



a California joint powers agency

1776 Tribute Road, Suite 205
Sacramento, CA 95815
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www.calfairs.com

AGENDA

**CALIFORNIA AUTHORITY OF RACING FAIRS
BOARD OF DIRECTORS MEETING
JOHN ALKIRE, CHAIR
12:30 P.M., TUESDAY, MAY 4th, 2010
VIA TELECONFERENCE**

Notice is hereby given that a meeting of the California Authority of Racing Fairs' Board of Directors will commence at 12:30 P.M., Tuesday, May 4th, 2010. The meeting will be held at the CARF Conference Room located at 1776 Tribute Road, Sacramento, California 95815.

AGENDA

- I. Date, time and location of next meeting.
- II. Approval of minutes.
- III. Report, discussion and action, if any, on legislative matters.
- IV. Report, discussion and action, if any, on formation of a CARF Funding Committee and its initial meeting with CDFA F&E regarding FY 2009-10 project and funding allocations.
- V. Discussion and action, if any, on recommendations from the CARF Board regarding FY 2010-11 funding allocations from CDFA Division of Fairs and Expositions.
- VI. Report, discussion and action, if any, on implementation of Mini Satellite Wagering Facilities as joint ventures with Fairs.
- VII. Report, discussion and action, if any, on developments in Magna bankruptcy proceedings.
- VIII. Report, discussion and action, if any, on the recent meeting with Northern California racing industry stakeholders.
- IX. Report, discussion and action, if any, on development of operating standards and inspection criteria for satellite wagering facilities.
- X. Business plan
- XI. Financials
- XII. Executive Director's Report
- XIII. Closed Session: Pending Litigation



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JOHN ALKIRE, CHAIR
12:30 P.M., TUESDAY, MAY 4th, 2010
VIA TELECONFERENCE

Notice is hereby given that a meeting of the California Authority of Racing Fairs Board of Directors will commence at 12:30 P.M., Tuesday, May 4th, 2010. The meeting will be held at the CARF Conference Room located at 1776 Tribute Road, Sacramento, California 95815.

The Public and members of the California Authority of Racing Fairs Board of Directors may participate from the locations on the following page or in person.

CARF Board of Directors Meeting
Toll Free Dial In Number: (800) 791-2345
Participant Code: 83711 #



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CALIFORNIA AUTHORITY OF RACING FAIRS

Teleconference Meeting Locations

Alameda County Fair
4501 Pleasanton Avenue
Pleasanton, CA 94566

Antelope Valley Fair
2551 West Ave. H
Suite 102
Lancaster, CA 93536

The Big Fresno Fair
1121 S. Chance Avenue
Fresno, CA 93702

California State Fair
1600 Exposition Blvd.
Sacramento, CA 95815

Humboldt County Fair
1250 5th Street
Ferndale, CA 95536

Kern County Fair
1142 South P Street
Bakersfield, CA 93307

Monterey County Fair
2004 Fairground Road
Monterey, CA 93940

National Orange Show
689 South E Street
San Bernardino, CA 92408

Riverside National Date Festival
46-350 Arabia Street
Indio, CA 92201

San Bernardino Co. Fair
14800 Seventh Street
Victorville, CA 92395

San Joaquin Fair
1658 S. Airport Way
Stockton, CA 95206

San Mateo County Fair
2495 South Delaware Street
San Mateo, CA 94403-1027

Santa Barbara Co. Fair
937 Thornburg Street
Santa Maria, CA 93458

Shasta District Fair
1890 Briggs Street
Anderson, CA 96007

Solano County Fair
900 Fairgrounds Drive
Vallejo, CA 94589

Sonoma County Fair
1350 Bennett Valley Road
Santa Rosa, CA 95404

Southern CA Fair
18700 Lake Perris Dr.
Perris, CA 92570

Stanislaus County
900 North Broadway
Turlock, CA 95380

Tulare County Fair
215 Martin Luther King
Tulare, CA 93274

Ventura County Fair
10 West Harbor Blvd
Ventura, CA 93001-2706

CALIFORNIA AUTHORITY OF RACING FAIRS
Board of Directors
Tuesday, April 6, 2010

MINUTES

A meeting of the California Authority of Racing Fairs Board of Directors was held at 12:30 P.M., Tuesday, April 6, 2010. The meeting was hosted by the Alameda County Fair located at the Alameda County Fairgrounds, 4501 Pleasanton Ave., Pleasanton, California.

CARF Board of Director members attending: John Alkire, Vince Agnifili, Norb Bartosik, Mike Paluszak, Rick Pickering and Kelly Violini. Joining by conference call: Dan Jacobs.

Staff and Guests attending: Christopher Korby, Larry Swartzlander, Heather Haviland, Tom Doutrich, Amelia White, Rick Wood, Raechelle Gibbons, Mike Treacy, Debbie Cook, Cindy Olsen, Jay Haight, Joe Barkett, Jeanne Wasserman and Randy McGee. Joining by conference call: Tawny Tesconi, Ken Alstott and Louie Brown.

Agenda Item 1 – Date and Time of Next Meeting. The next CARF Board & Live Racing Committee meetings will be held Tuesday, May 4, 2010 in Sacramento, time to be determined.

Agenda Item 2 – Approval of Minutes. Mr. Bartosik moved to approve the meeting minutes as presented. Mr. Pickering seconded, unanimously approved.

Agenda Item 3 – Report, Discussion and Action, if any, on Legislative Matters. Mr. Brown reported that a current legislative bill update was included in the meeting packet. The majority of horse racing industry interests are in spot bill form and discussions regarding racing are currently minimal.

The one significant racing bill is SB 1439 (Price), a bill sponsored by Hollywood Park to eliminate the 20-mile protection around any facility that does not have a minimum of seven weeks of live racing in a calendar year. The CARF Board moved to adopt an oppose position on that bill in March.

SB 1439 (Price) is set for a hearing next week and will probably face some push back in the Senate G.O. Committee due to opposition from the tribal gaming industry. The tribal casinos allowed the mini-satellite legislation to pass and they believe the existing terms should be allowed to work until a point in which they are proven not to work. The tribal interests will oppose any changes to the existing law. They are willing to discussion an increase in satellite commissions, but not as a compromise to eliminating the 20-mile radius protection.

Mr. Brown asked if any Board members had read AB 2115 (Fuentes), a bill to allow advance deposit wagering day accounts at satellite facilities, and if the group had any comments regarding the bill. Mr. Brown reported that F&E expressed concerns regarding the impact this bill might have on satellites. There were no comments at this time.

Agenda Item 4 – Report, Discussion and Action, if any, on Funding Allocations from CDFA Division of Fairs and Expositions. Mr. Treacy reported that he has given this topic extensive consideration due to recent meetings with the Department of Finance and legislative counsel for the Governor’s Office to justify the F&E expenditure plan. Mr. Treacy feels, given the environment and change in funding source, the scrutiny and oversight of F&E expenditures will only get more intense.

Mr. Treacy recommends a committee be formed, consisting of staff from F&E and CARF as well as member Fairs, to accept applications/proposals from member facilities and to make prudent, timely decisions based on merit, urgency and relativity to industry issues.

Mr. Treacy also announced that the 2010-2011 expenditure plan will be presented to the CFA Board of Directors in June and all Fair Managers and Board Directors are highly encouraged to attend.

Mr. Bartosik moved to accept Mr. Treacy’s recommendation and requested that Mr. Jacobs work with F&E staff in the formation of a committee to manage the allocations that flow from F&E to CARF for satellite facility and live racing improvements. Ms. Violini seconded, unanimously approved.

Agenda Item 5 – Report, Discussion and Action, if any, on Agreements for Replacement Revenues Paid to Fairs which Reduce or Discontinue Conduct of Live Horse Racing. Mr. Korby reported that this item was discussed at length during the live racing meetig. The Live Racing Committee voted to table discussion on the draft agreement that has been circulating and establish a new agreement between F&E, Solano County Fair and San Joaquin County Fair based on funding from license fee revenues pledged from F&E for a one-year term as an interim plan.

Mr. Korby requested that the Board take action in support of the Live Racing Committee’s decision.

Mr. Bartosik moved to adopt the interim plan put forth by the Live Racing Committee. Mr. Paluszak seconded, clarifying that the funding would incorporate the front-loaded level of funding for the Solano County Fair. Unanimously approved.

Agenda Item 6 – Report, Discussion and Action, if any, on Implementation of Mini Satellite Wagering Facilities as Joint Ventures with Fairs. Mr. Korby introduced a generic draft lease agreement, provided in the meeting packet, which is intended for use as the foundation of a business relationship between a Fair and local third party that wish to enter into a joint venture.

Monterey County Fair, Humboldt County Fair, San Mateo County Fair, Cal Expo and Solano County Fair are in various stages of discussion and implementation in developing mini-satellite facilities.

Ms. Violini reported that she is in discussions with a new card club in Salinas. The operator is renovating the space the card club will be moving into and are looking to offer day racing as a pilot program during the renovation. Representatives from GGF, TOC and CARF has visited the facility. The Monterey County Fair Board of Directors will be voting on the draft agreement next week.

Agenda Item 7 – Report, Discussion and Action, if any, on CARF Member Dues. Mr. Jacobs reported that the Finance Committee has met since the last Board meeting and is looking for a Board recommendation on where a reduction in dues would be reflected as a budget line item. The reserve is currently \$625,000 and the CARF Board passed a resolution in 2009 to maintain a \$1 million reserve. If the Board would like the Finance Committee to move forward with a reduction in dues, the Board needs to provide direction to either cut a budget item or further reduce the reserve.

Mr. Bartosik asked if there were investments that could be moved to maintain the reserve while implementing the dues reduction. Mr. Paluszak questioned whether there should be any reduction while the reserve was \$375,000 underfunded and if the \$1 million threshold was still a responsible minimum.

Mr. Alkire asked Mr. Wood for his opinion regarding the current reserve threshold and intent. Mr. Wood reported that the \$1 million reserve was intended to sustain CARF through one full cycle of expenses without any revenue coming in. The current policy states that monies exceeding the reserve's threshold will be paid back to member Fairs on a pro rate basis, based on the dues paid.

Mr. Pickering recommended that the 2010 dues remain unchanged and that the Board direct the Finance Committee to reconsider the dues structure for 2011, including redistribution, and bring a recommendation back to the Board by August 2010. Mr. Jacobs seconded. Mr. Agnifili, Mr. Alkire, Mr. Paluszak, Mr. Pickering and Ms. Violini voted to approve. Mr. Bartosik voted to oppose and Mr. Jacobs abstained. AYES: 5. NOES: 1. ABSTENTIONS: 1.

Agenda Item 8 – Executive Director’s Report. Mr. Korby reported that the MAGNA bankruptcy is nearing resolution and legal counsel feels there is a very good chance that Fairs will realize the full amount of their claims. Mr. Korby circulated a spreadsheet that listed the potential settlement for each satellite and current attorney fees.

Respectfully submitted,
Heather Haviland

CA Authority of Racing Fairs Legislative Report –

Last 10 Days
4/23/2010

AB
1152

(Anderson) Horse racing: outriders: advance deposit wagering: jockey retirement plan. (A-04/21/2010 [html](#) [pdf](#))

Status: 04/14/2010-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on G.O.

Current Location: 04/21/2010-S G.O.

Calendar Events: 04/27/10 9:30 a.m. - John L. Burton Hearing Room (4203)
 SEN GOVERNMENTAL ORGANIZATION

Digest: Existing law, effective January 1, 2011, requires an outrider to be licensed by the California Horse Racing Board pursuant to certain provisions of law relating to stewards and racing officials.

This bill would delete the requirement that outriders be licensed under those provisions.

Existing law requires certain persons who participate in, or have anything to do with, the racing of horses to be licensed by the board pursuant to rules and regulations that the board may adopt, and upon the payment of a license fee fixed and determined by the board.

This bill would require the licensure of outriders pursuant to those provisions. By requiring outriders to be licensed, the violation of which would be a crime pursuant to other provisions of existing law, this bill would create new crimes and would thereby impose a state-mandated local program.

This bill would require the board to adopt regulations to require outrider license applicants to pass both a written and an oral examination and to authorize outriders to exercise certain duties and powers of the board as are delegated by the board.

Existing law authorizes advance deposit wagering to be conducted, with the approval of the board. Existing law requires amounts distributed under certain provisions of law relating to advance deposit wagering to be proportionally reduced by an amount equal to 0.00295 multiplied by the amount handled on advanced deposit wagers originating in California for each racing meeting, not to exceed \$2,000,000.

This bill would exempt from that calculation amounts handled on advanced deposit wagers originating in California for harness racing meetings.

Existing law requires the amount deducted, as per the above calculation, to be distributed as specified, with 50% of the money to the board to establish and to administer jointly with a certain jockey organization, a defined contribution retirement plan for California licensed jockeys who retired from racing on or after January 1, 2009, and who, as of the date of retirement, had ridden in a minimum of 1,250 parimutuel races conducted in California.

This bill would delete that requirement relating to a minimum number of races ridden.

~~Existing law provides that, notwithstanding any other law and in lieu of any license fee payable to the state prescribed for or referred to in specified provisions of the Horse Racing Law, any association or fair that conducts a racing meeting shall only pay its proportional amount, as determined by the formula devised by the board in consultation with the industry, as a license fee to the state, to be deposited into the Horse Racing Fund, to fund the board and the equine drug testing program, as provided.~~

~~This bill would require that license fee to also fund safety standard research and development.~~

~~Existing law provides for the baseline funding for the board and equine drug testing program and provides that adjustments to the funding in subsequent budget years may only be made by an act of the Legislature.~~

~~This bill would delete those provisions relating to the baseline funding and the adjustments to the funding.~~

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

Laws: An act to amend Sections 19510, 19520, and 19604 of the Business and Professions Code, relating to horse racing, and declaring the urgency thereof, to take effect immediately.

History:

Apr. 21 From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on G.O.

Apr. 14 From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on G.O.

Apr. 6 In committee: Set, first hearing. Hearing canceled at the request of author.

Mar. 17 Re-referred to Com. on G.O.

Mar. 9 Re-referred to Com. on RLS.

Mar. 8 From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on B., P. & E.D.

July 8 From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on B., P. & E.D.

July 6 In committee: Set, first hearing. Hearing canceled at the request of author.

June 11 Referred to Com. on B., P. & E.D.

May 27 In Senate. Read first time. To Com. on RLS. for assignment.

May 26 Read third time, passed, and to Senate. (Ayes 75. Noes 0. Page 1678.)

May 19 Read second time. To third reading.
May 18 Read second time and amended. Ordered returned to second reading.
May 14 From committee: Amend, and do pass as amended. (Ayes 11. Noes 0.)
(May 12).
May 5 In committee: Hearing postponed by committee.
Mar. 26 Referred to Com. on B. & P.
Mar. 2 Read first time.
Mar. 1 From printer. May be heard in committee March 30.
Feb. 27 Introduced. To print.

Organization

CARF

AB 1753

(Hall) Slot machines. (A-04/14/2010 [html](#) [pdf](#))

Status: 04/22/2010-From committee: Do pass, and re-refer to Com. on APPR. with recommendation: To Consent Calendar. Re-referred. (Ayes 21. Noes 0.) (April 21).

Current Location: 04/22/2010-A APPR.

Digest: Existing law, subject to exceptions, generally prohibits the possession and use of a "slot machine or device" as defined, and prohibits certain other acts and transactions pertaining to slot machines or devices. Existing law provides varying definitions of "slot machine or device" for these purposes. Violations of these provisions are punishable by varying misdemeanor penalties.

This bill would increase those misdemeanor penalties to provide that a first offense under these provisions would be punishable by a fine of not less than \$500 nor more than \$1,000, or by imprisonment in a county jail not exceeding 6 months, or by both that fine and imprisonment, that a 2nd offense would be punishable by a fine of not less than \$1,000 nor more than ~~\$5,000~~ \$10,000 , or by imprisonment in a county jail not exceeding 6 months, or by both that fine and imprisonment, and that a 3rd or subsequent offense would be punishable by a fine of not less than ~~\$5,000~~ \$10,000 , nor more than ~~\$10,000~~ \$25,000 , or by imprisonment in a county jail not exceeding one year, or by both that fine and imprisonment. The bill would also provide that if the offense involved more than one machine or more than one location, an additional fine of not less than ~~\$100~~ \$1,000 nor more than ~~\$500~~ \$5,000 would be imposed per machine and per location. ~~The bill would further provide that, for certain purposes, the definition of "slot machine or device" includes any machine or device that offers any prize or consideration with a value greater than the price or amount to play the machine or device, regardless of chance, or the skill or knowledge of the operator, is a slot machine or device, and that the definition of "slot machine or device" for certain other purposes includes "gambling machine" as defined in federal law.~~

~~By expanding the scope of, and increasing the penalties for ,existing crimes,~~

this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

Laws: An act to amend Sections 330a, 330b, and 330.1 of the Penal Code, relating to slot machines.

History:

Apr. 22 From committee: Do pass, and re-refer to Com. on APPR. with recommendation: To Consent Calendar. Re-referred. (Ayes 21. Noes 0.) (April 21).

Apr. 15 Re-referred to Com. on G.O.

Apr. 14 From committee chair, with author's amendments: Amend, and re-refer to Com. on G.O. Read second time and amended.

Feb. 18 Referred to Com. on G.O.

Feb. 9 From printer. May be heard in committee March 11.

Feb. 8 Read first time. To print.

Organization

CARF

AB
1764

(Portantino) State employment: salary freeze. (A-03/10/2010 [html](#) [pdf](#))

Status: 04/21/2010-In committee: Set, first hearing. Referred to APPR. suspense file.

Current Location: 04/21/2010-A APPR. SUSPENSE FILE

Digest: Existing law requires the Department of Personnel Administration to establish and adjust salary ranges for each class of position in the state civil service, subject to specified merit limits and except as specified. Existing law requires the salary range to be based on the principle that like salaries shall be paid for comparable duties and responsibilities. Existing law allows the state to enter into memoranda of understanding relating to employer-employee relations with employee organizations representing certain state employees.

This bill would, until January 1, 2013, prohibit a person employed by the state whose base salary on or after the effective date of the bill is greater than \$150,000 per year from receiving a salary increase while employed in the same position or classification. The bill would exempt from this prohibition a person whose compensation is governed by an operative memorandum of understanding, as described above, a person who has been exempted by

Executive order of the Governor, as specified, and a person whose salary is set pursuant to the California Constitution. *The bill would also authorize the Controller to reject a request for disbursement of funds that violates these provisions.* The bill would make related legislative findings and declarations regarding the state budget deficit.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

Laws: An act to add and repeal Section 18005 of the Government Code, relating to state employment.

History:

Apr. 21 In committee: Set, first hearing. Referred to APPR. suspense file.

Apr. 7 From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 4. Noes 1.) (April 7).

Mar. 11 Re-referred to Com. on P.E.,R. & S.S.

Mar. 10 From committee chair, with author's amendments: Amend, and re-refer to Com. on P.E.,R. & S.S. Read second time and amended.

Feb. 18 Referred to Com. on P.E.,R. & S.S.

Feb. 10 From printer. May be heard in committee March 12.

Feb. 9 Read first time. To print.

Organization

CARF

AB
1765

(Solorio) Public employment: furloughs. (A-03/11/2010 [html](#) [pdf](#))

Status: 04/21/2010-In committee: Set, first hearing. Referred to APPR. suspense file.

Current Location: 04/21/2010-A APPR. SUSPENSE FILE

Digest: Existing law states that it is the policy of the state that the workweek of the state employee shall be 40 hours, and the workday of state employees 8 hours, except that workweeks and workdays of a different number of hours may be established in order to meet the varying needs of the different state agencies. Executive Orders-Order Nos. S-16-08 and S-13-09 imposed 3 unpaid furlough days on state employees.

This bill would prohibit a state employee from being furloughed when the unemployment rate in California during the previous month reached or exceeded 8.5%, and the employee works for a program that is 100% employee's position is at least 95% funded by the federal government, performs services that combat the state's recession, and works for the California Unemployment Insurance Appeals Board or the Employment Development Department. *The bill would also make related findings and declarations.*

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local

program: no.

Laws: An act to add Section 19851.5 to the Government Code, relating to public employment.

History:

Apr. 21 In committee: Set, first hearing. Referred to APPR. suspense file.
Apr. 7 From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 4. Noes 0.) (April 7).
Mar. 15 Re-referred to Com. on P.E.,R. & S.S.
Mar. 11 From committee chair, with author's amendments: Amend, and re-refer to Com. on P.E.,R. & S.S. Read second time and amended.
Feb. 18 Referred to Com. on P.E.,R. & S.S.
Feb. 10 From printer. May be heard in committee March 12.
Feb. 9 Read first time. To print.

Organization

CARF

AB
1792

(Silva) Horse racing: license fee reduction: quarter horse racing. (I-02/10/2010 [html](#) [pdf](#))

Status: 04/22/2010-From committee: Do pass, and re-refer to Com. on APPR. with recommendation: To Consent Calendar. Re-referred. (Ayes 21. Noes 0.) (April 21).

Current Location: 04/22/2010-A APPR.

Digest: Existing law provides that, notwithstanding any other law and in lieu of any license fee payable to the state prescribed for or referred to in specified provisions of the Horse Racing Law, any association or fair that conducts a racing meeting shall pay its proportional amount, as determined by the formula devised by the California Horse Racing Board in consultation with the industry, as a license fee to the state to fund the board and the equine drug testing program, as provided. Existing law provides that the license fee reductions resulting from these provisions, after payments to fund the board and the equine drug testing program, shall be distributed as specified for thoroughbred racing, quarter horse racing, harness racing, and all other breeds. For quarter horse racing, 2.5% of the amount of the reduction is required to be deposited with the official registering agency and distributed as provided.

This bill would increase to 3% the amount of the reduction for quarter horse racing that is to be deposited with the official registering agency for distribution. Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

Laws: An act to amend Section 19616.51 of the Business and Professions Code, relating to horse racing.

History:

Apr. 22 From committee: Do pass, and re-refer to Com. on APPR. with recommendation: To Consent Calendar. Re-referred. (Ayes 21. Noes 0.) (April 21).

Feb. 18 Referred to Com. on G.O.

Feb. 11 From printer. May be heard in committee March 13.

Feb. 10 Read first time. To print.

Organization

CARF

**AB
1992**

(Portantino) Horse racing: safety standards: racing surface. (A-03/24/2010 [html](#) [pdf](#))

Status: 04/22/2010-From committee: Do pass, and re-refer to Com. on APPR. with recommendation: To Consent Calendar. Re-referred. (Ayes 21. Noes 0.) (April 21).

Current Location: 04/22/2010-A APPR.

Digest: Existing law, the Horse Racing Law, generally regulates horse racing and parimutuel wagering on horse races and vests administration and enforcement of the Horse Racing Law in the California Horse Racing Board. Existing law requires the board to establish safety standards governing the uniformity and content of the racing surface.

This bill would specify that the board shall establish those safety standards for racing surfaces whether the surface is synthetic or dirt , *and for the maintenance of the racing surface* .

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

Laws: An act to amend Section 19481 of the Business and Professions Code, relating to horse racing.

History:

Apr. 22 From committee: Do pass, and re-refer to Com. on APPR. with recommendation: To Consent Calendar. Re-referred. (Ayes 21. Noes 0.) (April 21).

Mar. 25 Re-referred to Com. on G.O.

Mar. 24 From committee chair, with author's amendments: Amend, and re-refer to Com. on G.O. Read second time and amended.

Mar. 4 Referred to Com. on G.O.

Feb. 18 From printer. May be heard in committee March 20.

Feb. 17 Read first time. To print.

Organization

CARF

[AB](#)
[2197](#)

(Coto) Problem and pathological gambling. (I-02/18/2010 [html](#) [pdf](#))

Status: 04/22/2010-From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 21. Noes 1.) (April 21).

Current Location: 04/22/2010-A APPR.

Digest: Existing law establishes the Office of Problem and Pathological Gambling within the State Department of Alcohol and Drug Programs, and sets forth its duties relating to prevention and control of problem and pathological gambling, as defined.

This bill would require the prevention program developed by the office to include development of education and awareness programs that specifically target geographically diverse multicultural populations, and would permit the office to develop a grant program for education, outreach, and prevention, giving preferences to grant applications that meet prescribed conditions. Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

Laws: An act to amend Section 4369.2 of the Welfare and Institutions Code, relating to problem gambling.

History:

Apr. 22 From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 21. Noes 1.) (April 21).

Mar. 4 Referred to Com. on G.O.

Feb. 21 From printer. May be heard in committee March 23.

Feb. 18 Read first time. To print.

Organization

CARF

[AB](#)
[2201](#)

(Coto) Horse racing: harness racing: the Cane Pace. (A-04/15/2010 [html](#) [pdf](#))

Status: 04/22/2010-From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 22. Noes 0.) (April 21).

Current Location: 04/22/2010-A APPR.

Digest: *Existing law provides that the California Horse Racing Board may authorize a California harness racing association conducting a live racing meeting to accept wagers on the full card of races conducted by another racing association on the day that other association conducts the Breeder's Crown Stakes, the Meadowlands Pace, the Hambletonian, Kentucky Futurity, or the*

North American Cup.

This bill would authorize the board to permit a California harness racing association conducting a live racing meeting to accept wagers on the full card of races conducted by another racing association on the day that other association conducts the Cane Pace. The bill would also make technical, nonsubstantive changes.

~~Existing law provides that the California Horse Racing Board shall have the authority to allocate racing weeks and provides that the maximum number of racing weeks that may be allocated for harness racing, other than at fairs, in the northern zone is 25 weeks per year. Existing law also provides that the maximum number of racing weeks that may be allocated to a fair shall be 4 weeks each year, except as provided, including that the board may allocate additional weeks of harness racing to the California Exposition and State Fair in Sacramento or its lessee, to be raced at that fair.~~

~~This bill would provide that in the event the California Exposition and State Fair in Sacramento is not available for harness racing, or chooses not to conduct harness racing, in any given year, then 52 weeks of harness racing shall be available that year to any racing venue in the northern zone, subject to allocation by the board.~~

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

Laws: An act to amend Section 19596 of the Business and Professions Code, relating to horse racing.

History:

Apr. 22 From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 22. Noes 0.) (April 21).

Apr. 19 Re-referred to Com. on G.O.

Apr. 15 From committee chair, with author's amendments: Amend, and re-refer to Com. on G.O. Read second time and amended.

Apr. 5 Re-referred to Com. on G.O.

Mar. 25 Referred to Com. on G.O. From committee chair, with author's amendments: Amend, and re-refer to Com. on G.O. Read second time and amended.

Feb. 21 From printer. May be heard in committee March 23.

Feb. 18 Read first time. To print.

Organization

CARF

AB
2215

(Fuentes) Horse racing: advance deposit wagering: wagering account facilities. (I-02/18/2010 [html](#) [pdf](#))

Status: 04/21/2010-Do pass as amended and be re-referred to the Committee on Appropriations.

Current Location: 04/21/2010-A APPR.

Digest: Existing law authorizes advance deposit wagering to be conducted, with the approval of the California Horse Racing Board. Existing law requires the board to develop and adopt rules to license and regulate all phases of operation of advance deposit wagering for advance deposit wagering providers operating in California.

This bill would authorize the board to adopt rules and regulations authorizing advance deposit wagering providers to create and administer wagering accounts at facilities located within this state through which persons may deposit cash funds or vouchers, issue wagering instructions, and withdraw cash funds or vouchers, subject to the approval of racing associations or satellite wagering facilities located within 10 miles of a facility administering those accounts, and the approval of the horsemen's organization responsible for negotiating with the racing associations or satellite wagering facilities.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

Laws: An act to amend Section 19604 of the Business and Professions Code, relating to horse racing.

History:

Mar. 11 Referred to Com. on G.O.

Feb. 19 From printer. May be heard in committee March 21.

Feb. 18 Read first time. To print.

Organization

CARF

AB
2414

(John A. Perez) Horse racing: thoroughbred racing: Breeders' Cup: wagering deduction: promotion. (A-04/15/2010 [html](#) [pdf](#))

Status: 04/22/2010-From committee: Do pass, and re-refer to Com. on APPR. with recommendation: To Consent Calendar. Re-referred. (Ayes 21. Noes 0.) (April 21).

Current Location: 04/22/2010-A APPR.

Digest: Existing law authorizes a thoroughbred association or fair, subject to approval by the California Horse Racing Board, to deduct from the parimutuel pool for any type of wager, a specified percentage for the meeting of the thoroughbred association or fair that accepts the wager.

This bill would authorize a thoroughbred association hosting Breeders' Cup races, upon filing a written notice with the board, to deduct from *the total amount handled in* the parimutuel pool for any type of wager made during the days on which Breeders' Cup races are held, ~~a specified percentage~~ *an amount of not less than 10% nor more than 25% .* The bill would require the written notice

to include the written agreement of the thoroughbred association and the horsemen's organization. The bill would require the amount deducted to be distributed as prescribed in the Horse Racing Law.

Existing law permits racing associations, fairs, and the organization responsible for contracting with racing associations and fairs with respect to the conduct of racing meetings, to form a private, statewide marketing organization to market and promote thoroughbred and fair horse racing, and to obtain, provide, or defray the cost of workers' compensation coverage for stable employees and jockeys of thoroughbred trainers.

This bill would, for every year that the organization operating the Breeders' Cup Championship series chooses to conduct the Breeders' Cup Championship series of races in California, require the statewide marketing organization to enter into an agreement, in consultation and cooperation with the California Tourism Commission, with the organization that operates the Breeders' Cup Championship series to sponsor and promote the Breeders' Cup Championship series of races. The bill would require the agreement to provide for assistance with a minimum value of \$2,000,000 annually in support of the organization operating the Breeders' Cup Championship series and to promote the Breeders' Cup Championship series. By imposing new requirements under the Horse Racing Law, the violation of which would be a crime, this bill would create new crimes and would thereby impose a state-mandated local program.

This bill would also declare the Legislature's intent to later amend this bill to provide that a percentage of the takeout that is attributable to the Breeders' Cup races that otherwise would not have been generated absent the Breeders' Cup races occurring in this state, be eligible to be made available to support the statewide marketing organization and the state horse racing industry.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes . State-mandated local program: ~~no~~-yes .

Laws: An act to add Sections 19601.02 and 19605.74 to the Business and Professions Code, relating to horse racing.

History:

Apr. 22 From committee: Do pass, and re-refer to Com. on APPR. with recommendation: To Consent Calendar. Re-referred. (Ayes 21. Noes 0.) (April 21).

Apr. 19 Re-referred to Com. on G.O.

Apr. 15 From committee chair, with author's amendments: Amend, and re-refer to Com. on G.O. Read second time and amended.

Mar. 11 Referred to Com. on G.O.

Feb. 22 Read first time.

Feb. 21 From printer. May be heard in committee March 23.
Feb. 19 Introduced. To print.

Organization
CARF

AB
2466

(Smyth) Regulations: legislative validation: effective date. (I-02/19/2010 [html](#) [pdf](#))

Status: 04/21/2010-From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 9. Noes 1.) (April 20).

Current Location: 04/21/2010-A APPR.

Digest: Existing law, the Administrative Procedure Act, governs the procedure for the adoption, amendment, or repeal of regulations by state agencies and for the review of those regulatory actions by the Office of Administrative Law. Existing law requires the office to transmit a copy of a regulation to the Secretary of State for filing if the office approves the regulation or fails to act on it within 30 days. Existing law provides that a regulation or an order of repeal of a regulation becomes effective on the 30th day after it is filed with the Secretary of State, unless prescribed conditions occur.

This bill would require the office to also submit to the Legislature for review a copy of any regulation that it submits to the Secretary of State. This bill would also require that a regulation become effective on the 90th day after it is filed with the Secretary of State, unless prescribed conditions occur.

This bill would require the Legislature to refer a copy of every regulation submitted to it by the office to an appropriate policy committee for review of its consistency with the intent of the Legislature in regard to the statute that authorizes the particular regulation and to offer recommendations as to whether the regulation should be repealed by statute.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

Laws: An act to amend Sections 11343.4 and 11349.3 of, and to add Section 11349.35 to, the Government Code, relating to regulations.

History:

Apr. 21 From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 9. Noes 1.) (April 20).

Mar. 18 Referred to Com. on B. & P.

Feb. 22 Read first time.

Feb. 21 From printer. May be heard in committee March 23.

Feb. 19 Introduced. To print.

Organization
CARF

AB
2792

(Committee on Governmental Organization) Horse racing law intent: licenses. (I-03/17/2010 [html](#) [pdf](#))

Status: 04/22/2010-From committee: Do pass, and re-refer to Com. on APPR. with recommendation: To Consent Calendar. Re-referred. (Ayes 21. Noes 0.) (April 21).

Current Location: 04/22/2010-A APPR.

Digest: Existing law, the Horse Racing Law, generally regulates horse racing and vests the administration and enforcement of the Horse Racing Law in the California Horse Racing Board.

Existing law provides that the intent of the Horse Racing Law is to allow parimutuel wagering on horse races while, among other things, supporting the network of California fairs.

This bill would delete from that statement of intent supporting the network of California fairs.

Existing law requires all licenses granted under the Horse Racing Law to, among other things, contain such conditions as are deemed necessary or desirable by the board for the purposes of the Horse Racing Law.

This bill would instead require those licenses to contain such conditions as are deemed necessary or desirable by the board for the best interests of horse racing and the purposes of the Horse Racing Law. The bill would also make technical, nonsubstantive changes.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

Laws: An act to amend Sections 19401 and 19460 of the Business and Professions Code, relating to horse racing.

History:

Apr. 22 From committee: Do pass, and re-refer to Com. on APPR. with recommendation: To Consent Calendar. Re-referred. (Ayes 21. Noes 0.) (April 21).

Mar. 25 Referred to Com. on G.O.

Mar. 18 From printer. May be heard in committee April 17.

Mar. 17 Read first time. To print.

Organization

CARF

AB
2794

(Committee on Governmental Organization) Tribal gaming. (A-04/14/2010 [html](#) [pdf](#))

Status: 04/15/2010-Re-referred to Com. on G.O.

Current Location: 04/15/2010-A G.O.

Digest: Existing federal law, the Indian Gaming Regulatory Act of 1988, provides for the negotiation and execution of tribal-state gaming compacts for the purpose of authorizing certain types of gaming on Indian lands within a state. The California Constitution authorizes the Governor to negotiate and conclude compacts, subject to ratification by the Legislature.

Existing law ratifies a number of tribal-state gaming compacts between the State of California and specified Indian tribes. Existing law creates in the State Treasury the Indian Gaming Revenue Sharing Trust Fund and the Indian Gaming Special Distribution Fund for the receipt and deposit of moneys received by the state from Indian tribes pursuant to the terms of gaming compacts entered into with the state, and authorizes moneys in those funds to be used for certain purposes. Existing law establishes the method of calculating the distribution of appropriations from the Indian Gaming Special Distribution Fund for grants to local government agencies impacted by tribal gaming.

This bill would reorganize and make technical, nonsubstantive changes to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

Laws: An act to add Title 16.5 (commencing with Section 98020) to, to repeal Sections 12012.25, 12012.30, 12012.35, 12012.40, 12012.45, 12012.46, 12012.465, 12012.47, 12012.475, 12012.48, 12012.485, 12012.49, 12012.495, 12012.5, 12012.51, 12012.515, 12012.52, 12012.53, 12012.75, 12012.85, and 12012.90 of, to repeal Chapter 7.5 (commencing with Section 12710) of Part 2 of Division 3 of Title 2 of, and to repeal Chapter 3 (commencing with Section 98055) of Title 16.5 of, the Government Code, relating to gaming.

History:

Apr. 15 Re-referred to Com. on G.O.

Apr. 14 From committee chair, with author's amendments: Amend, and re-refer to Com. on G.O. Read second time and amended.

Mar. 25 Referred to Com. on G.O.

Mar. 18 From printer. May be heard in committee April 17.

Mar. 17 Read first time. To print.

Organization

CARF

SB 1125 (Florez) **Gambling Control Act.** (A-04/20/2010 [html](#) [pdf](#))

Status: 04/20/2010-Set for hearing May 3.

Current Location: 04/20/2010-S APPR.

Calendar Events: 05/03/10 11 a.m. - John L. Burton Hearing Room (4203)

SEN APPROPRIATIONS

Digest: (1) The Gambling Control Act provides for the licensure of certain individuals and establishments involved in various gambling activities, and for the regulation of those activities, by the California Gambling Control Commission. Existing law provides for the enforcement of those activities by the Department of Justice. Existing law requires that an application for a license or a determination of suitability be accompanied by a deposit that, in the judgment of the head of the entity within the Department of Justice that is responsible for fulfilling the obligations imposed by the act, will be adequate to pay the anticipated costs and charges incurred in the investigation and processing of the application. Existing law requires the head of that entity to adopt a schedule of costs and charges of investigation for use as guidelines in fixing the amount of any required deposit under these provisions. This bill would require the department and commission to establish an enhanced fee schedule to provide for additional fees to be charged to applicants who wish to have their applications processed and background investigations conducted in an expedited manner.

(2) Existing law permits the commission to adopt regulations related to the operation of a gambling establishment, as provided.

This bill would provide that jackpot funds, to which players have made contributions, are considered trust funds that are held for the benefit of the players and are not the property of the gambling establishment.

(3) Existing law prohibits a person under 21 years of age from being eligible for a work permit in a gambling establishment. Existing law also prohibits a person under 21 years of age from entering the premises of a licensed gambling establishment, except as provided.

This bill would permit a person between 18 and 21 years of age to work in a gambling establishment in a classification that entails providing services on and off the gaming floor that are not involved in play of any controlled game, as provided.

(4) Existing law provides that a banking game does not include a controlled game if the published rules of the game feature a player-dealer position and provide that this position must be continuously and systematically rotated amongst each of the participants during the play of the game, and if other specified conditions are met.

This bill would make a conforming change to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

Laws: An act to amend Sections 19867, 19911, and 19921 of, and to add Section 19843.5 to, the Business and Professions Code, and to amend Section 330.11 of the Penal Code, relating to gaming.

History:

Apr. 20 Read second time. Amended. Re-referred to Com. on APPR.

Apr. 20 Set for hearing May 3.

Apr. 19 From committee: Do pass as amended, but first amend, and re-refer to

Com. on APPR. (Ayes 8. Noes 0. Page 3180.)

Mar. 22 From committee with author's amendments. Read second time.

Amended. Re-referred to Com. on G.O.

Mar. 16 Set for hearing April 13.

Feb. 25 To Com. on G.O.

Feb. 19 From print. May be acted upon on or after March 21.

Feb. 18 Introduced. Read first time. To Com. on RLS. for assignment. To print.

Organization

CARF

SB 1439(Price) Horse racing: minisatellite wagering facilities. (A-

04/06/2010 [html](#) [pdf](#))

Status: 04/13/2010-Do pass as amended, and re-refer to the Committee on Appropriations

Current Location: 04/13/2010-S APPR.

Digest: Existing law authorizes the California Horse Racing Board to approve an additional 15 minisatellite wagering sites in each zone under certain conditions, including that no site is within 20 miles of a racetrack, a satellite wagering facility, or a tribal casino that has a satellite wagering facility. Existing law provides that if the proposed facility is within 20 miles of one of the above-referenced satellite facilities, then the consent of each facility within a 20-mile radius must be given before the proposed facility may be approved by the board. Existing law requires the written consent of the San Mateo County Fair be obtained prior to the approval of any minisatellite wagering site located within a 20-mile radius of its fairground.

This bill would *replace the 20-mile radius requirement in the above provisions with a 15- mile radius requirement and would* provide that the requirement that the approval of a racetrack, satellite wagering facility, tribal casino that has a satellite wagering facility, or fair be obtained if the proposed minisatellite wagering facility is within ~~20-15~~ miles shall only apply to those facilities that are operated by *tribal casinos, racetracks , or fairs that actually conduct 7-2 weeks* or more of live racing in the preceding year. The bill would authorize the board, if a satellite wagering facility or tribal casino does not consent to a minisatellite wagering facility being situated within ~~20-15~~ miles, to conduct a one-year test at the proposed site in order to determine its impact on total parimutuel revenues and on attendance and wagering at existing satellite wagering facilities. *With respect to the one-year test, the board may approve only one minisatellite wagering facility per existing satellite wagering facility and the minisatellite wagering facility must be located within 10 miles of the satellite wagering facility.* The bill would authorize a certain impact fee, as provided.

This bill would specify how mileages are to be measured for purposes of the above provisions.

This bill would make clarifying and other technical changes.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

Laws: An act to amend Section 19605.25 of the Business and Professions Code, relating to horse racing.

History:

Apr. 6 From committee with author's amendments. Read second time. Amended. Re-referred to Com. on G.O.

Mar. 16 Set for hearing April 13.

Mar. 11 To Com. on G.O.

Feb. 20 From print. May be acted upon on or after March 22.

Feb. 19 Introduced. Read first time. To Com. on RLS. for assignment. To print.

Organization

CARF

Position

Oppose

SB 1485 (Committee on Governmental Organization) Gambling Control Act:

licenses. (I-03/08/2010 [html](#) [pdf](#))

Status: 04/16/2010-Set for hearing April 26.

Current Location: 04/26/2010-S CONSENT CALENDAR

Digest: The Gambling Control Act provides for the licensure of certain individuals and establishments involved in various gambling activities, and for the regulation of those activities, by the California Gambling Control Commission. Existing law requires certain persons employed in the operation of a gambling enterprise, known as key employees, to apply for and obtain a key employee license.

This bill would include surveillance managers or supervisors in the definition of "key employee" and make other technical changes to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

Laws: An act to amend Section 19805 of the Business and Professions Code, relating to gambling.

History:

Apr. 16 Set for hearing April 26.

Apr. 14 From committee: Do pass, but first be re-referred to Com. on APPR with recommendation: To Consent Calendar. (Ayes 10. Noes 0. Page 3182.) Re-referred to Com. on APPR.

Mar. 16 Set for hearing April 13.

Mar. 11 To Com. on G.O.

Mar. 9 From print. May be acted upon on or after April 8.

Mar. 8 Introduced. Read first time. To Com. on RLS. for assignment. To print.

Organization
CARF

SB 1486 (Committee on Governmental Organization) **Horse racing law intent: backstretch personnel housing: jockey riding fees.** (I-03/08/2010 [html](#) [pdf](#))
Status: 04/16/2010-Set for hearing April 26.
Current Location: 04/26/2010-S CONSENT CALENDAR

Digest: (1) Existing law provides that the intent of the Horse Racing Law is to allow parimutuel wagering on horse races while, among other things, supporting the network of California fairs.

This bill would delete from that statement of intent supporting the network of California fairs.

(2) Existing law provides that the California Horse Racing Board shall adopt emergency regulations to establish standards governing the employee housing provided to backstretch personnel at licensed racetracks, as specified. No license shall be issued to a racing association to conduct a horse race meeting unless the board has inspected the housing conditions that exist on the racetrack's backstretch and determined the living conditions to be in compliance with the standards established by the board.

This bill would delete any reference to the emergency regulations in these provisions, for which compliance was mandated by January 1, 2004, rendering the language obsolete.

(3) Existing law provides various findings of the Legislature in regards to professional jockey fees, including that the riding fee should be increased at least as much on a percentage basis as the state minimum wage, so that the average full-time jockey can earn an income sufficient to provide for the basic necessities of life. Existing law provides that minimum jockey riding fees for losing mounts and minimum amounts awarded to 2nd and 3rd place finishers be increased by a specified amount as of January 1, 2008, and by additional amounts on later dates, as specified.

This bill would delete obsolete language from those provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

Laws: An act to amend Sections 19401, 19481.5, and 19501 of the Business and Professions Code, relating to horse racing.

History:

Apr. 16 Set for hearing April 26.

Apr. 14 From committee: Do pass, but first be re-referred to Com. on APPR with recommendation: To Consent Calendar. (Ayes 10. Noes 0. Page 3182.) Re-referred to Com. on APPR.

Mar. 16 Set for hearing April 13.

Mar. 11 To Com. on G.O.
Mar. 9 From print. May be acted upon on or after April 8.
Mar. 8 Introduced. Read first time. To Com. on RLS. for assignment. To print.

Organization
CARF

SJR 22 (Florez) **Horses.** (I-02/10/2010 [html](#) [pdf](#))
Status: 04/19/2010-To Com. on AGRI.
Current Location: 04/19/2010-A AGRI.

Digest: This measure would memorialize the Congress to support federal legislation to protect American horses from slaughter for human consumption.
Fiscal committee: no.

Laws: Relative to horses.

History:
Apr. 19 To Com. on AGRI.
Apr. 15 Read and adopted. (Ayes 27. Noes 7. Page 3198.) To Assembly.
Apr. 15 In Assembly. Held at Desk.
Mar. 16 From committee: Be adopted. (Ayes 3. Noes 1. Page 2953.) To Third Reading.
Mar. 5 Set for hearing March 16.
Feb. 18 Re-referred to Com. on F. & A.
Feb. 10 Introduced. To Com. on RLS.

Organization
CARF

Total Position Forms: 18

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CARF FUNDING COMMITTEE
Updated and Pending CARF Allocations for FY 2009-10
Following Initial Meeting with F&E

PROPOSED AND PENDING ALLOCATIONS – TOTAL: \$2M

- **\$500 K - CARF Equipment Replacement Fund**
 - *Status: funding in place pending review of proposed expenditures for 2010.*
- **\$600 K - Fair racing facility renovations.**
 - *Status: Allocations as follows pending review of specific project applications.*
 - *\$100 K- California State Fair – racing facility renovations;*
 - *\$100 K- Sonoma County Fair – racing facility renovations;*
 - *\$100 K- Humboldt County Fair – racing facility renovations;*
 - *\$100 K- Fresno District Fair – racing facility renovations*
 - *\$200 K- Allocations to be determined based on review of specific project applications.*
- **\$500 K - Alameda County Fair training and racing facility improvements**
 - *Status: funding in place pending review of proposed projects for training and racing facility improvements at Alameda County Fair.*
- **\$400 K - Implementation of Fair mini-satellites or relocation/downsizing of existing Fair satellite facilities.**
 - *Status: funding in place pending review of applications for specific mini-satellite or re-location projects.*
 - *Possible pending mini-satellite projects or re-locations include the following:*
 - *Monterey County Fair mini-satellite in Salinas;*
 - *Humboldt mini-satellite at Bear River;*
 - *San Mateo mini-satellite in San Bruno;*
 - *Cal Expo mini-satellite in Capitol area downtown;*
 - *Fresno satellite relocation/downsizing;*
 - *Cow Palace mini-satellite*

Christopher Korby

From: "Dan" <dan@avfair.com>
To: "Stuart Titus" <humcofair@frontiernet.net>; <rick@alamedacountyfair.com>;
"John Alkire" <jalkire@fresnofair.com>; "Christopher Korby"
<korby@calfairs.net>; "Tawny Tesconi" <tawny@sonomacountyfair.com>;
Cc: "Kelly Violini" <kelly@montereycountyfair.com>; <jbarkett@cowpalace.com>
<LDrury@cdfa.ca.gov>
Sent: April 21, 2010 10:02 AM
Subject: CARF funding committee

I had the opportunity to meet with Mike on Monday regarding the CARF funding committee.
The committee is as follows;

Mike Treacy
Dan Jacobs
Kelly Violini
Rick Pickering
John Alkire
Chris Korby
Stuart Titus
Tawny Tesconi
Joe Barkett

F&E will be organizing a conference call for sometime next week. Mike will outline what he would like the committee to do and how he would like it done. Everyone on this list, I believe, volunteered. If that is not the case, please let me know right away so we can fill that spot. I appreciate your desire to be involved.

Thanks,
Dan Jacobs



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www.calfairs.com

April 11, 2009

Mr. Mike Treacy
Division of Fairs and Expositions
California Department of Food and Agriculture
1010 Hurley Way
Sacramento, CA 95825

VIA e-mail

Dear Mike,

As it has done annually, the California Authority of Racing Fairs Board of Directors would like to offer the following recommendations for allocations from the CDFA Division of Fairs and Expositions' FY 2009-10 Expenditure Plan. These recommendations pertain to the section of the Expenditure Plan entitled ***Racing and Satellite Wagering Support*** and include the programs below.

- | | |
|--|-------------|
| • Track Safety and Maintenance | \$600,000 |
| • Facility Upgrades, Planning, Development | \$2,000,000 |
| ○ Satellite Equipment Replacement Fund | |
| ○ Alameda County Fair racing facility upgrades | |
| ○ Mini-satellite facility planning and development | |

TOTAL	\$2,600,000
-------	-------------

The Board also requests F&E's support for a development of a new Satellite Wagering Facility at the Cow Palace and for further capital allocation in the future as funds become available. We also note that the continuing Supplemental Purse allocation of \$1.1 Million is separately specified in statute.

The Board of Directors formally adopted these recommendations at its meeting on April 7, 2009.

Our Board would like to thank you for your on-going support. We appreciate the opportunity to continue our effective work together.

Best regards,

/s/

Christopher Korby
Executive Director

**CALIFORNIA AUTHORITY OF RACING FAIRS
RECOMMENDED ALLOCATIONS FROM
CDFA DIVISION OF FAIRS AND EXPOSITIONS EXPENDITURE PLAN
FISCAL YEAR 2009-2010**

Allocation: \$2,600,000

Track Safety and Maintenance Program	600,000
---	----------------

Parimutuel Facilities Improvement	2,000,000
--	------------------

<i>Satellite Equipment Replacement Fund.....</i>	<i>500,000</i>
---	-----------------------

<i>Facility Upgrades, Planning, Development.....</i>	<i>1,500,000</i>
---	-------------------------

- **Alameda County Fair racing facility upgrades**
- **Mini-satellite facility planning and development**

Total	\$2,600,000
--------------	--------------------

The CARF Board also requests Fairs and Expositions' support for a development of a new Satellite Wagering Facility at the Cow Palace and for further capital allocations in the future as funds become available.

NOTE: The continuing Supplemental Purse allocation of \$1.1 million to Northern California racing Fairs is separately specified in statute.

Unanimously adopted by CARF Board of Directors
April 7, 2009

**CALIFORNIA AUTHORITY OF RACING FAIRS
RECOMMENDED ALLOCATIONS FROM
CDFA DIVISION OF FAIRS AND EXPOSITIONS EXPENDITURE PLAN
FISCAL YEAR 2008-2009**

Allocation: \$2,600,000

Track Safety and Maintenance Program	600,000
---	----------------

Parimutuel Facilities Improvement	2,000,000
--	------------------

<i>Satellite Equipment Replacement Fund.....</i>	<i>500,000</i>
---	-----------------------

<i>Facility Upgrades, Planning, Development.....</i>	<i>1,500,000</i>
---	-------------------------

- Alameda County Fair racing facility upgrades
- San Mateo Satellite Wagering Facility development
- Cow Palace Satellite Wagering Facility development
- Mini-satellite facility planning and development

Total	\$2,600,000
--------------	--------------------

JOINT COMMITTEE ON FAIRS ALLOCATION AND CLASSIFICATION

Network of California Fairs 2009/2010 Expenditure Plan



June 2009

A. G. Kawamura, Secretary

CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE

Division of Fairs & Expositions

Division of Fairs & Expositions
Fair & Exposition Fund (191) and Satellite Wagering Account (192)
2009/2010 Revenue and Expenditure Plan

	Actual 2007/2008	(a) Budgeted 2008/2009	Projected 2008/2009	(b) Proposed 2009/2010	(b - a) Variance
Beginning Balance					
Fairs and Expositions (F&E)	\$2,303,899	\$904,335	\$3,225,392	\$571,371	(\$332,964)
Revenues					
General Fund (B&P 19620.2)	0	0	0	32,000,000	32,000,000
License Fees					
Live Racing (B&P 19620.1(a))	5,933,767	9,200,000	2,400,000	1,215,000 ²	(7,985,000)
1.0% Live Racing Fair Handle (B&P 19614(a))	1,004,728	1,150,000	950,000	1,000,000	(150,000)
Off-Track - Satellite Wagering (B&P 19606.1 & 19620.1(a))	26,858,191	27,414,000	27,308,049	1,300,000	(26,114,000)
SMIF Interest Revenue	383,555	290,000	195,000	250,000	(40,000)
Total Revenues ¹	34,180,240	38,054,000	30,853,049	35,765,000	(\$2,289,000)
Fund Transfers & Other Receipts					
Transfers in					
Project Cost Savings	2,500,000	1,125,000	5,900,000	0	(1,125,000)
Transfers to Other Funds					
Retired DAA Employee Benefits	(246,000)	(246,000)	(246,000)	(246,000)	0
Total Available Resources	\$38,738,139	\$39,837,335	\$39,732,441	\$36,090,371	(\$3,746,964)
Expenditures					
Administrative Oversight					
California Horse Racing Board Support (CHRB)	9,221,382	10,131,000	10,131,000	0	(10,131,000)
CDFA Support - Fairs & Expositions (F&E)	2,317,523	3,263,000	2,878,000	3,240,000	(23,000)
Pro Rata Assessment	167,180	0	0	0	0
CDFA Support - Audit Program ³	1,125,000	1,146,000	1,146,000	1,156,000	10,000
Total Administrative Oversight	12,831,086	14,540,000	14,155,000	4,396,000	(\$10,144,000)
Local Assistance					
Operational Support					
Bond Debt Service	2,660,352	2,650,000	2,711,021	2,750,000	100,000
California Construction Authority (CCA)	1,453,400	1,615,000	1,455,000	2,500,000	885,000
Property Insurance	750,000	450,000	950,000	550,000	100,000
	4,863,752	4,715,000	5,116,021	5,800,000	1,085,000
General Fair Programs & Funding					
Local (Base) Allocations	9,001,000	9,086,000	9,086,000	9,985,600	899,600
Cal-Expo Pro Rata Reimbursement	265,000	265,000	265,000	265,000	0
Contingencies and Special Projects	365,804	350,000	625,000	400,000	50,000
Fair Intervention Program	0	0	0	225,000	225,000
Flex Capital	2,095,000	1,820,000	1,820,000	2,130,000	310,000
Regional Marketing Support Program	0	0	0	125,000	125,000
Rural Healthcare Equity Program	49,647	65,000	65,000	0	(65,000)
Unemployment Insurance	950,000	950,000	950,000	1,150,000	200,000
	12,726,451	12,536,000	12,811,000	14,280,600	1,744,600
Health & Safety					
Emergency Response Program	0	50,000	0	100,000	50,000
Health Department Program	100,000	100,000	100,000	100,000	0
Livestock Quality Assurance	0	15,000	0	0	(15,000)
Urgent Needs Fund	0	85,000	85,000	150,000	65,000
	100,000	250,000	185,000	350,000	100,000
Infrastructure					
Infrastructure Matching Grants Fund	1,230,000	2,550,000	2,550,000	2,550,000	0
Infrastructure Loan Program	0	510,000	0	3,600,000	3,090,000
Replenishment Fund (Investment Capital)	0	340,000	0	350,000	10,000
Environmental Investment Program	0	75,000	0	75,000	0
Project Planning - New Funding Model	300,000	300,000	0	300,000	0
	1,530,000	3,775,000	2,550,000	6,875,000	3,100,000
Training & Education					
Professional Development & Compliance	337,823	485,000	485,000	430,000	(55,000)
	337,823	485,000	485,000	430,000	(55,000)
Racing & Satellite Wagering Support					
Race Track Preparation	550,000	600,000	600,000	600,000	0
Supplemental Purses	1,344,968	1,400,000	1,294,049	1,300,000	(100,000)
Wagering Facility Improvements	1,450,000	2,000,000	2,000,000	2,000,000	0
	3,344,968	4,000,000	3,894,049	3,900,000	(100,000)
Abatements & Accrual Adjustments ⁴	(67,475)	(385,000)	(35,000)	(35,000)	350,000
Total Local Assistance	22,835,519	25,376,000	25,006,070	31,600,600	6,224,600
Total Current Year Expenditures	35,666,604	39,916,000	39,161,070	35,996,600	(3,919,400)
Total Prior Year Adjustments	(153,856)	(100,000)	0	0	100,000
Total Expenditures	\$35,512,747	\$39,816,000	\$39,161,070	\$35,996,600	(\$3,919,400) ⁵
Ending Balance	\$3,225,392	\$21,335	\$571,371	\$93,771	\$72,436

¹ Proposed 2009/2010 revenues exceed 2008/2009 projected revenues due to funding restoration via Senate Bill 16XX (Ashburn, Chapter 12, Statutes of 2010).

² This revenue source may be eliminated as a result of legislative cleanup language. Should this occur, any reduced revenue will be offset by a corresponding decrease to the Infrastructure Loan Program.

³ 2008/2009 increases due to negotiated labor contracts for personnel salaries and benefits.

⁴ Reflects expense reimbursements received, including fair loan payments, and prior year accrual adjustments.

⁵ Represents Total Expenditures variance only.

Racing & Satellite Wagering Support: \$3,900,000

Race Track Preparation

Provides funds to supplement the purchase and installation of track preparation materials. Program ensures consistency in track preparation, reducing the risk of injury to horse and jockey.

Supplemental Purses

Provides appropriation to supplement purses at Northern California fairs and Los Angeles County area (B&P Code Sections 19605.9 and 19606.3).

Wagering Facility Improvements

Supports improvements to live horse racing and satellite wagering programming and facilities based upon the priorities identified in industry-wide facility surveys (backstretch, paddock, grandstand, etc.). Funding will focus on ensuring the nine racing fairs meet the California Horse Racing Board backstretch housing regulations.

CARF FINANCIAL PLAN FOR HORSE RACING

The Board of Directors of CARF adopted the following plan for funding of track safety and maintenance, equipment replacement and capital investment:

Expenditure of existing available funds in FY 2006-2007:

Equipment Replacement Fund	\$ 500,000
Capital Investment (Alameda upgrades and San Mateo SWF)	\$ 300,000
Capital Investment (San Joaquin Design Study)	\$ 25,000

Expenditure of allocated funds in FY 2007-2008:

Equipment Replacement Fund	\$ 500,000
Track Safety and Maintenance Program	\$ 600,000
Capital Investment (Alameda upgrades and San Mateo satellite)	\$1,000,000

Minimum request for funds in 2008-2009:

Track Safety and Maintenance	\$ 600,000
Equipment Replacement	\$ 500,000
Capital Investment	<u>\$1,500,000</u>
Total:	\$2,600,000

Bay Meadows is scheduled to race through the first half of 2008 and to remain open for auxiliary stabling through the end of 2008. Thereafter, in 2009 and beyond, it is anticipated that approximately 100 days of racing will shift to Golden Gate Fields and fair race track facilities and that a great majority of these added dates will be run at fair facilities. Significant improvements at selected fair facilities will have to be undertaken immediately in order to meet this need.

CARF has been working on a plan for shifting racing, training and stabling, currently at Bay Meadows, to publicly owned facilities, i.e., existing fair race tracks, in a way that will best serve the needs of the racing public, fairs and the racing industry in general. In that connection, CARF has agreed to and advocates the following:

1. It is not practical or feasible to attempt to upgrade all fair racing facilities to the same or similar level of quality nor is it practical or feasible to spread all newly available racing

dates among the existing Northern California fairs. Racing Fairs are in agreement that they need to cooperate to make the most efficient use of their collective facilities and to share in the risks and rewards of that effort.

2. After considering several sites, CARF has determined that the Alameda County Fair at Pleasanton provides the most practical and feasible location to offer for year-round stabling and training and as the primary, although not exclusive, recipient of additional race dates made available by the closing of Bay Meadows. In order to do so, there will have to be a synthetic track and other improvements that are estimated to cost between \$15 and \$25 million, at least \$10,000,000 of which will need to be expended before the 2009 racing season.
3. CARF has determined that the San Mateo County Fair should begin immediately to provide a satellite wagering facility to replace, to the extent possible, the satellite wagering facility at Bay Meadows. CARF has also determined that future San Mateo County Fair race meet dates should be raced at a fair facility.
4. CARF has determined that other Northern California fair live racing facilities, including the facilities at Humboldt, Santa Rosa, Vallejo, Sacramento, Stockton and Fresno, should be upgraded to better meet the needs of racing requirements in the future or in the alternative should be a financial partner in the consolidation of such meets at upgraded fair facilities.
5. CARF has determined that where it is practical and feasible to do so, the facilities of the fair satellite network must be improved and that the satellites should work more cooperatively to accomplish facility and programming improvements that benefit the fan and the racing product.

To accomplish the above goals, it will be necessary to expend tens of millions of dollars. It is unlikely that any new private racing facility will be built in Northern California and with the CARF proposal no such private racing facility is necessary. CARF opposes any new private racing facility in Northern California because such development will most likely result in significant pressure to redirect resources and potential revenues away from fair facilities.

CARF recommends that \$1.3 million in funds currently committed to CARF for the 2006-2007 and 2007-2008 fiscal years be directed to the Alameda County Fair and San Mateo County Fair. In addition, beginning in fiscal year 2008-2009, CARF recommends that the Division of Fairs and Expositions provide a minimum of \$2.6 million as specified above. It is anticipated that at least \$1.8 million in capital funds will go to improvements at Alameda and San Mateo. CARF also recommends that F&E loan \$3 million from its existing loan fund to Alameda. To meet the immediate need, CARF is authorized to loan to Alameda and/or San Mateo up to \$1 million from

its equipment replacement fund (this loan to be short term so as not to interfere with timely replacement of any aging equipment). All of this is contingent on Alameda being responsible for coming up with at least \$5 million from other sources outside CARF and F&E and working cooperatively with CARF and the other racing fairs with respect to consolidation of fair meets where practical and feasible and in the best collective interests of all fairs involved in racing in Northern California. With respect to the San Mateo County Fair, such funding is contingent on the San Mateo Fair working cooperatively with CARF and the other racing fairs with respect to consolidation of fair meets where practical and feasible and in the best collective interests of all fairs involved in racing. For the San Mateo County Fair this means specifically agreeing to commit to racing at a fair facility for reasonable compensation commensurate with that available to other racing fairs that choose to race at another fair facility.

In order to be able properly to implement the early phase of the capital improvement plan CARF requests that F&E commit to annual funding for a period of at least five years and at a minimum the level of expenditures requested for FY 2008-2009. After five years, it is anticipated that CARF and F&E will reassess the progress made and any adjustments to the development plan deemed necessary. During the course of the first five year phase, CARF expects that F&E will have the right to reject the specific recommendations for expenditures of the capital investment fund if for any reason F&E determines that the expenditures are not meeting the goals established as set forth in this document. Currently, the following projects are anticipated for 2009 and beyond:

- Santa Rosa backstretch and grandstand improvements
- Vallejo backstretch, grandstand and lighting improvements for year round harness racing
- Stockton track surface improvements
- Fresno track surface improvements
- Humboldt backstretch upgrades.

AGREEMENT

**RECIPROCAL CONSENT BY AND BETWEEN PACIFIC RACING ASSOCIATION
AND SAN MATEO COUNTY EVENT CENTER
FOR IMPLEMENTATION OF MINI-SATELLITE FACILITIES IN THE SAN FRANCISCO BAY
AREA**

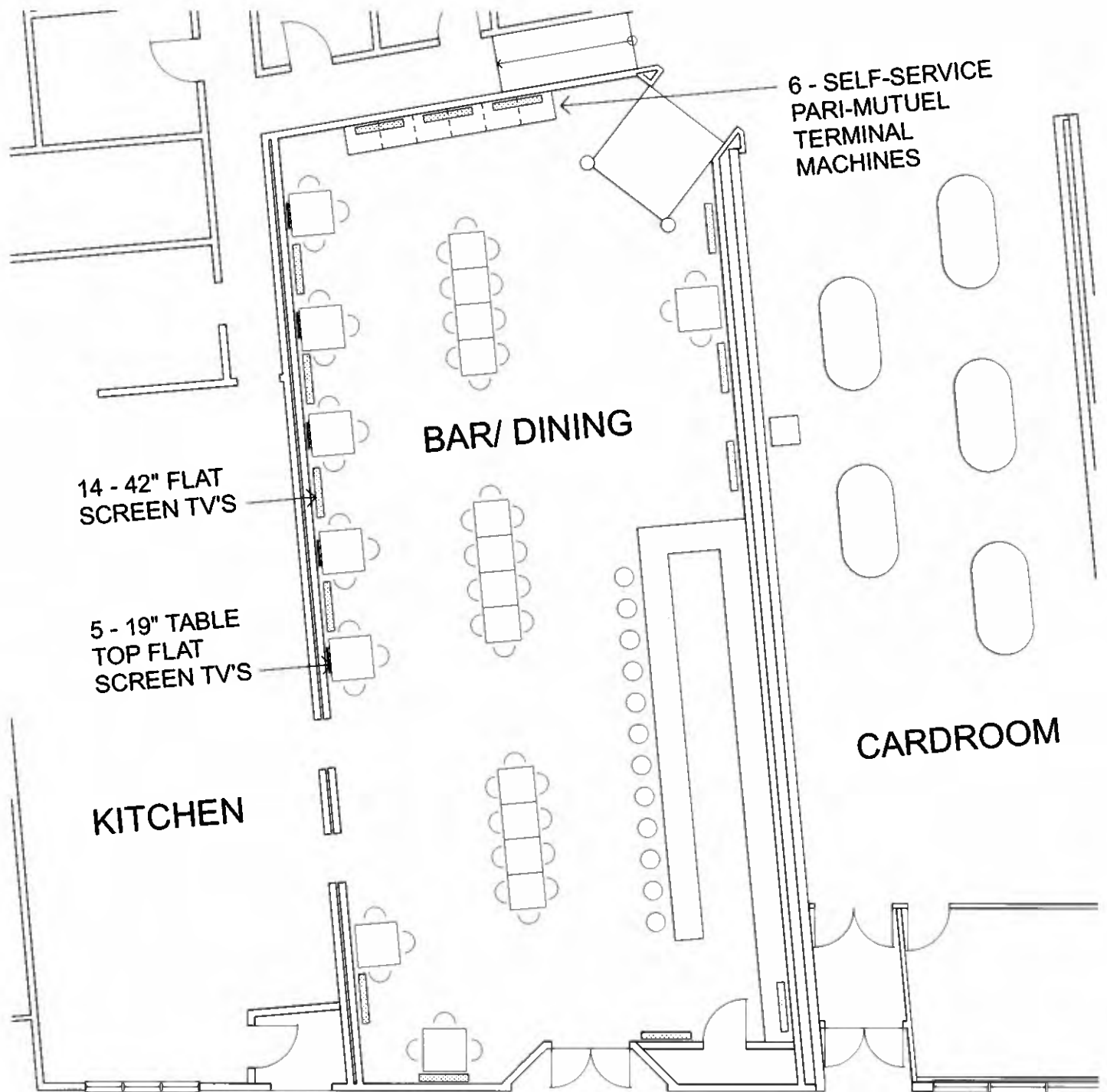
Pacific Racing Association (PRA) dba Golden Gate Fields and the San Mateo Jockey Club (SMJC) hereby agree that in the best interest of horse racing in the State of California to work cooperatively on opening mini Satellites in Northern California. To that end, both PRA and SMJC give their reciprocal consent to implementation of mini-satellite facilities within their respective 20-mile zones as follows.

The SMJC will have the full support and consent of PRA to open mini satellites in San Mateo County, subject to licensure by the California Horse Racing Board. PRA agrees that no portion of the 2% satellite location fee paid to a satellite facility or facilities in San Mateo County will be paid to PRA, even if such facilities are located within 20 miles of PRA. Reciprocally, PRA will have the full support and consent of SMJC to open mini satellites in the City and County of San Francisco, subject to licensure by the California Horse Racing Board. SMJC agrees that no portion of the 2% satellite location fee paid to a satellite facility or facilities in the City and County of San Francisco will be paid to SMJC, even if such facilities are located within 20 miles of SMJC.

Each party will be individually responsible to obtain any additional regulatory approvals necessary for licensing and operation of mini-satellites noted above. Both PRA and SMJC agree that neither party will invoke the 20-mile radius restriction to impede the opening a mini satellite in the Counties outlined above.

**Robert Hartman, General Manager
Pacific Racing Association**

**Chris Carpenter, General Manager
San Mateo County Fair**



BAR/ RESTAURANT
SEATING CAPACITY: 66

MAXIMUM BAR/ RESTAURANT
OCCUPANCY: 140

REMODELED BAR/RESTAURANT & PARI-MUTUEL SERVICE

1" = 10'

MARCH 3, 2010

ARTICHOKE JOE'S CASINO
SAN BRUNO, CA 94066

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

<p><i>In re</i></p> <p>MAGNA ENTERTAINMENT CORP., et al.,</p> <p style="text-align: center;">Debtors.</p>	<p style="border-top: 1px dashed black; border-bottom: 1px dashed black;">X</p> <p>:</p> <p>:</p> <p>:</p> <p>:</p> <p>:</p> <p>:</p> <p>:</p> <p>:</p> <p>:</p> <p>:</p> <p style="border-bottom: 1px dashed black;">X</p> <p>:</p> <p>:</p> <p>:</p> <p>:</p> <p>:</p> <p>:</p> <p>:</p> <p style="border-bottom: 1px dashed black;">X</p>	<p>Chapter 11</p> <p>Case No. 09-10720 (MFW)</p> <p>Jointly Administered</p> <p>Re: Docket No. 2352</p> <p>Adv. Proc. No. 10-50193 (MFW)</p> <p>Re: Docket No. 10</p>
<p>ALAMEDA COUNTY AGRICULTURAL FAIR ASSOCIATION et al.,</p> <p style="text-align: center;">Plaintiffs,</p> <p style="text-align: center;">v.</p> <p>MAGNA ENTERTAINMENT CORP. et al.,</p> <p style="text-align: center;">Defendants.</p>		

**ORDER APPROVING SETTLEMENT WITH
SOUTHERN CALIFORNIA OFF TRACK WAGERING
INCORPORATED AND THE SATELLITES PURSUANT TO SECTIONS 363(b)(1)
AND 105(a) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 9019(a)**

Upon the motion, dated April 16, 2010 (the "Motion"),¹ of Magna Entertainment Corp. ("Magna Entertainment") and the other debtors in these chapter 11 cases (together, the "Debtors"),² for an order, pursuant to sections 363(b)(1) and 105(a) of the Bankruptcy Code and

¹ All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

² The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number are: (i) Magna Entertainment Corp., 8374; (ii) The Santa Anita Companies, Inc., 6180; (iii) Los Angeles Turf Club, Incorporated, 6200; (iv) Pacific Racing Association, 5367; (v) MEC Land Holdings (California) Inc., 7410; (vi) Gulfstream Park Racing Association Inc., 6292; (vii) GPRA Thoroughbred Training Center, Inc., 2326; (viii) MEC Dixon, Inc., 7005; (ix) MEC Holdings (USA) Inc., 8494; (x) Sunshine Meadows Racing, Inc., 4288; (xi) Thistledown, Inc., 5742; (xii) MEC Maryland Investments, Inc., 4637; (xiii) 30000 Maryland Investments LLC, 1704; (xiv) Old RP, Inc., 2024; (xv) GPRA Commercial Enterprises Inc., 6156; (xvi) Pimlico Racing Association, Inc., 4527; (xvii) The Maryland Jockey Club of Baltimore City, Inc., 3840; (xviii) Laurel Racing Association Limited Partnership, 0504; (xix) Laurel Racing Assoc., Inc., 0505; (xx) Prince George's Racing, Inc., 6493; (xxi)

Rule 9019(a) of the Bankruptcy Rules, approving the Settlement; and the Bankruptcy Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before the Bankruptcy Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the parties listed therein, and it appearing that no other or further notice need be provided; and the Bankruptcy Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates and creditors; and upon all of the proceedings had before the Bankruptcy Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted.
2. The Settlement is approved in all respects.
3. The Bankruptcy Court shall retain jurisdiction over any and all disputes concerning this Order or the Settlements.

Dated: April 27, 2010
Wilmington, Delaware


THE HONORABLE MARY. F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

Southern Maryland Racing, Inc., 9850; (xxii) Southern Maryland Agricultural Association, 9661; (xxiii) Maryland Jockey Club, Inc., 3124; (xxiv) AmTote International, Inc., 1143; (xxv) MEC Pennsylvania Racing Services, Inc., 9924; and (xxvi) MEC Lone Star, LP, 0489.

Term Sheet

1) Definitions:

- a) The term "**Adversary Proceeding**" means the proceeding brought in the United States Bankruptcy Court for the District of Delaware ("Bankruptcy Court") on February 8, 2010 by Alameda County Agricultural Fair Association, Bay Meadows Racing Association, East Valley Tourist Development Authority, California Authority Of Racing Fairs ("**CARF**"), California Exposition And State Fair Association, California Marketing Committee, California Thoroughbred Business League, California Thoroughbred Trainers Backstretch Employees Cash Balance Pension Plan, California Race Track Pension Plan, Del Mar Thoroughbred Club, 9th District Agricultural Association, 21st District Agricultural Association, Hollywood Park Racing Association, 15th District Agricultural Association, 50th District Agricultural Association, Los Alamitos Race Course, Los Angeles County Fair Association, 7th District Agricultural Association, Riverside County Fair And National Date Festival, National Orange Show Citrus Fruit Festival, Oak Tree Racing Association, 46th District Agricultural Association, 2nd District Agricultural Association, San Mateo County Fair, 19th District Agricultural Association, 37th District Agricultural Association, Sonoma County Fair, 27th District Agricultural Association, 24th District Agricultural Association, Solano County Fair Association, Southern California Off Track Wagering, Inc. ("**SCOTWINC**"), 38th District Agricultural Association, 31st District Agricultural Association, 28th District Agricultural Association, 22nd District Agricultural Association, and Viejas Enterprises (collectively, "**Plaintiffs**") against Magna Entertainment Corp., Pacific Racing Association, Inc., MEC Land Holdings (California), Inc., Los Angeles Turf Club, Inc. and The Santa Anita Companies, Inc. seeking, among other things, a declaratory judgment that Plaintiffs were entitled to certain funds from the Debtors and that SCOTWINC has a valid right to setoff certain amounts owed by LATC to SCOTWINC against amounts owed by SCOTWINC to LATC.
- b) The term "**AES Parties**" means all the Plaintiffs in the adversary proceeding except SCOTWINC, Northern California Off-Track Wagering, Inc. ("**NCOTWINC**") and CARF.
- c) The term "**Debtors**" means Los Angeles Turf Club, Inc., Pacific Racing Association, Inc., The Santa Anita Companies, Inc., MEC Land Holdings (California), Inc. and Magna Entertainment Corp.
- d) The term "**LATC Shortfall Agreement**" means the agreement dated December 21, 2009 by and between Los Angeles Turf Club, Inc. and Thoroughbred Owners of California, intended to be an interim solution to the imminent threat to continued racing in California resulting from the recurring revenue shortfalls and cash flow shortages experienced by SCOTWINC. The **LATC Shortfall Agreement** is incorporated herein by reference to the extent applicable.

- e) The term "**LATC**" means Los Angeles Turf Club, Inc. or its successors and assigns through the Plan or otherwise.
 - f) The term "**MID**" means MI Developments Inc. and MI Developments US Financing Inc.
 - g) The term "**Plan**" means Third Amended Joint Plan of Affiliated Debtors, the Official Committee of Unsecured Creditors, MI Developments Inc., and MI Developments US Financing Inc. Pursuant to Chapter 11 of the United States Bankruptcy Code, dated March 24, 2010 [Docket No. 2157].
- 2) **Final Terms and Effective Date.** This Term Sheet sets forth the final and binding terms of a settlement that will become effective upon entry of a final, nonappealable order approving the settlement contemplated herein by the Delaware Bankruptcy Court (the "**Settlement Effective Date**").
- 3) **AES Amounts.** The Debtors and the AES Parties agree that they owe to each other the respective amounts set forth in the attached spreadsheet, **Exhibit A**. The amounts set forth on Exhibit A represent balances up to March 7, 2010, less any payments made since March 7, 2010 to the date of this Term Sheet.
- 4) **On-Track Expenses.** The Debtors and SCOTWINC agree that SCOTWINC owes the Debtors an estimated amount for reimbursement of on-track expenses through April 18, 2010 as set forth in **Exhibit B ("Estimated Expense Reimbursement Due")**. As the actual amount of expenses cannot be finally determined until after the 2009-2010 Winter/Spring race meet at Santa Anita is over, LATC agrees that it will calculate the actual amounts owed for reimbursement of on-track expenses in May 2010. LATC and SCOTWINC agree that any variance between the estimated amounts set forth in **Exhibit B** and the actual expenses calculated by LATC in May 2010 will be settled no later than June 15, 2010.
- 5) **Shortfall Amounts**
- (a) LATC and SCOTWINC agree that the projected shortfalls due from LATC to SCOTWINC through April 18, 2010, net of payments previously distributed by LATC to SCOTWINC pursuant to the LATC Shortfall Agreement, are set forth in **Exhibit B (the "Estimated Remaining Shortfall Amount")**.
 - (b) It is acknowledged between the parties that (i) under the LATC Shortfall Agreement, SCOTWINC has a right to receive payment of shortfalls LATC owes to SCOTWINC from deposits LATC has made or makes into the LATC Race Meeting Trust ("Shortfall Payment Right"), and (ii) in consideration for SCOTWINC deducting the Estimated Remaining Shortfall Amount from the Estimated Expense Reimbursement Due pursuant to paragraph 8(b) herein, SCOTWINC assigns to LATC its Shortfall Payment Right in the amount of the Estimated Remaining Shortfall Amount from the LATC Race Meeting Trust. Accordingly, LATC is entitled to payments out of the LATC Race Meeting Trust as provided for in Paragraph 12 below.

(c) LATC and SCOTWINC agree that the remaining balance of the projected shortfall set forth on Exhibit B will be satisfied in accordance with the terms under which payments are made in accordance with the LATC Shortfall Agreement. LATC and SCOTWINC acknowledge that after December 31, 2010, SCOTWINC will determine whether there is an operating shortfall or surplus for 2010 for LATC in accordance with the manner in which shortfalls were determined and allocated to LATC in 2008 and 2009. To the extent there is a shortfall, funds will be distributed in accordance with clause 3 (ii) of the LATC Shortfall Agreement. If there are insufficient funds available to cover the shortfall, LATC will satisfy any shortfall within 30 days of being notified of such shortfall. To the extent there is a surplus, such surplus funds will be paid by SCOTWINC directly to LATC in a manner and at a time consistent with past practices.

- 6) Other SCOTWINC Obligations. The Debtors, SCOTWINC, and the AES Parties agree that they shall pay each other for all other obligations incurred in the ordinary course of business that are not expressly covered by this agreement, including obligations based on the LATC Shortfall Agreement, on a timely basis.
- 7) This agreement does not in any way relate to any claims asserted by or against NCOTWINC or CARF, and all of the rights with respect to such claims are expressly reserved by the Debtors, NCOTWINC, CARF and any party to this agreement.
- 8) Escrow Accounts and Payments. Two escrow accounts will be established, one for the benefit of LATC and the other Debtors (the "**Debtors Escrow**") and one for the benefit of the AES Parties (the "**AES Escrow**"), both of which are to be administered by an escrow agent agreed to by all parties ("**Escrow Agent**").
 - a) The AES Parties will deposit into the Debtors Escrow the amounts owed to the Debtors as set out in Exhibit A, as soon as practicable after the Settlement Effective Date.
 - b) SCOTWINC will deposit into the Debtors Escrow the **Estimated Expense Reimbursement Due**, less the Estimated Remaining Shortfall Amount, as set out in Exhibit B, as soon as practicable after the Settlement Effective Date.
- 9) Release of Escrow Funds. Once the amount to be deposited by SCOTWINC per Paragraph 8(b) above and all monies owed by the AES Parties per Paragraph 8(a) above have been deposited into the Debtors Escrow, the Escrow Agent will notify the Debtors in a manner mutually agreeable to the parties. No later than one business day after receiving this notice (the "**Final Funding Date**"), the Debtors will cause to be deposited into the AES Escrow the amounts owed to each of the AES Parties as set forth in Exhibit A.

If and once all aforesaid deposits have been made, then immediately following such deposits:

- a) the Escrow Agent will release to the appropriate parties the funds in both the Debtors Escrow and the AES Escrow; provided, however, that all parties hereto

agree that the AES Parties' monies shall be released to SCOTWINC for distribution to the AES Parties and that such distribution shall occur after the deduction of attorneys', legal, and other appropriate fees/cost incurred by the AES Parties as a result of pursuing their claims and the filing of the adversary action;

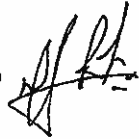
- b) as of the Final Funding Date, any and all proofs of claim filed by any of the AES Parties and SCOTWINC against any of the Debtors shall be deemed disallowed and expunged in their entirety, and the AES Parties and SCOTWINC forever waive any claims or causes of action they may have against the Debtors related to the subject matter contained herein.
- 10) Release. Except as otherwise set forth in this Term Sheet, as of the date on which all deposits in the Debtors Escrow and all deposits into the AES Escrow are made, the Debtors, SCOTWINC and the AES Parties shall be deemed to have released each other for all claims expressly listed on Exhibits A and B.
- 11) Failure to Make Payments. If any of the aforesaid deposits in Paragraphs 8 and 9 have not been made by May 15, 2010 or if the Debtors have not made their deposit into the AES Escrow by the end of the day on the Final Funding Date:
- a) the agreement memorialized by this Term Sheet will be deemed null and void;
 - b) the Escrow Agent is directed to return to each party the amounts that each party deposited; and
 - c) an answer or response to the complaint in the Adversary Proceeding will be due within fourteen (14) days of the date on which the Escrow Agent has completed the return of such amounts.
- 12) SCOTWINC further agrees that on or before the Final Funding Date an irrevocable direction will be executed and delivered by SCOTWINC whereby once LATC deposits into the LATC Race Meeting Trust account amounts owed under the LATC Shortfall Agreement, such amounts will be paid immediately by the LATC Race Meeting Trust to LATC, until LATC has recovered an amount equal to the Estimated Remaining Shortfall Amount.
- 13) MID agrees to support the terms and conditions set forth in this Term Sheet, including, without limitation, expressing its formal support of this Term Sheet by filing a statement of support with the Bankruptcy Court.
- 14) Each of the AES Parties and SCOTWINC agrees to support the Plan by, including but not limited to, (i) voting to accept the Plan, (ii) not objecting to confirmation of the Plan and (iii) not soliciting any other party to vote against, or object to, the Plan. Each of the AES Parties and SCOTWINC consents to, and agrees to be bound by, the releases and injunctions contained in Article 34 of the Plan, notwithstanding any prior election that may have been made in any ballot or notice to opt-out of the release provisions.

- 15) Attorneys Fees. Each party to this agreement shall bear its own attorneys' fees and costs.
- 16) Approval by Bankruptcy Court. Upon execution of this Term Sheet, the Debtors shall within one business day file a Motion (the "Approval Motion") with the Bankruptcy Court seeking approval of the settlement agreement memorialized by this Term Sheet pursuant to Rule 9019 of the Bankruptcy Rules. The Debtors shall also file an appropriate motion seeking authority to shorten notice of the Approval Motion and to schedule the Approval Motion for hearing on April 20, 2010.
- 17) No Admission of Liability. The execution of this Term Sheet is not intended to be, nor shall it be construed as, an admission or evidence in any pending or subsequent suit, action, proceeding or dispute of any liability, wrongdoing, or obligation whatsoever (including as to the merits of any claim or defence) by any party to any other party or any other Person with respect to any of the matters addressed in this agreement and this Term Sheet may not be used as an admission or evidence of the validity of any claim or constructive or other trust, or any allegation made in the actions or of any wrongdoing or liability of any Party in the Adversary Proceeding.
- 18) Miscellaneous.
 - a) This Term Sheet constitutes the entire agreement between the parties concerning the matters set forth herein, and supersedes any and all prior agreements between them concerning the matters set forth herein.
 - b) This Term Sheet may not be modified other than by a signed writing executed by the parties hereto, their authorized representatives, or by further order of the Bankruptcy Court.
 - c) Each party who executes this Term Sheet hereby covenants and warrants to the other parties that it has the authority to execute this document on behalf of his or her respective client(s) and is fully authorized to bind his or her client(s) to all the terms of this agreement.
 - d) This Term Sheet may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument, and it shall constitute sufficient proof of this Term Sheet to present any copy, copies or facsimiles signed by the Party hereto to be charged.
 - e) Each of the parties hereto agrees to execute and deliver, or to cause to be executed and delivered, all such instruments, and to take all such action as the other Parties may reasonably request in order to effectuate the intent and purposes of, and to carry out the terms of, the settlement agreement memorialized by this Term Sheet.
 - f) This Agreement will be binding on the parties and their successors and assigns.

- g) The headings of the sections, paragraphs and subsections of this Agreement are inserted for convenience only and are not part of this Agreement and do not in any way limit or modify the terms or provisions of this Agreement and shall not affect the interpretation hereof.
- h) This Agreement shall be governed by and construed in accordance with the internal laws of the State of California, without giving effect to any principles of conflicts of law and applicable federal law.
- i) The Bankruptcy Court retains jurisdiction as to all matters arising from or related to the implementation and/or enforcement of this Term Sheet and each of the Parties submit to the jurisdiction of the Bankruptcy Court.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date set forth below.

Dated: April __, 2008

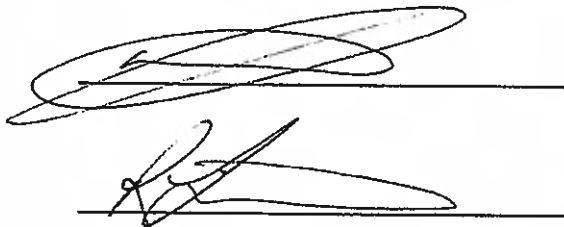


For the Debtors (as defined above):

For SCOTWINC (as defined above):

For MID (as defined above):

For the AES Parties (as defined above):



* See Below

Craig R. Fravel, President
Del Mar
Craig R. Fravel

Exec U.P.
Oak, Free Press Ave

Christopher Korb
CHRISTOPHER KORB
EXECUTIVE DIRECTOR
California Authority of Recy Fair

EXHIBIT B

AMOUNTS DUE FROM DEBTORS:

SCOTWINC 2008-2009 SHORTFALLS	1,339,021.00
SCOTWINC ESTIMATED 2010 SHORTFALLS THROUGH 3/7/2010	626,483.00
SCOTWINC ESTIMATED 2010 SHORTFALLS FROM 3/8 THROUGH 4/18/2010	663,381.00
LESS AMOUNTS RECEIVED PER LATC SHORTFALL AGREEMENT	(1,333,000.00)
TOTAL ESTIMATED REMAINING SHORTFALL DUE TO SCOTWINC THROUGH 4/18/2010	<u>1,295,885.00</u>
= <i>"Estimated Remaining Shortfall Amount"</i>	

AMOUNTS DUE TO DEBTORS:

SCOTWINC EXPENSE REIMBURSEMENTS FROM 2009 LATC MEET	1,263,377.95
ESTIMATED SCOTWINC 2010 EXPENSE REIMBURSEMENTS THROUGH 3/7/10	637,093.00
ESTIMATED SCOTWINC 2010 EXPENSE REIMBURSEMENTS FROM 3/8 THROUGH 4/18/2010	420,000.00
TOTAL PROJECTED EXPENSE REIMBURSEMENTS DUE TO DEBTORS THROUGH 4/18/2010	<u>2,320,470.95</u>
= <i>"Estimated Expense Reimbursement Due"</i>	

ESTIMATED AMOUNT DUE TO DEBTORS LESS ESTIMATED REMAINING SHORTFALL DUE TO SCOTWINC **1,024,585.95**
= *amount that SCOTWINC will deposit into Debtors escrow*

EXHIBIT A

AMOUNTS DUE FROM DEBTORS:

ALAMEDA COUNTY FAIR ASSN - PLEASANTON	92,004.42	
BARONA	35,161.94	
BAY MEADOWS	102,569.97	
CABAZON	30,400.98	
CAL EXPO HARNESS	843.71	
CALIFORNIA EXPOSITION & STATE FAIR - SACRAMENTO	86,345.59	
CALIFORNIA MARKETING COMMITTEE	123,300.16	
CALIFORNIA THOROUGHBRED BUSINESS LEAGUE	235,555.81	
DEL MAR THOROUGHBRED CLUB	4,471.27	
DEL MAR-22ND DAA (Surfside Race Place)	150,572.26	
EUREKA REDWOOD ACRES	6,160.30	
FRESNO FAIR	18,802.68	
FRESNO FAIR - FRESNO CLUB ONE	7,690.79	
HOLLYWOOD PARK	304,762.85	
KERN COUNTY FAIR - BAKERSFIELD	24,841.63	
LANCASTER-ANTELOPE VALLEY	30,148.36	
LOS ALAMITOS	473,625.57	
MONTEREY COUNTY FAIR	25,233.36	
OAK TREE RACING ASSOCIATION	3,129.89	
PERRIS-HEMET 46 DISTRICT	33,149.12	
POMONA-L A COUNTY FAIR	90,478.12	
SAN BERNARDINO-NATIONAL ORANGE SHOW	62,118.81	
SAN JOAQUIN COUNTY FAIR - STOCKTON	46,956.86	
SAN MATEO COUNTY FAIR	89,588.04	
SANTA BARBARA-EARL WARREN	12,354.64	
SANTA CLARA COUNTY FAIR - SAN JOSE	87,210.82	
SANTA MARIA-SANTA BARBARA FAIR	12,954.64	
SHALIMAR-NATIONAL DATE FESTIVAL	18,036.07	
SHASTA DISTRICT FAIR - ANDERSON	7,271.55	
SOLANO COUNTY FAIR - VALLEJO	38,445.99	
SONOMA COUNTY FAIR - SANTA ROSA	34,273.85	
SOUTHERN CALIFORNIA STABING AND VANNING FUND	206,959.95	
STANISLAUS COUNTY FAIR - TURLOCK	19,021.61	
TULARE 24TH DIST FAIR	7,841.62	
VENTURA	55,754.40	
VICTORVILLE-SAN BERNARDINO FAIR	20,298.68	
VIEJAS	23,969.22	
TOTAL AMOUNTS DUE FROM DEBTORS		2,622,305.53

AMOUNTS DUE TO DEBTORS:

CAL EXPO HARNESS	28,394.48	
CALIFORNIA EXPOSITION & STATE FAIR	150.00	
CALIFORNIA MARKETING COMMITTEE	123,300.16	
DEL MAR THOROUGHBRED CLUB	9,466.10	
HOLLYWOOD PARK	403,625.01	
LOS ALAMITOS	515,490.66	
POMONA - LA COUNTY FAIR	22,804.63	
SOUTHERN CALIFORNIA STABLING & VANNING	210,172.00	
VIEJAS	2,929.50	
TOTAL AMOUNTS DUE TO DEBTORS		1,316,332.54

Northern California Thoroughbred Racing Conference
April 26 & 27, Hyatt Vineyard Creek-Santa Rosa (707) 284-1234

DISCUSSION/AGENDA ITEMS

1. Review of industry changes since last meeting
2. Golden Gate Fields
 - a. Update on Magna bankruptcy and any foreseeable changes regarding new management of Golden Gate with MID
 - b. Importance of GGF to Northern California racing circuit
 - c. Pending change in ownership
 - d. Golden Gate "Dream" Calendar
 - e. Scenarios for future – Life with and without Golden Gate
 - i. Tracks interested in serving as a backup to Golden Gate: (Pleasanton, Santa Rosa, Cal Expo, others?)
 - f. How to improve attendance at Golden Gate
3. Cal Expo
 - a. Redevelopment update
 - b. Future of California State Fair as racing venue
4. Alameda County Fair
 - a. Review previous plans for Capital Improvements at Pleasanton
 - b. What makes sense in the current state of racing and economic climate?
 - c. Availability for additional racing dates
 - d. Continuing role as training/stabling facility
 - e. Financing for infrastructure improvements
5. Stabilize the economics of California's horse racing industry
 - a. Consideration and impact of higher take-outs
 - b. Better purses
 - c. Keep simulcast network economically viable
 - d. Impact of continuing shortfalls to NOTWInc/SCOTWInc/S&V funds
 - e. Re-structure parimutuel distributions and take-out: on-track; simulcast; ADW
 - f. Public vs. private ownership of tracks
6. Fair Racing Venues
 - a. Long tradition of racing at Fairs
 - b. Value of racing at Fairs
 - c. Economic challenge of maintaining Fair facilities on revenues from two weeks of racing
 - d. Should Fair meets be longer?
 - e. Are we good with the current number of Racing Fairs?
 - f. How do Fairs, racing industry and stakeholders accomplish optimum balance of Fair venues and dates?

7. Racing Calendars
 - a. Review of 2010 calendar
 - b. Optimal 2011 racing calendar – 2012 and beyond?
 - i. Larger gaps between meets
 - ii. Seasonal Racing
 - c. Impacts of extended meet at GGF
 - d. Feasibility/desirability of more dates at Fair venues: Alameda County Fair; Sonoma County; California State Fair
8. TOC Contract Negotiations
 - a. Process is not working well over the last years
 - b. How can we make negotiation process better?
 - c. Purse distribution to bottom levels
 - d. Management of overpayments/underpayments
9. Mini-satellites
 - a. Sustainability of Current OTB System
 - b. Prospective locations
 - c. Approval process
 - d. Legislation
10. Industry Legislative program for 2010 and beyond
11. Marketing
 - a. CMC's future
 - b. How we can market our product more effectively
 - c. Utilizing Fairs to market CA racing
12. Horse Inventory
 - a. Cal Bred Foal Crop
 - b. Cal Bred Incentive Program

CALIFORNIA AUTHORITY OF RACING FAIRS
SWF SURVEYS - SOUTH
WINTER 2006

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Antelope Valley - (AV), Southern Ca Fair - (SC)), San Bernardino - (SBE),
National Orange Show - (NOS), Santa Barbara - (SBA), Earl Warren Showgrounds - (EW),
Riverside Nat'l Date - (RND) Ventura County Fair - (VEN)

AV SC SBE NOS SBA EW RND VEN

A. EXTERIOR SIGNAGE															
1	Freeway Signage	9	8	1	1	1	5	1	1						
2	Streets Surrounding Fairgrounds	9	8	1	1	3	1	1	5						
3	Directional signage at parking entrances/inside lots	9	7	1	1	5	5	1	6						
4	Satellite Wagering Facility exterior signage	8	8	8	7	6	5	6	7						
5	Informational Signage pertaining to current races	6	6	5	5	5	1	5	7						
B. EXTERIOR APPEARANCE OF SWF															
1	Parking area	8	6	5	5	7	5	5	8						
2	Facility Visibility	9	9	6	6	6	5	6	8						
3	Accessibility from designated parking	9	9	7	7	5	5	7	8						
4	Landscaping	8	6	5	8	5	4	4	7						
5	Lighting (safety and appearance)	8	6	6	6	6	6	6	7						
6	Facility entrance and signage	8	8	7	7	7	3	3	8						
7	Facility appearance	8	8	7	8	8	5	5	8						
8	Satellite dishes (security and condition)	6	6	6	6	6	3	6	6						
C. FACILITY ENTRY AREA (INTERIOR)															
1	Room layout	8	8	6	9	7	5	9	8						
2	Box office/admissions	7	7	7	7	7	3	6	8						
3	Security station	8	7	6	6	7	3	6	7						
4	Security alarm system	6	8	8	6	7	6	1	8						
5	Circulation and traffic efficiency	7	7	6	7	7	5	7	8						
6	General information signage	7	6	7	5	7	5	5	8						
7	Promotion of upcoming events	7	5	7	7	7	5	6	7						
8	Daily Racing Form/programs/tout sheet	7	5	7	6	7	5	6	7						
9	"How to wager" educational materials	7	5	6	5	7	5	5	7						
10	CalRacing Club signage	7	5	7	6	7	5	6	7						
11	Merchandising	5	1	1	6	1	1	1	1						
D. INTERIOR PUBLIC AREAS															
1	Room layout	8	8	6	9	7	5	9	8						
2	Furniture	7	7	8	7	7	5	7	8						
3	Race viewing	8	8	4	9	8	5	9	8						
4	Mutuel windows/lineup capacity	7	7	6	7	7	5	7	7						
5	Pedestrian circulation	8	7	6	7	7	5	7	7						
6	Storage	7	7	6	6	7	4	6	7						
E. RESTROOMS															
1	Layout	7	7	6	6	7	5	6	8						
2	Location	7	7	6	6	7	5	6	8						
3	Cleanliness, condition (women's)	8	7	6	5	7	5	5	8						
4	Cleanliness, condition (men's)	8	7	6	5	7	5	5	8						
5	Ventilation	7	7	6	5	7	4	5	8						
6	ADA compliance	7	7	6	5	7	2	5	7						
7	Comfort and amenities	7	7	6	5	7	3	5	8						

(1) None (2) Poor (3) Minimal (4) Below Average (5) Adequate (6) Average

(7) Good (8) Above Average (9) Excellent (10) State-of-the-Art

CALIFORNIA AUTHORITY OF RACING FAIRS

SWF SURVEYS - NORTH

WINTER 2006

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Antelope Valley - (AN), Southern Ca Fair - (SC), San Bernardino - (SBE),
Nationa Orange Show - (NOS), Santa Barbara - (SBA), Earl Warren Showgrounds - (EW),
Riverside Nat'l Date - (RND), Ventura County Fair - (VEN)

AV SC SBE NOS SBA EW RND VEN AN

F. FOOD SERVICE															
1	Layout	7	7	6	7	5	5	7	7						
2	Location	7	7	6	7	5	5	7	7						
3	Seating, counter space	7	7	6	7	1	1	7	7						
4	Amenities	7	7	6	7	5	5	7	7						
G. FIXTURES															
1	Chairs	7	7	6	7	7	5	7	7						
2	Tables	7	7	6	7	7	5	7	7						
3	Televisions/cords/cabling	7	7	5	7	7	5	7	8						
4	Lighting	7	7	6	7	7	5	7	8						
5	Audio	7	7	3	7	7	5	7	8						
6	Carpet/floor coverings	7	7	9	7	5	4	8	9						
7	Trash receptacles	7	7	5	7	2	5	7	7						
8	HVAC	7	7	6	7	7	1	7	8						
9	Cameras	1	8	7	5	7	3	5	7						
H. GENERAL APPEARANCE															
1	Interior design	8	8	6	7	7	4	6	9						
2	Ceilings	8	8	5	7	7	4	6	9						
3	Walls	8	8	6	7	7	5	6	9						
4	Interior signage	8	7	6	6	3	4	6	8						
5	Cleanliness	8	7	7	6	7	5	6	9						
6	Building condition (roof leaks, plumbing)	8	8	6	6	7	2	6	8						
7	Comfort and amenities	8	8	6	6	7	4	6	8						
I. PARI-MUTUEL AREA (FRONT OF THE LINE)															
1	Wagering counters	7	7	6	6	7	5	6	7						
2	Display for results, scratches and changes	7	7	6	6	3	5	6	7						
3	Teller station	7	7	6	6	7	5	6	7						
4	Self bet/voucher terminals	7	7	6	6	3	5	6	7						
5	Wagering slip	7	7	6	6	3	5	6	7						
6	Odds availability in the queuing area	7	7	6	6	5	5	6	7						
J. PARI-MUTUEL AREA (BEHIND THE LINE)															
1	Security access	7	7	7	7	7	5	7	7						
2	Alarm systems/holdup switches	7	7	7	7	7	5	7	7						
3	Lighting	7	7	7	7	7	5	7	7						
4	Layout/operating efficiency/cash dispensers	7	7	7	7	7	4	7	7						
K. SAFETY															
1	Fire safety	7	7	5	7	7	5	5	8						
2	Emergency evacuation plan	7	7	6	7	7	5	5	8						
3	Paramedic emergency response	7	7	6	7	7	5	1	8						

(1) None (2) Poor (3) Minimal (4) Below Average (5) Adequate (6) Average
(7) Good (8) Above Average (9) Excellent (10) State-of-the-Art

CALIFORNIA AUTHORITY OF RACING FAIRS
SWF SURVEYS - NORTH
WINTER 2006

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Antelope Valley - (AV), Southern CA Fair - (SC), San Bernardino - (SBE)
 National Orange Show - (NOS), Santa Barbara - (SBA), Earl Warren Showgrounds - (EW),
 Riverside Nat'l Date - (RND), Ventura County Fair - (VEN)

AV SC SBENOSBA EW RNDVEN

L. OFFICE AREAS															
1	Pari-mutuel office/efficiency	7	7	7	6	5	5	6	7						
2	Tote Room	7	7	7	6	4	5	6	7						
3	Supervisor office layout	7	7	7	6	4	5	6	7						
4	Security/access	7	7	7	6	7	5	6	7						
5	Furnishings	7	7	7	6	6	5	6	7						
6	Storage areas	7	7	7	6	4	3	6	7						
7	Efficiency	7	7	7	6	5	4	6	7						
8	Video equipment room	7	8	7	6	7	5	6	8						
M. PATIO/SMOKING AREA															
1	Layout/location	6	5	6	6	6	5	6	5						
2	Appearance	6	5	6	6	6	3	6	7						
3	Seating capacity	6	5	6	6	7	1	6	1						
4	Accommodations for smokers	6	5	6	6	6	3	6	3						
5	Weather protection	6	5	6	6	5	3	6	3						
6	Race viewing	6	5	6	6	7	3	6	1						
7	Tote Service	6	1	6	6	1	1	6	1						
8	Security/fire safety	6	3	6	6	7	3	6	3						
FACILITY SCORE (AVERAGE)															

(1) None (2) Poor (3) Minimal (4) Below Average (5) Adequate (6) Average
 (7) Good (8) Above Average (9) Excellent (10) State-of-the-Art

CALIFORNIA AUTHORITY OF RACING FAIRS
SWF SURVEYS - NORTH
WINTER 2006

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Pleasanton - (PN), Fresno - (FN), Stockton - (STK), Vallejo - (VAL), Santa Rosa - (SR), Fresno Club One - (F2),
 Bakersfield - (BK), Monterey - (MO), Anderson - (AN), San Jose - (SJ), Turlock - (TK), Tulare (TL),
 Eureka - (EU), Sacramento - (SC), Bay Meadows - (BM), Golden Gate - (GG)

PN FN ST VJ SR F2 BK MO AN SJ TK TL EU SC BM GG

A. EXTERIOR SIGNAGE

1	Freeway Signage	1	1	1	10	1	1	1	1	1		1	1	1			
2	Streets Surrounding Fairgrounds	5	3	8	5	5	6	1	8	7		1	1	6			
3	Informational signage at parking entrances/inside lots	8	1	7	5	8	7	7	6	6		8	2	6			
4	Satellite Wagering Facility exterior signage	8	3	8	5	8	8	7	9	6		8	2	8			
5	Informational Signage pertaining to current races	3	1	8	5	8	1	7	8	5		1	1	5			

B. EXTERIOR APPEARANCE OF SWF

1	Parking area	8	5	7	5	5	7	7	5	7		9	5	7			
2	Facility Visibility	8	5	8	5	8	7	8	8	7		9	2	8			
3	Accessibility from designated parking	8	7	8	5	8	7	8	8	7		9	7	9			
4	Landscaping	8	8	8	6	7	8	8	9	6		9	7	8			
5	Lighting (safety and appearance)	8	8	8	5	7	8	8	8	7		9	7	8			
6	Facility entrance and signage	8	1	8	5	8	8	8	8	7		9	3	8			
7	Facility appearance	8	8	8	5	8	8	8	8	7		9	7	7			
8	Satellite dishes (security and condition)	8	8	8	5	7	8	8	8	7		9	5	6			

C. FACILITY ENTRY AREA (INTERIOR)

1	Room layout	8	5	8	6	8	7	8	7	7		9	8	5			
2	Box office/admissions	9	5	8	7	8	7	8	7	7		9	8	6			
3	Security station	8	1	8	8	8	7	8	7	5		9	8	1			
4	Security alarm system	8	3	8	8	8	7	7	1	6		8	7	5			
5	Circulation and traffic efficiency	8	5	8	6	8	7	7	5	6		9	7	5			
6	General information signage	9	5	8	6	8	7	9	8	6		9	5	5			
7	Promotion of upcoming events	9	6	5	5	8	1	9	5	6		5	3	5			
8	Daily Racing Form/programs/tout sheet	9	7	8	6	8	1	9	7	6		9	5	5			
9	"How to wager" educational materials	9	7	1	5	8	1	9	1	5		9	7	5			
10	CalRacing Club signage	8	7	8	6	8	7	8	7	5		5	7	6			
11	Merchandising	8	1	1	1	8	1	10	1	1		7	1	1			

D. INTERIOR PUBLIC AREAS

1	Room layout	8	5	8	6	8	7	8	7	7		10	7	5			
2	Furniture	8	5	8	6	8	8	7	7	5		9	7	5			
3	Race viewing	8	7	8	5	8	7	8	8	7		10	7	7			
4	Mutuel windows/lineup capacity	8	7	8	7	8	7	7	8	6		6	7	7			
5	Pedestrian circulation	8	7	8	6	8	7	7	7	7		8	7	7			
6	Storage	8	7	8	9	8	5	7	8	7		8	7	7			

E. RESTROOMS

1	Layout	8	5	8	7	8	7	8	8	5		9	7	7			
2	Location	8	6	8	7	8	7	7	8	6		8	7	7			
3	Cleanliness, condition (women's)	8	6	8	7	8	7	7	9	5		8	7	7			
4	Cleanliness, condition (men's)	8	6	7	7	8	7	7	9	5		8	7	7			
5	Ventilation	8	6	8	7	8	7	8	9	5		8	7	7			
6	ADA compliance	8	6	8	7	8	7	7	9	6		8	7	7			
7	Comfort and amenities	8	5	7	7	8	7	7	9	5		8	7	7			

(1) None (2) Poor (3) Minimal (4) Below Average (5) Adequate (6) Average

CALIFORNIA AUTHORITY OF RACING FAIRS

SWF SURVEYS - NORTH

WINTER 2006

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Pleasanton - (PN), Fresno - (FN), Stockton - (STK), Vallejo - (VAL), Santa Rosa - (SR), Fresno Club One - (F2),
 Bakersfield - (BK), Monterey - (MO), Anderson - (AN), San Jose - (SJ), Turlock - (TK), Tulare (TL),
 Eureka - (EU), Sacramento - (SC), Bay Meadows - (BM), Golden Gate - (GG)

PN FN ST VJ SR F2 BK MO AN SJ TK TL EU SC BM GG

F. FOOD SERVICE

1	Layout	8	2	7	4	6	7	7	5	5		8	7	5			
2	Location	8	5	7	6	6	7	7	5	5		8	7	5			
3	Seating, counter space	8	1	7	3	6	7	7	5	5		8	7	5			
4	Amenities	8	6	7	5	6	7	7	5	5		8	7	5			

G. FIXTURES

1	Chairs	8	6	7	6	7	8	7	6	7		7	7	7			
2	Tables	8	6	7	6	7	8	7	6	7		7	7	7			
3	Televisions/cords/cabling	8	7	7	5	7	7	7	8	7		9	7	7			
4	Lighting	8	7	7	4	7	8	7	4	7		9	7	7			
5	Audio	8	5	7	7	7	7	3	9	7		9	3	7			
6	Carpet/floor coverings	8	7	6	2	7	7	7	6	7		5	7	7			
7	Trash receptacles	8	7	7	5	7	7	7	7	7		6	7	7			
8	HVAC	8	4	8	7	7	7	7	7	7		8	7	7			
9	Cameras	8	1	7	1	7	7	1	7	7		7	1	7			

H. GENERAL APPEARANCE

1	Interior design	8	8	7	5	8	7	7	5	7		7	7	7			
2	Ceilings	8	8	7	5	8	7	7	5	7		7	7	7			
3	Walls	8	8	7	5	8	7	8	5	7		7	7	7			
4	Interior signage	8	8	7	5	8	7	7	7	7		7	7	7			
5	Cleanliness	8	8	7	5	8	7	8	7	4		7	8	7			
6	Building condition (roof leaks, plumbing)	8	8	7	5	8	7	7	7	7		7	8	7			
7	Comfort and amenities	8	8	7	5	8	7	7	7	7		7	7	7			

I. PARI-MUTUEL AREA (FRONT OF THE LINE)

1	Wagering counters	8	8	7	7	8	7	7	7	7		7	7	7			
2	Display for results, scratches and changes	8	8	7	7	8	7	7	7	7		7	7	7			
3	Teller station	8	8	7	7	8	7	7	7	7		7	7	7			
4	Self bet/voucher terminals	8	8	7	7	8	7	7	7	7		7	7	7			
5	Wagering slip	8	8	7	7	8	7	7	7	7		7	7	7			
6	Odds availability in the queuing area	8	8	7	7	8	7	7	7	7		7	7	7			

J. PARI-MUTUEL AREA (BEHIND THE LINE)

1	Security access	8	7	7	8	8	7	7	5	5		8	5	5			
2	Alarm systems/holdup switches	8	3	7	8	8	7	7	1	1		8	5	6			
3	Lighting	8	7	7	7	8	7	7	5	6		8	8	7			
4	Layout/operating efficiency/cash dispensers	8	7	7	8	8	7	7	6	7		8	7	6			

K. SAFETY

1	Fire safety	5	1	3	3	8	7	7	7	1		3	1	1			
2	Emergency evacuation plan	3	1	3	3	8	1	7	7	1		3	1	1			
3	Paramedic emergency response	7	3	3	8	5	1	5	7	1		3	1	1			

CALIFORNIA AUTHORITY OF RACING FAIRS

SWF SURVEYS - NORTH

WINTER 2006

Page 3 of 3

Pleasanton - (PN), Fresno - (FN), Stockton - (STK), Vallejo - (VAL), Santa Rosa - (SR), Fresno Club One - (F2),
Bakersfield - (BK), Monterey - (MO), Anderson - (AN), San Jose - (SJ), Turlock - (TK), Tulare (TL),
Eureka - (EU), Sacramento - (SC), Bay Meadows - (BM), Golden Gate - (GG)

PN FN ST VJ SR F2 BK MO AN SJ TK TL EU SC BM GG

L. OFFICE AREAS

1	Pari-mutuel office/efficiency	8	7	7	7	8	7	7	6	6		7	7	5			
2	Tote Room	8	7	5	7	8	7	7	6	6		7	7	5			
3	Supervisor office layout	9	7	7	7	8	7	7	6	6		7	7	5			
4	Security/access	9	7	7	7	8	7	7	6	6		7	7	5			
5	Furnishings	9	7	7	7	8	7	7	6	6		7	7	5			
6	Storage areas	8	7	7	7	8	7	7	6	6		7	7	5			
7	Efficiency	8	7	7	7	8	7	7	6	6		7	7	5			
8	Video equipment room	8	7	7	7	9	7	7	6	6		7	7	5			

M. PATIO/SMOKING AREA

1	Layout/location	9	5	6	7	8	1	6	5	5		8	5	1			
2	Appearance	8	5	6	7	8	1	6	6	5		8	5	1			
3	Seating capacity	9	5	6	7	8	1	6	5	5		8	5	1			
4	Accommodations for smokers	9	5	6	7	8	1	6	5	5		8	5	1			
5	Weather protection	8	5	6	7	8	1	6	5	3		8	5	1			
6	Race viewing	7	5	6	7	8	1	6	5	3		8	5	1			
7	Tote Service	7	5	7	1	8	1	6	5	1		8	5	1			
8	Security/fire safety	5	5	1	1	8	1	6	5	5		8	5	1			

FACILITY SCORE (AVERAGE)

(1) None (2) Poor (3) Minimal (4) Below Average (5) Adequate (6) Average
(7) Good (8) Above Average (9) Excellent (10) State-of-the-Art

**1998
Satellite Wagering Facility
Physical Plant Survey
Earl Warren Showgrounds
Santa Barbara, CA
Prepared by Michael L. Knapp**

The original hard copy meeting packet includes a physical plant survey of the Earl Warren Showgrounds conducted in 1998.

The file was too large to include in the electronic version of the meeting packet.

The survey will be sent in a separate e-mail.

If you did not receive the file, please contact Amelia White at 916/263-3349 or amelia@calfairs.net.

XI.

	2008	2009	2008	2009	2010	2010	2010	2010
	Year End	Year End	YTD	YTD	YTD	Annual	Budget	% Budget
	Actual	Actual	Actual	Actual	Actual	Budget	Variance	
Revenue:								
Other Revenue	12,384	118	447	15	15	500	(485)	3%
Interest Income	96,705	30,515	25,354	3,587	6,984	30,000	(23,016)	23%
Member Dues	282,520	282,532	64,317	70,633	73,228	292,913	(219,685)	25%
CARF South Programs Admin Fee	29,295	25,351	7,473	6,908	5,665	26,250	(20,585)	22%
CARF Projects Admin Fee	175,639	66,063	4,422	9,543	8,422	195,000	(186,578)	4%
CARF Live Racing Admin Fee	149,334	112,458	24,583	13,043	12,996	136,723	(123,727)	10%
CARF @ Leased Facility Revenue	0	(311,170)	0	0	0	0	0	0%
Total Revenue	745,876	205,868	126,596	103,729	107,310	681,386	(574,076)	16%
Expenses:								
Salaries	245,914	226,671	56,518	56,518	56,462	304,423	247,961	19%
Employee Benefits	26,800	24,642	6,398	6,398	3,240	30,000	26,760	11%
Post Retirement Benefits	31,614	758,272	13,228	13,228	8,617	32,896	24,279	26%
Payroll Taxes	12,509	12,487	4,669	4,669	4,452	13,500	9,048	33%
Accounting Costs	16,337	17,209	4,644	4,644	4,067	18,750	14,683	22%
Audit Services	6,188	7,125	0	0	7,128	6,500	(628)	110%
Automobile Expense	3,236	435	10	10	3,649	4,000	352	91%
Contracted Services	659	543	256	256	39	2,000	1,961	2%
Depreciation	13,729	13,881	3,558	3,558	3,394	13,500	10,106	25%
Dues & Subscriptions	14,388	36,048	3,282	3,282	2,777	37,000	34,223	8%
Insurance Expense	40,542	37,784	9,446	9,446	9,286	41,000	31,714	23%
Legal Expenses	1,740	11,413	195	195	11,105	10,000	(1,105)	111%
Legislative Expenses	54,869	53,508	13,271	13,271	13,450	60,000	46,550	22%
Meetings Expense	3,758	5,398	1,459	1,459	729	5,000	4,271	15%
Misc. (Ag Day Sponsor)	204	2,482	2,083	2,083	200	2,500	2,300	8%
Office Supplies	19,576	23,754	6,743	6,743	6,817	20,000	13,184	34%
Postage & Shipping	4,343	5,987	890	890	456	6,000	5,544	8%
Rent (Tribute Road)	39,413	38,916	9,605	9,605	9,936	39,744	29,808	25%
Repairs & Maintenance	0	0	0	0	674	1,000	326	67%
Telephone Expense	8,132	7,390	1,894	1,894	2,114	10,000	7,886	21%
Training	0	0	0	0	0	2,500	2,500	0%
Travel Expense	23,216	25,280	7,775	7,775	7,126	27,500	20,374	26%
Total Expenses	567,165	1,309,223	145,925	145,925	155,716	687,813	532,097	23%
Agency Income (Loss)	178,712	(1,103,356)	(19,330)	(42,197)	(48,406)	(6,427)	(41,979)	
Southern Program Income (Loss)	9,592	6,245	2,013	2,367	2,702	5,250	(43,718)	
Total Balance Sheet Net Income (Loss)	188,304	(1,097,110)	(17,317)	(39,830)	(45,703)	(1,177)	(85,696)	
Total Restricted Reserves CARF @								
Leased Facility	0	0	0	0	0	0	0	

California Authority of Racing Fairs
Southern Region Income Statement
March 31, 2010

	2008	2009	2008	2009	2010	2010	2010	2010
	Year End	Year End	YTD	YTD	YTD	Annual	Budget	% Budget
	Actual	Actual	Actual	Actual	Actual	Budget	Variance	
Program Revenue:								
Program Sales	397,688	342,738	99,636	92,112	75,537	350,000	(274,463)	22%
Other Revenue	0	0	0	0	0	0	0	0%
Royalties/Fees Due Host	(358,703)	(311,141)	(90,150)	(82,837)	(67,169)	(318,500)	251,331	21%
Total Revenue	38,985	31,596	9,486	9,275	8,367	31,500	(23,133)	27%
Expenses:								
Legal Expenses	0	0	0	0	0	0	0	0%
Meetings Expense	98	0	0	0	0	0	0	0%
Misc Exp.(Storage)	0	0	0	0	0	0	0	0%
Office Supplies	0	0	0	0	0	0	0	0%
Paper Expense	0	0	0	0	0	0	0	0%
Postage & Shipping	0	0	0	0	0	0	0	0%
Printing Supplies	0	0	0	0	0	0	0	0%
Rent & Utility Expenses	0	0	0	0	0	0	0	0%
Repairs & Maintenance	0	0	0	0	0	0	0	0%
Telephone Expense	0	0	0	0	0	0	0	0%
Travel Expense	0	0	0	0	0	0	0	0%
Total Expenses	98	0	0	0	0	0	0	0%
Operating Income (Loss)	38,887	31,596	9,486	9,275	8,367	31,500	(23,133)	27%
CARF Admin Fee	29,295	25,351	7,473	6,908	5,665	26,250	20,585	22%
Rebate								
Income (Loss)	9,592	6,245	2,013	2,367	2,702	5,250	(43,718)	51%

**California Authority of Racing Fairs
Project Management Income Statement
March 31, 2010**

	2008	2009	2008	2009	2010	2010	2010	2010
	Year End	Year End	YTD	YTD	YTD	Annual	Budget	% Budget
	Actual	Actual	Actual	Actual	Actual	Budget	Variance	
Revenue:								
CARF Admin Fee	175,639	66,063	4,422	9,543	8,422	195,000	(186,578)	4%
Project Management	67,608	79,199	20,428	18,190	19,240	77,191	(57,951)	25%
Total Revenue	243,247	145,262	24,850	27,733	27,662	272,191	(244,529)	10%
Expenses:								
Salaries Expense	49,043	58,723	15,732	13,416	14,310	56,341	42,031	25%
Employee Benefits	6,150	7,287	1,965	2,056	2,133	8,000	5,867	27%
Payroll Taxes	2,204	2,832	938	909	930	3,000	2,070	31%
Accounting Costs	6,500	6,500	1,625	1,625	1,625	8,000	6,375	20%
Audit Services	2,475	2,550	0	0	0	0	0	0%
Automobile Expense	0	0	0	0	0	0	0	0%
Contracted Services	0	0	0	0	0	0	0	0%
Telephone Expense	678	708	167	185	173	1,000	827	17%
Travel Expense	0	42	0	0	68	250	182	27%
Misc. Storage	558	558	0	0	0	600	600	0%
Total Expenses	67,608	79,199	20,428	18,190	19,240	77,191	57,951	25%
CARF Admin Fee	175,639	66,063	4,422	9,543	8,422	195,000	186,578	4%

**California Authority of Racing Fairs
Live Racing Income Statement
March 31, 2010**

	2008	2009	2008	2009	2010	2010	2010	2010
	Year End	Year End	YTD	YTD	YTD	Annual	Budget	% Budget
	Actual	Actual	Actual	Actual	Actual	Budget	Variance	
Revenues:								
Change Fund Admin Fee	46,470	17,065	17,920	4,865	4,596	20,000	(15,404)	23%
Racing Fairs Admin Fee	80,538	74,561	6,663	8,178	8,400	94,723	(86,323)	9%
Supplemental Purses Admin Fee	22,000	22,000	0	0	0	22,000	(22,000)	0%
NCOTWINC Reimbursement	29,000	29,000	0	0	0	29,000	(29,000)	0%
Racing Fairs Reimbursement	1,074,554	1,059,854	88,848	109,044	112,504	1,262,971	(1,150,467)	9%
Advertising Revenue	5,010	4,100	0	0	0	4,000	(4,000)	0%
Total	1,257,573	1,206,580	113,431	122,087	125,500	1,432,694	(1,307,194)	9%
Expenses:								
Salaries	201,995	230,562	34,277	47,160	57,779	227,483	169,704	25%
Employee Benefits	40,160	45,203	9,280	11,427	11,801	46,000	34,200	26%
Payroll Taxes	10,824	11,877	2,491	3,433	4,078	13,500	9,422	30%
Accounting Costs	42,250	52,250	10,562	10,562	10,562	48,000	37,438	22%
Audit Services	16,088	16,575	0	0	0	16,088	16,088	0%
Automobile Expense	742	1,182	147	0	0	5,100	5,100	0%
Depreciation	0	0	0	0	0	0	0	0%
Dues & Subscriptions, NTRA	13,596	12,286	3,380	2,993	2,527	17,000	14,473	15%
Insurance Expense	0	0	0	0	0	0	0	0%
Legal Expenses	2,101	0	1,000	0	0	10,000	10,000	0%
Meetings Expense	1,803	1,111	187	142	341	5,000	4,659	7%
Misc. Exp (Harness,Storage,Bank fee)	0	58	0	0	0	0	0	0%
Telephone Expense	1,773	3,363	112	837	1,009	3,000	1,991	34%
Travel Expense	55,224	45,184	3,073	3,150	1,504	45,000	43,496	3%
Sub-Totals	386,555	419,651	64,509	79,704	89,601	436,171	346,570	21%
Racing Support Services:								
Announcer	26,000	26,596	0	0	0	36,800	36,800	0%
Condition Bk/Program Cover	27,509	22,491	654	0	222	30,500	30,278	1%
Courier Service (Pgm Distribution)	0	0	0	0	0	0	0	0%
Racing Operations Support	103,242	79,601	5,866	3,273	3,899	105,000	101,101	4%
TC02 Testing	60,010	54,880	0	0	0	72,000	72,000	0%
Marketing	3,225	1,783	684	456	39	20,000	19,961	0%
Network Management	3,105	3,321	1,465	710	405	6,000	5,595	7%
Paymaster	10,825	20,298	1,244	848	1,826	11,500	9,674	16%
Program Production	191,389	178,814	2,337	2,114	2,448	205,000	202,552	1%
Racing Office System	55,840	53,156	902	2,417	619	68,000	67,381	1%
Recruitment	17,970	22,721	8,879	15,569	9,461	15,000	5,539	63%
Jumbo Screen	137,700	125,000	0	0	0	181,000	181,000	0%
Supplies	15,478	19,158	28	1,811	177	20,000	19,823	1%
Tattooing	17,057	20,469	2,280	2,140	3,808	19,000	15,192	20%
Timing/Clocker	21,851	22,430	0	0	0	30,000	30,000	0%
Transportation	2,900	3,465	0	0	0	5,000	5,000	0%
TV Production/Simulcast	27,582	20,288	0	0	0	35,000	35,000	0%
Sub-Totals	721,684	674,471	24,339	29,340	22,902	859,800	836,898	3%
Total Expenses	1,108,239	1,094,122	88,848	109,044	112,504	1,295,971	1,183,467	9%
CARF Admin Fee	149,334	112,458	24,583	13,043	12,996	136,723	123,727	10%

California Authority of Racing Fairs

CARF @ Leased Facility

March 31, 2010

	2008	2009	2008	2009	2010	2010	2010	2010
	Year End	Year End	YTD	YTD	YTD	Annual	Budget	% Budget
	Actual	Actual	Actual	Actual	Actual	Budget	Variance	
Revenues:								
Commissions - CARF@GG	0	2,859,642	0	0	0	0	0	0%
Non Wagering Revenue - CARF@GG	0	0	0	0	0	0	0	0%
Total	0	2,859,642	0	0	0	0	0	0%
Expenses:								
PRA - Labor (Sal,Bene,Tax)	0	96,106	0	0	0	0	0	0%
PRA - COGS	0	0	0	0	0	0	0	0%
PRA - Financial Dept. Allocation	0	0	0	0	0	0	0	0%
PRA - Direct Invoices	0	2,998,791	0	0	0	0	0	0%
CARF Direct Invoices	0	18,531	0	0	0	0	0	0%
CARF Billback Allocation	0	57,383	0	0	0	0	0	0%
Sub-Totals	0	3,170,811	0	0	0	0	0	0%
CARF @ Leased Facility Net Income	0	-311,170	0	0	0	0	0	0%

CALIFORNIA AUTHORITY OF RACING FAIRS
BALANCE SHEET
March 31, 2010

XI.

ASSETS

	CURRENT YTD	PRIOR YTD
	3/31/10	3/31/09
Current Assets		
CASH - LAIF & INVESTMENTS	4,285,306	2,948,615
CASH - OPERATING	1,048,952	2,189,125
MARKETABLE SECURITIES	4,232,725	4,163,818
A/R - DUES	19,851	16,041
A/R - PROGRAMS	111,546	192,659
A/R - RACING FAIRS	440,109	440,129
A/R - F&E SUPPLEMENTAL PURSE/OTHER A/R	2,003,078	1,402,360
LOAN RECEIVABLE	0	0
PREPAIDS/DEPOSITS	38,759	38,340
Total Current Assets	12,180,326	11,391,087
Fixed Assets		
AUTOMOBILE	4,018	10,906
FURNITURE & EQUIPMENT	2,239	3,259
COMPUTER HARDWARE/SOFTWARE	8,073	9,621
TRACK EQUIPMENT	89,100	89,100
Total Fixed Assets (Net of Depr.)	103,430	112,886
TOTAL ASSETS	12,283,756	11,503,973

LIABILITIES & NET ASSETS

Current Liabilities		
A/P & WITHHOLDINGS	818,821	491,489
A/P - PROGRAM ROYALTIES TO HOST	99,246	90,629
RACING DISTRIBUTIONS	247,395	(210,326)
PURSES	1,387,239	1,725,712
TRACK SAFETY/MAINT.	815,237	763,499
INFOTEXT UPGRADE	159,129	156,521
MISC PROJECT FUNDS	0	0
LOU-1 - TIMING/TRACK SURFACE/AREA ENHANC	0	0
LOU-2 - SPECIAL EVENT CENTERS	0	0
LOU-3 - SATELLITE SURVEY/TURF STUDY	0	0
EQUIPMENT REPLACEMENT FUND	1,372,574	1,177,328
LOU-5 - SYMPOSIUM	3,805	4,248
FACILITY IMPROVEMENTS & UPGRADES	514,693	751,342
CAPITAL IMPROVEMENT FUND	3,162,324	1,637,373
Total Current Liabilities	8,580,461	6,587,814
Non-Current Liabilities		
CHRIMS FUNDS	89,718	88,248
CHANGE FUND	1,014,000	1,014,000
FAIRS - EQUIP REPLACEMENT FUNDS	1,996,550	2,107,900
Total Non-Current Liabilities	3,100,267	3,210,148
TOTAL LIABILITIES	11,680,729	9,797,962
Net Assets		
FUND EQUITY	633,880	1,730,990
F&E Net Assets	14,850	14,850
CARF@GG	0	0
RETIREMENT CONTINGENCY	0	0
NET INCOME/LOSS	(45,703)	(39,830)
Total Net Assets	603,027	1,706,011
TOTAL LIABILITIES & NET ASSETS	12,283,756	11,503,973