



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

AGENDA
CALIFORNIA AUTHORITY OF RACING FAIRS
LIVE RACING COMMITTEE MEETING
JOHN ALKIRE, CHAIR
11:00 A.M., TUESDAY, SEPTEMBER 10, 2013

Notice is hereby given that a meeting of the California Authority of Racing Fairs' Live Racing Committee will commence at 11:00 a.m., Tuesday, September 10, 2013. The meeting will be held in Sacramento, 1776 Tribute Road Conference Room, Sacramento, CA 95815.

AGENDA

- I. Date, time and location of next meeting on October 8, 2013 in Fresno.
- II. Approval of minutes.
- III. Report, discussion and action, if any, on Legislation for 2013 and beyond.
- IV. Report, discussion and action, if any, on Security Agreement/MOU regarding Net Payment of Racing Commissions.
- V. Report, discussion and action, if any, on racing dates for 2014 and beyond.
- VI. Report on CHRB Parimutuel Operations Committee Meeting with discussion of NCOTWinc Report.
- VII. Executive Director's Report



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NOTICE
CALIFORNIA AUTHORITY OF RACING FAIRS
LIVE RACING COMMITTEE MEETING
JOHN ALKIRE, CHAIR
11:00 A.M., TUESDAY, SEPTEMBER 10, 2013

Notice is hereby given that a meeting of the California Authority of Racing Fairs' Live Racing Committee will commence at 11:00 a.m., Tuesday, September 10, 2013. The meeting will be held at the CARF Conference Room located at 1776 Tribute Road, Sacramento, California 95815.

CALIFORNIA AUTHORITY OF RACING FAIRS**Live Racing Committee****Tuesday, June 4, 2013****MINUTES**

A meeting of the California Authority of Racing Fairs Live Racing Committee was held at 11:00 A.M., Tuesday, June 4, 2013. The meeting was hosted at the CARF offices, 1776 Tribute Road, Sacramento, California. Teleconference was not available at this meeting.

CARF Live Racing Committee members attending: John Alkire, Janet Covello, Janet Lockhart, Richard Conway (Jim Morgan), Mike Paluszak and Rick Pickering.

Staff and Guests attending: Christopher Korby, Larry Swartzlander, Tom Doutrich, Heather Haviland, Raechelle Gibbons, Amelia White, Louie Brown, Ann Grottveit, Jeanne Wasserman, Cindy Olsen, Tawny Tesconi, Richard Lewis and Stuart Titus.

Agenda Item 1 – Date, Time and Location of Next Meeting. The next CARF Live Racing Committee meeting will be held September 10, 2013 in Sacramento.

Agenda Item 2 – Approval of Minutes. Ms. Lockhart moved to approve the meeting minutes as presented. Ms. Covello seconded, unanimously approved.

Agenda Item 3 – Report, Discussion and Action, if any, on Legislative Program for 2013. Mr. Brown reported that last Friday was the California legislature's "House of Origin" deadline, meaning all bills were required to pass out of the house where they were originally introduced in order to continue moving through the 2013 legislative process. The CARF-sponsored bills, which are substantive yet fairly non-controversial, continue through the process without issue and will provide useful vehicles in late session if needed. The announcement of Hollywood Park's imminent closure is dominating discussion in the racing industry, specifically regarding the future of Southern California racing, the allocation of racing dates and the availability of adequate training facilities.

Mr. Brown reported that Internet Poker continues to be a prominent topic amongst racing interests. Senator Wright's sports wagering bill, SB 190, was held in the Senate Appropriations Committee and is now, technically, a two-year bill. However, discussions regarding Internet poker are still taking place behind the scenes. The meeting packets include a copy of a letter sent to members of the Legislature from Horse Racing United (HRU). The intent of the letter is to let the members know that racing is aware of the conversations taking place and will expect an all-inclusive approach to licensing. HRU is a not-for-profit representing the collective interests of the Del Mar Thoroughbred Club, Fairplex Park, Oak Tree Racing Association, Thoroughbred Owners of California, California Thoroughbred Breeders Association and CARF.

Mr. Brown reported that SB 741 (Cannella), the WFA/CDFR-sponsored bill to streamline business operations for DAA's, passed out of the Senate last week. CARF is in discussions with CDFR to revert license fee funding currently generated from racing Fairs back to Fairs that conduct live or satellite wagering. CARF is working diligently to ensure that the license fee issue is resolved in a manner that will benefit Fairs conducting pari-mutuel racing activities.

Mr. Brown reported that despite CARF's diligence in working with the racing industry to consider/provide concessions and waivers for mini-satellites, the CHRB has renewed discussions regarding eliminating the 20-mile Fair satellite radius protection. This item came up at the May CHRB meeting during the Santa Rosa live racing license application hearing. The CHRB has since asked each Fair with a satellite wagering facility to provide position and declare if they are willing to waive their rights to the protection provided by statute. CARF has distributed an advisory and template response letter to the membership. Mr. Brown stated that this topic is not currently a legislative issue and seems to be localized to the CHRB. Mr. Korby stated that these discussions might provide a welcome opportunity to revisit an increase in satellite commissions.

Mr. Alkire requested that Mr. Brown relay his observations that the current California administration has been extremely organized and proactive in communicating with Fairs.

Agenda Item 4 – Report, Discussion and Action, if any, on Racing Dates. Mr. Korby reported that at the last CHRB meeting to discuss 2014/2015 races dates, Northern California interests (representatives from Golden Gate Fields, Thoroughbred Owners of California and CARF) requested that the Northern zone allocation be postponed one month so that the parties could continue to develop a cohesive proposal.

Mr. Korby stated that at the May CARF Live Racing Committee meeting, the group adopted a calendar for 2014/2015 containing multiple scenarios for 2015. At this time, the Committee should determine whether to support the existing recommendation or alter the proposal to reflect the allocations provided to Southern California associations.

Mr. Pickering stated that Cal Expo will be submitting a letter to the CHRB requesting that the Board defer action in allocating summer dates until the 2013 Fair meets have concluded and the results of those meets can be analyzed. Mr. Pickering stated that there seems to be interest from specific industry members in moving the Cal Expo meet back to the Labor Day slot, but that any immediate discussion to move the Fair would be extremely premature. Mr. Pickering also stated that even though he applauds the CHRB for attempting to adopt multiple-year calendars, the need for a two-year calendar developed due to the imminent closure of Hollywood Park and that the current Southern California calendar being discussed will potentially leave a two-week gap without racing in July. He also stated that a two-week gap in the Southern California signal could drastically impair Northern California racing.

Mr. Korby stated that the CHRB has been focusing on auxiliary stabling and vaning in Southern California and the resulting 10-day gap in July was minor in significance compared to the

monumental issues that were solved in reallocating Hollywood Park dates. However, a gap in Southern California racing, or a reallocation of those dates to Los Alamitos to run low-level Thoroughbreds would have a significant negative impact on Northern California racing.

Mr. Korby recommended that the CARF Live Racing Committee request that the CHRB defer action on summer dates on the grounds that Fairs wish to work with the racing industry to develop a long-term, stable calendar so that horsemen and fans can predict and understand the future of Northern California over the next few years. To accomplish that goal, Fairs will need more time to lay out transitional changes in 2014 and 2015. Mr. Korby stated that part of the recommendation should allow the CHRB to allocate dates to Golden Gate Fields in the spring and fall.

Mr. Morgan stated that he applauds CARF working with the industry for the greater good of all participants, but hopes that CARF as a group will be true to its mission which is to be a united voice of advocacy for its member Fairs, which should start with the basic premise that all Fair meets deserve to run at least two weeks without in-zone overlap.

Mr. Pickering moved to encourage the CHRB to defer allocation of Fairs dates during a summer block, leaving the Board latitude to allocate dates to Golden Gate Fields from Jan. 1 to June 15 and from Oct. 17 to Dec. 31, with the understanding that CARF will provide a recommendation for summer dates no later than September 2013. Mr. Morgan seconded, unanimously approved.

Agenda Item 5 – Report, Discussion and Action, if any, on Preparation and Deadlines for CHRB Racing License Application. Mr. Swartzlander reported that the Humboldt County Fair racing license is complete and will be presented at the June 20, 2013 CHRB meeting. The San Joaquin County Fair racing application is due in June and will be heard in July. The Fresno District Fair application is due in July and will be heard in August.

Agenda Item 6 – Report, Discussion and Action, if any, on Planning and Projections for 2013 Summer Fair Racing Operations. Mr. Korby reported that the meeting packet includes contract extensions for TV production services provided by Pegasus Communications and liability, property and workmen's compensation insurance for CARF provided by Alliant Insurance Services. The Pegasus Communications extension covers a five-year time period and contains a \$350 daily increase for video patrol services (the increase is below the CPI index and includes an expense waiver for race day reduction). The Pegasus jumbo tron and maintenance contracts do not reflect an increase in cost. The Alliant Insurance extension cost will also remain the same. Both contract extensions are included in the meeting packets.

Mr. Korby reported that program covers and racing advertising creative are included in the meeting packet.

Mr. Swartzlander reported that George Hanford, longtime horse ambulance driver, will be taking a year-long leave of absence and the retired Del Mar driver will be providing services to the Fairs in 2013.

Ms. Lockhart moved to approve the Pegasus contract extension as presented. Mr. Pickering seconded, unanimously approved.

Mr. Pickering moved to approve the Alliant Insurance contract extension as presented. Ms. Covello seconded, unanimously approved.

Agenda Item 7 – Discussion and Action, if any, on Proposed Security Agreement for Reimbursement to CARF of Live Racing Expenses. Mr. Korby reported that he and Ms. Grottveit have been working since mid-2012 on a security agreement that would serve as a mechanism to carefully and deliberately structure the flow of funds between CARF and member Fairs. Mr. Korby stated that it is critical for CARF to have an agreement in place that clarifies the flow of funds from CARF to racing Fairs and assures that CARF is reimbursed for monies that are spent up front on live racing expenses. The most recent version of the MOU is contained in the meeting packet.

Ms. Grottveit stated that with funding from CDFA eliminated, CARF must protect the money it has and protect its member Fairs from the potential failure to fulfill obligations by any one member of the group.

Mr. Pickering asked if Jerry Blair had reviewed the document on behalf of DAAs. Ms. Grottveit stated that Jerry Blair did review the document and was going to provide additional comments. It has been months and those comments have not been submitted.

Mr. Pickering stated that the document does not appear complete (as an example, page two paragraph two is blank regarding the percentage that would be withheld).

Ms. Grottveit stated that if the agreement is not approved today, she would ask the group to return to their Boards and provide CARF staff with solid feedback that can be used to move the document forward at the next meeting. Mr. Korby asked managers to send any questions or concerns to himself or Ms. Grottveit for immediate answer.

Agenda Item 8 – Executive Director’s Report. No report at this time.

Respectfully submitted,
Heather Haviland

CA Authority of Racing Fairs Legislative Report - Last 10 Days 8/30/2013

[AB 432](#) (V. Manuel Pérez D) Horse racing: exchange wagering.

Current Text: Enrollment: 8/29/2013 [pdf](#) [html](#)

Introduced: 2/15/2013

Last Amend: 6/19/2013

Status: 8/29/2013-Enrolled and presented to the Governor at 3:30 p.m.

Location: 8/29/2013-A. ENROLLED

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary: Existing law authorizes exchange wagering and authorizes the California Horse Racing Board to recover any costs associated with the licensing or regulation of exchange wagering by imposing an assessment on the exchange wagering licensee in an amount that does not exceed the reasonable costs associated with the licensing or regulation of exchange wagering. This bill would require any racing association or racing fair receiving distributions from any exchange wagering agreement to distribute a specified portion of that revenue to the official registering agency. The bill would require the official registering agency to distribute those revenues in a specified manner. By imposing new requirements on any racing association or racing fair, the violation of which would be a crime, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Organization **Position**
CARF

[AB 1074](#) (Atkins D) Horse racing: thoroughbred racing.

Current Text: Amended: 8/26/2013 [pdf](#) [html](#)

Introduced: 2/22/2013

Last Amend: 8/26/2013

Status: 8/27/2013-Read second time. Ordered to third reading.

Location: 8/27/2013-S. THIRD READING

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Calendar: 8/30/2013 #195 SENATE ASSEMBLY BILLS-THIRD READING FILE

Summary:

Existing law, the Horse Racing Law, authorizes the California Horse Racing Board to make allocations of racing weeks, as it deems appropriate, and, for thoroughbred racing, establishes a maximum of 44 weeks per year of racing weeks in the northern zone, a maximum of 42 weeks per year in the central zone, and a maximum of 7 weeks per year in the southern zone. Existing law also prohibits the board from allocating dates to a thoroughbred association in the central zone for conducting racing during daytime hours, if in the southern zone, a thoroughbred racing association is conducting racing on the same date during daytime hours. A violation of the Horse Racing Law is a crime.

This bill would instead establish a maximum of 49 weeks per year in the combined central and southern zones. The bill would also require the board to allocate from those weeks a minimum number of weeks to certain racetracks in the central and southern zones that were used to conduct thoroughbred race meetings prior to 2012 and would authorize the board to allocate from those weeks a maximum number of weeks to certain racetracks in the southern zone that were not used to conduct thoroughbred race meetings in the southern zone prior to 2012. The bill would prohibit the board from allocating dates to a thoroughbred association in the southern zone for the purpose of conducting racing, regardless of the hours, if, on the same date and during daytime hours, a thoroughbred racing association is conducting racing in the central zone, and would reciprocally prohibit the allocation of racing dates to a thoroughbred association in the central zone when daytime racing is conducted by a thoroughbred association in the southern zone. Because a violation of those provisions would be a crime, this bill would impose a state-mandated local program.

This bill contains other related provisions and other existing laws.

Organization **Position**
CARF Watch

[AB 1226](#) (Hall D) Horse racing: jockey riding fees.

Current Text: Amended: 8/26/2013 [pdf](#) [html](#)

Introduced: 2/22/2013

Last Amend: 8/26/2013

Status: 8/27/2013-Read second time. Ordered to third reading.

Location: 8/27/2013-S. THIRD READING

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Calendar: 8/30/2013 #203 SENATE ASSEMBLY BILLS-THIRD READING FILE

Summary:

Existing law, the Horse Racing Law, generally vests the administration of horse racing with the California Horse Racing Board, and requires the board to set minimum jockey riding fees. Existing law also prohibits the paymaster of a racing association or racing fair from disbursing any sum from a jockey's compensation to any person other than the jockey, except as specified. A violation of the Horse Racing Law, where no other penalty is expressed, is a misdemeanor. This bill would require the board not to permit any portion of an entry, nomination, or other fee paid by an owner to be deducted from a jockey riding fee unless the entry, nomination, or other fee is paid exclusively by the owner. Because a violation of the provisions of the bill would be a misdemeanor, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Organization **Position**
CARF Watch

AB 1245 (V. Manuel Pérez D) Tribal gaming: compact ratification.

Current Text: Amended: 7/3/2013 [pdf](#) [html](#)

Introduced: 2/22/2013

Last Amend: 7/3/2013

Status: 8/21/2013-Read second time. Ordered to third reading.

Location: 8/21/2013-S. THIRD READING

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Calendar: 8/30/2013 #166 SENATE ASSEMBLY BILLS-THIRD READING FILE

Summary: 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 expressly ratifies a number of tribal-state gaming compacts, and amendments of tribal-state gaming compacts, between the State of California and specified Indian tribes. This bill would ratify the tribal-state gaming compact entered into between the State of California and the Ramona Band of Cahuilla, executed on June 10, 2013. The bill would provide that, in deference to tribal sovereignty, certain actions are not projects for purposes of CEQA. This bill contains other related provisions and other existing laws.

Organization **Position**
CARF Watch

AB 1420 (Committee on Accountability and Administrative Rev) State government: state agencies: reports.

Current Text: Enrollment: 8/26/2013 [pdf](#) [html](#)

Introduced: 3/21/2013

Last Amend: 7/11/2013

Status: 8/26/2013-Enrolled and presented to the Governor at 4:15 p.m.

Location: 8/26/2013-A. ENROLLED

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Summary:

Existing law requires various state agencies to submit certain reports, plans, evaluations, and other similar documents to the Legislature and other state agencies. This bill would eliminate provisions that require certain state agencies to submit certain reports to the Legislature and other state agencies. The bill would also modify requirements of certain reports by requiring, among other things, that reports be placed on the Internet Web site of the reporting agency rather than to be submitted to the Legislature or other state agencies, or requiring certain state agencies to collaborate with other state agencies in preparing those reports. The bill would also modify cross-references. This bill contains other related provisions.

Organization **Position**
CARF Watch

SB 472 (Hill D) Gaming: licenses.

Current Text: Amended: 8/26/2013 [pdf](#) [html](#)

Introduced: 2/21/2013

Last Amend: 8/26/2013

Status: 8/26/2013-Read third time and amended. Ordered to third reading.

Location: 8/26/2013-A. THIRD READING

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

Calendar: 8/30/2013 #122 ASSEMBLY SENATE THIRD READING FILE

Summary:

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. The act makes any person who willfully violates any of the provisions of the act for which a penalty is not expressly provided guilty of a misdemeanor.

This bill would instead require the application described above to be filed within 45 calendar days after receipt of an order of the commission.

This bill contains other related provisions and other existing laws.

Organization Position

CARF Watch

Total Measures: 6

Total Tracking Forms: 6

MEMORANDUM OF UNDERSTANDING

THIS WILL CONSTITUTE A MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE SAN JOAQUIN COUNTY FAIR (SJCF) AND THE CALIFORNIA AUTHORITY OF RACING FAIRS (CARF)

WHEREAS, by way of the Amended and Restated Joint Exercise of Powers Agreement, executed July 7, 1989 ("JPA"), CARF provides necessary services to the SJCF, by contract or otherwise which may include, but is not limited to, centralized government affairs representation; reports and analysis of the horse racing industry; administration of joint services of CARF including planning, budget implementation and fund accounting; and

WHEREAS, pursuant to the JPA, CARF shall provide to the SJCF the services outlined and agreed to in Exhibit "A", attached to and made part of this MOU for the live racing meeting to be held at the SJCF September 20-22, and September 27-29 ("2013 SJCF race meet"); and

WHEREAS, the SJCF desires that CARF, on behalf of the SJCF, underwrite the racing expenses associated with the services outlined and agreed to in Exhibit "A"; and

WHEREAS, pursuant to the JPA, CARF is responsible for the collection and distribution of the SJCF off track pari-mutuel commissions).

NOW, THEREFORE, in consideration of the mutual covenants set forth herein,

- 1) CARF shall provide the services outlined in Exhibit "A".
- 2) The SJCF agrees that CARF shall deduct from intrastate, interstate and international parimutuel commissions the monies owed to CARF by the SJCF for the racing expenses associated with the services outlined and agreed to in Exhibit "A". It is contemplated that the balance of the commissions shall be paid in the same manner as paid out in 2012 to the SJCF with a reduction of 25% which reflects the reduction in racing dates, from 8 days in 2012 to 6 days in 2013 (see Exhibit "B").
- 3) The term of this MOU shall be for the 2013 SJCF race meet.
- 4) In the event that San Joaquin County Fair racing revenues are not sufficient to cover expenses incurred by CARF on behalf of SJCF, SJCF agrees to pay the amount of the shortfall to CARF.

DATED: _____

John Alkire, Chairman, CARF _____

Nanette Martin, President, SJCF Board of Directors _____

Stockton Commissions - 2013				Stockton Commissions - 2012							
6 days								8 days			
		Total CA	Wire Transferred	Date	Control #				Total CA	Wire Transferred	Date
											Control #
simno only	9/18/2013	TBD						simno only	9/19/2012	14,045.01	
simno only	9/19/2013	TBD							9/20/2012	23,569.17	
	9/20/2013	TBD							9/21/2012	31,184.74	
	9/21/2013	TBD							9/22/2012	50,304.10	
	9/22/2013	TBD							9/23/2012	41,550.88	ACH092512
dark	9/23/2013	TBD						dark	9/24/2012	0.00	
dark	9/24/2013	TBD	1st week CA Comm / net of Expenses	9/26/2013				dark	9/25/2012	0.00	
simno only	9/25/2013	TBD						dark	9/26/2012	8,285.20	
simno only	9/26/2013	TBD							9/27/2012	19,366.66	
	9/27/2013	TBD							9/28/2012	33,245.92	
	9/28/2013	TBD							9/29/2012	63,312.06	
	9/29/2013	TBD	2nd week CA Comm / net of Expenses	10/3/2013					9/30/2012	47,060.04	ACH100412
	2012/2013 CHRB overage track portion								2011/2012 CHRB overage track portion	0.00	
	2012 Outs/Refunds	12,043.70		6/5/2013	ACH060513				2011 Outs/Refunds	7,531.91	ACH061412
315,000	Budget Excess 6%	TBD						372,000	Budget Excess 6%	25,160.16	
at year end	Expense Excess 6%	TBD						at year end	Expense Excess 6%	26,572.83	
at year end	On track expenses	TBD						at year end	On track expenses	(743.67)	
	Programs	TBD							Programs	9,090.00	ACH101912
	Programs	TBD	Program/6% Budget net of Expenses	10/15/2013					Programs	9,787.50	
	AB509 Los Alamitos Australian	TBD							AB509 Los Alamitos Australian	8,782.20	
	2013 Out of State Comm	TBD							2012 Out of State Comm	56,496.93	
	2013 ADW CA	TBD							2012 ADW CA	143,216.07	ACH120312
	2013 ADW Export	TBD	ADW CA/Export Comm / net of Expenses	11/15/13 ??					2012 ADW Export	7,391.88	
at year end	2013 AB 480	TBD						at year end	2012 AB 480	2,985.10	
	2013 Rights Fees	TBD							2012 Rights Fees	7,000.39	
	2013 Decoder Income	TBD							2012 Decoder Income	15,875.00	
	2013 misc Income	TBD							2012 misc Income	2,015.61	
	2012 Japan/Los Al/ Exp surplus	TBD							2011 Japan/Los Al/ Exp surplus	807.30	
	2013 Relocation Costs	TBD							2012 Relocation Costs	(10,454.55)	
										74,708.05	ACH011113
										52,844.76	ACH013113
	Total	12,043.70	12,043.70						Total	643,438.44	
	Balance		0.00						Balance Due to Fair	188,804.34	
actual	2013 Circuit Billing Invoice #07188								2012 CARF Dues	(\$14,203.50)	
actual	2013 January-June Billback Invoice #07192	77,805.66 net with 1st week	9/26/2013						2012 Circuit Bill Invoice	(\$75,561.19)	
		5,229.94 net with 1st week	9/26/2013						Jan-June Billback Invoice	(\$5,608.02)	
estimate	July Billback								July Billback Invoice	(\$1,721.54)	
estimate	Aug-Sept Billback								Aug-Sept Billback	(\$52,849.98)	
estimate	Oct-Dec Billback								Oct-Dec Billback estimates	(25,746.09)	
									2013 CARF Dues (2nd qtr & 3rd qtr) pd 1st qtr	(8,995.46)	
									Net owed to Fair after reducing by AR	4,118.55	



a California joint powers agency

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

August 29, 2013

California Horse Racing Board
Attn: Ms. Jaqueline Wagner
1010 Hurley Way
Sacramento, CA 95825

Honorable Board Members:

As requested by Board staff, the California Authority of Racing Fairs respectfully submits the attached proposals for Northern California racing dates at CARF member Fairs (shown below) in 2014 and 2015.

- **Alameda County Fair**
- **California State Fair**
- **Humboldt County Fair**
- **San Joaquin County Fair**
- **Fresno District Fair**

Pursuant to the Board's request for submission of two-year calendar proposals, we are submitting a proposal for 2014 and two scenarios for Northern California dates in 2015. Calendar formats of our proposals are also attached.

Individual Fairs may also be submitting promotional, advertising and marketing plans to the Board under separate cover.

Thank you for your consideration in this matter.

Respectfully submitted,

Christopher Korby
Executive Director

Cc: CARF Racing Fair CEO's
CHRB Executive Director

CALIFORNIA AUTHORITY OF RACING FAIRS
Proposed Racing Dates for CARF Member Fairs in Northern California
2014 AND 2015

2014

- | | |
|---------------------|-----------------------------------|
| • June 18-July 6 | Alameda County Fair at Pleasanton |
| • July 9-July 20 | California State Fair |
| • Aug. 6-Aug. 17 | Humboldt County Fair |
| • Sept. 17-Sept. 28 | San Joaquin County Fair |
| • Oct. 1-Oct. 13 | Fresno District Fair |

2015 – Scenario A

- | | |
|-------------------|-----------------------------------|
| • June 24-July 19 | Alameda County Fair at Pleasanton |
| • Aug. 5-Aug. 16 | Humboldt County Fair |
| • Aug. 19-Sept. 7 | California State Fair |
| • Sept. 23-Oct. 4 | San Joaquin County Fair |
| • Oct. 7-Oct. 18 | Fresno District Fair |

2015 – Scenario B

- | | |
|----------------------|-----------------------------------|
| • June 17-July 5 | Alameda County Fair at Pleasanton |
| • July 8-July 19 | California State Fair |
| • August 5-August 16 | Humboldt County Fair |
| • Sept. 23-Oct. 4 | San Joaquin County Fair |
| • Oct. 7-Oct. 18 | Fresno District Fair |

Please note that this proposed schedule shows inclusive calendar blocks proposed for each Fair. Specific racing dates may vary within those proposed block.

2014

CARF PROPOSAL - 2014 NORTHERN CALIFORNIA RACING DATES CALENDAR - PROPOSED

2013

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

4

RACE DAYS

GGF - Total Race Days	156
Pleasanton	12
Cal Expo	8
Santa Rosa	8
Ferndale	8
Stockton	6
Fresno	9

FAIRS

51

SIMULCAST ONLY

52

GOLDEN GATE FIELDS

156

TOTAL NORTHERN CALIFORNIA RACE DATES - 259

2014

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

4

19

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

4

19

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

9

6

6

February						
S	M	T	W	T	F	S
						1
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16

June						
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October						
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12	13	14	15	16	17	18
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March						
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July						
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April						
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August						
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28	29	30	31			

3

12

2015

CARF PROPOSAL A - 2015 NORTHERN CALIFORNIA RACING DATES CALENDAR - SCENARIO A

2014

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

RACE DAYS

GGF - Total Race Days	139
Pleasanton	15
Santa Rosa	8
Ferndale	8
Cal Expo	13
Stockton	6
Fresno	9

FAIRS

59

SIMULCAST ONLY

62

GOLDEN GATE FIELDS 139

TOTAL NORTHERN CALIFORNIA RACE DATES 260

2015

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

May						
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31						
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September						
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February						
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22	23	24	25	26	27	28
16						4

June						
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21	22	23	24	25	26	27
28	29	30				
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October						
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11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31
9		3	5			7

March						
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1	2	3	4	5	6	7
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29	30	31				
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July						
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11			6			6

November						
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29	30					
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April						
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August						
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December						
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27	28	29	30	31		
12			3			

2015

CARF PROPOSAL B- 2015 NORTHERN CALIFORNIA RACING DATES CALENDAR - SCENARIO B

2014

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

RACE DAYS

GGF - Total Race Days	156
Pleasanton	12
Cal Expo	8
Santa Rosa	8
Ferndale	8
Stockton	6
Fresno	9

FAIRS

51

SIMULCAST ONLY

53

GOLDEN GATE FIELDS

156

TOTAL NORTHERN CALIFORNIA RACE DATES

260

2015

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

May						
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24	25	26	27	28	29	30
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19			4			

September						
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February						
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June						
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October						
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March						
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July						
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November						
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29	30					
16			4			

April						
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5	6	7	8	9	10	11
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17						5

August						
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December						
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27	28	29	30	31		
12			3			



Northern California

Off-Track Wagering, Inc.

7950 Dublin Blvd., Suite 216
Dublin, CA 94568

ORGANIZATIONAL & OPERATIONAL OVERVIEW

Presented to the California Horse Racing Board
by the NCOTWINC. Board of Directors
June 2013

JUNE 2013

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- 02 Organizational Structure**
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REPORT PREPARATION

Christopher Korby - Executive Director
California Authority of Racing Fairs
Principal Author

Heather Haviland - Director of Marketing
California Authority of Racing Fairs
Author

Bryan Wayte - General Manager
NCOTW, Inc.
Contributing Author

NCOTW, INC.

HISTORY & FORMATION

BUSINESS

AND PROFESSIONS

CODE 19608.2

The original enabling legislation for simulcasting, SB14, provided that the racing associations, the Fairs and the horsemen form an organization to oversee and administer simulcast activities.

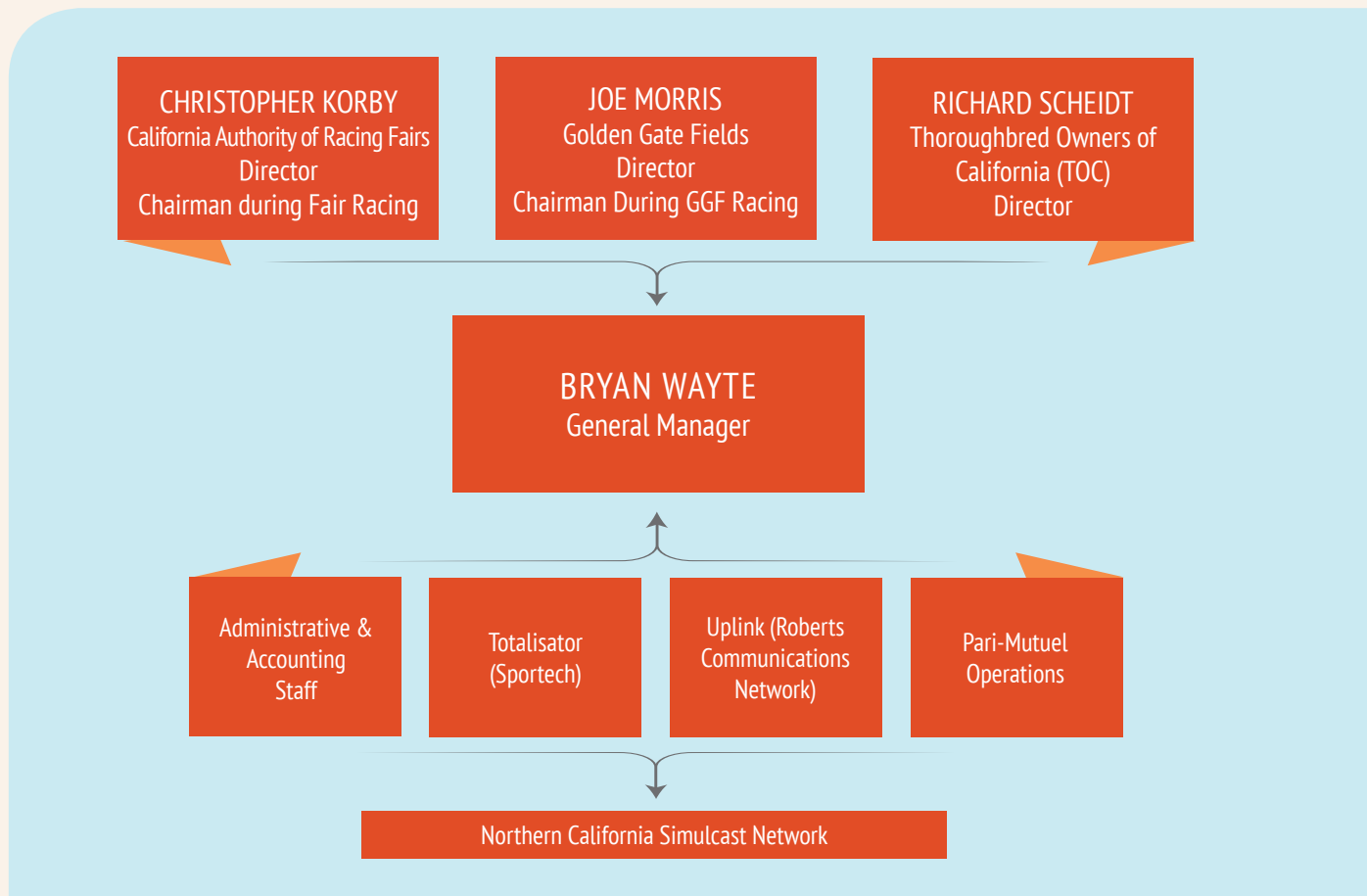


Two such organizations have been formed: Northern California Off-Track Wagering Inc. (NCOTW, Inc.) and Southern California Off-Track Wagering Inc. (SCOTW, Inc.). They are responsible for totalisator (wagering computer) services, satellite transmission, pari-mutuel clerks, banking, and accounting. Statute requires that satellite wagering Fairs have a contract, approved by the CHRB, with the appropriate regional simulcast operator.

NCOTW, Inc.

Northern California Off-Track Wagering Inc., oversees the administration of simulcast operations in Northern California. Its members are horsemen (TOC), Golden Gate Fields and the California Authority of Racing Fairs (CARF). NCOTW, Inc. sets policy, manages contracts for conduct of pari-mutuel wagering and employs pari-mutuel personnel at off-track simulcast facilities.

NCOTW, INC. ORGANIZATIONAL FLOW CHART



BUSINESS & PROFESSIONS CODE 19608.2

Business & Professions Code 19608.2 **(A) In order to permit associations providing audiovisual signals the ability to do so without undue burden**

and expense, to avoid unnecessary duplication of facilities, to permit the associations to protect the security of their signals, and to permit the associations to protect the integrity of their pari-mutuel pools and to account for wagering proceeds included in those pari-mutuel pools, associations and fairs providing audiovisual signals pursuant to Section 19608 or 19608.1 may form an organization to operate, pursuant to board supervision, the audiovisual signal system.

(B) An organization operating

under board supervision pursuant to this section may consist of any combination of associations and fairs.

(C) Nothing in this section precludes any other person or business entity from

participating in, or holding a financial interest in, an organization formed by associations or fairs to operate satellite wagering, except that the person or business entity shall be approved by the board.

(D) Any organization formed

shall provide horsemen's organizations contracting with associations and fairs for racing meetings and non racing fairs operating satellite wagering facilities meaningful representation on its governing board, and shall administer the audiovisual signal and pari-mutuel operations at satellite wagering facilities.

(E) (1) An organization shall bear the costs of operating the audiovisual signal system, including the costs of leasing or purchasing and operation of equipment for transmission and decoding

of audiovisual signals and wagering data, the costs of totalisator equipment, mutuel department labor and equipment charges, and the costs, including labor, and overhead of the organization administering the satellite wagering program.

(2) A satellite wagering facility shall

bear the costs of satellite receiving dishes, head-end assemblies, television monitors or screens, facility buildings, labor at the satellite wagering facility other than mutuel department labor, and any and all other costs at the satellite wagering facility not specifically referred to in paragraph (1).

(3) The board shall approve all costs

and resolve any differences between an organization and a satellite wagering facility as to which party is required to bear the costs for a disputed item.

RESPONSIBILITIES & DUTIES

Core functions for conduct of pari-mutuel operations in Northern California are provided and paid for by NCOTW, Inc.

Duties and Responsibilities of the NCOTW, Inc.

The simulcast organization provides and pays for audiovisual signal transmission and all pari-mutuel costs, including pari-mutuel employees on-site at satellite facilities. To cover these costs, it receives a small percentage of the off-track handle.

Pari-Mutuel Personnel and Operations

The Host Track Mutuels Manager assigns the clerks and supervisor at each site. The local supervisor is also the Money Room attendant and has responsibility for the cash bank on-site.

Pari-mutuel personnel (clerks) handle operations directly related to processing wagers. These operations include having a clerk at each terminal, money room and supervisory staff, and administrative support at the Host Track.

NCOTW, Inc. manages and provides staffing for pari-mutuel operators



SELF SERVICE

TOTE MACHINES

at all Northern California simulcast locations.

All pari-mutuel clerks in California are union members and belong to the Pari-mutuel Clerks Guild Local 280 SEIU. The simulcast organization is also responsible for banking, armored service, currency counting machines, payroll and audit.

Totalisator

The Totalisator is a computerized data processing operation that tabulates wagering pools, issues bet tickets, and calculates payoffs. The system extends from cash register-like terminals at each wagering location, through a high-speed data communications system to a central data processing hub.

All wagers are processed identically; a wager at any satellite location is tabulated into the same pools as wagers at the Host Track. Totalisator services include technical operations and maintenance personnel.

Data Processing Hub

The wagering data processed by the totalisator computers is transmitted back and forth between the hub and satellite sites via specially dedicated telephone data lines. The system must operate fast enough so that entry of a wager at the satellite site, relay of that wager to the central computer, tabulation, and issuance of the bet ticket hundreds of miles away takes less than one second.

Audiovisual Transmission; Satellite Uplink; Encryption; Satellite Transponder

Four primary elements constitute the audiovisual transmission system. These are 1) satellite uplink, 2) encryption (scrambling), 3) satellite transponder time, and 4) satellite downlink and closed circuit television system. The satellite downlink and closed circuit television system are the responsibility of the Fair and will be discussed below. The other three elements are the responsibility of the simulcast organization. Here is a brief description of these services.

The satellite uplink is an earth transmitting station that beams a television signal from the Racetrack to a telecommunications satellite in orbit over the equator. The uplink sends a signal supplied by a television production facility at the track.

Encryption is the technical term for electronically scrambling a communications signal. The audiovisual television signal is scrambled to prevent recognizable reception by unauthorized users. A

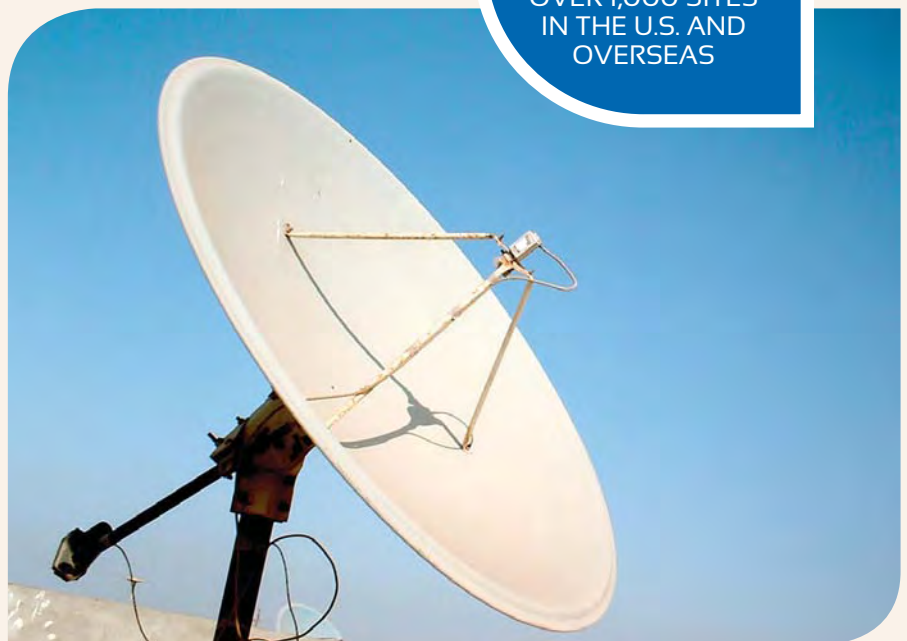
NCOTW, Inc.
manages and
provides staffing for
pari-mutuel operators
at all Northern
California simulcast
locations.

special code that authorizes decoders to reconstitute the signal into recognizable form is carried directly on the scrambled signal. Unlike most residential scrambling systems, this system can turn decoders on and off immediately.

The telecommunications satellite parked over the equator functions as a distant relay station. Signals beamed to it are amplified and retransmitted back to a wide coverage area on earth. Users rent or lease time on these satellites as needed. As satellite distribution of live racing has expanded, the horse racing industry has become a major purchaser of satellite time.



NCOTW, INC. SENDS
AN ENCRYPTED
SATELLITE FEED TO
OVER 1,000 SITES
IN THE U.S. AND
OVERSEAS



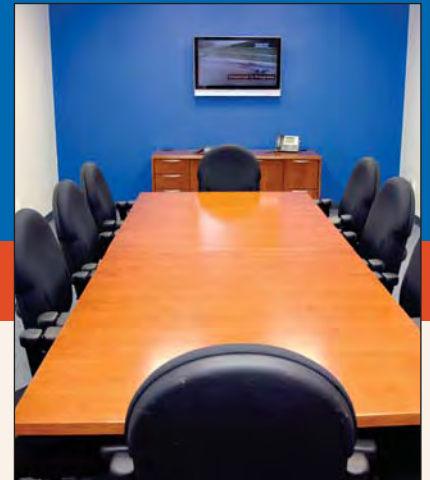
SPORTECH SACRAMENTO

TOTE HUB

The state of the art facility began operations in September 2006 with NCOTW, Inc. locations migrating to the hub in August 2007. Since the migration the hub has processed over \$2.25 billion in wagers placed at Northern California wagering locations. Additionally almost \$2.5 billion in wagers made on Northern California tracks and fairs have been processed from wagers made in Southern California, through ADW providers, and at out of state and international locations.



The Totalisator Hub (Tote Hub) operated by Sportech in Sacramento handles data processing for pari-mutuel wagering operations throughout California and the Western United States.





DISTRIBUTIONS

Commissions from pari-mutuel handle are apportioned to the various beneficiaries according to a schedule that includes region (Northern California or Southern California racing), breed of horses (Thoroughbred, Quarter Horse, etc.), and whether the handle is generated on-track or off-track.

The following sections describe major distributions of the satellite pari-mutuel handle for Northern California Thoroughbreds. Distributions for other breeds and regions are similar.

RETURNED TO WINNING BETTORS

All money wagered on losing horses is divided up for payment to the winning bettors and other beneficiaries. Winning bettors receive the largest portion of pari-mutuel distributions.

RACING ASSOCIATIONS

Racing associations derive a significant portion of their revenues from commissions on pari-mutuel handle generated at satellite facilities. The association commission is equivalent to the Purses, or Horsemen's, commission.

PURSES PAID TO HORSEMEN

The commission for payment of purses is racing's mechanism of self-sustenance. A percentage of the handle, equivalent to the commission

paid the racing association, flows back to the owners of winning horses. Purses are normally paid, in diminishing amounts, based on the order of the horses finishing the race. Associations may supplement the purses from time to time, but the primary source of purse money derives from a portion of the handle.

STATE OF CALIFORNIA

The State receives a license fee from racing conducted at Fairs. The funds are paid to the California Department



of Food & Agriculture.

DISTRIBUTION FOR SIMULCAST EXPENSES

(Paid to NCOTW, Inc.)

This distribution is used for payment of satellite wagering expenses such as satellite transmission, totalisator, and off-track pari-mutuel labor. Any portion of this fund left unspent after expenses are paid is divided equally between the horsemen and the association.

COMMISSION TO SATELLITE FACILITY - 2% LOCATION FEE

Each satellite wagering facility receives 2% of the handle generated from its operation. In the pari-mutuel reports, this is shown as a Location Fee. This constitutes approximately half of the gross operating revenue. Admissions, parking, and concessions constitute the other half.

DISTRIBUTION FOR PROMOTION & MARKETING

(Paid to California Marketing Committee) A proportion of handle flows to a fund used for promotion of horse racing and satellite wagering. This money is administered by the California Marketing Committee (CMC). Fair satellite facilities receive an allocation for marketing and promotion from this fund. CARF coordinates marketing plans and budgets with individual Fairs and with the CMC.

BREEDERS' AWARDS

This portion goes to breeders of winning horses as an incentive to successful operations and for financial support of California's Thoroughbred breeding industry.

STABLING AND VANNING FUND

This fund helps pay the expenses of

keeping and transporting horses. It helps ensure the long-term vitality of the racing economy by off setting the high cost of stabling and moving fine competitive racehorses.

LOCAL GOVERNMENT

Local government may receive 0.33% of handle generated at each satellite location. This goes to the municipality or county in which the facility is located or to a combination of both. The local government must formally request payment; if it does not, the money reverts to the State.

UC DAVIS EQUINE VETERINARY RESEARCH

The Veterinary School at University of California, Davis has a world-renowned Equine Research Facility. This fund helps sustain that education and research facility.

NCOTW, INC.

360°

NCOTW, Inc. Provides Essential Services and Revenues to Support the Racing Industry in Northern California

NCOTW, Inc. Handle 2008-2012

TOTAL HANDLE \$ 1,955,686,882

DISTRIBUTIONS

License Fees	6,964,010
CHRB Support Fee	5,938,259
CDFA F&E	2,007,206
City Tax	6,412,715
Equine (UC Davis)	1,955,720
Worker's Comp.	3,708,313
Location Fees	30,337,624
Expense Fund (NCOTW, Inc.)	66,018,054
CMC Promotion	6,204,652
CHRIMS	286,113
Vanning & Stabling	17,049,385
Proxy Fees	1,636,336
Harness Loc. Fees	757,039
Track Commissions	108,839,141
Purses	106,943,264
SB 1072	5,255,860
Owners (TOC)	1,172,552
Breeders/Sires	10,435,093

TOTAL DISTRIBUTIONS \$ 381,921,337

248

JOBS

NCOTW, Inc. is responsible for 248 annual jobs at pari-mutuel wagering facilities.

\$17.0
MILLION

STABLING & VANNING

Northern California Stabling and Vanning Fund.



\$5.94
MILLION

CHRB SUPPORT

Distributions made through NCOTW, Inc. support CHRB Administration and programs.



INDUSTRY DISTRIBUTIONS

Industry distributions include CHRB Support Fee, UC Davis, Worker's Comp., Location Fees, Expense Fund, CMC Promotion, CHRIMS Administration, Stabling and Vanning Fund and Track Commissions.

\$242.7
MILLION



5
YEAR

NORTHERN CALIFORNIA HANDLE & DISTRIBUTIONS 2008-2012

**\$1.95
BILLION**

TOTAL HANDLE

Total Northern California Handle
2008-2012

DISTRIBUTIONS

Approximately 80% of total handle is paid back to winning bettors and 20% is retained in distributions made to the State of California, Horsemen and the Racing Industry.

**\$15.4
MILLION**

CALIFORNIA

City Tax, F&E Support and License
Fees (through 2009).

**\$123.8
MILLION**

HORSEMEN

Paid to Horsemen through Purses,
Breeder's Incentives and TOC
Administration.



NORTHERN CALIFORNIA

SATELLITE

When advances in technology made simulcasting possible in the 1980's, the horse racing industry and Fairs joined together to pursue this new opportunity.

When advances in technology made simulcasting possible in the 1980's, the horse racing industry and Fairs joined together to pursue this new opportunity. Working with the late Senator Ken Maddy, a long-time advocate for horse racing, the racing industry, Fairs and legislators put together a plan

to implement simulcasting in California.

The marriage of Fairs and horse racing has deep roots in California, going back to the beginning of modern pari-mutuel wagering in 1933. Working together to realize this new opportunity through

technological innovation was a logical next step in a long political relationship.

Simulcast wagering in Northern California began with a pilot test between Golden Gate Fields and the Fresno Fairgrounds race track in 1984. In 1987, legislation carried by Senator Maddy, SB 14,

1985



Bar area at the Stockton satellite facility.

FRESNO, SACRAMENTO, SANTA ROSA & STOCKTON:

The Fresno District Fair, California State Fair, Sonoma County Fair and San Joaquin County Fair open satellite wagering facilities.

1 9 8 4

1984

SB 1499 (MADDY):

Implemented satellite wagering in the central and southern part of the state, and made conforming and technical changes in the northern part of the state.

NETWORK

enabled creation of a simulcast network at Fairgrounds and race tracks throughout the state.

Golden Gate Fields and Bay Meadows were operating as simulcast locations in 1987, so the primary expansion effort in Northern California moved to Fairgrounds locations. A team led by California Authority of Racing Fairs (CARF) undertook design, specifications, construction and installation of technical systems necessary

to bring new locations into the simulcast network. California Department of Food and Agriculture (CDFA) provided financing for this effort on behalf of Fairs. This team began a decade-long program of building satellite wagering facilities at Fairgrounds throughout California.

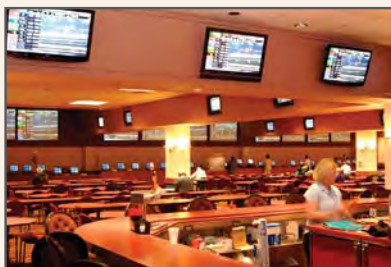
By the late 1990's, twenty-three Satellite Wagering Facilities had opened at California Fairs. Fourteen of these satellite facilities are located in Northern

California.

In recent years, Federal courts have ruled that certain Native American tribes may operate Satellite Wagering Facilities. Subsequent California legislation now allows smaller mini-satellite locations throughout the state.

Currently, the Northern California network is composed of one location licensed to a race track, Golden Gate Fields, and 15 satellite facilities licensed to Fairs.

1987



Bar and general seating at the Pleasanton satellite where patrons have wagered \$1.26 billion since 1987.

BAKERSFIELD, EUREKA, PLEASANTON, VALLEJO:

Satellite facilities open to the public at the Kern County Fair, Alameda County Fair and Solano County Fair.

1988



Winner's Circle seating at the Monterey satellite facility.

ANDERSON, MONTEREY, SAN JOSE:

Satellites open at the Shasta District Fair, Monterey County Fair and Santa Clara County Fair.

1 9 8 7

1987

SB14 (MADDY):

Expanded satellite wagering statewide.

1989

TULARE:

The Tulare County Fair satellite wagering facility opens.

1993

TURLOCK:

The Stanislaus County Fair satellite wagering facility opens.



➤ FRESNO CLUB ONE

The first mini-satellite in California, Fresno Club One handled \$60 million from 1998 to 2012, contributing \$3.1 million to purses.

➤ MONTEREY

Located on the California coast at the Monterey County Fair, the Monterey satellite has handled \$328 million since opening in 1988.

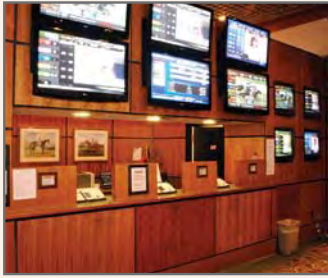
➤ SACRAMENTO

Patrons of the Sacramento satellite, located on the California State Fairgrounds, have wagered \$1.1 billion since the facility's opening and contributed \$48.6 million to purses.

➤ SAN MATEO

Since opening in 2008, the San Mateo County Fair satellite has quickly become the most significant Fair satellite in California, contributing \$62.9 million in industry distributions from \$320 million wagered.

1998



FRESNO MINI-SATELLITE:

The first mini-satellite in the state, Fresno Club One, opens as a joint partnership between Club One Casino and the Fresno District Fair.

2008



SAN MATEO:

After the closure of Bay Meadows, the Fair organizations invested \$4.2 million to open a satellite wagering facility on the Fairgrounds. The San Mateo satellite has become the largest Fair satellite in Northern California.

2013

2001

AB 471 (HERTZBERG):

Authorizes Advance Deposit Wagering.

2013

SALINAS MINI-SATELLITE:

The Triple Crown mini-satellite wagering facility in Salinas opened in early 2013 as a partnership between the Monterey County Fair and Banker's Casino.



➤ SANTA ROSA

The Jockey Club at the Sonoma County Fair in Santa Rosa has handled \$504 million since opening in 1985 and has contributed \$23.1 million to purses.

➤ STOCKTON

As one of the first locations to conduct satellite wagering in 1985, Winners at the San Joaquin Fair in Stockton has handled \$694 million since opening.

➤ TURLOCK

The satellite wagering facility at the Stanislaus County Fair in Turlock has handled \$184 million since it opened to patrons in 1993.

➤ VALLEJO

Patrons of the Solano Race Place at the Solano County Fair in Vallejo have wagered \$529 million since the satellite opened in 1987.

5 YEAR

5-YEAR SNAPSHOT SATELLITE DISTRIBUTIONS

SATELLITE HANDLE 2008-2012

TOTAL HANDLE \$ 1,426,226,721

DISTRIBUTIONS

License Fees	5,538,305
CHRB Support Fee	4,694,609
CDFA F&E	1,200,924
City Tax	4,675,210
Equine (UC Davis)	1,426,258
Worker's Comp.	2,617,717
Location Fees	28,831,859
Expense Fund	57,206,255
CMC Promotion	5,221,236
CHRIMS	240,489
Vanning & Stabling	13,784,506
Proxy Fees	1,636,336
Harness Loc. Fees	757,039
Track Commissions	69,578,026
Purses	70,008,887
SB 1072	3,578,728
Owners (TOC)	817,930
Breeders/Sires	7,445,550

TOTAL
DISTRIBUTIONS \$ 279,259,863

\$1.43
BILLION

TOTAL SATELLITE NETWORK HANDLE

\$279
MILLION

TOTAL SATELLITE NETWORK
DISTRIBUTIONS

\$1.15
BILLION

RETURNED TO WINNING BETTORS

\$73.6

MILLION

PURSES TO HORSEMEN

\$8.26

MILLION

OWNERS/BREEDERS/STAKES

\$4.69

MILLION

CHRB SUPPORT FEE

\$57.2

MILLION

NCOTW, INC. EXPENSE FUND

\$13.8

MILLION

VANNING & STABLING FUND

\$5.2

MILLION

PROMOTION FUND (CMC)





Fresno Mini-Satellite - Club One



Fresno Mini-Satellite - Club One



Fresno Mini-Satellite - Club One



Alameda County Fair Pleasanton



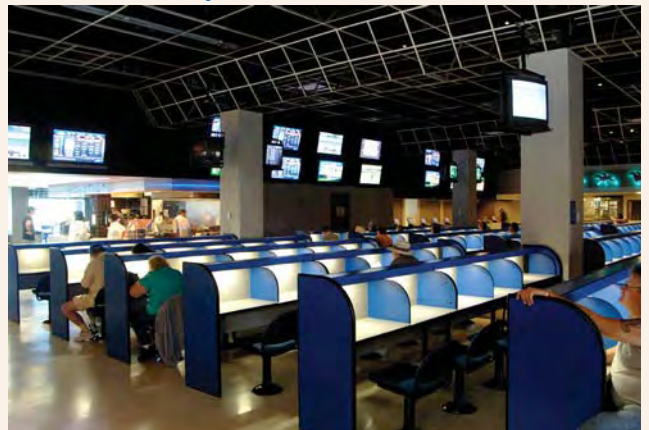
Alameda County Fair - Pleasanton



Alameda County Fair - Pleasanton



California State Fair - Sacramento



California State Fair - Sacramento



San Joaquin County Fair - Stockton



San Joaquin County Fair - Stockton



San Mateo County Fair - San Mateo



San Mateo County Fair - San Mateo



Sonoma County Fair - Santa Rosa



Stanislaus County Fair - Turlock



Solano County Fair - Vallejo

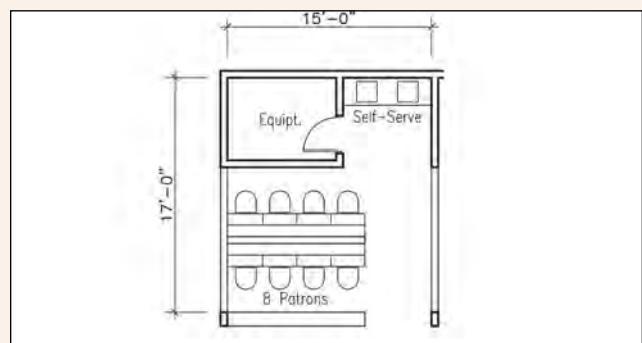
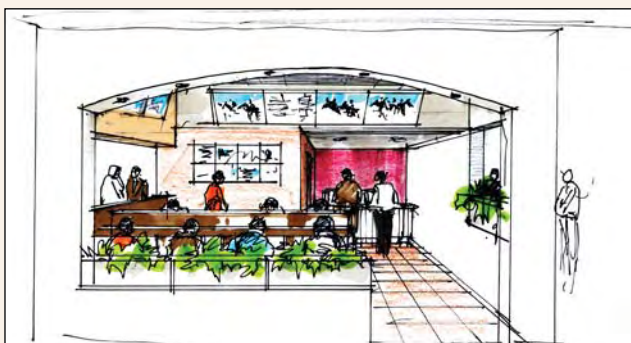


Solano County Fair - Vallejo

MINI-SATELLITE DEVELOPMENT

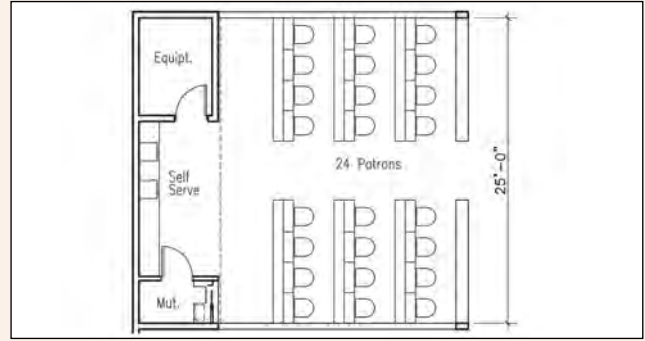
NORTHERN CALIFORNIA

NCOTW, Inc. has efforts underway to develop mini-satellite wagering facilities in Northern California. A mini-satellite opened at Banker's Casino in Salinas in early 2013. CARF commissioned these mini-satellite design scenarios to assist in the development program.



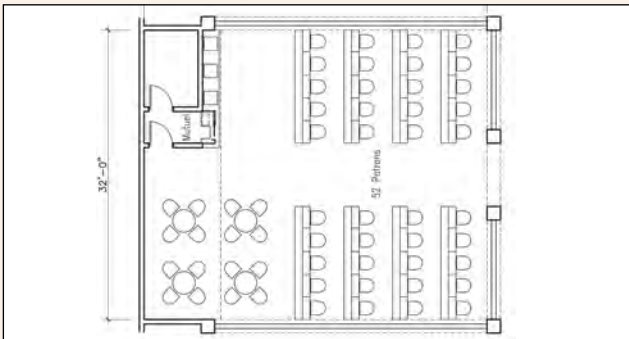
Mini-Satellite Wagering Facility - 225 Square Feet (15' x 15') - 10-12 Patrons

Two (2) totalisator terminals with 6' X 8' secure Money/Tote Room. Installation is designed to be fully self-service, but may require pari-mutuel clerk/attendant. Money/Tote Room contains wall-mounted electronic equipment rack, telecom/tote interface lockable cabinet/cupboards and money safe. Ventilation of Money/Tote Room must be a consideration and may be accomplished with open grate (chain-link) ceiling. Eight (8) 26"x32" screens. Seating for 8-10 patrons with food and beverage service. Walk-up wagering.



Mini-Satellite Wagering Facility - 500 Square Feet (20' x 25') - 20-25 Patrons

Three (3) totalisator terminals with 6' X 8' secure Money/Tote Room. Design will provide one for pari-mutuel clerk/attendant. Money/Tote Room contains wall-mounted electronic equipment rack, telecom/tote interface lockable cabinet/cupboards and money safe. Ventilation of Money/Tote Room must be a consideration and may be accomplished with open grate (chain-link) ceiling. Ten (10) 32" screens. Seating for 20x25 patrons with food and beverage service. Walk-up wagering.



Mini-Satellite Wagering Facility - 1,050 Square Feet (30' x 35') - 50+ Patrons

Four (4) totalisator terminals with 6' X 8' secure Money/Tote Room. Money/Tote Room contains wall-mounted electronic equipment rack, telecom/tote interface lockable cabinet/cupboards and money safe. Ventilation of Money/Tote Room must be a consideration and may be accomplished with open grate (chain-link) ceiling. Design will provide for one pari-mutuel clerk/attendant. Twelve (12) 32"x42" screens. Seating for 50+ patrons with food and beverage service. Walkup wagering.



2015 (United States)

January						
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February						
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March						
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2014 (United States)

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February						
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March						
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June						
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August						
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2013 (United States)

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