SANTA ROSA FROM JULY 26 THROUGH AUGUST 7, 2006, INCLUSIVE.

Roy Minami, CHRB staff, said the Sonoma County Fair (SCF) proposed to run 12 days, the same number of days as in 2005, for a total of 132 races, one race less than in 2005. The first post time would be 12:45 p.m. Sunday through Thursday, and 2:15 p.m. on Friday. Mr. Minami stated the application was complete and staff recommended the Board approve the application as presented. Chairman Shapiro asked if all SCF's advance deposit wagering (ADW) contracts were handled by California Authority of Racing Fairs (CARF). Corey Oakley of SCF said CARF handled the ADW contracts. He stated he understood SCF would also have a 5/16ths camera in place at the head of the backstretch. Chairman Shapiro commented he thought SCF's disclosure of its advertising budget was forthcoming. He asked if Mr. Oakley could describe the grandstand upper level guest information booth. Mr. Oakley said the majority of SCF's upper level guests were casual racing fans, as well as VIPs. SCF noted that a lot of persons who occupied the upper boxes and executive seats went downstairs to get information, so a guest service center was installed on the upper level. The center would provide information on horse racing in general, wagering information and other issues. Commissioner Harris congratulated SCF on its turf course. He stated he thought it would operate well in 2006 and was exciting for racing. Commissioner Harris **motioned** to approve the application to conduct a horse racing meeting of SCF. Commissioner Bianco **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION TO CONDUCT A HORSE RACE MEETING OF THE DEL MAR THOROUGHBRED CLUB (T) AT DEL MAR FROM JULY 19 THROUGH SEPTEMBER 6, 2006, INCLUSIVE.

Roy Minami, CHRB staff, said the Del Mar Thoroughbred Club (DMTC) proposed to run 45 days, the same number of days as in 2005, for a total of 371 races. Mr. Minami stated the admission and clubhouse parking, membership to the season turf club, and season box seat prices were increased over 2005 prices. In addition, the number of backstretch housing units was increased from 654 to 666. The number of backstretch restrooms was also increased. Mr. Minami added the horsemen's agreements were received, and a 5/16ths head-on turf camera on a tower was installed. Chairman Shapiro asked if the new barn was completed. Craig Fravel of DMTC said all the front side barns except Barn W were torn down, and the large-scale multi-purpose livestock facilities were replaced. The horsemen who were previously stabled on the front side had new facilities. Chairman Shapiro asked if the advance deposit wagering (ADW) agreements were in place. Mr. Fravel said the in-state ADW providers were TVG and YouBet. The out-of-state signal would be carried by ExpressBet for non-TVG exclusive jurisdictions, and American Tab under a sub-license agreement with TVG. Commissioner Harris asked if there were any disputes regarding any ADW funds. Mr. Fravel said there were no disputes to date, but the horsemen had not yet consented. Drew Couto of Thoroughbred Owners of California said the issue was brought before the Board in February 2006, but had not been heard at the request of Senator Flores. He stated a Senate hearing on the matter would be held on June 13, 2006. Mr. Fravel said Hollywood Park had an arrangement that allowed it to go up despite the dispute, and if the matter were not resolved at the June Senate hearing, a similar arrangement would be made with DMTC. Jerry

Jamgotchian, a horse owner, discussed several items regarding the application. Commissioner Harris **motioned** to approve the application for license to conduct a horse racing meeting of DMTC. Commissioner Bianco **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPROVAL OF SERVICE, STEWARD AND OFFICIAL VETERINARIAN CONTRACTS.

Roy Minami, CHRB staff, said the service, steward and official veterinarian contracts were multi-year contracts that required Board approval. He stated there were no changes regarding stewards and veterinarians. He commented the stewards' contracts did not guarantee any specific dates as they were on the list. The Executive Director sets the stewards' schedule each year, so the dates could change. Chairman Shapiro said the Board was simply approving the total amount allocated to either group for services provided. Mr. Minami said that was correct. Commissioner Harris said the new Equine Medical Director involved other monies from the industry, which were paid directly to the University of California at Davis. Chairman Shapiro said Dr. Rick Arthur would close his private practice to become Equine Medical Director. To obtain Dr. Arthur's services additional funding was required. Some of that funding would come from private sources and would be paid directly to the University. Jerry Jamgotchian, a horse owner, spoke about his concerns regarding the contracts. Commissioner Harris **motioned** to approve the contracts. Commissioner Bianco **seconded** the motion, which was **unanimously carried**.

PUBLIC HEARING BY THE BOARD ON THE ADOPTION OF THE PROPOSED AMENDMENT TO CHRB RULE 1433 – APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING, TO REQUIRE THE INSTALLATION OF SYNTHETIC TRACK SURFACES AT RACE TRACKS THAT RUN FOR FOUR OR MORE CONTINUOUS WEEKS OF THOROUGHBRED RACING IN A CALENDAR YEAR NOT LATER THAN JANUARY 1, 2008.

Roy Minami, CHRB staff, said the proposed amendment to Rule 1433, Application for License to Conduct a Horse Racing Meeting, would prohibit racing associations that operate four or more continuous weeks of thoroughbred racing in a calendar year from operating at a racetrack that had not installed a synthetic polymer type-racing surface by January 1, 2008. Mr. Minami stated staff recommended the Board adopt the proposed amendment as presented. Chairman Shapiro said he was very much in favor of adopting the proposed amendment, and he hoped the Board moved forward with the concept. He stated four companies made presentations to the industry regarding their products. Chairman Shapiro added that while Turfway Park had some positive experience with its synthetic track, there were aspects of Turfway Park's experience that California needed to avoid. He stated California's considerations were solvable and there were studies being conducted regarding the health of horse and rider on synthetic surfaces, but he believed progress towards installing such surfaces in California should continue. Commissioner Moss said four different companies presented polymer surface racetracks to the industry. He stated he felt the issue needed more study, as the three main racetracks could use different kinds of surfaces, but he did not see the Board having any particular direction if that were to happen. Commissioner Moss said he did not see the current proposal involving such a study. Ed Halpern of California Thoroughbred Trainers (CTT) said his organization voted unanimously to endorse the proposed amendment. He stated all evidence pointed to synthetic surfaces being safer for the animals that ran on it, and the people

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who rode on it. All other concerns were secondary and could be handled over time. Mr. Halpern stated CTT had not heard any concerns that indicated the Board should stop and not move forward. Howard Zuckor of the CTT Track Safety Committee said he spoke with veterinarians at Turfway Park and with the orthopedic surgeon who was conducting the track safety study. He stated all were sold on synthetic racing surfaces. The only concerns expressed were with the performance of the track, and that could be dealt with. Mr. Zuckor said the content of synthetic tracks could be adjusted once they were installed. He added organic dirt tracks demonstrated over and over they cannot be managed, as they were man made mixtures of sand, organic material and clay. In a perfect world natural sandy loam could be used to resurface all the tracks, but that material did not exist, so the industry needed to embrace change. Craig Fravel of Del Mar Thoroughbred Club stated the Board and California's horse racing industry was receiving a lot of good publicity for its movement towards synthetic surfaces. He stated the Board would not make a mistake by approving the proposed amendment. Drew Couto of Thoroughbred Owners of California (TOC) said the TOC board supported the proposed amendment. Darrell Haire of the Jockey's Guild (Guild) said the Guild supported the proposed amendment. Ron Charles of Magna Entertainment Corporation said he had a response to Commissioner Moss's question regarding consistency of the different types of synthetic racing surfaces. He stated he spoke to each manufacturer, and was assured that if different brands were installed at the various racetracks, there would be no problem as the surfaces were very consistent. Chairman Shapiro said he also noted there was little difference in the sub base and drainage of the synthetic surfaces. The only difference was the composition of the materials the horses ran on. Commissioner Harris said he agreed that

no one could be 100 percent certain regarding the proposal, but the synthetic surfaces held so much potential the Board would be wise to pursue the idea. Commissioner Harris added he was a little worried about the deadline as there would only be 18 months to install five racetrack surfaces in California, but modifications could be made along the way, and the Board should move forward. Chairman Shapiro **motioned** to adopt the proposed amendment to Board Rule 1433. Commissioner Harris **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE PROPOSED AMENDMENT TO CHRB RULE 1486 – TERM OF LICENSE, TO REVISE THE EXPIRATION DATE OF ONE-YEAR LICENSES FROM DECEMBER 31 TO THE LAST DAY OF THE BIRTH MONTH OF THE LICENSEE.

Roy Minami, CHRB staff, said the proposed amendment of Board Rule 1486, Term of License, provided that the expiration date of one-year licenses would no longer be December 31. Instead, an original one-year license would expire on December 31 in the year it was issued, and automatically be extended to the last day of the birth month of the licensee. Thereafter, such license would expire on the last day of the birth month of the licensee on an annual basis. Mr. Minami stated the purpose of the change was to alleviate the annual backlog of licensees attempting to renew their license on or shortly after December 31 of each year. He said staff recommended the Board direct staff to initiate a 45-day public comment period. Commissioner Harris said he thought it was an excellent idea to have the one-year licenses expire in the birth month of the licensee. He stated his only concern was the term of the license. A lot of groom had worked on the backside for a long time and Commissioner Harris said he believed they should be able to have a three-year license. He commented he

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understood there were concerns regarding turnover, but once a groom had a license for a year or two, a three-year license would eliminate a lot of the paperwork. Mr. Minami said staff considered a longer term of license, but because of the turnover and other issues, it did not seem practical to give a multi-year license to someone who might work only a few months a year. Chairman Shapiro said racetracks used to put a little validation sticker on licenses. He asked if that were still the practice. Mr. Minami said he believed that was still the case. Chairman Shapiro asked why a groom could not receive a three-year license if they had worked for one year and were still in good standing. Executive Director Fermin stated there were barns with very little turnover. However, there were some barns with a lot of turnover, and with a valid license it would be easy to talk one's way onto a track regardless of a validation sticker. She said it seemed prudent to take the issue one step at a time, the first step being a movement to expiration dates, which would alleviate the long lines in December and also maintain security. Mr. Minami said another issue was the cost of the license. Chairman Shapiro stated he did not believe the Board was out to make money off grooms, and if anything, it should defray the cost. Commissioner Harris said the Board could set license fees at what ever it felt they should be, but a multi-year license had a lot of advantages. Commissioner Shapiro said he believed the Board should approve the concept. The 45-day comment period would determine if the Board was headed in the right direction. Commissioner Harris **motioned** to direct staff to initiate a 45-day public comment period. Commissioner Bianco **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE PROPOSED AMENDMENT TO CHRB RULE 1733 – WHIPS, TO REVISE THE ALLOWED LENGTH OF THE DRIVER'S WHIP AND BRING THE BOARD'S RULE IN ACCORDANCE WITH THE US TROTTING ASSOCIATION'S CHANGES.

Roy Minami, CHRB staff, said the proposed amendment to Board Rule 1744, Whips, would change the allowed length of the driver's whip to conform to the newly revised United States Trotting Association (USTA) regulation. The current allowed length was three feet nine inches, with a snapper not to exceed six inches. The new allowed length would be a maximum of four feet, with a snapper not to exceed six inches. Mr. Minami said the USTA regulation was in effect. He stated staff recommended the Board instruct staff to initiate a 45-day public comment period. Commissioner Harris **motioned** to instruct staff to initiate a 45-day public comment period. Commissioner Bianco **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE TEMPORARY SUSPENSION OF CHRB RULE 1606 – COUPLING OF HORSES, FOR THE HOLLYWOOD PARK AND BAY MEADOWS 2006 SPRING RACE MEETINGS.

Roy Minami, CHRB staff, said on May 15, 2006, at a Special Teleconference Meeting, the Board entertained a proposal to waive Rule 1606, Coupling of Horses, and a number of associated regulations, for the Hollywood Park and Bay Meadows 2006 spring meetings. He stated the waiver was to be done on an experimental basis, and was approved at the teleconference meeting. Mr. Minami said the item was placed on the agenda to determine if the Board wished to change or add any conditions of the waiver after a meeting of industry racing secretaries. Chairman Shapiro stated the racing secretaries met on May 25, 2006, and

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discussed rules related to the waiver of Rule 1606. He said it was determined that the temporary waiver of Rule 1606 should continue, and that the in-house rules used by the racing associations were non-precedent setting and would not have any bearing on any other racing associations if the suspension were continued or Rule 1606 was repealed. Chairman Shapiro stated no further action was needed regarding the issue. He commented Los Alamitos indicated it would like to be included in the experimental waiver of Rule 1606, but that would have to be an action item on a future agenda. Ed Halpern of California Thoroughbred Trainers (CTT) said his board discussed the issue and voted not to endorse the repeal of Rule 1606. The CTT board's position was that the integrity of horse racing was important, and leaving the impression with the wagering public that something untoward was going on was not a good idea for the industry, nor did it serve the industry well. Drew Couto of Thoroughbred Owners of California (TOC) said a majority of the TOC board did not endorse the repeal of Rule 1606. He stated the TOC board believed the integrity of horse racing was something that needed to be protected at all costs. The TOC board felt the repeal of Rule 1606 was a compromise for the wrong reasons, and horses should be coupled. Commissioner Harris asked if TOC or CTT would have any thoughts on coupling horses trained by the same trainer. Mr. Halpern said the CTT board did not discuss the issue. He stated from his point of view one rule for trainers and one rule for owners was inconsistent, and he thought the public perception of uncoupled trainer entries was not favorable. Sherwood Chillingworth of Oak Tree Racing Association said he believed if owners entries were coupled, it was far more significant to require trainers entries be coupled as well. Commissioner Moss said the issue grew out of the Pari-Mutuel Operations Committee, and it was the wagering public that wanted owners entries uncoupled. He stated

he believed the experiment should run its course before moving forward. Ron Charles of Magna Entertainment said he agreed that the experiment should continue. He stated he believed the Board would have a good idea regarding the wagering public's sentiments at the end of the meetings. Chairman Shapiro said he wanted his concerns to be on the record, as he did not believe the Board would contemplate uncoupling if there were full fields. He stated he did not want to harm the integrity of the sport, but there was also a genuine need to improve fields and offer more wagering interests. Chairman Shapiro said Mr. Liebau was having staff track the experiment, so some data could be utilized in a final decision.

DISCUSSION AND ACTION BY THE BOARD ON A REPORT OF THE MOLD PROBLEM AT THE SURFSIDE RACE PLACE (SIMULCAST FACILITY) AT DEL MAR.

Chairman Shapiro said the mold problem was within a facility under jurisdiction of the Board, and he wanted to ensure the issue was resolved. He stated he last heard the problem was resolved and the area was clean and clear of mold. Mike Knapp of Surfside Race Place said mold was found in some areas of the building. He stated water intrusion from winter rain was the cause of the mold, which had been cleared by industrial hygienists. Mr. Knapp said from Surfside Race Place perspective, the problem was solved. Chairman Shapiro asked if Mr. Knapp had documentation from an applicable agency. Mr. Knapp stated that was not the issue. There were some elevated levels of mold found in areas that were unavailable to the public. Doug Kempt of Local 280 Pari-Mutuel Guild (Guild) said he did not have any knowledge of a report that stated the building was clear of mold. He stated there were some employees that were still on doctor's orders not to reenter the building, and until such orders were lifted and

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the doctors agreed the building was a safe work place, the issue was not resolved. Mr. Kempt said during the rainy season the building leaked, and Surfside Race Place was forthright about the problem, and had done a good job, but the issue would not be closed until the building was tested again during the rainy season. Chairman Shapiro said his understanding was that the buildings were tested and deemed safe. He asked if Mr. Kempt had not seen the reports. Mr. Kempt said he had not seen the reports. Chairman Shapiro asked if Cal-OSHA was informed of the problem. Mr. Kempt said the agency was informed. Richard Castro of the Guild said the Board clearly had the responsibility to protect the public and workers. He stated he wanted to emphasize that the process had taken a long time; however, Mr. Knapp had been upfront and honest. Mr. Castro said the one thing he took exception to was the pronouncement that the building was safe. He stated the building was not safe until a doctor certified that all employees could go back to work. Mr. Castro said there was one individual who could not go back to work, and that probably meant the building was not safe for others. Chairman Shapiro asked if the one worker could not work anywhere, or just Surfside Race Place. Mr. Castro said he could not go to work at Surfside Race Place. Chairman Shapiro asked if perhaps there was another health issue involved with the one employee. He asked Mr. Knapp if there was a report that stated the black mold was no longer a problem. Mr. Knapp said the facility was tested in 30 areas. The tests indicated there was areas that had high levels of mold content, most of which were dead mold from previous water intrusions. One area had mold between an interior and exterior wall, but that had been mitigated and was currently under reconstruction. Chairman Shapiro asked if Mr. Knapp had spoken to the doctor to determine why the employee could not return. Mr. Knapp said he was not involved in that aspect of the issue.

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Chairman Shapiro stated the issue clearly would not be resolved any time soon. He stated it appeared the entities wished to resolve the problem, but it would take time. Mr. Castro said part of the problem was the design of the building. He added the independent testing company recommended tests be conducted every two to three months. Chairman Shapiro said he would direct staff to follow up on the issue.

STAFF REPORT ON THE FOLLOWING CONCLUDED RACE MEET:**A. LOS ANGELES TURF CLUB AT SANTA ANITA FROM DECEMBER 26, 2005 THROUGH APRIL 23, 2006.**

John Reagan, CHRB staff, said Los Angeles Turf Club (LATF) had an interesting meeting, with increased on-track attendance. Mr. Reagan said the report also included a report from investigative staff. Alan Gotterman of LATF spoke to the Board regarding the concluded race meeting at LATF. He stated LATF enjoyed very good weather during the meeting, and using research from the Oak Tree meeting, it conducted an extensive advertising campaign. The aggressive advertising resulted in an opening day crowd of 34,000, who wagered \$5.8 million. Mr. Gotterman stated the opening day crowd was the largest at LATF since 1999. He added the Sunshine Millions attracted a crowd of 32,000, which was an 81 percent increase over 2005, and a record for the event. Big Cap Day shattered records with its highest attendance in 16 years. The Santa Anita Derby attracted 50,000 fans – the highest attendance in 22 years. Mr. Gotterman said LATF had solid fields all season, with field size averaging 8.6 starters, and the improved business led to significant purse increases. Mike Willman of LATF spoke to the Board about LATF's advertising campaign. Chairman Shapiro said he thought LATF did a

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phenomenal job. He stated he knew how hard everyone worked, and it was wonderful to hear the kind of numbers that came out of the meeting.

GENERAL BUSINESS

Ed Halpern of California Thoroughbred Trainers recognized Commissioner Bianco for his generosity in providing funding to help backstretch workers file income taxes. He stated, in addition, that Commissioner Moss and his wife made a very generous donation to a scholarship fund for the children of backstretch workers. Jerry Jamgotchian, a horse owner, spoke about several issues that caused him concern.

MEETING ADJOURNED AT 5:55 P.M.

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

Chairman

Executive Director

STAFF ANALYSIS
June 22, 2006

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE SAN MATEO COUNTY FAIR AT SAN MATEO AUGUST 9-23, 2006.

San Mateo County Fair filed its application to conduct a horse racing meeting at San Mateo:

- August 9-23, 2006, or 12 days, the same as 2005. The fair proposes to race a total of 114 races, one more than 2005.
- The proposed race dates are the approved dates allocated to the fair.

August - 2006						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

- Racing Wednesday through Sunday with 9 or 10 races per day Wednesday, 9 races Monday, Thursday and Friday and 10 or 11 Saturday and Sunday.
 - Number of horses available determines the number of daily races programmed by breed.
 - 2005 Race Meeting: Average number of runners per race (TB): 7.14
 - 2005 Race Meeting: Average number of runners per race (Arabian): 6.5
 - 2005 Race Meeting: Average number of runners per race (Quarterhorse): 5
 - 2005 Race Meeting: Average number of runners per race (Mules): 7.33
- Racing concurrently with Humboldt Fair 8/10-13 and 8/16-20 and Del Mar 8/10-13, 8/16-21 and 8/23. Humboldt and Del Mar race 8/14.
- First post 1:45 p.m. daily and 12:45 p.m. for Pacific Classic Day.
 - Post times may be adjusted for the coordination of California races.
- Request Patrick Kealy be appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety requirements have been fulfilled.
- Wagering program will use CHRB rules.
 - Early wagering will be offered for Breeders' Cup Future wagering – date to be determined.
 - Will offer a \$1 place pick (n) on first 10 races of each card, \$1 pick (n) pool (pick four) on first four and final four races and a \$2 pick (n) pool (pick 6) on final six races.

- Simulcasting conducted with other out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- Inspection of backstretch worker housing completed.

RECOMMENDATION:

Staff recommends the Board approve the application.

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

1. APPLICANT FAIR ASSOCIATION

A. Name, mailing address, telephone and fax numbers of fair:
San Mateo County Exposition and Fair Association Telephone: (650) 574-3247
P.O. Box 1027, San Mateo, CA 94403-0627 Fax: (650) 574-3985

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

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

2. DATES OF RACE MEETING

A. Inclusive dates of race meeting: **August 9, 10, 11, 12, 13, 16, 17, 18, 19, 20, 21, 23**
 B. Dates racing will NOT be held: **Monday-August 14th, Tuesday-August 15th, Tuesday-August 22nd**
 C. Total number of racing days: **12**

3. RACING PROGRAM

A. Total number of races: **114**
 B. Number of races by breed:
 Thoroughbreds Quarter Horses Appaloosas
 Arabians Paints Mules
 C. Number of races daily:

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Thoroughbred	9	8		8	8	8	9
Other Breeds	1 or 2	1		1 or 2	1	1	1 or 2
Total	10 or 11	9		9 or 10	9	9	10 or 11

CHRB CERTIFICATION	
Application received: <i>5/10/06</i>	Hearing date: <i>6/22/06</i>
Reviewed: <i>PN</i>	Approved date:
	License number:

D. Total number of stakes races by breed:

<input type="text"/>	Thoroughbreds	<input type="text" value="1"/>	Quarter Horses	<input type="text"/>	Appaloosas
<input type="text" value="2"/>	Arabians	<input type="text"/>	Paints	<input type="text" value="1"/>	Mules

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

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

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

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

Race#	Daily	Pacific Classic Day
1	1:45	12:45
2	2:16	1:15
3	2:48	1:45
4	3:20	2:15
5	3:50	2:48
6	4:20	3:20
7	4:50	3:50
8	5:20	4:25
9	5:50	5:00
10	6:18	5:30
11	6:45	6:00

Post times may be adjusted to facilitate coordination of California races

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

4. FAIR ASSOCIATION

- A. Names of the fair directors: **Tony Clifford, President, Jack Olsen, Vice President, Melanie Hildebrand, Secretary-Treasurer, Larry Buckmaster, Director, Peter Chartz, Director, Steve Karp, Director, Bill Nack, Director, Mark Norris, Director, John Zirelli, Director, Terry Kawi, Youth Commission, Shazia Virji, Youth Commission**
- B. Names of the directors serving on the Racing Committee or otherwise responsible for the conduct of the racing program: **Chris Carpenter, Director of Racing**
- C. Name and title of the fair manager or executive officer and the names and titles of all department managers and fair staff, **other than those listed in 9B**, who will be listed in the official program:

5. PURSE PROGRAM

- A. Current Meeting estimated Purse Distribution:
Purse Distribution includes a \$72,010 underpayment carryover from 2005
- All races other than stakes:

Current meet estimate:	\$1,669,930 plus starter purses per Section 19605.75
Prior meet actual:	\$1,626,302 plus starter purses per Section 19605.75

SAN MATEO COUNTY FAIR 2006 STAKES SCHEDULE

ARABIANSSaturday, August 12^h, 2006-Overnight Handicap**California Classic Oaks-\$16,000 estimated***

*(Includes \$2,500 from ARAC race fund)

Fillies & Mares, Four Year Olds

Six Furlongs

Saturday, August 19th, 2006-Overnight Handicap**California Classic Derby-\$16,000 estimated***

*(Includes \$2,500 from ARAC race fund)

Four Year Olds

Six Furlongs

MULESWednesday, August 23rd, 2006-Overnight Handicap**Straight from the Gate-\$9,000 estimated**

Three Year Olds

350 Yards

QUARTER HORSESSunday, August 20th, 2006-Overnight Handicap**Jack Clifford-\$15,000 added**, \$16,000 estimated**

**(Includes \$2,500 from PCQHRA)

Three Years Old & Upward

350 Yards

2. Overnight stakes:
 Current meet estimate: **\$57,000 (includes supplements & fees)**
 Prior meet actual: **\$79,455 (includes supplements & fees)**
3. Non-overnight stakes:
 Current meet estimate: **-0-**
 Prior meet actual: **-0-**
- B. Funds to be generated for all California-bred incentive awards:
 Current meet estimate: **\$137,974**
 Prior meet actual: **\$145,509**
- C. Payment to each recognized horsemen's organization contracting with the fair:
- | | Current meet estimate: | Prior meet actual: |
|---------------------------------|------------------------|--------------------|
| CTT | \$ 5,247 | \$ 5,354 |
| TOC | 10,496 | 10,711 |
| NTRA | 7,266 | 24,623 |
| PCQHRA | 1,569 | 351 |
| CWAR | 0 | 0 |
| ARAC | 3,305 | 4,427 |
| AMRA | 2,334 | 2,089 |
| CHBPAPEN | 15,743 | 16,065 |
| CTHF | <u>15,743</u> | <u>16,065</u> |
| Total Estimated Payments | \$ 61,703 | \$ 79,685 |
- D. Amount from all sources to be distributed at the meeting in the form of purses or other benefits to horsemen (5A+5B+5C):
 Current meet estimate: **\$1,926,607 plus starter purses per Section 19605.75**
 Prior meet actual: **\$1,930,951 plus starter purses per Section 19605.75**
- E. Purse funds to be generated from on-track handle and intrastate off-track handle:
The amounts listed below do not include prior year carryovers, performance purses, stake supplements and nomination/entry/starter fees. Projected generation for the 2006 meet reflects variances from the 2005 race meet, as the 2006 race meet includes one less import-only day, and live racing on one less Thursday, which is being replaced by a Monday.
- Current meet estimate: **\$1,351,615**
 Prior meet actual: **\$1,422,068**
- F. Purse funds to be generated from interstate handle:
 Current meet estimate: **\$ 171,606**
 Prior meet actual: **\$ 169,725**
- G. Bank and account number for the Paymaster of Purses' purse account:
San Mateo County Fair Horsemen's Account – Wells Fargo, account # 4121138218
- H. Name, address and telephone number of the pari-mutuel audit firm engaged for the meeting:
Disher Accountancy Corp., 1816 Maryal Drive, Sacramento, CA 95864; 916-482-4224

NOTICE TO APPLICANT: All funds generated and retained from on-track pari-mutuel handle which are obligated by law for distribution in the form of purses, breeders' awards or other benefits to horsemen, **shall not** be deemed as income to the fair and **shall**, within 3 calendar days

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

6. STABLE ACCOMMODATIONS

- A. Number of usable stalls available for racehorses at the track where the meeting is held: **900**
- B. Minimum number of stalls believed necessary for the meeting: **1,900**
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: **1,300**
- D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site: **Golden Gate Fields, Albany, CA--1,000; Alameda County Fair, Pleasanton, CA--300**
- E. Attach each contract or agreement between the fair and the person(s) furnishing off-site stabling accommodations for eligible racehorses that cannot be provided stabling on-site. **On File**

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

- F. Total number of usable stalls made available **on-site** for the **1986** meeting: **n/a**
- G. Estimated cost to provide **off-site** stalls for this meeting. Show cost per-day per stall:
Per the 2006 Northern California Stabling and Vanning Agreement
- H. Estimated cost to provide **vanning** from off-site stalls for this meeting. Show fees to be paid for vanning **per-horse**: **-0-**

7. PARI-MUTUEL WAGERING PROGRAM

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

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

	TYPE OF WAGERS	APPLICABLE RULES
Example Race	\$1 E; \$1 Double	CHRB #1959; RCI #VE
1	\$1E,\$2Q,\$1TRI,\$1PK3,\$2DD,\$.10SF,\$1PPN***,\$1PNP(4)**	CHRB#1959,#1958,#1979,#1977,#1957,#1979.1,#1976.8,#1976.9
2	\$1E,\$2Q,\$1TRI,\$1PK3,\$2DD,\$.10SF	CHRB#1959,#1958,#1979,#1977,#1957,#1979.1
3	\$1E,\$2Q,\$1TRI,\$1PK3,\$2DD,\$.10SF,\$2PNP(6)*	CHRB#1959,#1958,#1979,#1977,#1957,#1979.1,#1976.9
4	\$1E,\$2Q,\$1TRI,\$1PK3,\$2DD,\$.10SF	CHRB#1959,#1958,#1979,#1977,#1957,#1979.1
5	\$1E,\$2Q,\$1TRI,\$1PK3,\$2DD,\$.10SF,\$1PNP(4)**	CHRB#1959,#1958,#1979,#1977,#1957,#1979.1,#1976.9
6	\$1E,\$2Q,\$1TRI,\$1PK3,\$2DD,\$.10SF	CHRB#1959,#1958,#1979,#1977,#1957,#1979.1
7	\$1E,\$2Q,\$1TRI,\$1PK3,\$2DD,\$.10SF	CHRB#1959,#1958,#1979,#1977,#1957,#1979.1
8	\$1E,\$2Q,\$1TRI,\$1PK3,\$2DD,\$.10SF	CHRB#1959,#1958,#1979,#1977,#1957,#1979.1
9	\$1E,\$2Q,\$1TRI,\$1PK3,\$2DD,\$.10SF	CHRB#1959,#1958,#1979,#1977,#1957,#1979.1
10	\$1E,\$2Q,\$1TRI,\$1PK3,\$2DD,\$.10SF	CHRB#1959,#1958,#1979,#1977,#1957,#1979.1
11	\$1E,\$2Q,\$1TRI,\$1PK3,\$2DD,\$.10SF	CHRB#1959,#1958,#1979,#1977,#1957,#1979.1

B. Maximum carryover pool to be allowed to accumulate before its distribution OR the date(s) designated for distribution of the carryover pool: **August 23rd, 2006**

C. List any options requested with regard to exotic wagering:
***\$2 Pick (n) Pool (Pick) 6 will be offered on the final six races of each card, with 70% to the major pool or carryover, and 30% to the minor pool.**

****\$1 Pick (n) Pool (Pick) 4 will be offered on the first four and final four races of each card**

*****\$1 PPN (Place Pick (n) Pool will be offered on the first ten races of each card**

D. Will "advance" or "early bird" wagering be offered? Yes No

If yes, when will such wagering begin:

Breeders' Cup Future wagering, date(s) to be determined

E. Type(s) of pari-mutuel or totalizator equipment to be used by the fair and the simulcast organization, the name of the person(s) supplying equipment, and expiration date of the service contract:

Scientific Games Racing, Terry McWilliams, 09/07

8. SIMULCAST WAGERING PROGRAM

A. Simulcast organization engaged by the fair to conduct simulcast wagering: **NCOTWINC**

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

C. California simulcast facilities the fair proposes to offer its live audiovisual signal: **All California facilities authorized to accept the signal, including:**

NORTHERN CALIFORNIA

Alameda County Fair, Pleasanton
 Bay Meadows, San Mateo
 Big Fresno Fair, Fresno
 California State Fair & Exposition, Sacramento
 Club One, Fresno
 Golden Gate Fields, Albany
 Kern County Fair, Bakersfield

SOUTHERN CALIFORNIA

Barona Casino, Lakeside
 Fantasy Springs Casino (Cabazon), Indio
 Del Mar Thoroughbred Club, Del Mar
 Hollywood Park, Inglewood
 Desert ExpoCentre, Indio
 The Farmers Fair, Perris
 Antelope Valley Fair, Lancaster

Monterey County Fair, Monterey
 Redwood Acres Fair, Eureka
 San Mateo County Fair, San Mateo
 San Joaquin County Fair, Stockton
 Santa Clara County Fair, San Jose
 Shasta District Fair, Anderson
 Solano County Fair, Vallejo
 Sonoma County Fair, Santa Rosa
 Stanislaus County Fair, Turlock
 Tulare County Fair, Tulare

Santa Barbara County Fair, Santa Maria
 Los Alamitos Racecourse, Los Alamitos
 Mid-State Fair, Paso Robles
 National Orange Show, San Bernardino
 Fairplex Park, Pomona
 Santa Anita, Arcadia
 Viejas Casino & Turf Club, Alpine
 Earl Warren Showgrounds, Santa Barbara
 Sycuan Gaming Center, El Cajon
 Ventura County Fair, Ventura
 San Bernardino County Fair, Victorville

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

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

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
Arlington Park	8/9/06-8/23/06	Full or Partial Cards
Calder	8/9/06-8/23/06	Full or Partial Cards
Canterbury	8/9/06-8/23/06	Full or Partial Cards
Delaware Park	8/9/06-8/23/06	Full or Partial Cards
Ellis Park	8/9/06-8/23/06	Full or Partial Cards
Emerald Downs	8/9/06-8/23/06	Full or Partial Cards
Fort Erie	8/9/06- 8/23/06	Full or Partial Cards (International)
Hastings Park	8/9/06-8/23/06	Full or Partial Cards (International)
Monmouth	8/9/06-8/23/06	Full or Partial Cards
NYRA (Saratoga)	8/9/06-8/23/06	Full or Partial Cards
Penn National	8/9/06-8/23/06	Full or Partial Cards
Philadelphia Park	8/9/06-8/23/06	Full or Partial Cards
Prairie Meadows	8/9/06-8/23/06	Full or Partial Cards
Remington Park	8/9/06-8/23/06	Full or Partial Cards
River Downs	8/9/06-8/23/06	Full or Partial Cards
Suffolk Downs	8/9/06-8/23/06	Full or Partial Cards
Thistledown	8/9/06-8/23/06	Full or Partial Cards
Woodbine	8/9/06-8/23/06	Full or Partial Cards (International)

- G. List imported simulcast races the fair plans to receive during the racing meeting which use breeds other than the breed of the majority of horses racing at its live horse racing meeting. Include the

Commingled:	
Acoma Pueblo	NM
AmericaTab	OH
AmWest Entertainment	SD
AmWest Entertainment –The Sports Center	SD
AmWest Entertainment –Time Out Lounge	SD
Arapahoe Park	CO
Arlington International Racecourse	IL
Atlantic City Casino Assn.	NJ
Atlantic City Race Course	NJ
Atlantis Paradise Island Casino	FL
Atokad Downs	NE
Balmoral Park / Maywood	IL
Bangor Historic Track	ME
Bettor Racing OTB/Royal River	SD
Beulah Park	OH
Birmingham Race Course	AL
Blue Ribbon Downs	OK
Bluffs Run Greyhound Park & Casino	IA
Boyd Gaming, d/b/a Delta Downs	LA
Buffalo Trotting Association	NY
Calder Race Course	FL
Canterbury Park	MN
Capital Regional District OTB	NY
Capitol Racing at Western Idaho Fair	ID
Capitol Sports Pty Ltd.	AUS
Catskill Regional OTB	NY
Charles Town Race Course	WV
Choctaw Racing Services, LLC	OK
Choctaw Racing Services, LLC –Red River Casino	
Choctaw Racing Services, LLC –Comanche Nation Games	
Choctaw Racing Services, LLC –Oneida Bingo	
Churchill Downs	KY
Coeur d' Alene Casino & Acct. Wagering	ID
Comanche Nation Games	OK
Connecticut OTB	CT
Connecticut OTB –Divi Carina Bay Casino	
Connecticut OTB –Ho-Chunk Casino	
Connecticut OTB –Isle of Capri Racebook	
Connecticut OTB –Mohegan Sun Casino	
Connecticut OTB –Plainfield Greyhound	
Connecticut OTB –Randall James Racetrack	
Connecticut OTB –Royal Beach Casino	
Connecticut OTB –Shoreline Star Greyhound	
Connecticut OTB –Tote Investment Racing Service	
Corpus Christi Greyhound Race Track	TX
Crystal Palace Casino	BA
Crystal Palace Casino	BAH
Dairyland Greyhound Park	WI
Darwin (International) All-Sports	AUS
Delaware Park	DE
Delta Downs (Boyd Gaming)	LA
Dover Downs	DE
Downs at Albuquerque	NM
Dubuque Greyhound	IA
Ellis Park	KY
Emerald Downs	WA
Equus St Thomas Racing	VI
Euro Off-Track	FL
European Simulco AKA MEC Sport & Entertainment	CA
Evangeline Downs	LA
Fair Grounds Race Course	LA
Fair Meadows at Tulsa	OK
Fairmount Park	IL
Finger Lakes Race Track	NY
Fire Lakes Casino	OK
Fonner Park	NE
Freehold Raceway	NJ

Gillespie County Fair Race Meet	TX
Great Lakes Downs	MI
Greentrack	
Gulf Greyhound Park	TX
Gulf Greyhound Park @ Post Falls	ID
Gulfstream Park	FL
Harrington Raceway AKA Midway Slots	DE
Hawthorne National LLC	IL
Hazel Park	MI
Hinsdale Greyhound Park	NH
Hinsdale Greyhound Park Account Wagering	
Hoosier Park	IN
Horsemen's Park	NE
Indiana Downs	IN
Indiana Downs –Evansville OTB	IN
Indiana Downs –Clarksville OTB	IN
International All Sports	OH
International Wagering Sytems, Inc.	CA
Jackson Harness Raceway	MI
Keeneland Association	KY
Kentucky OTB's	KY
Lebanon Raceway	OH
Les Bois Park Simulcast Network	ID
Lewiston Raceways, Inc.	ME
Lien Games, Inc.	ND
Lincoln Greyhound Park	RI
Lone Star Race Park Ltd.	TX
Louisiana Downs (Harrah's)	LA
LVDC/Atlantis Paradise Island Casino, Bahamas	NV
LVDC/Cities of Gold Sports Bar (Pojoaque), NM	NV
LVDC/Elite Turf Club, Curacao	NV
LVDC/Fire Lakes Entertainment	NV
LVDC/Foxwoods Resorts Casino, CT	NV
LVDC/Holiday Beach, Cuaraco	NV
LVDC/Meskwaki Bingo & Casino, IA	NV
LVDC/Red River Casino, OK	NV
LVDC/Spirit Mountain Casino, OR	NV
LVDC/The Stables, OK	NV
LVDC/Tonkawa Bingo, OK	NV
Manor Downs	TX
Maryland Jockey Club	MD
Meadowlands (NJSEA)	NJ
Midway Slots & Simulcast/Harrington Raceway	DE
Montana Simulcast Partners	MT
Monticello Raceway	NY
Mount Pleasant Meadows	MI
Mountaineer Park	WV
Nassau/Suffolk OTB	NY
Nevada Pari-Mutuel Association	NV
New Jersey Sports & Exposition Authority	NJ
New York City Off-Track Betting	NY
New York Racing Association	NY
Newport Jai-Alai	RH
Northfield Park	OH
Northville Downs	MI
Northville Downs Corp.	MI
Oaklawn Park	AR
Ocean Downs	MD
Penn National Race Course	PA
Philadelphia Park	PA
Plainridge Race Course	MA
Pocono Downs	PA
Portland Meadows	OR
Prairie Meadows	IA
Raceway Park	OH
Racing & Gaming Services, Inc. (RGS)	WI
Racing World	
Raynham-Taunton Greyhound Park	
Remington Park	OK

Retama Park	TX
River Downs	OH
Rockingham Park	NH
Rockingham Park –Account Wagering	
Rockingham Park –Seabrook Greyhound	
Rosecroft Raceway	MD
Royal River Racing (Bettor Racing OTB)	ID
Ruidoso Downs	NM
Saginaw Harness Raceway	MI
Sam Houston Race Park, LTD	TX
Sam Houston Race Park, LTD – Valley Greyhound Park	NH
Saratoga Raceway	NY
Scarborough Downs	ME
Scioto Downs	OH
Southland Greyhound Park	AR
Sports Creek Raceway	MI
State Fair Park	NE
Stevenson & Associates, Inc.	MD
Suffolk Downs	MA
Suffolk Downs OTB	MA
Suffolk Downs-Excelsior Casino	
Suffolk Regional OTB	NY
Sunland Park	NM
SunRay Park	NM
Tampa Bay Downs	FL
The Greyhound Park at Post Falls	ID

The Meadows	PA
The Racing Channel, Inc. (Domestic)	OR
The Racing Network International, Inc.	OR
The Texas Hub at Gulf Greyhound	TX
Thistledown Racing	OH
Tote Investment Group	
Tri-State Racetrack & Gaming Center	WV
Turf de Venezuela	VEN
Turf Paradise	AZ
Turfway Park	KY
TVG Network	CA
U.S. Off Track, LLC	FL
Vernon Downs	NY
Western Regional OTB	NY
Wheeling Downs	WV
Wichita Greyhound Park	KS
Wichita Greyhound Park –Crystal Palace Casino	
Wonderland Greyhound Park	MA
Woodlands	KS
Wyoming OTB	WY
XpressBet, Inc	CA
Yavapai Downs	AZ
Yonkers Raceway	NY
Youbet	CA
Zia Park Racetrack	NM

Separate:

Caliente (MIR)	CA
Caymanas Park	JAM
Flamoro Downs	CAN
Fraser Downs	CAN
Hastings Entertainment Inc.	CAN
Hippodromo Presidente Remon (MIR)	MEX
IWS/International Wagering Sytems, Inc.	CA
Las Vegas Dissemination Co.	NV
Stevenson & Associates, Inc.	MD
Teletheatre BC	CAN
Woodbine Entertainment Group	CAN

name of the host track, the dates imported races will be held, and how many races will be imported:

n/a

OTHER BREED SIMULCAST RACES TO BE IMPORTED

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

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

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

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

9. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

- A. Racing officials nominated:

Association Veterinarian(s)	Diane Isbell, Don Davies
Clerk of Scales	Ken Sjoldal
Clerk of the Course	Anne Daftary
Film Specialist	Gary Lawless
Horse Identifier	Patrick Kealy
Horseshoe Inspector	Jack Hammonds
Paddock Judge	Gary Lawless
Patrol Judges	Gary Lawless, Tammy McDuffie
Placing Judges	Tina Walker, Greg Brent
Starter	Chuck Burkes
Timer	Richard Somers

- B. Management officials in the racing department:

Director of Racing	Chris Carpenter
Racing Secretary	Tom Doutrich
Assistant Racing Secretary	Greg Brent & Linda Anderson
Paymaster of Purses	Peggy Morsi
Others (identify by name and title)	
Main Track Superintendent	Robert Turman
Turf Course Superintendent	Bernie Eastridge
Price Maker	Richard Somers
Stable Superintendent	Jerry Lynn Hunter

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

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

D. Photographic device to be used for photographing the finish of all races, name of the person supplying the service, and expiration date of the service contract:
Plusmic Corporation USA (Bill O'Brien), expires 12/07

E. Photopatrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract. Specify the number and location of cameras for dirt and turf tracks.
Bay Meadows Video Department, lead by Jim Fetter, supplies video equipment to record all races. Seven color cameras, twenty-one videotape recorders, and nine video monitors are utilized.

Cameras for dirt and turf tracks include:

Pan camera #1 (tight pan) aligned with finish lines, just above photo finish camera on grandstand roof

Pan Camera #2 (wide pan) located next to tight pan camera

3/8 tower camera aligned with backstretch of dirt track

1/4 tower camera aligned with front stretch of turf course (rear view)

7/8 tower camera aligned with front stretch of dirt track

7/8 pan/tilt/zoom remote controlled camera aligned with turf course front stretch (head on)

5/16 highlight camera follows lead horses down the stretch from near-ground level

F. Type of electronic timing device to be used for the timing of all races, name of the person supplying the service, and expiration date of the service contract:
Electronic timer, installed and maintained by Bay Meadows personnel

10. SECURITY CONTROLS

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

Michael Scalzo, (650) 573-4543, Organizational chart and list of security personnel attached

B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis: **20 uniformed guards, 2 plain clothes, 5 stable area guards**

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. **San Mateo County Fair does not offer either graded stakes or races of \$100,000 or more. Detention barn plan is attached**

2. Detention Barns:

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

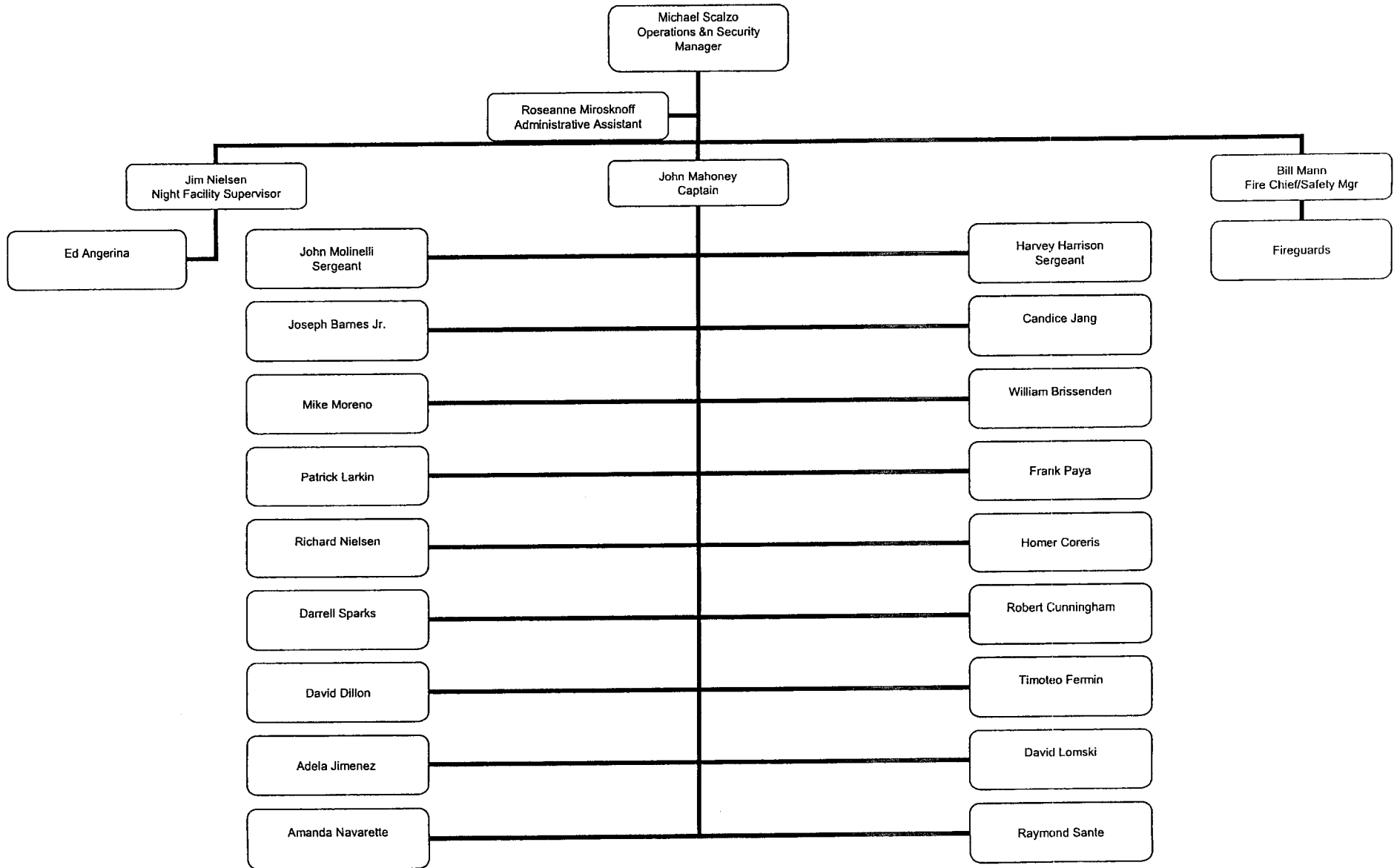
B. Number of security guards in the detention barn area during a 24-hour period. **5**

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

3. TCO2 Testing:

A. Number of races to be tested, and number of horses entered in each race to be tested.
Applicant will follow CHRB staff directives to insure compliance with CHRB rule #1843.6

San Mateo County Fair @ Bay Meadows – Security Department Organizational Structure



San Mateo Fair @ Bay Meadows – 2006 Security Personnel

Security Office Phone # (650) 573-4535
Stable Gate Phone # (650) 573-4577

Scalzo, Michael
 Office# (650) 573-4540
 Cell # (650) 222-8153

Staff Members:

Nielsen, James
Angerina, Ed
Barnes Jr, Joseph
Bottari, Robert
Brissenden, William
Cook, Robert
Coreris, Homer
Cunningham, Robert
Dillon, David
Eitel, Calvin
Ferman, Tomoteo
Harrison, Harvey
Hart, Gregory
Jang, Candice
Jimenez, Adela
Larkin, Patrick
Lomski, David
Mahoney, John
Mann, Bill
Mirosnkoff, Roseanne
Molinelli, John
Moreno, Michael
Navarrete, Amanda
Nielsen, Richard
Paya, Frank
Plunkett, Todd
Sante, Raymond
Sparks, Darrell
Wild, Neil

Attachment to SMCF 2006 License Application**10. SECURITY CONTROLS**

B-2

Detention Barn Plan & Number and Location of surveillance cameras in detention barn area:

Barn One, which is the barn mostly frequently utilized by horses shipping in to run at Bay Meadows, serves as the Detention Barn. Barn One is 360' long by 180' wide, and has ten exits and entrances. It contains approximately 162 stalls, and houses the receiving barn area, transit and detention stalls. Surveillance equipment in Barn One includes a 16 camera, 180 GB digital recording system. The installation of surveillance equipment in Barn One enables staff to better monitor the activity of horses and persons entering and exiting Barn One and the stable gate area, which is roughly fifty feet away.

One camera has been strategically placed to monitor the stable gate entrance, two cameras monitor designated detention stalls, and the balance have been placed to provide surveillance of the entrances and exits to the barn.

The recorder is kept in a secure housing in a locked communications room in the Barn building. A password is required before any action can be taken on the recording system.

The cameras are powered from a common power supply located, with the recorder, in the communications room. The entire system is powered with a UPS power back-up, and will continue to operate during a power failure.

All cameras generate their own infra-red light source, so they provide a viewable image even in "total" darkness. They operate in color during the day, and convert to black-and-white in dark lighting conditions.

The digital recorder records all cameras at full frame. Recording options include resolution quality and motion detection. In motion detection mode, video frame recording commences only when motion is detected within selected areas, which saves on hard-drive storage space. The amount of time that can be stored before re-recording over existing material occurs is dependant upon the amount of barn activity. If all cameras recorded 24 hours a day, 7 days a week, at the highest resolution setting, the 180 GB drive would begin re-writing over existing data within about 48 hours. With standard resolution and motion detection engaged, recording time falls between 5 and 10 days before re-writing begins.

B. Plan for enhanced surveillance for trainers with high-test results.
Applicant will follow CHRB staff directives to insure compliance with CHRB rule #1843.6

C. Plan for detention barns for repeat offenders.
Applicant will follow CHRB staff directives to insure compliance with CHRB rule #1843.6

D. Number of security personnel assigned to the TCO2 program.
As needed per advice of CHRB staff.

- C. Describe the electronic security system.
Security alarms systems, including cameras, motion and contact sensors, monitored by Hue & Cry, cover the administrative offices, mutuel, catering and operations money rooms. Surveillance systems with time-lapse recorders monitor key locations throughout the plant and parking lot. Fire alarms throughout the grandstand and stable areas are monitored by Diversified Alarm Company.
1. Location and number of video surveillance cameras for the detention barn and stable gate.
One camera is dedicated to monitor the stable gate entrance, two cameras monitor the stalls designated as detention stalls within Barn One, and thirteen cameras monitor entrances and exits within Barn One. Surveillance equipment includes a 180 GB digital recording system.

11. EMERGENCY SERVICES

- A. Name, address and emergency telephone number of the ambulance service to be used during workouts and the running of the races:
Bayshore Ambulance, Box 4622, Foster City, CA 94404, (650) 525-9700
- B. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites:
Turf Rescue, LLC, 19615 Barclay Road, Castro Valley, CA 94546, (510) 581-8470
- C. Attach a fire clearance from the fire authority having jurisdiction over the premises. **Attached**
- D. Attach a Certificate of Insurance for workers’ compensation coverage. The CHRB is to be named as a certificate holder and given not less than 10 days’ notice of any cancellation or termination of insurance that secures the liability of the fair for payment of workers’ compensation. **Attached**

12. CONCESSIONAIRES AND SERVICE CONTRACTORS

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

Armored Car Service	Loomis Armored, Inc.-Dept 2120, Pasadena, CA 91185-1206
Catering Service	Trackside Catering, Box 5050, San Mateo, CA 94403
Jockey’s Laundry	Lorene Dutton, 3263 Vineyard Avenue, Pleasanton, CA 94566
Program Printer	Del Mar Graphics, 7806 Honors Court, Pleasanton, CA 94588
Starting Gate	Mike Costello-United/Puett Starting Gate Co., Box 18, S. Salem, NY 10590
Tip Sheets	Lisa Wasserman-Jack’s Blue Card, 127 Sun Avenue, Hayward, CA 94544
Track Photographer	Bill Vassar, 5075 Double Point Way, Discovery Bay, CA 94514

RECEIVED
CHRB

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FIRE DEPARTMENT
Bureau of Fire Protection and Life Safety
www.cityofsanmateo.org

1900 O'Farrell, Suite 140
San Mateo, California 94403-1382
(650) 522-7940
FAX: (650) 522-7941
TDD: (650) 522-7047

February 14, 2006

Ms. Burnie Thurman
Bay Meadows Land Company
2600 S. Delaware St.
San Mateo, California 94403

Dear Ms. Thurman:

This letter is to serve as the San Mateo Fire Department Fire Clearance for Bay Meadows Land Company at 2600 S. Delaware Street, San Mateo, California. The Fire Clearance is in effect starting March 1, 2006, through December 31, 2006.

Your staff's continued attention to correcting the listed fire code violations is greatly appreciated. As long as these efforts show progress, this Fire Clearance will remain valid through December 31, 2006. All fire and life safety issues are to be brought to compliance and/or stay in compliance to assure public safety.

Should you have any questions, please feel free to contact me at the above telephone number.

Sincerely,

Michael Leong
Fire Marshal

Brian M. Kelly
Fire Chief

February 23, 2006

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

Re: San Mateo Exposition & County Fair Association
 2495 South Delaware Street
 San Mateo, CA 94403

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

I. COMPREHENSIVE GENERAL LIABILITY PROGRAM

- A. Primary Coverage \$1,000,000 self-insured retention California Fair Services Authority
 Coverage continuous until cancelled
- B. Excess Coverage \$9,000,000 in excess of \$1,000,000
 Coverage provided by Insurance Company of the State of Pennsylvania
 Term: 01/01/2006 to 01/01/2007

II. WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY

- A. Primary Coverage \$500,000 self-insured retention California Fair Services Authority
 Coverage continuous until cancelled
- B. Excess Coverage (a) Workers' Compensation: \$149,500,000 in excess of \$500,000
 (b) Employers' Liability: \$4,500,000 in excess of \$500,000
 Coverage provided by California Public Entity Insurance Authority
 Term: 07/01/2005 to 07/01/2006

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

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

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

Sincerely,



Charles A. Mitchell

Risk Manager

A Joint Powers Authority comprised of the State of California, Department of Food & Agriculture, the counties of Humboldt, Lassen, Madera, Mendocino, Monterey, Placer, Plumas, San Benito, San Joaquin, San Mateo, Santa Clara, Solano, Sonoma and Trinity, and the California Exposition and State Fair.

13. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

- A. Describe any promotional plans: **Attached**
- B. Number of hosts and hostesses employed for meeting: **Attached**
- C. Describe facilities set aside for new fans: **Attached**
- D. Describe any improvements to the physical facility in advance of the meeting that directly benefits: **Improvements added since the 2005 SMCF race meet include**
 - 1. Horsemen **Redesigned outrider shelters**
Replaced rubber bricks in the tunnel
Refurbished racing office
 - 2. Fans **Additional video monitors**
New paddock tote board indicators
New carpet
Added air conditioning to the Pegasus Room
South lot paving
 - 3. Facilities in the restricted areas
Upgraded video department equipment
Wireless internet connectivity
New tote room air conditioning system

14. SCHEDULE OF CHARGES

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

Admission (general)	\$3.00
Admission (clubhouse)	\$6.00
Reserved seating (general)	\$3.00
Reserved seating (clubhouse)	\$3.00
Parking (general)	\$7.00
Parking (preferred)	\$8.00
Parking (valet)	\$8.00
Programs (on-track)	\$2.00
(off-track)	\$2.00
- B. Describe any "Season Boxes" or other special accommodation fees: **None**
- C. Describe any "package" plans such as combined parking, admission and program: **None**

15. JOCKEYS' QUARTERS

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

<input checked="" type="checkbox"/> Corners (lockers and cubicles)	How many	<input style="width: 40px; text-align: center;" type="text" value="25"/>
<input checked="" type="checkbox"/> Showers	<input checked="" type="checkbox"/> Steam room, sauna or steam cabinets	<input checked="" type="checkbox"/> Lounge area
<input checked="" type="checkbox"/> Masseur	<input checked="" type="checkbox"/> Food/beverage service	<input checked="" type="checkbox"/> Certified platform scale

Attachment to San Mateo County Fair License Application

13. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

A. Promotional plans for meet and estimated budget for each activity:

Promotional activity will be geared toward attempting to drive Fair attendees to the track. The fairgrounds and racetrack are separated by the length of the facility parking lot. An advertising plan specifically focused upon racing will supplement the general marketing plan promoting the other fair activities.

1) Racetrack booth inside the fairgrounds:

Within the fair, in the Central Mall area, a "Horseracing 101" booth will be set up. Patrons who visit the booth will receive a small prize (for example, a keychain) in exchange for demographic information such as name, address, and e-mail address. The fan will be given a free pass to visit the racetrack. Upon entering with their promotional pass from the Fair, they will have the opportunity to spin the "Prize Wheel" and receive an additional prize (t-shirt, hat, etc.).

The Fair booth will be staffed by Bay Meadows Marketing Representatives who will provide fan education for newcomers. Also, a fan education video will be shown on a television monitor at the booth.

The Horseracing 101 booth will also include "Speedy", Bay Meadows' fiberglass horse, displayed in a prominent location, where children can have their picture taken upon "Speedy."

2) Coupon Distribution for all fairgoers:

At the fair box office, when a fair patron receives his or her ticket for admission, he or she will also receive a coupon good for free admission at the racetrack, good any day during the fair race meet.

3) Senior Thursdays:

Each Thursday of the Fair will be Senior Thursday, where all fans aged 62 and older will receive free general admission or \$3 Clubhouse admission. Thursdays will also feature a spaghetti feed for senior citizens, a promotion that proved to be quite popular during the Spring Bay Meadows race meet.

4) Racetrack Transportation:

Bay Meadows will provide shuttle transportation to fans wishing to attend the races from the fairgrounds. Two passenger vans will be utilized to bring patrons to and from the fairgrounds.

B. Number of hosts and hostesses employed for meeting:

There will be seven group sales hostesses, four "handicapping 101" staffers, one tour guide, one greeter located next to the program seller, ten mutuel customer service aides, four mutuel information windows, and five marketing aides.

C. Describe Facilities Set Aside for New Fans:**1) Website**

New fans can log on Bay Meadows' web-site, www.baymeadows.com, and learn about Bay Meadows in a totally unique manner. On the homepage, new fans can sign up for a personalized tour of the facility. The special tour includes free admission and programs, a look at the entire facility, and seating in the Clubhouse boxes which overlook the finish line. Fans arrange for their tours, usually on weekends, at their convenience. Newcomers are met in front of the facility, at the admission entrances, and an explanation is given as to how they would return to the races on their own. The tour includes a trip to the different areas of the plant, such as grandstand, Lower and Upper Clubhouse or Turf Club, and attendees are familiarized with where to buy a program or Form, where to purchase reserved seats, etc. during the tour. At the end of the tour, they are escorted to a seating area reserved for newcomers which overlooks the finish line. The tour guide walks them through a few simple handicapping techniques and visits them occasionally over the remainder of the day to make sure they are comfortable.

2) Account Wagering Center at the Fairgrounds

Bay Meadows is exploring the possibility of partnering with youbet.com and setting up a fan education area in the Expo Café. The idea is to educate patrons about horse racing and wagering and give them an introduction to Account Wagering in California.

3) Newcomer Windows:

In the grandstand, grandstand mezzanine, Turf Terrace, and Clubhouse, betting windows designated as "Newcomer Welcome" are staffed with friendly and helpful Mutuel Clerks trained to accommodate the needs of novice horseplayers.

4) Handicapping 101:

The mainline in the grandstand has a large information area with a huge banner designating the area as "Handicapping 101". Friendly Marketing Aides are available to answer questions for any and all fans, including how to read the program, explaining odds, providing directions, etc.

- B. Describe the quarters to be used for female jockeys:
Fifteen by seventeen foot rooms with a private entrance hall; room has windows, TV, heating unit, bunk beds, and a single stall shower. Attached to the room is a private sink and toilet.

16. BACKSTRETCH EMPLOYEE HOUSING

- A. Inspection of backstretch housing was completed by: **Supervising Investigator Bob Gai 10/5/2005.**
- B. Number of rooms used for housing on the backstretch of the racetrack:
- | | |
|-----------------------|------------|
| Barn Area | 69 |
| Dormitory Area | 53 |
| Total | 122 |
- C. Number of restrooms available on the backstretch of the racetrack:
- | | |
|-----------------------|--|
| Barn Area | 10 restrooms, 35 toilets, 26 sinks |
| Dormitory area | 6 restrooms, (3 each for men and women) |
- D. Estimated ratio of restrooms to the number of backstretch personnel: **1 for every 7 people**

17. TRACK SAFETY

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

5,290

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

18. DECLARATIONS

- A. All labor agreements, concession and service contracts, and other agreements necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state):

Contract negotiations with HERE (Local 2) are underway; tentative agreement has been reached with Teamsters, (Local 78 & 665); SEIU, Local 1877 negotiations are expected to begin in the near future.

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

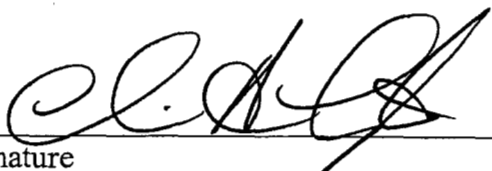
NOTICE TO APPLICANT: Pursuant to CHRB Rules 1870 and 1871, the CHRB shall be given 15 days' notice in writing of any intention to terminate a horse racing meeting or the engagements or services of any licensee, approved concessionaire, or approved service contractor.

19. CERTIFICATION BY APPLICANT

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

CHRIS A. CARPENTER
Print Name

GENERAL MANAGER
Print Title


Signature

5/8/06
Date

STAFF ANALYSIS

June 22, 2006

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE HUMBOLDT COUNTY FAIR AT FERNDALE AUGUST 10-20, 2006.

Humboldt County Fair filed its application for license to conduct a horse racing meeting at Ferndale:

- August 10-20, 2006, or 10 days, the same as 2005. The fair proposes to race 75 races, the same as 2005.
- The proposed race dates are the approved dates allocated to the fair.

August - 2006						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

- Racing Thursday through Monday the first week and Wednesday through Sunday the second week. Six races Wednesday, 7 Monday and Thursday, 8 Friday and Saturday and 8 or 9 Sunday.
 - Number of horses available determines the number of daily races programmed by breed.
 - 2005 Race Meeting: Average number of runners per race (TB): 6.52
 - 2005 Race Meeting: Average number of runners per race (Arabian): 6.25
 - 2005 Race Meeting: Average number of runners per race (Quarterhorse): 7
 - 2005 Race Meeting: Average number of runners per race (Appaloosa): 6
 - 2005 Race Meeting: Average number of runners per race (Mules): 6.32
- Racing concurrently with San Mateo Fair 8/10-13 and 8/16-20 and Del Mar 8/10-14 and 8/16-20. San Mateo is not racing 8/14.
- First post 1:55 p.m. Saturday and Sunday, 2:25 p.m. Monday, Wednesday and Thursday and 2:55 p.m. Friday.
- Specific changes from the 2005 license application:
 - General admission increased \$1 from \$6 to \$7.
- Request Darrell Sparks be appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety requirements have been fulfilled.

- Wagering program will use CHRB rules.
 - Request the option to offer a \$1 wager on any exotic wager.
 - Request to allow horses entered on one day to be listed on overnight sheets for races scheduled to be run 72 hours from that day.
- Simulcasting conducted with other out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- Inspection of backstretch worker housing completed.

RECOMMENDATION:

Staff recommends the Board approve the application.

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

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

1. APPLICANT FAIR ASSOCIATION

A. Name, mailing address, telephone and fax numbers of fair:
Humboldt County Fair Association (707)786-9511
1250 5th Street (707)786-9450
Ferndale, CA 95536 humcofair@frontiernet.net

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

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

2. DATES OF RACE MEETING

A. Inclusive dates of race meeting: **August 10-20, 2006**
 B. Dates racing will NOT be held: **August 15, 2006**
 C. Total number of racing days: **10**

3. RACING PROGRAM

A. Total number of races: **75**
 B. Number of races by breed:
 Thoroughbreds Quarter Horses Appaloosas
 Arabians Paints Mules
 C. Number of races daily:

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Thoroughbred	4 or 5	4	0	3	4	5	4
Other Breeds	4	3	0	3	3	3	4
Total	8 or 9	7	0	6	7	8	8

CHRB CERTIFICATION	
Application received: 5/8/06	Hearing date: 6/22/06
Reviewed: PN	Approved date:
	License number:

D. Total number of stakes races by breed:

<input type="text" value="5"/>	Thoroughbreds	<input type="text"/>	Quarter Horses	<input type="text"/>	Appaloosas
<input type="text" value="2"/>	Arabians	<input type="text"/>	Paints	<input type="text" value="2"/>	Mules

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

The Ferndale Dash – For 3 year old mules 220 yards	\$4,500 Added	Fri. August 11
Charlie Palmer Starter Handicap – Fillies and Mares 3 year olds and upward – Six and One-Half Furlong	\$6,500 Guar.	Sat. August 12
Victorian Village Arabian Distaff – Fillies and Mares 3 year olds and upward – Five Furlong	\$6,500 Guar.	Sun. August 13
Paul Cacci Eel River Sprint, Starter Stake – 3 year 13 olds and upward – Five Furlong	\$6,500 Guar.	Sun. August 13
Land of Jazz Starter Stake – 3 year olds and upward Seven Furlong	\$6,500 Guar.	Fri. August 18
Les Mademoiselle Stakes – Fillies and Mares 3-year olds and upward – One and One-sixteenth Mile	\$10,000 Added	Sat. August 19
Ferndale Arabian Stakes – 3 year olds and upward Seven Furlong	\$6,500 Added	Sun. August 20
Cream City Mule Handicap – 3 year olds and upward Six hundred Sixty yards	\$5,500 Added	Sun. August 20
Humboldt County Marathon – 3 year olds and upward One mile and Five Furlong	\$15,000 Added	Sun. August 20

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

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

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

Race Number	Monday/Wednesday/Thursdays	Fridays	Saturdays/Sundays
Race # 1	2:25	2:55	1:55
Race # 2	2:55	3:25	2:25
Race # 3	3:25	3:55	2:55
Race # 4	3:55	4:25	3:25
Race # 5	4:25	4:55	3:55
Race # 6	4:55	5:25	4:25
Race # 7	5:25	5:55	4:55
Race # 8			5:25

Race #9			5:55
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NOTICE TO APPLICANT: Every licensee conducting a horse racing meeting shall each racing day provide for the running of at least one race limited to California-bred horses, to be known as the "California-bred race" pursuant to CHRB Rule 1813.

4. FAIR ASSOCIATION

A. Names of the fair directors:

Don Becker	Valerie Davis	Travis Low	Herb Peterson
Bill Branstetter	Jeff Farley	Gene Lucas	Robert Prior
Clarence Bugenig	Don Giacomini	Jack Macdonald	Tim Renner
John Burger	Jay Hight	Cindy Olsen	Johanna Rodoni
Ken Christen	Wiley Lacy	Irv Parlato	Wayne Wilson
Al Cooper			

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

Don Becker	John Burger	Jack Macdonald	Irv Parlato
Clarence Bugenig	Jeff Farley	Cindy Olsen	Wayne Wilson

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

Stuart Titus, General Manager and Director of Racing

5. PURSE PROGRAM

A. Purse distribution:

1. All races other than stakes:

Current meet estimate: \$250,000

Prior meet actual: \$249,943

2. Overnight stakes:

Current meet estimate: -0-

Prior meet actual: -0-

3. Non-overnight stakes:

Current meet estimate: \$ 67,500

Prior meet actual: \$ 62,245

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

Current meet estimate: \$ 10,360

Prior meet actual: \$ 10,360

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

	Current Meet Estimate	Prior Meet Actual
CTT	\$ 675	\$ 674
TOC	1,350	1,349
NTRA	3,110	3,110

PCQHRA	750	751
CWAR	650	646
ARAC	4,500	4,507
AMRA	10,280	10,278
CHBPAPEN	2,025	2,023
CTHF	2,025	2,023
TOTAL	\$25,365	\$25,361

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

Current meet estimate: \$353,225

Prior meet actual: \$347,909

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

Current meet estimate: \$123,000

Prior meet actual: \$122,187

F. Purse funds to be generated from interstate handle:

Current meet estimate: **-0-**

Prior meet actual: **-0-**

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

West America Bank (CARF) Account #0601064512

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

Disher Accountancy Corp., 1816 Maryal Dr. Sacramento, CA 95864, (916-482-4224)

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

6. STABLE ACCOMMODATIONS

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

258 Permanent

200-240 Portables

B. Minimum number of stalls believed necessary for the meeting: **458**

C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or

approved training centers: **None**

- D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site: **N/A**
- E. Attach each contract or agreement between the fair and the person(s) furnishing off-site stabling accommodations for eligible racehorses that cannot be provided stabling on-site. **N/A**

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

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

7. PARI-MUTUEL WAGERING PROGRAM

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

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

	TYPE OF WAGERS	APPLICABLE RULES
Race #1	\$1E,\$1PK3,\$1TRI,\$2Q,\$2DD,\$.10SF	CHRB#1959,1977,1979,1958,1957,1979.1
Race #2	\$1E,\$1PK3,\$1TRI,\$2Q,\$2DD,\$.10SF	CHRB#1959,1977,1979,1958,1957,1979.1
Race #3	\$1E,\$1PK3,\$1TRI,\$2Q,\$2DD,\$.10SF	CHRB#1959,1977,1979,1958,1957,1979.1
Race #4	\$1E,\$1PK3,\$1TRI,\$2Q,\$2DD,\$.10SF	CHRB#1959,1977,1979,1958,1957,1979.1
Race #5	\$1E,\$1PK3,\$1TRI,\$2Q,\$2DD,\$.10SF	CHRB#1959,1977,1979,1958,1957,1979.1
Race #6	\$1E,\$1PK3,\$1TRI,\$2Q,\$2DD,\$.10SF	CHRB#1959,1977,1979,1958,1957,1979.1
Race #7	\$1E,\$1PK3,\$1TRI,\$2Q,\$2DD,\$.10SF	CHRB#1959,1977,1979,1958,1957,1979.1
Race #8	\$1E,\$1PK3,\$1TRI,\$2Q,\$2DD,\$.10SF	CHRB#1959,1977,1979,1958,1957,1979.1
Race #9	\$1E,\$1PK3,\$1TRI,\$2Q,\$2DD,\$.10SF	CHRB#1959,1977,1979,1958,1957,1979.1

- B. Maximum carryover pool to be allowed to accumulate before its distribution OR the date(s) designated for distribution of the carryover pool: **N/A**
- C. List any options requested with regard to exotic wagering: **Request option of \$1 wager on any exotic wager. Request to all horses entered on one day to also be listed in overnight sheets for races scheduled to be run 72 hours from that day.**
- D. Will "advance" or "early bird" wagering be offered? Yes No
 If yes, when will such wagering begin:
9:30 am each race day

- E. Type(s) of pari-mutuel or totalizator equipment to be used by the fair and the simulcast organization, the name of the person(s) supplying equipment, and expiration date of the service contract: **Scientific Games Racing (George Brannen). Expiration: September 30, 2006. Equipment description on file with Board.**

8. SIMULCAST WAGERING PROGRAM

- A. Simulcast organization engaged by the fair to conduct simulcast wagering:
California Authority of Racing Fairs (Northern California Off-Track Wagering, Inc.)
- B. Attach the agreement between the fair and simulcast organization permitting the organization to use the fair's live audiovisual signal for wagering purposes and providing access to its totalizator for the purpose of combining on-track and off-track pari-mutuel pools. **On file**
- C. California simulcast facilities the fair proposes to offer its live audiovisual signal:
All California facilities authorized to accept the signal.
- D. Out-of-state wagering systems the fair proposes to offer its live audiovisual signal: **Attached**
- E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the fair:
Attached
- F. List the host tracks from which the fair proposes to import out-of-state and/or out-of-country thoroughbred races. Include the dates imported races will be held and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races":
Attached

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

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
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- G. List imported simulcast races the fair plans to receive during the racing meeting which use breeds other than the breed of the majority of horses racing at its live horse racing meeting. Include the name of the host track, the dates imported races will be held, and how many races will be imported:
N/A

OTHER BREED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Breed of Horse	Race Dates	Number of Races to be Imported
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- H. If any out-of-state or out-of-country races will commence outside of the time constraints set forth in B&P Code Sections 19596.2 and 19596.3, attach a copy showing agreement by the appropriate racing association(s). **N/A**

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

2006 Northern California Racing Fairs – Simulcast

8 Simulcast Wagering Program

- D. Out-of-state wagering systems the fair proposes to offer its live audiovisual signal:
 E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the fair.

Prepared 3/29/06

Separate:

Arima Race Club	TRINI
Caliente (MIR)	CA
Caymanas Park	JAM
Flamboro Downs	CAN
Fraser Downs	CAN
Hastings Entertainment Inc.	CAN
Hippodromo Presidente Remon (MIR)	MEX
IWS/International Wagering Sytems, Inc.	CA
Las Vegas Dissemination Co.	NV
Stevenson & Associates, Inc.	MD
Teletheatre BC	CAN
Woodbine Entertainment Group	CAN

Commingled:

Acoma Pueblo	NM
AmericaTab	OH
AmWest Entertainment	SD
Arapahoe Park	CO
Arlington International Racecourse	IL
Atlantic City Casino Assn.	NJ
Atlantic City Race Course	NJ
Atlantis Paradise Island Casino	FL
Atokad Downs	NE
Balmoral Park / Maywood	IL
Bettor Racing OTB/Royal River	SD
Beulah Park	OH
Birmingham Race Course	AL
Blue Ribbon Downs	OK
Bluffs Run Greyhound Park & Casino	IA
Boyd Gaming, d/b/a Delta Downs	LA
Buffalo Trotting Association	NY
Calder Race Course	FL
Canterbury Park	MN
Capital Regional District OTB	NY
Capitol Racing at Western Idaho Fair	ID
Capitol Sports Pty Ltd.	AUS
Catskill Regional OTB	NY
Charles Town Race Course	WV
Choctaw Racing Services, LLC	OK
Churchill Downs	KY
Coeur d' Alene Casino	ID
Coeur d' Alene Casino Phone	ID
Coeur d' Alene Greyhound Park	ID
Comanche Nation Games	OK
Connecticut OTB	CT
Corpus Christi Greyhound Race Track	TX
Crystal Palace Casino	BA
Crystal Palace Casino	BAH
Dairyland Greyhound Park	WI
Darwin (International) All-Sports	AUS
Delaware Park	DE
Delta Downs (Boyd Gaming)	LA
Dover Downs	DE

Downs at Albuquerque	NM
Dubuque Greyhound	IA
Elite Turf Club	
Ellis Park	KY
Emerald Downs	WA
Equus St Thomas Racing	VI
Euro Off-Track	FL
European Simulco AKA MEC Sport & Entertainment	CA
Evangeline Downs	LA
Excelsior Casino (Via Suffolk)	AR
Fair Grounds Race Course	LA
Fair Meadows at Tulsa	OK
Fairmount Park	IL
Finger Lakes Race Track	NY
Fire Lakes Casino	OK
Fonner Park	NE
Freehold Raceway	NJ
Geneva Lakes Kennel Club	WI
Gillespie County Fair Race Meet	TX
Great Lakes Downs	MI
Gulf Greyhound Park	TX
Gulf Greyhound Park @ Post Falls	ID
Gulfstream Park	FL
Harrington Raceway AKA Midway Slots	DE
Hawthorne National LLC	IL
Hazel Park	MI
Hinsdale Greyhound Park	NH
Holiday Beach	
Hoosier Park	IN
Horsemen's Park	NE
Indiana Downs	IN
International All Sports	OH
International Wagering Sytems, Inc.	CA
Jackson Harness Raceway	MI
Keeneland Association	KY
Kentucky OTB's	KY
Lebanon Raceway	OH
Les Bois Park Simulcast Network	ID
Lewiston Raceways, Inc.	ME
Lien Games, Inc.	ND
Lincoln Greyhound Park	RI
Lone Star Race Park Ltd.	TX
Louisiana Downs (Harrah's)	LA
LVDC/Atlantis Paradise Island Casino, Bahamas	NV
LVDC/Cities of Gold Sports Bar (Pojoaque), NM	NV
LVDC/Comanche Nation Games, OK	NV
LVDC/Elite Turf Club, Curacao	NV
LVDC/Fire Lakes Entertainment	NV
LVDC/Foxwoods Resorts Casino, CT	NV
LVDC/Holiday Beach, Cuaraco	NV
LVDC/Meskwaki Bingo & Casino, IA	NV
LVDC/Red River Casino, OK	NV
LVDC/Spirit Mountain Casino, OR	NV
LVDC/The Stables, OK	NV
LVDC/Tonkawa Bingo, OK	NV

Manor Downs	TX
Maryland Jockey Club	MD
Meadowlands (NJSEA)	NJ
Midway Slots & Simulcast/Harrington Raceway	DE
Montana Simulcast Partners	MT
Monticello Raceway	NY
Mount Pleasant Meadows	MI
Mountaineer Park	WV
Nassau/Suffolk OTB	NY
Nevada Pari-Mutuel Association	NV
New Jersey Sports & Exposition Authority	NJ
New York City Off-Track Betting	NY
New York Racing Association	NY
Newport Jai-Alai	RH
Northfield Park	OH
Northville Downs	MI
Northville Downs Corp.	MI
Oaklawn Park	AR
Ocean Downs	MD
Penn National Race Course	PA
Philadelphia Park	PA
Plainridge Race Course	MA
Pocono Downs	PA
Portland Meadows	OR
Prairie Meadows	IA
Raceway Park	OH
Racing & Gaming Services, Inc.	WI
Randall James Racetrack	
Raynham-Taunton Greyhound Park	
Remington Park	OK
Retama Park	TX
River Downs	OH
Rockingham Park	NH
Rosecroft Raceway	MD
Royal Beach Casino	
Royal River Racing (Bettor Racing OTB)	ID
Ruidoso Downs	NM
Saginaw Harness Raceway	MI
Sam Houston Race Park, LTD	TX
Saratoga Raceway	NY
Scarborough Downs	ME
Scioto Downs	OH
Seabrook Greyhound	NH
Southland Greyhound Park	AR
Sports Creek Raceway	MI
State Fair Park	NE
Stevenson & Associates, Inc. (Common)	MD
Stevenson & Associates, Inc., (Books)	MD
Suffolk Downs	MA
Suffolk Downs OTB	MA
Suffolk Regional OTB	NY
Sunland Park	NM
SunRay Park	NM
Tampa Bay Downs	FL
The Greyhound Park at Post Falls	ID
The Meadows	PA
The Racing Channel, Inc. (Domestic)	OR
The Racing Network International, Inc.	OR
The Texas Hub at Gulf Greyhound	TX
Thistledown Racing	OH
Tote Investment Group	
Tri-State Racetrack & Gaming Center	WV
Turf de Venezuela	VEN
Turf Paradise	AZ
Turfway Park	KY
TVG Network	CA

U.S. Off Track, LLC	FL
Valley Greyhound Park (Via Sam Houston)	TX
Vernon Downs	NY
Western Regional OTB	NY
Wheeling Downs	WV
Wichita Greyhound Park	KS
Wonderland Greyhound Park	MA
Woodlands	KS
Wyoming OTB	WY
XpressBet, Inc	CA
Yavapai	AZ
Yonkers Raceway	NY
Youbet	CA
Zia Park Racetrack	NM

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8 Simulcast Wagering Program

F. List the host tracks from which the fair proposed 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”:

<i>Arlington Park</i>	<i>6/15-9/18/06</i>	<i>Full or Partial Cards</i>
<i>Assiniboia Downs</i>	<i>6/15-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Australia</i>	<i>6/15-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Calder</i>	<i>6/15-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Canterbury Park</i>	<i>6/15-9/5/06</i>	<i>Full or Partial Cards</i>
<i>Churchill Downs</i>	<i>6/15-7/10/06</i>	<i>Full or Partial Cards</i>
<i>Delaware Park</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Ellis Park</i>	<i>7/13-9/5/06</i>	<i>Full or Partial Cards</i>
<i>Fort Erie</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Hastings Park</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Hawthorne</i>	<i>9/23-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Hoosier Park</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Laurel Park</i>	<i>8/10-8/26/06</i>	<i>Full or Partial Cards</i>
<i>Lone Star</i>	<i>6/14-7/17/06</i>	<i>Full or Partial Cards</i>
<i>Louisiana Downs</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Meadowlands</i>	<i>9/30-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Monmouth Park</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Northlands Park</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>NYRA</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Penn National</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Philadelphia Park</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Pimlico</i>	<i>9/8-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Prairie Meadows</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Remington Park</i>	<i>8/5-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Suffolk Downs</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Thistledown</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Timonium</i>	<i>8/27-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Turfway Park</i>	<i>9/7-10/16/06</i>	<i>Full or Partial Cards</i>
<i>Woodbine</i>	<i>6/14-10/16/06</i>	<i>Full or Partial Cards</i>

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

9. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

A. Racing officials nominated:

Association Veterinarian(s)	Dr. Henry Cook
Clerk of Scales	Cheryl White
Clerk of the Course	Dolores Collins
Film Specialist	Matt Nichols
Horse Identifier	Darrell Sparks
Horseshoe Inspector	Mike Walker
Paddock Judge	Darrell Sparks
Patrol Judges	Lisa Jones, Matt Nichols
Placing Judges	Ward, Smith and Christiansen
Starter	Bob Mooneyhan
Timer	Melody Truitt

B. Management officials in the racing department:

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

C. Name, address and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards: **Tammy Morris, 3425 French Avenue, W. Sacto. 95691**

D. Photographic device to be used for photographing the finish of all races, name of the person supplying the service, and expiration date of the service contract: **Plusmic Corp., USA, Bill O'Brien (Expires 12/7/07)**

E. Photopatrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract. Specify the number and location of cameras for dirt and turf tracks. **Pegasus Communication, Inc. (Jim Porep)(Expires April 30, 2008)** **Equipment description on file with Board; 5 cameras (3 tower, 1 pan, 1 hand-held)**

F. Type of electronic timing device to be used for the timing of all races, name of the person supplying the service, and expiration date of the service contract: **Pegasus Communication, Inc. (Jim Porep) (Expires April 30, 2008)**

10. SECURITY CONTROLS

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

contact telephone numbers. **Pacific Coast Security, Gene Bass, Owner (707)786-9511**

- B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis: **1-2 Security Guards in Grandstands**
2-3 Security Rovers
3 Licensed Gatemen base on 8-hour shifts

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

2. Detention Barns: **The Fair is not running graded Stakes.**

- A. Attach a plan for use of graded stakes or overnight races.
 B. Number of security guards in the detention barn area during a 24-hour period.
 C. Describe number and location of surveillance cameras in detention barn area.

3. TCO2 Testing:

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

All thoroughbred races and all horses

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

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

- C. Plan for detention barns for repeat offenders.

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

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

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

- C. Describe the electronic security system. **Monitored electronic surveillance .**

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

One surveillance camera at or near detention stalls

11. EMERGENCY SERVICES

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

City Ambulance of Eureka, 135 7th Street, Eureka, CA 95501 (707)445-4907

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

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

**Will submit after the portable stalls are up and following inspection by local Fire Chief.
 August 1, 2006.**

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

Attached



February 23, 2006

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

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

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

I. COMPREHENSIVE GENERAL LIABILITY PROGRAM

- A. Primary Coverage \$1,000,000 self-insured retention California Fair Services Authority
Coverage continuous until cancelled
- B. Excess Coverage \$9,000,000 in excess of \$1,000,000
Coverage provided by Insurance Company of the State of Pennsylvania
Term: 01/01/2006 to 01/01/2007

II. WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY

- A. Primary Coverage \$500,000 self-insured retention California Fair Services Authority
Coverage continuous until cancelled
- B. Excess Coverage (a) Workers' Compensation: \$149,500,000 in excess of \$500,000
(b) Employers' Liability: \$4,500,000 in excess of \$500,000
Coverage provided by California Public Entity Insurance Authority
Term: 07/01/2005 to 07/01/2006

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

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

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Charles A. Mitchell', is written over a white background.

Charles A. Mitchell
Risk Manager

12. CONCESSIONAIRES AND SERVICE CONTRACTORS

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

Food Concession & Non-alcoholic Beverage Vender

Pettis Concessions, 923 Bearcreek Way, Stockton, CA 95209

Winner's Circle Photo

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

Racing Grandstand Sound System

Universal Balance, 2163 Park Avenue, McKinleyville, CA 95519

Armored Car Service

NOTWINC, 11875 Dublin Blvd. , Dublin, CA 94568

Portable Stalls

Silver Bar Leasing, 3445 S. Fruit, Fresno, CA 93706

13. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

- A. Describe any promotional plans: **Selling hats, sweatshirts and tee shirts. Some will be given away in advance to horsemen.**
- B. Number of hosts and hostesses employed for meeting: **30**
- C. Describe facilities set aside for new fans: **Because the facility is small, no area is required to be set aside for new fans.**
- D. Describe any improvements to the physical facility in advance of the meeting that directly benefits: **Upgrades and repairs will occur with our permanent stalls. By the 2007 fair everyone in the racing program will benefit from our new racing office and jockey's facilities. We were unable to finish this year due to the weather conditions.**
1. Horsemen
 2. Fans
 3. Facilities in the restricted areas

14. SCHEDULE OF CHARGES

- A. Proposed charges, note any changes from previous year:
- | | | |
|------------------------------|-----------------|------------------------|
| Admission (general) | \$ 7.00 | \$1 increase from 2005 |
| Admission (clubhouse) | \$ 2.00 | |
| Reserved seating (general) | | |
| Reserved seating (clubhouse) | | |
| Parking (general) | \$ 2.00 per day | |
| Parking (preferred) | \$ 6.00 per day | |
| Parking (valet) | | |
| Programs (on-track) | \$ 1.00 | |
| (off-track) | | |

- B. Describe any "Season Boxes" or other special accommodation fees: **\$175.00 for box seats**
- C. Describe any "package" plans such as combined parking, admission and program:
Discounted admissions for general, senior and children. Daily discount of carnival rides.

15. JOCKEYS' QUARTERS

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

<input checked="" type="checkbox"/>	Corners (lockers and cubicles)	How many	<input type="text" value="12"/>
<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 checked="" type="checkbox"/>	Certified platform scale

- B. Describe the quarters to be used for female jockeys: **Two beds, a shower and toilet. New facilities planned for 2007.**

16. BACKSTRETCH EMPLOYEE HOUSING

- A. Inspection of backstretch housing was completed by **Supervising Investigator Bob Gai 6/8/06.**
- B. Number of rooms used for housing on the backstretch of the racetrack: **Trailer unit with 10 bunks.**
- C. Number of restrooms available on the backstretch of the racetrack: **Six (6)**
- D. Estimated ratio of restrooms to the number of backstretch personnel: **Not known.**

17. TRACK SAFETY

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

any racing.

N/A

18. DECLARATIONS

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

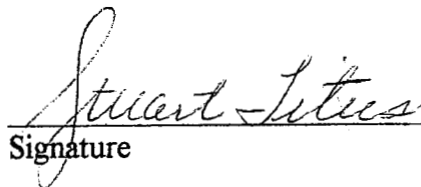
NOTICE TO APPLICANT: Pursuant to CHRB Rules 1870 and 1871, the CHRB shall be given 15 days' notice in writing of any intention to terminate a horse racing meeting or the engagements or services of any licensee, approved concessionaire, or approved service contractor.

19. CERTIFICATION BY APPLICANT

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

Stuart Titus
Print Name

General Manager/Director of Racing
Print Title


Signature

May 1, 2006
Date

STAFF ANALYSIS
June 22, 2006

ISSUE: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF SACRAMENTO HARNESS ASSOCIATION AUGUST 2, 2006 THROUGH DECEMBER 16, 2006.

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

- August 2 through December 16, 2006. The association proposes to race 74 nights with 925 races.
- In 2005 the California Exposition and State Fair ran a harness meet from July 31 through September 17. For 2006 the Board allocated 79 nights of racing from August 5 through December 16. The California Exposition and State Fair elected not to run a meet in 2006.

August - 2006						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

September - 2006						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4 H	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

October - 2006						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9 H	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

November - 2006						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11 H
12	13	14	15	16	17	18
19	20	21	22	23 H	24	25
26	27	28	29	30		

December - 2006						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24/31	25 H	26	27	28	29	30

- Racing Wednesday through Saturday.
- First live post 5:35 p.m. Wednesday and Thursday, 6:20 p.m. Friday and Saturday through September 30 and then 5:35 p.m. beginning October 6 through the end of the meet.
 - 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.
- Wagering program will use CHRB rules.
 - Early wagering 11:00 a.m. to 5:00 p.m.
 - Request \$20,000 guaranteed gross Pick-Four pool each Friday and Saturday races 9, 10, 11 and 12.
 - Request to continue Bal-Cal Pick-Four, and pursue other multi-track wagering opportunities. Specific permission will be requested.

- Simulcasting conducted with out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- Inspection of backstretch worker housing completed.

RECOMMENDATION:

Staff recommends the Board approve the application.

STATE OF CALIFORNIA
 CALIFORNIA HORSE RACING BOARD
 APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING
 CHRB-17 (Rev. 7/05)

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, Incorporated
2335 American River Drive, Suite #406
Sacramento, CA 95825
916-239-4040
Fax 916-239-4048
- B. Breed of horse: **HARNESS**
- 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: **August 2nd thru December 16th 2006**
- B. Actual dates racing will be held: **See Schedule I - 2006 Racing Calendar**
- C. Total number of days or nights of racing: **74 NIGHTS**
- D. Days or nights of the week races will be held: **Wednesday through Saturday nights,**
Exceptions: Dark: All Wednesdays in
September 9/6, 9/13, 9/20, 9/27
Dark: Thursday September 7th
Dark: Thursday November 23rd (Thanksgiving)
- E. Number of days or nights of racing per week: **4 (Four) Nights**

3. RACING PROGRAM

- A. Total number of races: **925**

CHRB CERTIFICATION

Application received: *5/3/06*
 Deposit received: *on file*
 Reviewed: *PN*

Hearing date: *6/22/06*
 Approved date:
 License number:

Schedule 1

SACRAMENTO HARNESS ASSOCIATION

2006 Racing Calendar

August 2 thru December 16

74 Race Days

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

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

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

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

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

- B. Number of races for each day or night: **Wednesday up to 11 races per night,**
Wednesday 11/22 up to 14 races.
Thursday up to 12 races per night
Friday and Saturday up to 14 races per night
- C. Total number of stakes races: **38**
- 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 Wednesdays and Thursdays**
6:20 pm Fridays and Saturdays thru 9/30
5:35 pm Fridays and Saturdays beginning
10/6 thru the balance.
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: **File # 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
James Kouretas	
R. Burnett Miller	
Ivan Axelrod	
Lou Blanas	

SCHEDULE II

Sacramento Harness Association
August 2, 2006 through December 16, 2006

Stakes Schedule

August 30	California Standardbred Sires Stake	2-year-old Trotting Fillies	Est. \$22,500
August 31	California Standardbred Sires Stake	2-year-old Trotting Colts/Geldings	Est. \$22,500
Sept 1	California Standardbred Sires Stake	2-year-old Pacing Fillies	Est. \$22,500
Sept 2	California Standardbred Sires Stake	2-year-old Pacing Colts/Geldings	Est. \$22,500
Sept 14	California Standardbred Sires Stake	2-year-old Trotting Fillies	Est. \$22,500
Sept 14	California Standardbred Sires Stake	2-year-old Trotting Colts/Geldings	Est. \$22,500
Sept 15	California Standardbred Sires Stake	2-year-old Pacing Fillies	Est. \$22,500
Sept 15	California Standardbred Sires Stake	2-year-old Pacing Colts/Geldings	Est. \$22,500
Sept 28	California Standardbred Sires Stake	2-year-old Trotting Fillies	Est. \$22,500
Sept 28	California Standardbred Sires Stake	2-year-old Trotting Colts/Geldings	Est. \$22,500
Sept 29	California Standardbred Sires Stake	2-year-old Pacing Fillies	Est. \$22,500
Sept 30	California Standardbred Sires Stake	2-year-old Pacing Colts/Geldings	Est. \$22,500
Oct 4	CA Stndbrd Sires Stake Championship	2-year-old Trotting Fillies	Est. \$32,500
Oct 5	CA Stndbrd Sires Stake Championship	2-year-old Trotting Colts/Geldings	Est. \$32,500
Oct 6	CA Stndbrd Sires Stake Championship	2-year-old Pacing Fillies	Est. \$32,500
Oct 7	CA Stndbrd Sires Stake Championship	2-year-old Pacing Colts/Geldings	Est. \$32,500
Oct 25	California Standardbred Sires Stake	3-year-old Trotting Fillies	Est. \$22,500
Oct 26	California Standardbred Sires Stake	3-year-old Trotting Colts/Geldings	Est. \$22,500
Oct 27	California Standardbred Sires Stake	3-year-old Pacing Fillies	Est. \$22,500
Oct 28	California Standardbred Sires Stake	3-year-old Pacing Colts/Geldings	Est. \$22,500
Nov 8	California Standardbred Sires Stake	3-year-old Trotting Fillies	Est. \$22,500
Nov 9	California Standardbred Sires Stake	3-year-old Trotting Colts/Geldings	Est. \$22,500
Nov 10	California Standardbred Sires Stake	3-year-old Pacing Fillies	Est. \$22,500
Nov 11	California Standardbred Sires Stake	3-year-old Pacing Colts/Geldings	Est. \$22,500
Nov 22	California Standardbred Sires Stake	3-year-old Trotting Fillies	Est. \$22,500
Nov 22	California Standardbred Sires Stake	3-year-old Trotting Colts/Geldings	Est. \$22,500
Nov 24	California Standardbred Sires Stake	3-year-old Pacing Fillies	Est. \$22,500
Nov 25	California Standardbred Sires Stake	3-year-old Pacing Colts/Geldings	Est. \$22,500
Dec 6	CA Stndbrd Sires Stake Championship	3-year-old Trotting Fillies	Est. \$32,500
Dec 7	CA Stndbrd Sires Stake Championship	3-year-old Trotting Colts/Geldings	Est. \$32,500
Dec 8	CA Stndbrd Sires Stake Championship	3-year-old Pacing Fillies	Est. \$32,500
Dec 9	CA Stndbrd Sires Stake Championship	3-year-old Pacing Colts/Geldings	Est. \$32,500

LATE CLOSING EVENTS

Nov	(1)..... Claiming Series \$3,000 Claiming.....	\$7,500 Added
Nov	(2)..... Conditioned Claiming n/w 3 Races Life	\$7,500 Added
Nov	(3)..... Claiming Series \$4,500 Claiming.....	\$10,000 Added
Nov	(4)..... Conditioned Claiming n/w/ 5 Races Life	\$10,000 Added
Nov	(5)..... Claiming Series \$6,000 Claiming.....	\$12,500 Added
Nov	(6)..... Conditioned Claiming n/w 7 Races Life	\$12,500 Added

SCHEDULE III

Sacramento Harness Association
August 2, 2006 through December 16, 2006

Post Time Schedule

Wednesday (*11/22/06)	Thursday	Friday (08/04 thru 09/29)	Friday (10/6 thru 12/15)
1 5:35 pm	1 5:35 pm	1 6:20 pm	1 5:35 pm
2 5:57 pm	2 5:58 pm	2 6:45 pm	2 5:58 pm
3 6:19 pm	3 6:21 pm	3 7:08 pm	3 6:22 pm
4 6:41 pm	4 6:46 pm	4 7:30 pm	4 6:45 pm
5 7:03 pm	5 7:07 pm	5 7:54 pm	5 7:06 pm
6 7:25 pm	6 7:30 pm	6 8:18 pm	6 7:30 pm
7 7:47 pm	7 7:54 pm	7 8:44 pm	7 7:54 pm
8 8:09 pm	8 8:18 pm	8 9:08 pm	8 8:18 pm
9 8:30 pm	9 8:42 pm	9 9:34 pm	9 8:42 pm
10 8:51 pm	10 9:06 pm	10 10:00 pm	10 9:06 pm
11 9:12 pm	11 9:31 pm	11 10:24 pm	11 9:30 pm
12 9:34 pm*	12 9:57 pm	12 10:48 pm	12 9:54 pm
13 9:55 pm*		13 11:09 pm	13 10:18 pm
14 10:17 pm*		14 11:29 pm	14 10:42 pm

Saturday (08/05 thru 09/30)	Saturday (10/7 thru 12/16)
1 6:20 pm	1 5:35 pm
2 6:45 pm	2 5:58 pm
3 7:11 pm	3 6:21 pm
4 7:39 pm	4 6:45 pm
5 8:02 pm	5 7:11 pm
6 8:26 pm	6 7:36 pm
7 8:50 pm	7 8:01 pm
8 9:14 pm	8 8:25 pm
9 9:38 pm	9 8:49 pm
10 10:02 pm	10 9:13 pm
11 10:26 pm	11 9:37 pm
12 10:52 pm	12 10:01 pm
13 11:13 pm	13 10:25 pm
14 11:34 pm	14 10:49 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.

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

D. LLC – N/A

E. OTHER – N/A

F. Management and Staff

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

Christopher J. Schick	General Manager
Robert L. Gordon	Director Backstretch Operations
J.R. Williams	Track Superintendent
Steve Carpenito	Director of Marketing
Marty Bridges	Program Director
Scott Ehrlich	Announcer/Director of Publicity
Sharee Green	Group Sales Director
Sandee Baker	Owner Relations/New Owner Development
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:

Christopher J. Schick **General Manager**

5. PURSE PROGRAM

A. Purse distribution:

1. All races other than stakes:
Current meet estimate: **\$3,626,000**
Prior meet actual: **\$2,715,000**
2. Overnight stakes:

Current meet estimate: **\$220,000**
 Prior meet actual: **\$318,000**

3. Non-overnight stakes:
 Current meet estimate: **\$800,000 – California Sires Stakes**
 Prior meet actual: **\$576,000**

B. Stakes races:

1. Purse distribution for all stakes races:
 Current meet estimate: **\$1,020,000**
 Prior meet actual: **\$894,000**

2. Percentage of the purse distribution for all stakes races that will be distributed for California-bred stakes races:
 Current meet estimate: **78%**
 Prior meet actual: **80%**

C. Funds to be generated for all California-bred incentive awards:
 Current meet estimate: **\$71,400**
 Prior meet actual: **\$59,250**

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

Recognized Horsemen’s Organization		
Current meet estimate: \$222,000	Prior meet actual:	\$159,000
CA Harness Horsemen’s Assn.		

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: **\$4,939,400**
 Prior meet actual: **\$3,827,250**

F. Purse funds to be generated from on-track handle and intrastate off-track handle:
 Current meet estimate: **\$764,000 On Track \$3,280,220 Intrastate**
 Prior meet actual: **\$402,000 On Track \$2,230,000**

G. Purse funds to be generated from interstate handle:
 Current meet estimate: **\$895,180**
 Prior meet actual: **\$613,000**

H. Bank and account number for the Paymaster of Purses' purse account:
CAL Net Bank Acct# 1000420123

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: **1,016**
- B. Minimum number of stalls believed necessary for the meeting: **1,016**
- 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	

SCHEDULE IV

Sacramento Harness Association August 2, 2006 through December 16, 2006 Proposed Wagering Format

The following CHRB wagering rules will be in affect during the 2006 Sacramento Harness meeting.

Type		Rule Number
Exacta	(E)	1959
Trifecta	(TRI)	1979
Daily Double	(DD)	1957
Superfecta	(SF)	1979.1
PK 3	(PK3)	1977
PK 4	(PNP)	1976.9
PK 6	(PNP)	1976.9

Wednesday (*11/22/2006)	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, .10SF	Race 3: 1E, 1TRI, .10SF	Race 3: 1E, 1TRI, .10SF
Race 4: 1E, 1TRI, 2PK6	Race 4: 1E, 1TRI, 2PK6	Race 4: 1E, 1TRI, 2PK6
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, 1PK4	Race 7: 1E, 1TRI, 1PK4	Race 7: 1E, 1TRI, 1PK3
Race 8: 1E, 1TRI, 1PK3, .10SF	Race 8: 1E, 1TRI, 1PK3, .10SF	Race 8: 1E, 1TRI, 1PK3, .10SF
Race 9: 1E, 1TRI, 1PK3	Race 9: 1E, 1TRI, 1PK3	Race 9: 1E, 1TRI, 1PK4
Race 10: 1E, 1TRI, .10SF	Race 10: 1E, 1TRI, 1PK3	Race 10: 1E, 1TRI, 1PK3
Race 11: 1E, 1TRI, .10SF	Race 11: 1E, 1TRI, .10SF	Race 11: 1E, 1TRI, 1PK3
Race 12: 1E, 1TRI, .10SF*	Race 12: 1E, 1TRI, .10SF	Race 12: 1E, 1TRI, 1PK3
Race 13: 1E, 1TRI, .10SF*		Race 13: 1E, 1TRI, .10SF
Race 14: 1E, 1TRI, .10SF*		Race 14: 1E, 1TRI, .10SF

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 six winners, 25% of net pool paid to winner(s) correctly selecting the most winners, 75% carryover to the next racing program.

- 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 (December 16th)**
- C. List any options requested with regard to exotic wagering:
Request permission for \$20,000 guaranteed gross Pick-Four pool each Friday & Saturday, races 9, 10, 11, & 12

Request permission to continue the Bal-Cal Pick-Four, and pursue other multi track wagering opportunities. Specific permission will be requested.
- D. Will "advance" or "early bird" wagering be offered? Yes No
 If yes, when will such wagering begin: **11 am to 5 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., George Brannon, equipment on file with Board, contract thru 9/30/07

8. 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**

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

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
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- G. For **QUARTER HORSE** racing associations, list the host track from which the association proposes to

Schedule V

OUT OF STATE SIMULCAST WAGERING LOCATIONS

American Tab, Oregon	New York OTB, New York
Atlantic City, New Jersey	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
ExpressBet, California	Philadelphia Park, Pennsylvania
Euro Off Track, NA	Plainridge Racecourse, Massachusetts
Fire Lake Casino, Oklahoma	Pompano Park, Florida
Foxwoods Casino, Connecticut	Racing Channel, Oregon
Fraser Downs, BC, CAN	Raceway Park, Ohio
Freehold Raceway, New Jersey	Racing & Gaming Services, St. Kitts
Harrington Raceway, Delaware	Rosecroft Raceway, Maryland
Hastings Park, BC, CAN	Sam Houston Park, Texas
Hazel Park, Indiana	Scioto Downs, Ohio
Hippodrome de Montreal, QUE, CAN	Southland Greyhound, Arkansas
Hoosier Park, Indiana	Sports Creek Raceway, Michigan
Illinois OTB, Illinois	Suffolk Downs, MA
Indianapolis Downs, Indiana	Suffolk Region OTB, New York
International Racing Group, Curacao	Sunland Park, New Mexico
Ladbrokes at Meadows, Pennsylvania	Television Games Network (TVG)
Las Vegas Dissemination, NV	Thistledowns, Ohio
Les Bois Park, Idaho	The Downs at Albuquerque, NM
Lone Star Park, TX	Western Fair, ONT, CAN
Meadowlands Race Track, New Jersey	Western Region OTB, New York
Mesquaki Casino, Iowa	Windsor Raceway, ONT, CAN
Mohawk Racetrack, ONT, CAN	Woodbine Ent. Group, ONT, CAN
Nassau Region OTB, New York	Yonkers Raceway, New York
Nevada Pari-mutuel Association, Nevada	YouBet, Oregon

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
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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 Saturday August 5th (Hambletonian from Meadowlands) and the Breeders Crown October 28th from Woodbine Racetrack in Toronto

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

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

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

9. CHARITY RACING DAYS

- A. Name and address of the distributing agent (charity foundation) for the net proceeds from charity racing days held by the association: **Sacramento Regional Community Foundation, 5555 Capitol Mall, Suite 550; Sacramento, CA 95814**

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

10. 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	Brent Bridges
Horse Identifier	Carl Sobey
Horseshoe Inspector	John Walker
Paddock Judge	Jack Williams
Patrol Judges	Bill Vallandingham
Placing Judges	Brent Bridges
Starter	Bill Vallandingham
Timer	Brent Bridges

- 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	Donna Newman/Glen Harris
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, Ste. 225, Sacramento, CA 95825, 916/923-5447

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

Plusmic Corp USA – CDV – 210 System – Bill O'Brien – contact thru 7/07

- 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. (7)

Pegasus Communications – Jim Porep, President – contract thru 7/07
Upper Pan Camera
Lower Pan Camera
1/8 Pole Tower Camera



SACRAMENTO REGION
COMMUNITY FOUNDATION

The Foundation's Board and Staff

2006 Board of Directors

<i>President</i>	Ralph Andersen ; President, REA Enterprises
<i>Vice-President</i>	Larry Gilzean ; Vice-President, Spare Time, Inc.
<i>Treasurer</i>	William G. Hegg ; Chairman of the Board, Alleghany Properties, Inc.
<i>Secretary</i>	Donald C. Poole ; Shareholder, McDonough, Holland & Allen

Nicholas Alexander; Principal Owner, NG Alexander Real Estate Development LLC
Stephen F. Boutin; Partner, Boutin, Dentino, Gibson, DiGiusto, Hodell & West, Inc.
Stephen A. Brandenburger; Resort Proprietor, Loch Leven Lodge
Patricia Cochran; CFO, Vision Service Plan
Dan Cole; Partner, The Evergreen Company
Michael Dunlavey; President, The Dunlavey Studio, Inc.
Robert M. Earl; Earl Consulting Co.
Larry R. Gilzean; Director of Development, Spare Time, Inc.
Oleta Lambert; Owner, CEO, Pacific Neon Company
Robert L. Lorber; CEO, Lorber Kamai Consulting
Dave Lucchetti; President/CEO, Pacific Coast Building Products
Daniel I. Parrish; President, Dan Parrish Insurance Services, Inc.
Jeanne Reaves; President & CEO, River City Bank
Elizabeth Rindskopf Parker; Dean, University of the Pacific McGeorge School of Law
Lillian Sioukas; Community Volunteer
Fred Teichert; Executive Director, Teichert Foundation
Jesse Vaughan; Headmaster, St. Michael's Episcopal Day School
Mike Ziegler; President & CEO, Pride Industries

Staff

Shanna Ames, Administrative Coordinator
Ruth Blank, Chief Executive Officer
Beth Gorley, Director of Development
Sonja Jarvis, Assistant Controller
Suzanne Mayes, Program Officer
Jim McCallum, Chief Financial Officer
Jennessa Quinn, Program & Operations Associate
Arlene Wilson-Grant, Program Officer

**5/8 Pole Tower Camera
Infield Warm Up Camera
Paddock Camera
Winners Circle/Finish Line Ground Level Camera**

- 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: **Cal Expo owned timer: PC, Controllers, Frannie Packard Display on Tote Board Infield Displays located at 1/4, 1/2, and 3/4 poles. Maintenance and service by Pegasus Communications. Contract thru 7/08**

11. SECURITY CONTROLS

- A. Name and title of the person responsible for security controls on the premises. Include an organizational chart of the security department and a list of the names of security personnel and contact telephone numbers. **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:
 - 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:
 1. Location and number of video surveillance cameras for the detention barn and stable gate.
- D. For night racing associations. Describe emergency lighting system:

12. EMERGENCY SERVICES

- A. Name, address and emergency telephone number of the ambulance service to be used during workouts and the running of the races: **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. Attach a fire clearance from the fire authority having jurisdiction over the premises. **Scheduled to be inspected 7/6/2006**
- D. 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 #1727124**



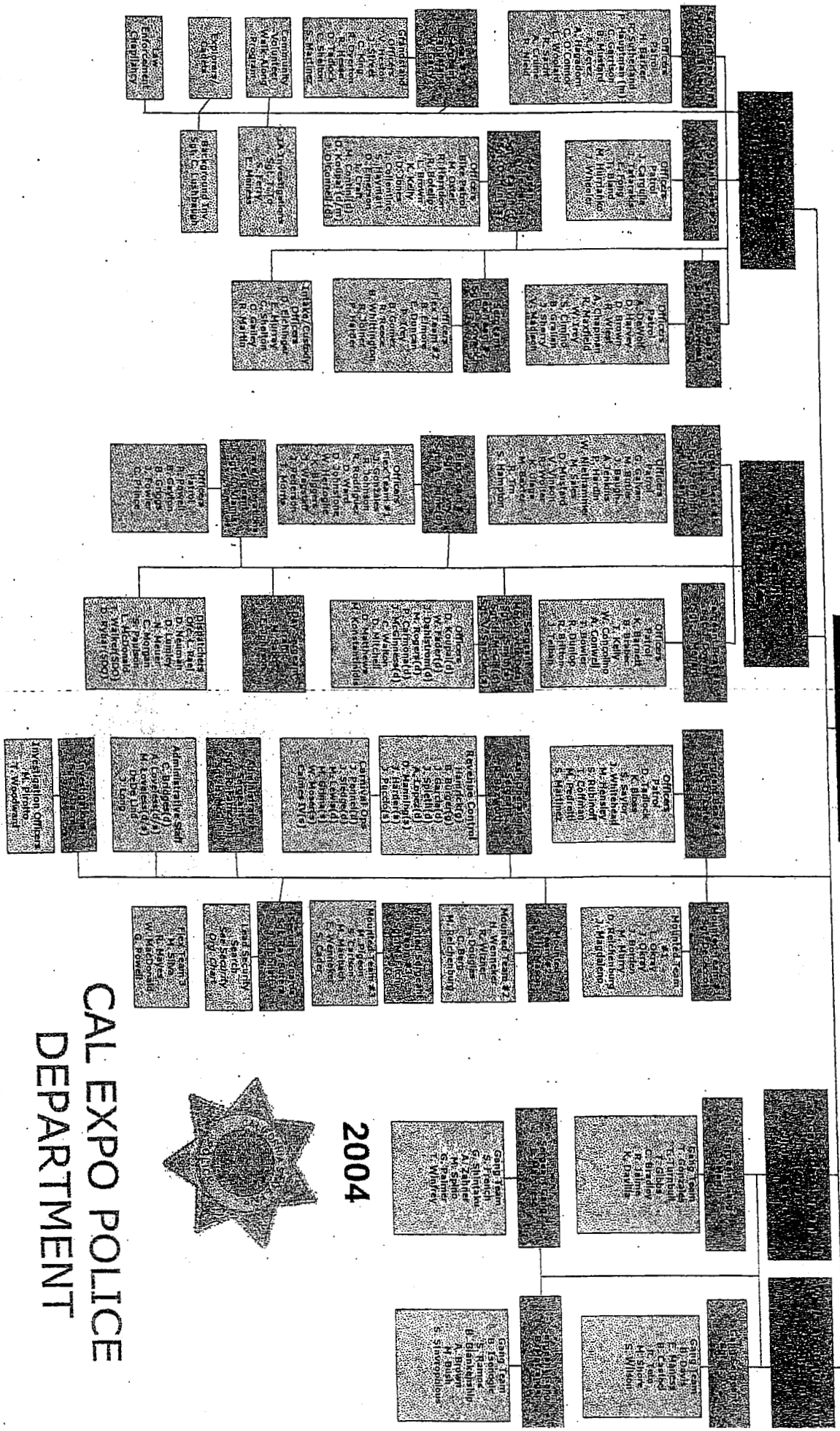
General Manager
Norb Bartosik

Deputy General Manager
Brian May

Robert L. Craft
Chief of Police

Executive Sergeant
Wayne Lebeck

Executive Secretary
Cathy Purcell



CAL EXPO POLICE
DEPARTMENT



2004



Section 11. Security Controls

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 CHRB 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 CHRB 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 CHRB 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:

Just opened new detention barn cameras in process of being installed.

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 4 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.

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

13. CONCESSIONAIRES AND SERVICE CONTRACTORS

Names and addresses of all persons to whom a concession or service contract has been given, **other than those already identified**, and the goods and/or services to be provided by each:
Ovations – 4501 Pleasanton Ave., Pleasanton, CA 94566 – Food & Liquor

14. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

A. Describe any promotional plans: **Comcast Cable weekly Television Show, Weekly Radio Show KHTK 1140, Statewide Promotional Giveaways, New Owners Seminars, and Live Internet Streaming and Archiving, free Clubhouse WiFi available.**

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 benefit:

1. Horsemen: **New Drivers Lounge, New backstretch Laundromat. New track lighting installed.**
2. Fans: **Grandstand renovation is almost complete.**
3. Facilities in the restricted areas: **New state of the art detention barn constructed and opened 5/01/06**

15. SCHEDULE OF CHARGES

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

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

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

Box seats sold for State Fair will have full use for our meeting at no additional charge.

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

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/08/2006

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

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

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.

INSURERS AFFORDING COVERAGE

NAIC #

INSURER A: **State Compensation**
 INSURER B:
 INSURER C:
 INSURER D:
 INSURER E:

COVERAGES

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

INSR ADD'L LTR INSR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				EACH OCCURRENCE	\$
					DAMAGE TO RENTED PREMISES (Ea occurrence)	\$
					MED EXP (Any one person)	\$
					PERSONAL & ADV INJURY	\$
					GENERAL AGGREGATE	\$
					PRODUCTS - COMP/OP AGG	\$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident)	\$
					BODILY INJURY (Per person)	\$
					BODILY INJURY (Per accident)	\$
					PROPERTY DAMAGE (Per accident)	\$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	\$
					OTHER THAN AUTO ONLY	EA ACC \$ AGG \$
	EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE	\$
					AGGREGATE	\$
						\$
						\$
						\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	#1829531-06	04/01/2006	04/01/2007	X WC STATUTORY LIMITS	OTH-ER
					E.L. EACH ACCIDENT	\$ 1,000,000
					E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
					E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
	OTHER					

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

*10 days notice of cancellation for non-payment of premium.

CERTIFICATE HOLDER

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

CANCELLATION

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

AUTHORIZED REPRESENTATIVE

Arthur Dunn/JENN

Arthur H. Dunn

16. JOCKEYS/DRIVERS' QUARTERS

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

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

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

17. BACKSTRETCH EMPLOYEE HOUSING

A. Inspection of backstretch housing was completed by **Investigator Martin Snezek 6/3/06.**

B. Number of rooms used for housing on the backstretch of the racetrack: **100**

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**

18. TRACK SAFETY

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

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

Pylons are to be used instead of inner hub rail, an Aluminum Steriliner 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:

Robert L. Gordon, Director Backstretch Operations & J.R. Williams, 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**

J 2005 1:06PM HP LASERJET FAX

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
09/20/2005

PRODUCER (916)988-0214 FAX (916)989-4719
Albano, Dale, Durn & 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 Dr
Sacramento, CA 95825

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Lexington Insurance Company	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

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

INSR ADD'L LTR INSR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	TBD	09/18/2005	09/18/2006	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea. occurrence) \$ 300,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person) \$ excl
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				PERSONAL & ADV INJURY \$ 1,000,000
					GENERAL AGGREGATE \$ 2,000,000
					PRODUCTS - COMPROP AGG \$ 2,000,000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (Ea. accident) \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS				AUTO ONLY - EA ACCIDENT \$
	<input type="checkbox"/> NON-OWNED AUTOS				OTHER THAN AUTO ONLY: EA ACC \$
					AGG \$
	GARAGE LIABILITY				
	<input type="checkbox"/> ANY AUTO				
A	EXCESS/UMBRELLA LIABILITY	TBD	09/18/2005	09/18/2006	EACH OCCURRENCE \$ 2,000,000
	<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE \$ 2,000,000
	<input type="checkbox"/> DEDUCTIBLE				
	RETENTION \$				
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATU-TORY LIMITS OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				E.L. EACH ACCIDENT \$
					E.L. DISEASE - EA EMPLOYEE \$
					E.L. DISEASE - POLICY LIMIT \$
A	OTHER Property	TBD	09/18/2005	09/18/2006	Business Prop \$ 9,000 Toc 1 Business Prop \$ 15,000 Loc 2

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

Locations: 1600 Exposition Blvd, Sacramento, CA 95815 & 2335 American River Dr, Ste 406, Sacramento CA. Liability coverage includes Legal Liability to Participants - \$ 1,000,000 limit.

CERTIFICATE HOLDER

California Horse Racing Board
1010 Hurley Way Ste 300
Sacramento, CA 95815

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 MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Arthur Dunn/GRETCH

19. DECLARATIONS

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

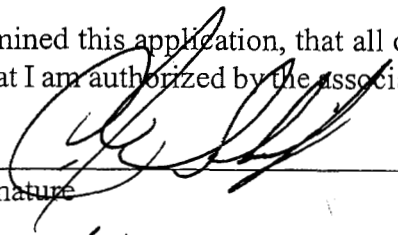
NOTICE TO APPLICANT: Pursuant to CHRB Rules 1870 and 1871, the CHRB shall be given 15 days' notice in writing of any intention to terminate a horse racing meeting or the engagements or services of any licensee, approved concessionaire, or approved service contractor.

20. CERTIFICATION BY APPLICANT

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

CHRISTOPHER J. SCHICK

Print Name


Signature

GENERAL MANAGER

Print Title

5/3/06
Date

**STAFF ANALYSIS
REQUEST FOR APPROVAL OF
CHARITY DISTRIBUTION**

**REGULAR BOARD MEETING
JUNE 22, 2006**

Background:

The Oak Tree Racing Association is requesting that the Board approve its proposed distribution of charity race day proceeds in the amount of \$74,500. The list of 25 beneficiaries is attached for your review. The distribution will give more than 85% to industry-related organizations. Staff finds this request to be in order.

Recommendation:

Staff recommends that the Board approve this request.

CHARITABLE



FOUNDATION

May 29, 2006

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

Fax: 916-263-6042

Dear Ingrid:

The audited net proceeds from Charity Racing Days during the 2005 Oak Tree meet came to \$74,530.00

Therefore the Directors of the Oak Tree Charitable Foundation respectfully request CHRB approval at the June 22, 2006 regular meeting to disburse a total of \$74,500 to the attached schedule of eligible beneficiaries.

Contributions to thoroughbred industry charities total 85.2% of the distribution. We also contribute additional monies for equine related purposes from our Foundation and Racing Association funds.

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

Sincerely;

OAK TREE CHARITABLE FOUNDATION

A handwritten signature in cursive script that reads "Chillingworth".

Sherwood C. Chillingworth
Executive Vice-President

Attachment.

**OAK TREE RACING ASSOCIATION
CHARITY DAY FUNDS - \$74,530
2006 (2005 MEET)**

California Equine Retirement Foundation	\$ 6,000.00
CA. Thoroughbred Horsemen's Foundation	\$ 7,000.00
Disabled Jockeys' Endowment	\$ 14,900.00
Don MacBeth Memorial Jockey Fund	\$ 5,000.00
Jolene's Horse Rescue	\$ 1,000.00
Race Track Chaplaincy of America, S. California Council	\$ 12,000.00
Tranquility Farm (Harry A. Biszantz Mem. Center)	\$ 10,000.00
United Pegasus Foundation	\$ 2,600.00
Winners Foundation	\$ 5,000.00
Industry Contributions - 85.2%	\$ 63,500.00
Arcadia Child Health Council	\$ 500.00
Arcadia Community Coordinating Council	\$ 500.00
Arcadia Presbyterian Lay Counseling Center	\$ 500.00
Kare Youth League, Arcadia	\$ 500.00
Santa Anita Family YMCA, Monrovia	\$ 500.00
Casa de las Amigas, Pasadena	\$ 1,000.00
First Church of the Nazarene	\$ 1,000.00
Five Acres, The Boys' & Girls' Aid Society, Altadena	\$ 1,000.00
Hillside School and Learning Center, La Canada	\$ 1,000.00
Pasadena Day Nursery for Child Development	\$ 500.00
Pasadena Humane Society, Pasadena	\$ 500.00
Rosemary Children's Services	\$ 500.00
Villa Esperanza	\$ 1,000.00
YMCA Pasadena-Foothill Valley	\$ 500.00
American Cancer Fund for Children, Inc., Los Angeles	\$ 1,000.00
REINS Therapeutic Horsemanship Program, Bonsall	\$ 500.00
TOTAL	\$ 74,500.00

STAFF ANALYSIS
PROPOSED TEMPORARY SUSPENSION OF
RULE 1606. COUPLING OF HORSES
AT
LOS ALAMITOS RACE COURSE

Regular Board Meeting
June 22, 2006

BACKGROUND

Business and Professions (B&P) Code Section 19420 provides that the Board shall have jurisdiction and supervision over meetings in this State where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings. B&P Code Section 19440 states the Board shall have all powers necessary and proper to enable it to carry out the purposes of this chapter. Responsibilities of the Board shall include adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. B&P Code Section 19562 provides the Board may prescribe rules, regulations, and conditions under which all horse races with wagering on their results shall be conducted in this State. A Special Teleconference Board Meeting was held on May 15, 2006. At the meeting the Board voted to temporarily waive Rule 1606, Coupling of Horses, as well as specific subparagraphs of pari-mutuel wagering regulations. The experimental waiver of Rule 1606 would apply only at the two current thoroughbred meetings at Hollywood Park Racetrack (HPRT) and Bay Meadows Race Track (BMRT) on the condition that there be at least five separate wagering interests prior to uncoupling. At the May 25 Regular Board Meeting Chairman Shapiro indicated Los Alamitos Race Course (LARC) wished to be included in the experimental waiver of Rule 1606 and associated regulations.

ANALYSIS

The waiver of Rule 1606 at HPRT and BMRT temporarily eliminates the practice of coupling two or more horses as a single wagering interest when the same person or persons own such horses in whole or in part. The Board's decision to waive the rules permits uncoupling on an experimental trial basis at the two thoroughbred meetings. Applying the temporary waiver of Rule 1606 and associated regulations to LARC will expand the scope of the uncoupling experiment and provide additional data regarding the effects of uncoupling on California horse racing.

RECOMMENDATION

Staff recommends the Board approve this request.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 6. ENTRIES AND DECLARATIONS
PROPOSED SUSPENSION OF
RULE 1606. COUPLING OF HORSES
AT
LOS ALAMITOS RACE COURSE

Regular Board Meeting
June 22, 2006

1606. Coupling of Horses.

Two or more horses shall be coupled as a single wagering interest and as an entry when such horses are owned in whole or in part by the same person or persons.

Authority: Sections 19420, 19440 and 19590,
Business and Professions Code.

Reference: Section 19401,
Business and Professions Code.

STAFF ANALYSIS
TEMPORARY SUSPENSION OF
RULE 1663(B). ENTRY OF CLAIMED HORSE AS
REQUESTED BY CALIFORNIA AUTHORITY OF RACING FAIRS

Regular Board Meeting
June 22, 2006

BACKGROUND

Board Rule 1663, Entry of Claimed Horse, provides that a horse claimed out of a claiming race is eligible to race in California immediately after being claimed. The rule also provides that a horse claimed out of a claiming race is not eligible to start in another claiming race for 25 days for less than 25 percent more than the amount for which it was claimed. No claimed horse is eligible to race in any state other than California until 60 days after the close of the meeting at which it was claimed except in a stakes race. For the purposes of the rule, the California Fair Circuit is considered one meeting.

In the spring of 2005 California racing secretaries proposed that Rule 1663, Entry of Claimed Horse, be amended to provide for a 90-day jail time. The industry argued that a dramatic shift in the number of claimed horses leaving California was increasing the shortage of horses and causing short fields. Out-of-state interests were entering California with the sole purpose of claiming large numbers of horses they had no intent of running in this State. The industry claimed the phenomenon was the result of "slots-fueled racetracks" and the "raiding" of California's horses was having a "devastating effect" on the industry. At the same time, the industry requested that the amendment include a provision that would consider the California Fair Circuit a single meeting for the purposes of the regulation. After a survey of other racing jurisdictions revealed the prevalent jail time to be 60 days, and due to concerns regarding Constitutional issues, the industry agreed to a 60-day jail time. The amendment to Rule 1663 was endorsed by California Thoroughbred Trainers (CTT), Thoroughbred Owners of California and thoroughbred racing associations; it was adopted at the March 2005 Regular Board Meeting and was effective in August 2005. Concerns regarding the effect on the fair circuit of the 60-day jail time were raised following the implementation of the amended regulation. The industry argued that out-of-state interests would not bring horses into California to run at the fairs in claiming races if they could not - in turn - run horses claimed in California in other jurisdictions in a timely manner.

ANALYSIS

The California Authority of Racing Fairs (CARF) has proposed the temporary suspension of Subparagraph 1663(b) as it applies to the California Fair Circuit. At the close of the Fresno District Fair (FDF) CARF proposes to suspend the 60-day jail time, effective October 16, 2006, the day after the last day of racing at FDF. This will allow horses claimed during the fair circuit the ability to leave California and immediately run in out-of-state races.

RECOMMENDATION

This item is presented for discussion and action.



a California joint powers agency

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

June 6, 2006

Ms. Ingrid Fermin
 California Horse Racing Board
 1010 Hurley Way
 Sacramento, CA 95815

Via E-mail & USPS

Dear Ingrid,

This is to request that an item be placed on the CHRB's June 2006 agenda. The issue to be discussed and acted upon by the Board is our request that the Board approve a limited waiver of *Rule 1663(b). Entry of Claimed Horse* as it pertains to California Fair racing meetings.

On behalf of the California Fairs, I am making this request to allow horses claimed at Fairs to be eligible to race in another state effective October 16, 2006, the day after the last day of racing at the Fresno District Fair. This would constitute a limited waiver of the present rule, which makes a horse claimed at a Fair ineligible to race in another state until 60 days after the close of the Fresno Fair.

The California Fairs have conducted a comprehensive and aggressive recruitment program to encourage owners and trainers from other states to ship horses to race on the California Fair circuit. This program has met with some success. At the conclusion of the Fair circuit, most of the out-of-state trainers who come to the Fairs return to the state from which they came. Waiving the 60-day period of ineligibility following the end of Fresno Fair will help support our effort to recruit owners and trainers to come race their horses in California.

We appreciate your consideration of this matter.

Respectfully submitted,

/s/

Christopher Korby

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 7. CLAIMING RACES

RULE 1663
Entry of Claimed Horse

1663. Entry of Claimed Horse.

(a) A horse claimed out of a claiming race is eligible to race at any racing association in California immediately after being claimed. The horse is not eligible to start in a claiming race for 25 days after the date of the claim for less than 25% more than the amount for which it was claimed.

(b) A horse claimed out of a claiming race is not eligible to race in any State other than California until 60 days after the close of the meeting from where it was claimed except in a stakes race.

(1) For the purposes of this rule, the California Fair Circuit shall be considered one meeting.

(c) A claimed horse may be removed from the grounds of the association where it was claimed for non-racing purposes.

(d) The provisions of subsection (a) of this rule do not apply to standardbred horses.

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

Reference: Sections 19562,
Business and Professions Code.

STAFF ANALYSIS
CLARIFYING DISCUSSION REGARDING
DRAINAGE FOR SYNTHETIC RACING SURFACES

Regular Board Meeting
June 22, 2005

BACKGROUND

At the May 25, 2006, Regular Board Meeting an amendment to Rule 1433, Application for License to Conduct a Horse Racing Meeting, that would require certain thoroughbred tracks to install a polymer synthetic-type surface not later than January 1, 2008, was adopted. An earlier companion amendment to Rule 1433 – an amendment to Rule 1472, Rail Construction and Track Specifications, which exempted polymer synthetic type racing surfaces from the cross slope requirements of organic dirt racetracks, was adopted at the April 2006 Regular Board Meeting. The amendment to Rule 1472 was first discussed at the January 2006 Regular Board Meeting. The proposed text of the amendment required racing associations to conform to the minimum specifications of the manufacturer of synthetic racing surfaces regarding “cross slope requirements and requisite drainage installations.” Segments of the industry objected to a requirement that would force them to conform to an “unknown manufacturer’s specifications.” Members of the Board agreed that the text of the proposed amendment could be modified so racing associations would not have to comply with a manufacturer’s requirements for cross slope and drainage when installing a synthetic racetrack. The text of the proposed amendment to Rule 1472 was subsequently modified to remove any reference to cross slopes or drainage for synthetic racing surfaces. At the April 2006 Regular Board Meeting Chairman Shapiro stated he had concerns that the amendment to Rule 1472 did not address the entire system, including drainage, but was assured by Craig Fravel of Del Mar Thoroughbred Club that the issue could be addressed when plans for installation of synthetic tracks were presented to the Board. The amendment to Rule 1472 was adopted as presented. No concerns regarding the drainage system of synthetic racing surfaces were expressed when the Board adopted the amendment to Rule 1433 at its May 2006 Regular meeting.

ANALYSIS

Concerns regarding drainage for polymer synthetic type racing surfaces persist. The issue has been placed on the agenda to clarify that the installation of a polymer synthetic type-racing surface requires the installation of a proper drainage system.

RECOMMENDATION

This item is presented for Board discussion and action.

STAFF ANALYSIS
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 6. ENTRIES AND DECLARATIONS
PROPOSED AMENDMENT OF
RULE 1582. FORM OF ENTRIES AND DECLARATIONS

Regular Board Meeting
June 22, 2006

BACKGROUND

Business and Professions (B&P) Code Section 19440 provides that the Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of this chapter. Responsibilities of the Board include adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. B&P Code Section 19562 states the Board may prescribe rules, regulations, and conditions under which all horse races with wagering on their results shall be conducted in California. Rule 1582, Form of Entries and Declarations, provides that entries and declarations shall be made in writing on forms provided by the association. In addition, the rule states entries may be made by telephone and are valid if they are promptly confirmed in writing. On March 1, 2006, a directive was issued that temporarily waived the requirement for written entry confirmation. The directive was issued pursuant to Rule 1406, Suspension of Rule. The directive was endorsed by the Board at the March 2006 Regular Meeting. At that time, the Board indicated it would like to hear from the industry regarding the issue of verification of written entries. Staff received comments from racing secretaries at Golden Gate Fields Race Track, Bay Meadows Race Track, Santa Anita Park Race Track and Del Mar Race Track. The consensus among the submitted comments was that accepting telephone entries without requiring written verification was a long-standing practice. The racing secretaries stated it was rare that the person accepting the telephone entry did not know the person making the entry. If there were questions, a more senior person took the phone call, or the name of the person making the entry was taken and the fact that it was a telephone entry was noted. Rick Hammerle of Santa Anita Park Race Track commented that entries were also confirmed at the public draw for post positions. The majority of racing secretaries stated the telephone was a preferred method of making entries, as many trainers did not have easy access to facsimile machines or e-mail.

ANALYSIS

The proposed amendment to Rule 1582 provides that under Rule 1437, Conditions of Race Meeting, the association may accept entries by telephone, facsimile, or any other electronic method it deems appropriate. In addition the association may require a written confirmation of such entries. This allows racing associations to continue current practice regarding telephone entries, and to introduce additional technologies that may become available. In addition, it gives the associations the ability to require a written confirmation if they feel it is necessary. Rule 1437 requires that racing associations publish its conditions in the condition book or

otherwise make them available to all licensees participating in the race meeting. This will ensure that licensees will understand how to make entries, what technology is appropriate for making entries and if a written confirmation is necessary.

RECOMMENDATION

Staff recommends the Board direct staff to initiate a 45-day public comment period.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 6. ENTRIES AND DECLARATIONS
PROPOSED AMENDMENT OF
RULE 1582. FORM OF ENTRIES AND DECLARATIONS

Regular Board Meeting
June 22, 2006

1582. Form of Entries and Declarations.

(a) Entries and declarations shall be in writing on the forms provided by the association and signed by the owner of the horse, his authorized agent, the trainer of the horse or a representative delegated by the trainer.

(b) As a condition of the race meeting under Rule 1437 of this division, Entries entries may be made by telephone, facsimile, or any other electronic method deemed appropriate by the association, and the association may require a written confirmation of such entries. are valid if promptly confirmed in writing and no person shall fail to confirm an entry made by telephone.

Authority: Section ~~19562~~ 19440,
Business and Professions Code.

Reference: Section 19562,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD

JUNE 22, 2006
REGULAR BOARD MEETING

There is no board package material for Item 11.

STAFF ANALYSIS
DISTRIBUTION OF UNCASHED PARI-MUTUEL TICKETS
FROM THE 2005 CAPITOL RACING MEET

REGULAR BOARD MEETING
JUNE 22, 2006

Background:

Winning pari-mutuel tickets that are not cashed (outstanding) by May 15 of the year following the year of purchase are removed from the wagering system. The dollar amounts of the outstanding tickets (outs) are then distributed as mandated by law. In the case of a harness meet the outs from wagers on the live handle are split 50-50 between the State and the backstretch welfare fund. Outs on imported races are split 50-50 between purses and the racing association.

In a normal situation common practice in California racing is that the outs are audited and then the outs dollars are transferred to the appropriate racing association which then makes the various distributions as mandated by law. However, the Capitol Racing meet in 2005 was the last meet for Capitol in California and there has been a fair amount of controversy about how to properly conclude all of Capitol's racing business in California. Because of the various disputes between Capitol and the California Harness Horsemen's Association (CHHA), the entire outs dollars are being held in the SCOTWINC money room awaiting further instructions. Since the CHHA administers the welfare fund for the benefit of the backstretch workers, they are asking that the portion of the outs that would be mandated for their backstretch welfare program be released immediately given the importance of the funds to that program (these funds represents virtually all of the annual funding for the program). It should be noted that an amount equal to the backstretch funds is also due to the State of California.

Business and Professions Code Section 19641 (the relevant code section) indicates that the outs will be paid to the State and the welfare fund. It does not specify who shall pay the funds over to the recipients. In fact, the code section mandates that racing associations make partial payments to the State and welfare fund throughout the year prior to the final accounting at May 15. Capitol Racing has not made those partial payments for their 2005 outs. Since there are several claims for purses (both overpaid and underpaid) and other items of contention between Capitol and the CHHA, it may be "cleaner" to have the portion of the outs that are due the State and the welfare fund paid directly to those two entities (approximately \$70,000 each) rather than pass through the hands of Capitol.

Recommendation:

Staff recommends that the Board direct staff to work with SCOTWINC to see that the outs for the backstretch welfare organization and the State are paid directly to those entities.

MANDEL, NORWOOD & GRANT
ATTORNEYS AT LAW
2001 WILSHIRE BOULEVARD, SUITE 270
SANTA MONICA, CALIFORNIA 90403-5627
(310) 315-0400

S. JEROME MANDEL
A PROFESSIONAL CORPORATION

NADMI NORWOOD (RET.)
PAUL R. GRANT, OF COUNSEL

May 30, 2006

BY US MAIL AND E-MAIL

Richard Shapiro, Chairman
California Horse Racing Board
1010 Hurley Way.
Suite 300
Sacramento, California 95825

Re: CHHA Request For Agenda Item

Dear Mr. Shapiro:

As you are now aware, the final "outs" accounting as pertains to Capitol Racing has been completed, or is about to be completed. I forwarded to you last week a copy of a letter I sent to Mr. Digiovanni, mutuals manager at LAQHRA, requesting that he refrain from distributing the "outs" proceeds until all financial issues between Capitol Racing and CHHA are resolved.

You will recall that we had earlier requested of Capitol Racing that it agree, at least, to permit without dispute distribution of that portion of the "outs" proceeds that would otherwise fund the health and welfare program for the harness industry's backstretch employees. We were disappointed that Capitol Racing refused that request, which seriously impacts negatively the health and welfare fund.

I have received from Mr. Digiovanni a letter confirming that the "outs" funds will not be distributed until further order from the CHRB. I am enclosing a copy of his letter for your reference.

While we appreciate the fact that the matter needs to be resolved by the CHRB, we continue to be mindful of

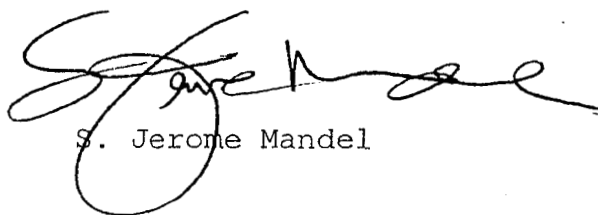
Richard Shapiro, Chairman
May 30, 2006
Page 2

the needs of the backstretch employees. At a minimum, CHHA requests that the portion of the "outs" earmarked by statute for the health and welfare fund be disbursed for its intended use. The backstretch employees have no interest in the disputes between CHHA and Capitol Racing, and their needs ought not be sacrificed merely because Capitol Racing refuses to acknowledge them.

Accordingly, on behalf of CHHA, request is hereby made that this issue be placed on the agenda for the next scheduled meeting of the CHRB, which I believe will be June 22, 2006, in Davis, CA. Specifically, we request an action item to the effect that the CHRB issue forthwith an order directing that the portion of the "outs" proceeds being held by Mr. Digiovanni, which portion is required by statute to be used for funding health and welfare programs for the harness industry, be released immediately for their intended purpose.

I will appreciate hearing from you with regard to our request. Please advise me if you require anything further. Thanks you for your courtesy and cooperation in this matter.

Very truly yours,



S. Jerome Mandel

Cc: Ingrid Fermin, Executive Director CHRB (via e-mail)
Ben Kenney, President CHHA (via e-mail)
Bob Digiovanni, Mutuals Manager LAQHRA
Ed Allred, LAQHRA (via e-mail)
Greg Markow, counsel for Capitol Racing (via e-mail)

STEVENS & O'CONNELL LLP

ATTORNEYS

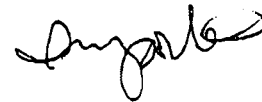
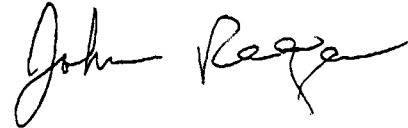
400 CAPITOL MALL, SUITE 1400
SACRAMENTO, CALIFORNIA 95814-4498
www.stevensandoconnell.com

RECEIVED JUN 12 2006

TELEPHONE: (916) 329-9111
FACSIMILE: (916) 329-9110

BRADLEY A. BENBROOK
bab@stevensandoconnell.com

June 5, 2006

**Via Facsimile & U.S. Mail**

Ms. Ingrid Fermin
California Horse Racing Board
1010 Hurley Way
Sacramento, California 95865

S. Jerome Mandel
Mandel, Norwood & Grant
2001 Wilshire Blvd., Suite 210
Santa Monica, CA 90403

Robert Forgnone
Attorney at Law
14819 Mar Vista St.
Whittier, California 90605

Re: Treatment of "Outs" Money

Dear Ms. Fermin and Counsel:

We are writing in response to Mr. Mandel's request that the California Horse Racing Board ("CHRB") intervene in the distribution of unclaimed ticket (or "outs") money relating to Capitol Racing's last meet. This letter further responds to Mr. Mandel's letter of May 26, 2006, addressed to Robert DiGiovanni in his two separate capacities, one as a manger for SCOTWINC (Mr. Forgnone's client), and one as a manager for Los Alamitos (Mr. Mandel's client).

At the outset, we note that Mr. Forgnone believes Mr. DiGiovanni is acting exclusively in his capacity as an employee of Los Alamitos as it relates to distribution of the \$211,404.46 of "outs" money at issue here. Indeed, Mr. DiGiovanni has written on Los Alamitos letterhead that Los Alamitos intends to continue holding such money. It is unclear to us how Los Alamitos is lawfully in possession of this money, but there can be no dispute that Los Alamitos has no right to retain it. The question is whether Los Alamitos will comply with the statutes governing distribution of the outs money.

STEVENS & O'CONNELL LLP

June 5, 2006

Page 2

We understand that the outs money at issue falls into two separate categories: (1) money from wagers on live races at Cal-Expo and (2) money from wagers on races imported by Capitol Racing. Capitol Racing will scrupulously follow the law in distributing the outs money. Conversely, CHHA is proposing that the applicable provisions of the Horse Racing Law be ignored in order to further its litigation tactics.

Outs From Live Racing. California Business and Professions Code sections 19641(a) and (b) appear to govern distribution of the first category of outs money. Under those provisions, unclaimed ticket money from live racing is to be split 50/50 between the CHRB and the harness horsemen's welfare fund. Contrary to Mr. Mandel's claim, Capitol has not refused to distribute this category of outs money to the harness horsemen's welfare fund and the CHRB pursuant to Section 19641. CHHA's posturing suggestions that Capitol is attempting to harm the health and welfare of horsemen are preposterous. Indeed, the CHRB staff has previously stated that Capitol overpaid the welfare fund in the past:

Per Horse Racing Law, the outstanding tickets and refunds on imported races are to be split equally between the association and purses. All other outs are to be split between the State of California and a harness backstretch welfare fund. Instead, Capitol split all outs between the State and the welfare fund thus shortchanging themselves as well as the purses by about \$48,000 each in 2004. Staff will take steps to correct this matter for future distributions but it probably is not practical to make retroactive changes since the welfare fund is for the horsemen. However, it would be their decision if they wish to transfer money from the welfare fund to the purses.

CHRB Staff Analysis, February 17, 2005 Board Package (emphasis added).

Money properly split between the CHRB and the welfare fund should and will be distributed by Capitol Racing as required by Section 19641 immediately upon Capitol Racing's receipt of the funds. While Capitol may seek to recover any money overpaid to the welfare fund and the State for past meets, it will apply Section 19641 to outs money generated at its last meet.

Outs From Imported Races. California Business and Professions Code section 19601(d) governs distribution of the second category of outs (imported races) and requires that money from such unclaimed tickets "shall be distributed equally between the association or fair that accepts wagers on the transmitted race, and the horsemen, in the form of purses." As Mr. Mandel has correctly noted, this outs money has been paid to Capitol Racing every year. After receiving such payment, it is Capitol's statutory obligation to pay one-half of such money to itself and one-half of such money to the purse account managed by Capitol Racing while Capitol Racing was the operator. Thus, Capitol Racing will, immediately upon receiving this money, distribute it according to the formula set forth in §19601(d).

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Page 3

What actually concerns CHHA – although they never so state – is that the purse account administered by Capitol Racing is overdrawn, and the harness horsemen owe Capitol money from it. This means that the portion of the outs money payable to the purse account will not result in a cash payment to the current purse account being administered by the new operator of harness racing at Cal-Expo, but rather in a reduction of amounts due and owing from Capitol's purse account. Capitol seeks to fully recoup its "overpayment" of purses in litigation against CHHA and Los Alamitos. CHHA claims separately that Capitol should have paid more money into its purse account. It should go without saying that when Los Alamitos does pay such outs money to Capitol and Capitol applies one-half of it to the purse account, CHHA has not lost its ability to argue in the litigation that Capitol still owes horsemen money pursuant to its separate theories, however far-fetched they might be. All of that will get sorted out in the litigation.

In the meantime, there is no basis whatsoever for CHHA's request that Los Alamitos, Scotwinc, or the CHRB shield outs money from Capitol Racing pending the outcome of that litigation. Indeed, the pending litigation is completely irrelevant to the question of whether Los Alamitos must comply with Section 19601(d) by paying this outs money to Capitol. Notably, CHHA has not sought judicial intervention to prevent the application of Section 19601. Instead, it is attempting to resort again to extra-judicial self help in the hopes of tying up yet more money that should be distributed to Capitol Racing.

Accordingly, Capitol demands that all outs money arising from its last meet be paid to it immediately. If the CHRB takes any action on this issue, Capitol requests that it only confirm that Los Alamitos must pay all such outs money to Capitol. To the extent either Los Alamitos or any other entity (including the CHRB) attempts to impede the proper application of the Horse Racing Law, Capitol reserves all rights to pursue appropriate remedies.

Thank you for your anticipated cooperation in this matter.

Sincerely,



Bradley A. Benbrook

cc: Richard S. Shapiro (via facsimile)
Gregory S. Markow, Esq. (via email)

CALIFORNIA HORSE RACING BOARD

JUNE 22, 2006
REGULAR BOARD MEETING

There is no board package material for Item 13.

CALIFORNIA HORSE RACING BOARD

JUNE 22, 2006
REGULAR BOARD MEETING

There is no board package material for Item 14.

STAFF ANALYSIS
STAFF REPORT ON MONTHLY HANDLE AND
CUMULATIVE HANDLE AND ATTENDANCE INFORMATION

REGULAR BOARD MEETING
JUNE 22, 2006

Background:

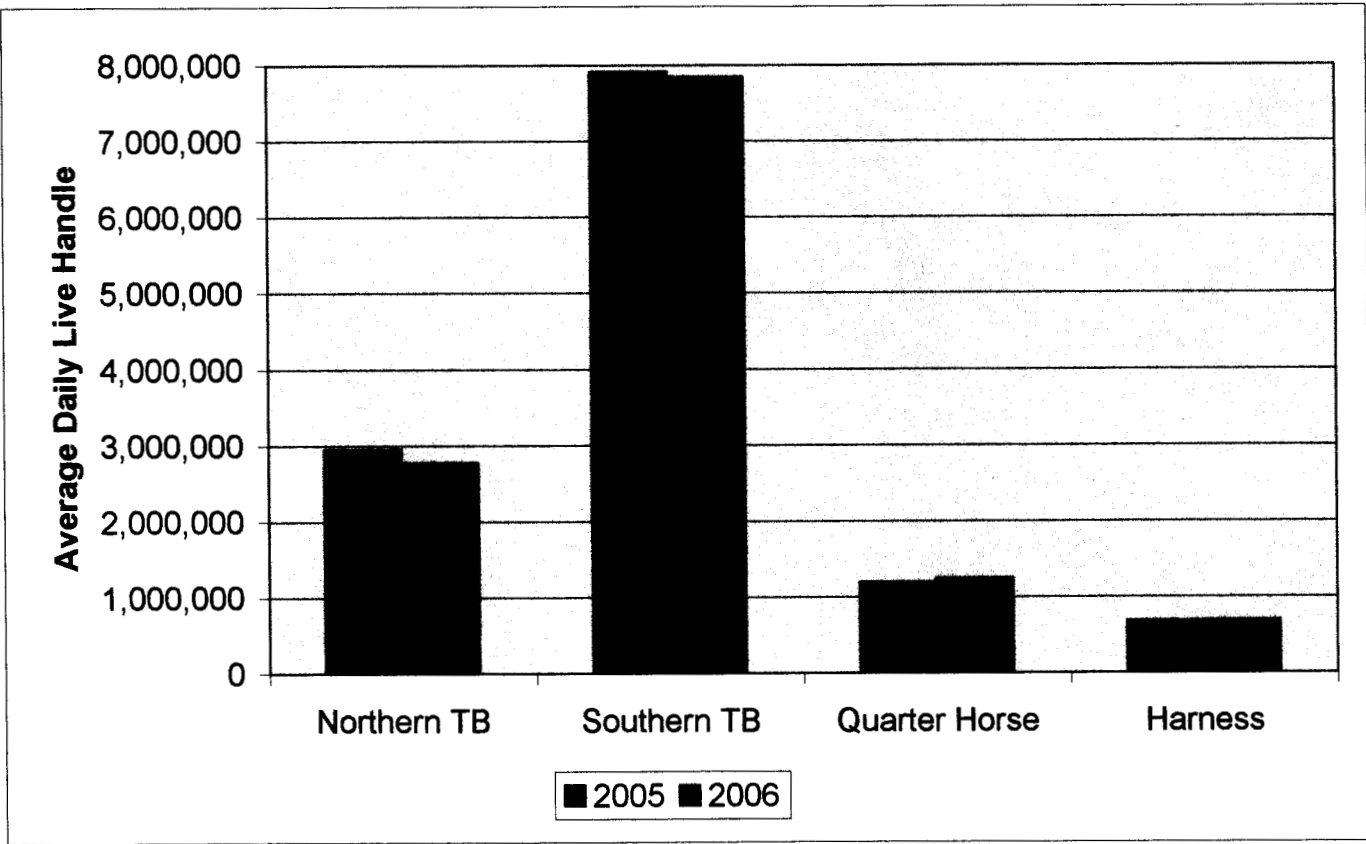
These are new statistical reports showing a "snapshot" of monthly handle information (May 2006 vs May 2005) and a cumulative report showing handle and attendance for the racing year to-date – in this case: 12/26/05 through 5/31/06 as compared to the same period last year.

Recommendation:

This item is for information and discussion.

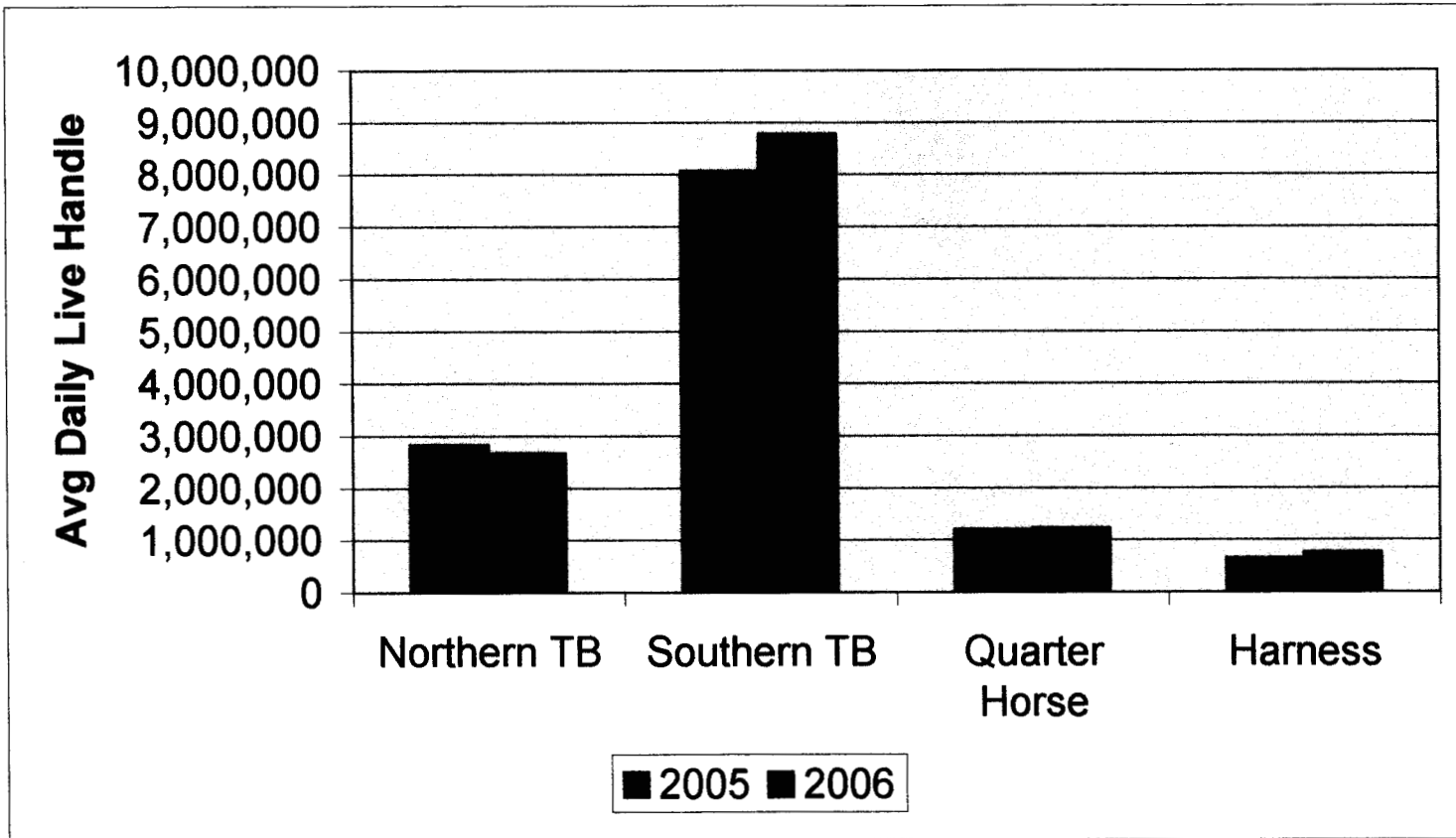
AVERAGE DAILY LIVE HANDLE MAY 2005 VS 2006

Meet	Year	# Days	Total Live Handle	Avg Daily Live Handle	Year	# Days	Total Live Handle	Avg Daily Live Handle	Difference	% Change
Northern TB	2005	22	64,683,981	2,940,181	2006	21	57,890,156	2,756,674	(183,507)	-6.24%
Southern TB	2005	22	173,764,192	7,898,372	2006	23	180,119,690	7,831,291	(67,081)	-0.85%
Quarter Horse	2005	17	20,140,480	1,184,734	2006	16	19,837,071	1,239,817	55,083	4.65%
Harness	2005	16	10,675,119	667,195	2006	17	11,523,372	677,845	10,650	1.60%



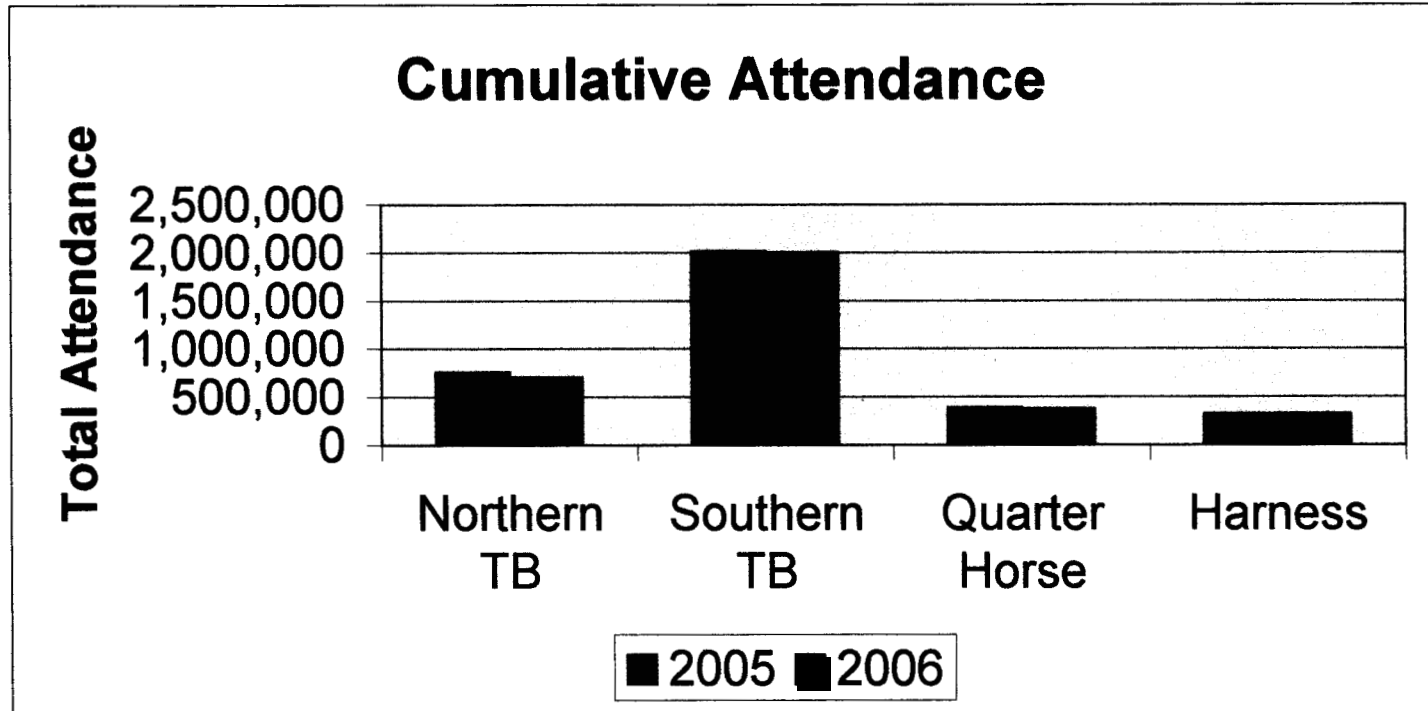
**AVERAGE DAILY LIVE HANDLE
CUMULATIVE
2005 VS 2006
December 26 - May 31**

Meet	Year	# Days	Total Live Handle	Avg Daily LiveHandle	Year	# Days	Total Live Handle	Avg Daily Live Handle	Difference	% Change
Northern TB	2005	115	323,261,169	2,810,967	2006	112	297,394,673	2,655,310	(155,657)	-5.54%
Southern TB	2005	114	917,689,657	8,049,909	2006	114	999,674,039	8,769,071	719,161	8.93%
Quarter Horse	2005	86	102,001,404	1,186,063	2006	87	105,625,270	1,214,084	28,021	2.36%
Harness	2005	90	57,600,154	640,002	2006	87	65,417,039	751,920	111,918	17.49%



CUMULATIVE ATTENDANCE 2005 VS 2006 December 26 - May 31

Meet	2005	2006	Avg Daily Change	% Change
Northern TB	749,779	697,281	(347)	-0.05%
Southern TB	2,002,076	1,995,014	(62)	0.00%
Quarter Horse	380,995	366,324	(219)	-0.06%
Harness	313,565	312,557	109	0.03%



CALIFORNIA HORSE RACING BOARD

JUNE 22, 2006
REGULAR BOARD MEETING

There is no board package material for Item 16.