

AGENDA CALIFORNIA AUTHORITY OF RACING FAIRS BOARD OF DIRECTORS MEETING JOHN ALKIRE, CHAIR 12:30 P.M., TUESDAY, APRIL 1, 2014

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, April 1, 2014. The meeting will be held in Sacramento. 1776 Tribute Road Conference Room, Sacramento, CA 95815

AGENDA

- I. Date, time and location of next meeting: May 6, 2014
- II. Public Comment.
- III. Approval of minutes.
- IV. Report, discussion and action, if any, on CARF 2014 Legislative Program.
- V. Report, discussion and action, if any, on Memorandum of Understanding regarding reimbursement of racing expenses paid by CARF on behalf of member fairs.
- VI. Report, discussion and action, if any, on CHRB deliberations regarding racing dates for 2014, 2015 and beyond.
- VII. Report, discussion and action, if any, on re-structuring of SCOTWinc. due to closure of Hollywood Park.
- VIII. Financials
 - IX. Executive Director's Report



NOTICE CALIFORNIA AUTHORITY OF RACING FAIRS BOARD OF DIRECTORS MEETING JOHN ALKIRE, CHAIR 12:30 P.M., TUESDAY, APRIL 1, 2014

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, April 1, 2014. The meeting will be held at California Authority of Racing Fairs Conference Room located at 1776 Tribute Road, Sacramento, CA 95815.

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

In order to ensure that all meeting participants are able to hear discussions during the teleconference, we ask that teleconference participants call from a land-line and <u>Please Place Phone on MUTE While Not Speaking</u>. The Public and members of the California Authority of Racing Fairs Board of Directors may participate from the following locations:

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

Monterey County Fair 2004 Fairground Road Monterey, CA 93940 San Mateo County Fair 2495 So. Delaware Street San Mateo, CA 94403

Solano County Fair 900 Fairgrounds Drive Vallejo, CA 94589

Stanislaus County 900 North Broadway Turlock, CA 95380

CALIFORNIA AUTHORITY OF RACING FAIRS Board of Directors Tuesday, March 4, 2014

MINUTES

A meeting of the California Authority of Racing Fairs (CARF) Board of Directors was held at 12:30 P.M., Tuesday, March 4, 2014. The meeting hosted at the CARF offices, 1776 Tribute Road, Sacramento, California.

CARF Board Directors attending: John Alkire, Chris Carpenter, Mike Paluszak and Rick Pickering. Joining by teleconference: Chris Borovansky and Kelly Violini.

Staff and Guests attending: Christopher Korby, Larry Swartzlander, Tom Doutrich, Heather Haviland, Amelia White, Raechelle Gibbons, Ann Grottveit, Jerome Hoban, Richard Conway, Brian May, Jeanne Wasserman, John Quiroz, Cindy Olsen, Jim Morgan, Allen Aldrich, Caroline Titus, Tawny Tesconi, Katie Young and Richard Lewis.

Agenda Item 1 – Date, Time and Location of Next Meeting. The next CARF Board of Directors meeting will be held Tuesday, April 1, 2014 in Sacramento.

Agenda Item 2 – Public Comment. None.

Agenda Item 3 – Approval of Minutes. Ms. Violini moved to approve the meeting minutes as presented. Mr. Borovansky seconded, unanimously approved.

Agenda Item 4 – Report, Discussion and Action, if any, on CARF 2014 Legislative Program. Hearings involving several racing related bills required Mr. Brown's presence at the Capitol. Mr. Korby reported on AB 1303 which would allow Oak Tree to race at a Fair in Northern California.

Agenda Item 5 – Report, Discussion and Action, if any, on CHRB Deliberations Regarding Racing Dates for 2014, 2015 and Beyond. Mr. Korby reported that the California Horse Racing Board (CHRB) put over the matter of 2014/2015 Northern California racing dates until the March 21, 2014 meeting. CARF staff is actively engaged in discussions with both CARF members and industry principals.

Agenda Item 6 – Report, Discussion and Action, if any, on Memorandum of Understanding for Monies Owned CARF by Member Fairs. Mr. Korby reported that the CARF Live Racing Committee unanimously adopted a motion to require all live racing Fairs to sign a MOU which will be based on the draft agreement signed by the San Joaquin County Fair in 2013. In addition, CARF staff will work with Humboldt County Fair to discuss the specifics of the agreement relating to Humboldt County Fair and the prospect of them signing the MOU, along with the rest of the racing Fairs.

Agenda Item 7 – Report, Discussion and Action, if any, to Consider a Resolution Accepting Oak Tree as an Associate Member of the California Authority of Racing Fairs. Mr. Korby reported that CARF staff and Alameda County Fair representative have been in discussions with Oak Tree Racing Association regarding racing an Oak Tree meet at the Alameda County Fair during their three weeks of racing. AB 1303 (Hall) is a CARF-sponsored bill that would allow this to happen by putting language into statute to allow a non-profit association to run at a Fair in the Northern zone. AB 1303 passed out of committee unanimously this morning.

CARF and Alameda County Fair staffs are in active negotiations with Oak Tree Racing Association to put together an operating agreement for the upcoming meet. Part of the operating agreement package is a recommendation for Oak Tree to join CARF as an associate member.

Mr. Korby asked the CARF Board to adopt the resolution which would accept Oak Tree Racing Association into the CARF membership as an associate member. Anne Grottveit, legal counsel, drew up the resolution and she is available to answer any questions.

Mr. Borovansky moved to adopt the resolution to accept Oak Tree Racing Association as an associate member of CARF. Mr. Paluszak seconded, unanimously approved.

Agenda Item 8 – Financials. Mr. Alkire stated that financials are included in the meeting packets and Ms. Gibbons is available to answer questions.

Agenda Item 9 – Executive Director's Report. Mr. Korby reported that Martin Panza, former Vice President of Racing and Racing Secretary at Hollywood Park, was hired by the New York Racing Association (NYRA) as Senior Vice President of Racing Operations. Mike Lakow, former Director of Racing at the New York Racing Association, has been hired as Racing Director at Santa Anita.

Respectfully submitted, Heather Haviland

CA Authority of Racing Fairs Legislative Report - Last 10 Days 3/21/2014

<u>AB 1303</u> (<u>Hall</u> D) Horse racing: northern zone: fairs: satellite wagering.

Current Text: Enrolled: 3/20/2014 pdf html

Introduced: 2/22/2013

Last Amend: 2/13/2014

Status: 3/17/2014-Urgency clause adopted. Senate amendments concurred in. To Engrossing and Enrolling. (Ayes 72. Noes 0.).

Location: 3/17/2014-A. ENROLLMENT

Desk Policy Fiscal Floor	Desk Policy Fiscal	Floor Conf.	Enrolled	Votood	Chaptered
1st House	2nd House	Conc.	Enioned	velueu	Chaptereu

Summary: Existing law, the Horse Racing Law, notwithstanding any other law, authorizes fairs that conduct live horse racing meetings in the northern zone to allow a joint powers authority to administer and distribute purses and authorizes the California Horse Racing Board to annually allocate a maximum of 28 racing days to any county fair in the northern zone which did not conduct horse racing prior to January 1, 1985. This bill would authorize the board, notwithstanding any other law, to allocate racing days to a fair in the northern zone to be conducted by the fair or, at the request of the fair, to authorize the board to license a racing association that was licensed by the board to conduct racing meetings in California prior to 2010 to conduct live horse racing days, whether they are conducted by the fair or the racing association contracting with the fair, to be subject to the same provisions of law as are presently applicable to a fair race meeting in the northern zone. This bill contains other related provisions and other existing laws.

Organization Position

CARF Watch

AB 2066 (Hall D) Tribal gaming: local agencies.

Current Text: Introduced: 2/20/2014 pdf html Introduced: 2/20/2014

Status: 3/3/2014-Referred to Com. on G.O.

Location: 3/3/2014-A. G.O.

Desk Policy Fiscal Floor	Desk Policy Fiscal Floor	Conf.	Enrollod	Votood	Chaptored
1st House	2nd House	Conc.	Enroneu	velueu	Chaptereu

Summary: Existing law creates in the State Treasury the Indian Gaming Special Distribution Fund for the receipt and deposit of moneys received by the state from certain Indian tribes pursuant to the terms of gaming compacts entered into with the state. Existing law authorizes moneys in that fund to be used for specified purposes, including for grants for the support of state and local government agencies impacted by tribal government gaming. Existing law, until January 1, 2021, creates a County Tribal Casino Account in the treasury of each county that contains a tribal casino, which is funded according to specified formulas. Existing law requires the Controller to divide the County Tribal Casino Account for each county that has gaming devices that are subject to an obligation to make contributions to the Indian Gaming Special Distribution Fund into a separate account, known as an Individual Tribal Casino Account, for each tribe that operates a casino within the county. Each Individual Tribal Casino Account is required to be funded in proportion to the amount that each individual tribe paid in the prior fiscal year to the Indian Gaming Special Distribution Fund, and used for grants to local agencies impacted by tribal casinos, as specified. Existing law establishes an Indian Gaming Local Community Benefit Committee in each county in which gaming is conducted, specifies the composition and responsibilities of that committee, and requires that committee to make the selection of grants from the casino accounts. Among other things, the committee is responsible for establishing all application policies and procedures for grants from the casino accounts. This bill would delete the obsolete provisions relating to allocations made in those specified fiscal years. This bill contains other existing laws.

OrganizationPositionCARFWatch

<u>AB 2291</u> (Jones-Sawyer D) Gambling: Internet poker: unlawful gambling activity.

Current Text: Introduced: 2/21/2014 pdf html

Introduced: 2/21/2014

Status: 3/17/2014-Referred to Com. on G.O.

Location: 3/17/2014-A. G.O.

Desk Policy Fiscal Floor	Desk Policy Fisc	I Floor Conf.	Enrollod	Votood	Chaptered
1st House	2nd House		Enroneu	velueu	Chaptereu

Summary: The Gambling Control Act provides for the licensure of certain individuals and establishments that conduct controlled games, as defined, and for the regulation of these gambling activities by the California Gambling Control Commission. The Department of Justice has related investigatory and enforcement duties under the act. Any violation of these provisions is punishable as a misdemeanor, as specified. This bill would establish a framework to authorize intrastate Internet poker, as specified. The bill would authorize eligible entities to apply to the commission for a 10-year nontransferable license to operate an intrastate Internet poker Web site offering the play of authorized Internet poker games to registered players within California, as specified. The bill would require that the license be automatically renewed every 10 years upon application, as specified. The bill would prohibit the offer or play of any gambling game provided over the Internet that is not an authorized Internet poker game permitted by the state pursuant to this bill. The bill would prohibit, among others, a federally recognized California Indian tribe that operates a gaming facility that accepts bets from players within the state but who are not physically present on Indian lands when making bets from operating an Internet poker Web site. The bill also would provide that it is unlawful for a person to patronize, or to own or operate, a place of public accommodation within this state in which computer terminals, laptop computers, hand-held devices, or similar devices are made available for accessing Internet Web sites to play gambling games, or where those devices are otherwise empowered or enabled to access Internet Web sites to play gambling games. The bill would provide that it is unlawful for a person to aggregate computers or other access devices in a public setting within this state for the purpose of playing a gambling game on the Internet, or to promote, facilitate, or market that activity. The bill would provide that any violation of these provisions is punishable as a misdemeanor. By creating new crimes, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

OrganizationPositionCARFWatch

AB 2655 (Hall D) Horse racing: out-of-state thoroughbred races: Apple Blossom Handicap.

Current Text: Introduced: 2/21/2014 pdf html Introduced: 2/21/2014

Status: 3/17/2014-Referred to Com. on G.O.

Location: 3/17/2014-A. G.O.

Desk Policy Fiscal Floor	Desk Policy Fiscal Floor	Conf. Encolled	Votood	Chaptered
1st House	2nd House	Conc. Enrolled	Vetoed	Chaptered

Summary: Existing law authorizes a thoroughbred racing association or fair to distribute the audiovisual signal and accept wagers on the results of out-of-state thoroughbred races conducted in the United States during the calendar period the association or fair is conducting a race meeting, including days on which there is no live racing being conducted by the association or fair, without the consent of the organization that represents horsemen and horsewomen participating in the race meeting and without regard to the amount of purses. Under existing law, the total number of thoroughbred races imported by associations or fairs on a statewide basis under these provisions shall not exceed 50 per day on days when live thoroughbred or fair racing is being conducted in the state, with the exception of prescribed races, including races imported that are part of the race card of the Kentucky Derby, the Kentucky Oaks, the Preakness Stakes, the Belmont Stakes, the Jockey Club Gold Cup, the Travers Stakes, the Arlington Million, the Breeders' Cup, the Dubai Cup, the Arkansas Derby, or the Haskell Invitational. This bill would exempt from the 50 imported race per day limitation, races imported that are part of the race card of the Apple Blossom Handicap.

Organization	Position
CARF	Watch

<u>HR 31</u> (<u>Hall</u> D) Relative to Problem Gambling Awareness Week.

Current Text: Amended: 3/6/2014 <u>pdf</u> html Introduced: 2/12/2014 Last Amend: 3/6/2014

Status: 3/6/2014-Read. Amended. Adopted. (Page 4028.).

Location: 3/6/2014-A. ADOPTED

Desk Policy Fiscal Floor	Desk Policy	Fiscal Floor	Conf.	Enrollod	Votood	Chaptered
1st House	2nd H	louse	Conc.	Enroneu	velueu	chaptered

Summary: The Assembly recognizes the week of March 2, 2014, to March 8, 2014, inclusive, as Problem Gambling Awareness Week, and the agencies and organizations described above be commended for their concerted effort to raise public awareness of problem gambling.

OrganizationPositionCARFWatch

<u>SB 777</u> (<u>Hernandez</u> D) Horse racing: workers' compensation.

Current Text: Enrollment: 3/20/2014 pdf. html

Introduced: 2/22/2013 **Last Amend:** 2/25/2014

Status: 3/20/2014-Urgency clause adopted. Assembly amendments concurred in. (Ayes 29. Noes 0.) Ordered to engrossing and enrolling.

Location: 3/20/2014-S. ENROLLMENT

Desk Policy Fiscal Floor	Desk Policy Fisca	I Floor Conf.	Enrolled	Votood	Chaptorod
1st House	2nd House	Conc.	Ennoneu	veloeu	Chaptereu

Summary: Until January 1, 2014, the provisions of the Horse Racing Law required a thoroughbred racing association and fair that conducts a racing meeting to deduct a percentage of the total amount handled in exotic parimutuel pools of thoroughbred racing, to be distributed to a specified organization for the purpose of defraying costs of workers' compensation insurance in connection with thoroughbred horse racing. Until January 1, 2014, provisions of the Horse Racing Law authorized similar deductions from the total amount handled for races for quarter horses and other breeds, and for harness races, to be distributed to specified organizations for defraying workers' compensation for trainers and owners in connection with those races. This bill would reestablish those provisions requiring the deduction specified above to be made by a thoroughbred racing association, and would reestablish those provisions authorizing the deductions to be made for races for quarter horses and other brees and other breeds, and for harness races. Because a violation of the Horse Racing Law is generally a misdemeanor, the bill would create new crimes, thereby imposing a state-mandated local program. This bill contains other related provisions and other existing laws.

Organization	Position
CARF	Support

<u>SB 1003</u> (Evans D) Horse racing: out-of-state thoroughbred races.

Current Text: Introduced: 2/13/2014 pdf html

Introduced: 2/13/2014

Status: 3/12/2014-Set for hearing April 8.

Location: 2/27/2014-S. G.O.

Desk Policy Fiscal Floor	Desk Policy Fiscal Floor	Conf.	Encolled	Votood	Chaptored
1st House	2nd House	Conc.	Enroned	veloed	Chaptered

Calendar: 4/8/2014 9:30 a.m. - John L. Burton Hearing Room (4203) SENATE GOVERNMENTAL ORGANIZATION, CORREA, Chair

Summary: Existing law authorizes a thoroughbred racing association or fair to distribute the audiovisual signal and accept wagers on the results of out-of-state thoroughbred races conducted in the United States during the calendar period the association or fair is conducting a race meeting, including days on which there is no live racing being conducted by the association or fair, without the consent of the organization that represents horsemen and horsewomen participating in the race meeting and without regard to the amount of purses. Under existing law, the total number of thoroughbred races imported by associations or fairs on a statewide basis under these provisions shall not exceed 50 per day on days when live thoroughbred or fair racing is being conducted in the state, with the exception of specified races. This bill would instead provide that the total number of thoroughbred races imported by associations or fairs on a statewide basis under these provisions shall not exceed 55 per day on days when live thoroughbred or fair racing is being conducted in the state, with the exception of specified races.

Organization	Position
CARF	Sponsor

<u>SB 1361</u> (Berryhill R) Gambling control.

Current Text: Introduced: 2/21/2014 pdf html

Introduced: 2/21/2014

Status: 3/17/2014-Referred to Com. on RLS.

Location: 3/17/2014-S. RLS.

Desk Policy Fiscal Floor	Desk Policy Fiscal Floor	Conf.	Enrollod	Votood	Chaptered
1st House	2nd House	Conc.	Enroneu	veloeu	Chaptereu

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, and defines a gambling enterprise for these purposes. Existing law requires a contract for the sale of a gambling enterprise to state whether any outstanding gaming chips from the seller will be honored by the purchaser. Prior to any action of the commission on the proposed contract for sale of the gambling enterprise, existing law requires the Department of Justice to determine the amount of the seller's outstanding gaming chip liability, and requires the seller to satisfy the commission that the amount of liability is safeguarded by a form of security sufficient to satisfy the redemption of outstanding gaming chips. This bill would make

technical, nonsubstantive changes to this provision.

Organization Position CARF Watch

<u>SB 1366</u> (<u>Correa</u> D) Internet gambling.

Current Text: Introduced: 2/21/2014 pdf html

Introduced: 2/21/2014

Status: 3/17/2014-Referred to Com. on G.O.

Location: 3/17/2014-S. G.O.

Desk Policy Fiscal Floor	Desk Policy Fiscal Floor	Conf.	Encolled	Votood	Chaptorod
1st House	2nd House	Conc.	Enroned	veloeu	Chaptereu

Summary: The Gambling Control Act provides for the licensure and regulation of various legalized gambling activities and establishments by the California Gambling Control Commission and the investigation and enforcement of those activities and establishments by the Department of Justice. A willful violation of those provisions is punishable as a misdemeanor, as specified. This bill would authorize intrastate Internet poker, as specified. The bill would authorize eligible entities to apply for a license to operate an intrastate Internet poker Web site offering the play of authorized games to players within California, as specified. The bill would prohibit the offer or play of any gambling game provided over the Internet that is not an authorized game permitted by the state pursuant to this bill. The bill would prohibit a person, except as provided, from aggregating computers or other access devices in a public setting within this state for the purpose of playing a gambling game on the Internet, or to promote, facilitate, or market that activity. The bill would make any violation of these provisions punishable as a misdemeanor. By creating new crimes, the bill would impose a statemandated local program. This bill contains other related provisions and other existing laws.

Organization Position CARF Watch

SCR 95 (Steinberg D) Kirk Breed Memorial Race Track.

Current Text: Introduced: 3/6/2014 pdf html Introduced: 3/6/2014

Status: 3/20/2014-Set for hearing March 25.

Location: 3/17/2014-S. G.O.

Desk Policy Fiscal Floor	Desk Policy Fiscal Floor	Conf.	Enrollod	Votood	Chaptorod
1st House	2nd House	Conc.	Enroneu	velueu	Chaptereu

Calendar: 3/25/2014 9:30 a.m. - John L. Burton Hearing Room (4203) SENATE GOVERNMENTAL ORGANIZATION, CORREA, Chair

Summary: This measure would designate the State Fair Race Track located on the grounds of the California Exposition and State Fair in the City of Sacramento as the Kirk Breed Memorial Race Track. The measure would request the Board of Directors of the California Exposition and State Fair to determine the cost of placing an appropriate memorial plaque marking this special designation and, upon receiving donations from nonstate sources covering that cost, to erect that memorial plaque.

Organization	Position
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CARF Watch

Total Measures: 10 Total Tracking Forms: 10

MEMORANDUM OF UNDERSTANDING

THIS WILL CONSTITUTE A MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE ______FAIR ("FAIR") 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 _______Fair (hereinafter "FAIR"), 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 FAIR 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 FAIR in 2014 ("2014 FAIR race meet"); and

WHEREAS, the FAIR desires that CARF, on behalf of the FAIR, 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 off track pari-mutuel commissions on behalf of its member Fairs which conduct live racing.

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

1)

CARF shall provide the services outlined in Exhibit "A".

2)

The FAIR agrees that CARF shall deduct from intrastate, interstate and international parimutuel commissions the monies owed to CARF by the FAIR 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 2013 to the FAIR with a pro-rata reduction which reflects any reduction in racing dates between 2013 to and 2014 as noted in Exhibit B.

3)

The term of this MOU shall be for the 2014 FAIR race meet and shall renew thereafter unless terminated in writing by either party on or before March 1 of subsequent years.

4)

In the event that FAIR racing revenues are not sufficient to cover expenses incurred by CARF on behalf of FAIR, FAIR agrees to pay the amount of the shortfall to CARF.

DATED:	-	
For FAIR:		lts:

For CARF:______ Its: ______

BUSINESS, CONSUMER SERVICES, AND HOUSING AGENCY

1010 Hurley Way, Suite 300 Sacramento, CA 95825 (916) 263-6000 Fax (916) 263-6042

www.chrb.ca.gov

CALIFORNIA HORSE RACING BOARD



Los Alamitos Race Course 4961 E. Katella Avenue Los Alamitos, CA 90720

> Contact: Mike Marten (714) 820-2748 Cell: (714) 240-1870 Fax (714) 821-6232

CHRB NEWS RELEASE

MARCH 22, 2014

SUMMARY OF CHRB ACTIONS AND DISCUSSIONS 3-21-14

SACRAMENTO, CA – The California Horse Racing Board conducted its regular meeting Friday, March 21, 2014, at Cal Expo. Chairman Chuck Winner presided. 1st Vice Chair Bo Derek, 2nd Vice Chair Richard Rosenberg, and Commissioners Madeline Auerbach, Steve Beneto, Jesse Choper, and George Krikorian were in attendance.

The audio of this entire Board meeting is available on the CHRB Website (<u>www.chrb.ca.gov</u>) under the <u>Webcast</u> link. In brief:

• The Board finalized the Northern California racing calendar for 2015 by allocating racing dates for the latter half of the year to Golden Gate Fields and the northern fairs. The Board earlier approved the racing calendar for the first half of 2015 by allocating dates for the current meet at Golden Gate Fields through June 15.

The racing season will continue with dates allocated to the Alameda County Fair in Pleasanton (June 17 through July 6) followed by the State Fair at Cal Expo (July 9 through July 26), the Sonoma County Fair in Santa Rosa (July 30 through August 16), the Humboldt County Fair in Ferndale (August 19 through August 30) and somewhat concurrently at Golden Gate Fields (August 21through September 13), the San Joaquin County Fair in Stockton (September 18 through September 27), the Big Fresno Fair in Fresno (October 1 through October 12), and finally at Golden Gate (October 15 through December 20). The various locations will designate their precise racing dates within these block allocations when each submits its license application three months before the start of its meet.

- The Board approved for 45-day public notice a proposed regulatory amendment to require that authorized bleeder medication be administered by independent, third-party veterinarians along with a requirement for a prescription for furosemide (Lasix).
- Commissioner Auerbach reported that the newly designed stakes schedules in Southern California following the closure of Hollywood Park will include all stakes races historically run in Southern California.

VI.

- The Board agreed to write a letter to California Insurance Commissioner Dave Jones urging him to find a resolution to a newly raised problem with underwriting for catastrophic injury insurance for California jockeys. This policy is in addition to workers' compensation insurance that continues to cover all jockeys and fully pays for all medical expenses relating to a work-related accident.
- The Board voted to support Senate Concurrent Resolution 95, which would designate the race track at Cal Expo as the Kirk Breed Memorial Race Track, honoring the late Kirk Breed, who served as general manager of Cal Expo and also on its Board of Directors before being named CHRB executive director.
- The Department of Finance reported on an ongoing operational audit of the CHRB, prompted by a reorganization of state government last year that placed the CHRB within the Business, Consumer Services and Housing Agency.
- The Board approved for 45-day public notice a proposed regulator amendment to delete from the license application the requirement for synthetic surfaces and to require the past two years of stakes schedules, a listing of pari-mutuel takeout rates, and the names and working schedules of racing veterinarians.

#

EXECUTIVE SUMMARY OF NEW GOVERNING DOCUMENTS FOR THE SCOTWINC ENTITIES (12/27/2013)

Set forth below is an Executive Summary of the most important terms and conditions of the New Governing Documents for the SCOTWINC Entities. The New Governing Documents consist of (i) the Second Amended and Restated Shareholders Agreement for the SCOTWINC Corporation (the "New Shareholders Agreement") and (ii) the Second Amended and Restated Limited Partnership Agreement for the SCOTWINC Partnership (the "New Partnership Agreement").

1. **Overview**. This Executive Summary will mostly focus on the provisions of the New Shareholders Agreement, because: (i) The New Shareholders Agreement is the most important document -- Remember, the New Shareholders Agreement governs the SCOTWINC Corporation, which is the sole General Partner of the SCOTWINC Partnership, and as the sole General Partner, the SCOTWINC Corporation generally makes all decisions on behalf of, and controls all aspects of, the SCOTWINC Partnership; and (ii) A discussion of both Documents would generally be redundant, because similar changes (where applicable) have generally also been made to the New Partnership Agreement as well.

2. Different Ownership Structures for the Two SCOTWINC Entities. То refresh everyone's memory, (i) the SCOTWINC Corporation is the sole General Partner of the SCOTWINC Partnership (owning a 1% Partnership Interest in the SCOTWINC Partnership), and the five (5) remaining Racing Associations (i.e., LATC, Del Mar, LACF, Los Alamitos and Watch & Wager) will constitute the Limited Partners of the SCOTWINC Partnership (holding the remaining 99% Partnership Interest), and (ii) the Partners of the SCOTWINC Partnership are different than the Shareholders of the SCOTWINC Corporation. In particular, and as previously mentioned, the Limited Partners of the SCOTWINC Partnership consist of all of the applicable Racing Associations (i.e., LATC, Del Mar, LACF, Los Alamitos and Watch & Wager), while the Shareholders of the SCOTWINC Corporation consist of those five (5) Racing Associations, as well as the three (3) Horsemen Organizations (namely, TOC, Pacific Coast Quarter Horse Racing Association and California Harness Horsemen's Association). Thus, while the Horseman Organizations actually own shares of stock in the SCOTWINC Corporation, they have no direct Partnership Interest in the SCOTWINC Partnership.

To further refresh everyone's memory, the shares of stock in the SCOTWINC Corporation (as well as the Partnership Interests in the SCOTWINC Partnership) that were previously held by Hollywood Park, need to be re-allocated, presumably to LATC, Del Mar and Los Alamitos' Day Racing Entity. Obviously, before the New Governing Documents can be executed, the new share holdings and limited partner percentages in the post-Hollywood Park would need to be determined (so that they can be properly reflected in the New Governing Documents).

3. <u>Allocation of Voting Power</u>. Voting rights (which are referred to in the Document as "Management Votes") have been divorced from share ownership. Thus, an entity's ownership of shares of the SCOTWINC Corporation is generally irrelevant for most practical purposes.

(a) There are a total of 100 Management Votes that are to be issued to all Shareholders **plus** CARF (collectively, the "Stakeholders").^{*} For purposes of allocating those 100 Management Votes amongst various Groups, the Stakeholders are broadly grouped as follows:

(i) Thoroughbred Owners of California ("TOC") is a separate, standalone Group;

(ii) CARF is a separate, stand-alone Group;

(iii) The Night Racing Associations^{**} and the Night Racing Horseman's Organizations are grouped together (the "Night Racing Stakeholders"); and

(iv) The Day Racing Associations** (but not the applicable Horsemen) are grouped together (collectively, the "Day Racing Associations").

The 100 Total Management Votes are allocated among the four (4) Groups of SCOTWINC Stakeholders (described above) in accordance with Schedule 1 attached hereto (the "Group-by-Group Allocation of Management Votes"). IMPORTANT NOTE: The Management Votes that are so allocated amongst the four (4) Groups do not change on an annual basis; rather, they are "etched in stone" until further amendment of the New Shareholders Agreement. However, the Management Votes that are from time-to-time divided-up among the specific Day Racing Associations, Night Racing Associations and the Night Racing Horsemen Organizations do in fact vary, on a year-by-year basis, in the manner described below.

As you can see from Schedule 1, the 32.5% of the Total Management Votes that are allocated to TOC and the 5.5% that are allocated to CARF, are "etched in stone" and will never change (short of an amendment to the New Shareholders Agreement).

(b) The 48 Management Votes that are allocated to the Day Racing Associations (which does *not* include TOC), as a Group, will be divided-up, **on an annual basis**, amongst the various Day Racing Associations, in accordance with the projected handle expected to be generated by those Day Racing Associations for the upcoming year. Thus, the division of those 48 Management Votes amongst the various Day Racing Associations will change, on an

² Remember, the Shareholders of the SCOTWINC Corporation consist of the 5 Racing Associations plus the 3 Horsemen Organizations, while the ownership of the SCOTWINC Partnership consists solely of the SCOTWINC Corporation (as General Partner) and the 5 Racing Associations (as the Limited Partners).

^{**} It should be noted that Los Alamitos is being treated as both a Night Racing Association and a Day Racing Association for purposes of the New Governing Documents.

annual basis, in accordance with the projected handle amounts (but the 48 total Management Votes allocated to the entire Day Racing Association Group will not change, except by further amendment of the New Shareholders Agreement).

It is anticipated that the division of the 48 Day Racing Management Votes amongst the specific Day Racing Associations for calendar year 2014 will be determined, and attached as a Schedule to the New Shareholders Agreement, before the New Shareholders Agreement is finalized and executed. However, as of this date, the projected handle amounts (and, therefore, the division of the 48 Day Racing Management Votes amongst the various Day Racing Associations) for 2014 has not yet been determined and/or finalized.

(c) The 14 Management Votes that are allocated to the Night Racing Stakcholders, as a Group, will be divided-up (on an annual basis) amongst the Night Racing Associations and the respective Night Racing Horsemen Organizations in the following manner: The 14 Night Racing Management Votes will first be divided-up between the Quarter Horse and Harness Racing Interests, in proportion to the projected handle expected to be generated by those respective Interests during the upcoming year. Once the relative proportions of projected Quarter Horse and Harness Racing handle amounts have been determined for a particular year, the 14 Night Racing Management Votes will be divided-up between the Quarter Horse Interests and the Harness Racing Interests in such projected handle proportions (with the Quarter Horse Associations and Quarter Horse Horse Horsemen sharing the Management Votes so allocated to the Quarter Horse Interests, on a 50%-50% basis, and with the Harness Racing Associations and the Harness Racing Horsemen Organizations sharing the Management Votes so allocated to the Harness Interests, on a 50%-50% basis as well).

As was the case with respect to the Management Votes being divided-up among the Day Racing Associations, it is anticipated that the 2014 allocations amongst the specific Night Racing Stakeholders will be finalized and ready to attach as a Schedule to the New Shareholders Agreement, prior to its execution.

4. Not All Groups Vote on All Matters.

(a) Whenever an issue affects predominantly the Day Racing Interests (a "Day Racing Issue"), only the Day Racing Associations, TOC and CARF will have the right to vote on such Day Racing Issue. All such Day Racing Issues will need to be approved by a "majority" of the "Adjusted Day Racing Management Votes" (in a few cases, more than a majority of such votes is required). For this purpose, TOC's and CARF's 32.5 and 5.5 Management Votes, respectively, will be adjusted downward so that such organizations will possess exactly 32.5% and 5.5%, respectively, of the Adjusted Day Racing Management Votes (with the Day Racing Associations possessing 62% of the Adjusted Day Racing Management Votes). **** This "adjustment" process is necessary, because the Night Racing Stakeholders (who possess a total of 14 Management Votes) are excluded from voting on Day Racing Issues.

^{***} See Schedule 1 hereto, for the allocation of "Adjusted Day Racing Management Votes" amongst the various Day Racing Stakeholders.

Without making the appropriate adjustments, TOC's 32.5 Management Votes and CARF's 5.5 Management Votes would represent proportionately more of the total Management Votes possessed by all Day Racing Stakeholders. Basically, we need to make this adjustment so that TOC's and CARF's proportionate voting power on Day Racing Issues would be limited to 32.5% and 5.5%, respectively.

(b) Whenever an issue affects predominantly the Night Racing Interests (a "Night Racing Issue"), only the Night Racing Associations, the Night Racing Horsemen and CARF will have the right to vote on such Night Racing Issue. All such Night Racing Issues will need to be approved by a "majority" of the "Adjusted Night Racing Management Votes" (in a few cases, more than a majority of such votes is required). For this purpose, CARF's 5.5 Management Votes will be adjusted downward so that CARF will possess exactly 5.5% of the Adjusted Night Racing Management Votes (with the Night Racing Stakeholders possessing 94.5% of the Adjusted Night Racing Management Votes). This "adjustment" process is necessary, because the Day Racing Associations and TOC (who possess a total of 80.5 Management Votes) are excluded from voting on Night Racing Issues. Without making the appropriate adjustment, CARF's 5.5 Management Votes would represent proportionately more of the total Management Votes possessed by all Night Racing Stakeholders. Basically, we need to make this adjustment so that CARF's proportionate voting power on Night Racing Issues would be limited to 5.5%.

(c) If an issue affects or impacts all Shareholders in approximately the same proportionate fashion or manner (the "Corporation-Wide Issues"), then such Corporation-Wide Issue must be approved by 60% or more of the Total Management Votes held by ALL STAKEHOLDERS. Examples of Corporation-Wide Issues are: hiring of corporate level executives; the election/appointment of corporate officers; approving, modifying or terminating collective bargaining agreements; electing to dissolve the SCOTWINC Entities; electing to sell all or substantially all of the assets of the SCOTWINC Entities; electing for the SCOTWINC Entities to file bankruptcy; etc.

5. <u>Board of Directors</u>. Since the SCOTWINC Corporation is a statutory "close corporation" under California corporate law, there is no requirement that the business and affairs of the Corporation be operated or governed by a Board of Directors. Accordingly, the New Shareholders Agreement provides that the Shareholders (and CARF), rather than the Board of Directors, will govern the business and affairs of the SCOTWINC Corporation, in accordance with the voting provisions described above.

However, the Corporation will nevertheless still have a Board of Directors, with each Shareholder (and CARF) being entitled to at all times appoint one (1) Director. However, the voting power of the individual Board Members will at all times be proportional to the voting power of the Shareholder that appointed them.

^{****} See Schedule 1 hereto, for the allocation of "Adjusted Night Racing Management Votes" amongst the various Night Racing Stakeholders.

Thus, the Board of Directors will, in effect, merely constitute a "handy vehicle," by which the applicable Shareholders (and CARF) can cast their respective Management Votes.

6. <u>Transfers of Stock</u>. If a Racing Association ever loses its license to conduct racing, or a Horsemen Organization is no longer the appropriate recognized representative of the applicable horsemen, or if a Racing Association fails to conduct horse racing for 2 consecutive years, then in any such event (as well as pursuant to certain other events), the SCOTWINC Corporation will have the right to buy the impacted Shareholder's shares for a relatively Nominal Buy-Out Price (**Buy-Out Price** = the percentage of the total shares of the Corporation owned by the impacted Shareholder times \$5,000).

7. Issuance of Shares to New Shareholders.

(a) Shares (and Management Votes) will be issued/allocated to new Day Racing licensees, upon 60% approval (by Management Votes) of the Day Racing Associations; *provided, however*, that the total Management Votes allocated to all Day Racing Associations, as a Group (i.e., 48), will not change as a result of that new share issuance.

(b) Shares (and Management Votes) will be issued/allocated to new Night Racing licensees, upon 60% approval (by Management Votes) of the Night Racing Stakeholders; *provided, however*, that the total Management Votes allocated to all Night Racing Stakeholders, as a Group (i.e., 14), will not change as a result of that new share issuance.

(c) The Issue Price for such new shares will be similar to the Nominal Buy-Out Price described in Paragraph 6 above (Issue Price = the total percentage of shares being acquired by new Shareholder times \$5,000).

8. **Deficits and Related Matters**. These provisions on deficits are most pertinent in the Limited Partnership Agreement. The applicable provisions regarding deficits are as follows:

- If the deficit in question arises as a result of a Day Racing Meet, then the Day Racing Shareholders, as a group (which includes TOC), will be responsible for determining and securing the alternative sources of revenue that will be utilized for handling such Day Racing Deficit.
- If the deficit in question arises as a result of a Night Racing Meet, then the Night Racing Shareholders, as a group (which includes the Night Racing Horsemen), will be responsible for determining and securing the alternative sources of revenue that will be utilized for handling such Night Racing Deficit.
- The New Shareholders Agreement and New Partnership Agreement also memorialize that the Day Racing Shareholders have previously agreed to handle the pre-existing Day Racing Deficits by entering into the so-called "Expense Fund Agreement" (which alters the distribution of market access fees from ADW in order to provide for a re-direction of monies from

purse commissions and track commissions to the SCOTWINC Partnership). Pursuant to the New Governing Documents, the Day Racing Shareholders agree to continue to handle the Projected Day Racing Deficits, for the foreseeable future, in a manner similar to which the current deficits are handled in such Expense Fund Agreement.

• The Night Racing Shareholders will have to come-up with their own mechanism for dealing with their own Night Racing Deficits.

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SCHEDULE 1

Group-by-Group Allocation of Management Votes

Group	Total Management Votes Held _by Group_	Adjusted Management Votes for Voting on Day Racing <u>Issues</u>	Adjusted Management Votes for Voting on Night Racing <u>Issues</u>
Day Racing Associations	48	48	-0-
Night Racing Associations & Their Respective Horsemen Organizations	14	0	14
Thoroughbred Owners of California	32.5 ^a	25.16	-0-
California Association of Racing Fairs	<u>5.5</u> ^b	4.26	0.82
	<u>100</u>	<u>77.42</u>	<u>14.82</u>

^a As provided in Section 5.1(a)(ii) of the New Shareholders Agreement, when voting on Day Racing Issues, TOC's Management Votes will be adjusted downward (in the manner described in said Section 5(a)(ii)), so that TOC will possess exactly 32.5% of the total Management Votes that are entitled to vote on the Day Racing Issues. The next column illustrates the applicable adjustment.

^b As provided in Sections 5(a)(ii) and 5(a)(iii) of the New Shareholders Agreement, when voting on Day Racing Issues or Night Racing Issues, as the case may be, CARF's Management Votes will be adjusted downward, so that TOC will possess exactly 5.5% of the total Management Votes that are entitled to vote on the Day Racing Issues or Night Racing Issues, as the case may be. The next two columns illustrate the applicable adjustments.

California Authority of Racing Fairs Agency Income Statement Preliminary Draft 12/31/2013

2011 2012 2013 2016 <th< th=""><th></th><th>1 I Chinina</th><th>ily Dialt 12/3</th><th>1/2013</th><th></th><th></th><th></th></th<>		1 I Chinina	ily Dialt 12/3	1/2013			
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Legal Expenses 8,009 37,126 72,642 15,000 (57,642) 484% Legislative Expenses 56,144 53,344 56,617 50,000 (6,617) 113% Meetings Expense 3,782 2,189 2,730 3,000 270 91% Misc. (Ag Day Sponsor) 51 326 286 0 (286) 0% Office Supplies 27,362 31,394 24,815 25,000 185 99% Postage & Shipping 3,960 3,849 2,693 3,600 907 75% Rent (Tribute Road) 35,770 35,770 35,770 0 100% Repairs & Maintenance 328 0 0 500 500 0% Telephone Expense 11,451 9,481 8,592 10,000 1,408 86% Training 1,139 350 0 1,000 1,000 0% Total Expenses 666,795 599,399 582,711 512,292 (70,419) 114% Agency Income (Loss) 4,160 8,444 3,068 2,814	1	,				· · ·	
Legislative Expenses 56,144 53,344 56,617 50,000 (6,617) 113% Meetings Expense 3,782 2,189 2,730 3,000 270 91% Misc. (Ag Day Sponsor) 51 326 286 0 (286) 0% Office Supplies 27,362 31,394 24,815 25,000 185 99% Postage & Shipping 3,960 3,849 2,693 3,600 907 75% Rent (Tribute Road) 35,770 35,770 35,770 0 100% Repairs & Maintenance 328 0 0 500 500 0% Telephone Expense 11,451 9,481 8,592 10,000 1,408 86% Training 1,139 350 0 1,000 1,000 0% Travel Expense 23,817 26,767 15,188 25,000 9,812 61% Agency Income (Loss) 255,965 (163,126) (188,749) (49,474) (139,274) Southern Prog Income (Loss) 260,125 (154,682) (185,680) (46,66	-						
Meetings Expense 3,782 2,189 2,730 3,000 270 91% Misc. (Ag Day Sponsor) 51 326 286 0 (286) 0% Office Supplies 27,362 31,394 24,815 25,000 185 99% Postage & Shipping 3,960 3,849 2,693 3,600 907 75% Rent (Tribute Road) 35,770 35,770 35,770 35,770 0 100% Repairs & Maintenance 328 0 0 500 500 0% Telephone Expense 11,451 9,481 8,592 10,000 1,408 86% Training 1,139 350 0 1,000 1,000 0% Travel Expense 23,817 26,767 15,188 25,000 9,812 61% Agency Income (Loss) 255,965 (163,126) (188,749) (49,474) (139,274) Southern Prog Income (Loss) 260,125 (154,682) (185,680) (46,660) (146,474) CARF Unrestricted Reserves CARF Use of Reserves for Current Year 815,124 (185,6	•						
Misc. (Ag Day Sponsor) 51 326 286 0 (286) 0% Office Supplies 27,362 31,394 24,815 25,000 185 99% Postage & Shipping 3,960 3,849 2,693 3,600 907 75% Rent (Tribute Road) 35,770 35,770 35,770 35,770 0 100% Repairs & Maintenance 328 0 0 500 500 0% Telephone Expense 11,451 9,481 8,592 10,000 1,408 86% Training 1,139 350 0 1,000 1,000 0% Travel Expense 23,817 26,767 15,188 25,000 9,812 61% Agency Income (Loss) 255,965 (163,126) (188,749) (49,474) (139,274) Southern Prog Income (Loss) 4,160 8,444 3,068 2,814 (7,199) Total Bal Sheet Net Income (Loss) 260,125 (154,682) (185,680) (46,660) (146,474) CARF Unrestricted Reserves 815,124 (185,680) (46,660) </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>							
Office Supplies 27,362 31,394 24,815 25,000 185 99% Postage & Shipping 3,960 3,849 2,693 3,600 907 75% Rent (Tribute Road) 35,770 35,770 35,770 35,770 0 100% Repairs & Maintenance 328 0 0 500 500 0% Telephone Expense 11,451 9,481 8,592 10,000 1,408 86% Training 1,139 350 0 1,000 1,000 0% Travel Expense 23,817 26,767 15,188 25,000 9,812 61% Agency Income (Loss) 255,965 (163,126) (188,749) (49,474) (139,274) Southern Prog Income (Loss) 4,160 8,444 3,068 2,814 (7,199) Total Bal Sheet Net Income (Loss) 260,125 (154,682) (185,680) (46,660) (146,474) CARF Unrestricted Reserves 815,124 (185,680) (46,660) (146,474)	• •						
Postage & Shipping 3,960 3,849 2,693 3,600 907 75% Rent (Tribute Road) 35,770 35,770 35,770 35,770 0 100% Repairs & Maintenance 328 0 0 500 500 0% Telephone Expense 11,451 9,481 8,592 10,000 1,408 86% Training 1,139 350 0 1,000 1,000 0% Travel Expense 23,817 26,767 15,188 25,000 9,812 61% Total Expenses 666,795 599,399 582,711 512,292 (70,419) 114% Agency Income (Loss) 255,965 (163,126) (188,749) (49,474) (139,274) Southern Prog Income (Loss) 4,160 8,444 3,068 2,814 (7,199) Total Bal Sheet Net Income (Loss) 260,125 (154,682) (185,680) (46,660) (146,474) CARF Unrestricted Reserves 815,124 (185,680) (46,660) (146,474)						· · ·	
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Repairs & Maintenance 328 0 0 500 500 0% Telephone Expense 11,451 9,481 8,592 10,000 1,408 86% Training 1,139 350 0 1,000 1,000 0% Travel Expense 23,817 26,767 15,188 25,000 9,812 61% Total Expenses 666,795 599,399 582,711 512,292 (70,419) 114% Agency Income (Loss) 255,965 (163,126) (188,749) (49,474) (139,274) Southern Prog Income (Loss) 4,160 8,444 3,068 2,814 (7,199) Total Bal Sheet Net Income (Loss) 260,125 (154,682) (185,680) (46,660) (146,474) CARF Unrestricted Reserves 815,124 (185,680) (46,660) (146,474)							
Telephone Expense 11,451 9,481 8,592 10,000 1,408 86% Training 1,139 350 0 1,000 1,000 0% Travel Expense 23,817 26,767 15,188 25,000 9,812 61% Total Expenses 666,795 599,399 582,711 512,292 (70,419) 114% Agency Income (Loss) 255,965 (163,126) (188,749) (49,474) (139,274) Southern Prog Income (Loss) 4,160 8,444 3,068 2,814 (7,199) Total Bal Sheet Net Income (Loss) 260,125 (154,682) (185,680) (46,660) (146,474) CARF Unrestricted Reserves 815,124 (185,680) (46,660) (146,474)							
Training 1,139 350 0 1,000 1,000 0% Travel Expense 23,817 26,767 15,188 25,000 9,812 61% Total Expenses 666,795 599,399 582,711 512,292 (70,419) 114% Agency Income (Loss) 255,965 (163,126) (188,749) (49,474) (139,274) Southern Prog Income (Loss) 4,160 8,444 3,068 2,814 (7,199) Total Bal Sheet Net Income (Loss) 260,125 (154,682) (185,680) (46,660) (146,474) CARF Unrestricted Reserves 815,124 (185,680) (46,660) (146,474)	1						
Travel Expense 23,817 26,767 15,188 25,000 9,812 61% Total Expenses 666,795 599,399 582,711 512,292 (70,419) 114% Agency Income (Loss) 255,965 (163,126) (188,749) (49,474) (139,274) Southern Prog Income (Loss) 4,160 8,444 3,068 2,814 (7,199) Total Bal Sheet Net Income (Loss) 260,125 (154,682) (185,680) (46,660) (146,474) CARF Unrestricted Reserves 815,124 (185,680) (46,660) (146,474)		,					
Agency Income (Loss) 255,965 (163,126) (188,749) (49,474) (139,274) Southern Prog Income (Loss) 4,160 8,444 3,068 2,814 (7,199) Total Bal Sheet Net Income (Loss) 260,125 (154,682) (185,680) (46,660) (146,474) CARF Unrestricted Reserves 815,124 (185,680) (185,680)	-						
Southern Prog Income (Loss) 4,160 8,444 3,068 2,814 (7,199) Total Bal Sheet Net Income (Loss) 260,125 (154,682) (185,680) (46,660) (146,474) CARF Unrestricted Reserves 815,124 CARF Use of Reserves for Current Year (185,680)	Total Expenses	666,795	599,399	582,711	512,292	(70,419)	114%
Southern Prog Income (Loss) 4,160 8,444 3,068 2,814 (7,199) Total Bal Sheet Net Income (Loss) 260,125 (154,682) (185,680) (46,660) (146,474) CARF Unrestricted Reserves 815,124 CARF Use of Reserves for Current Year (185,680)	Aganey Incoma (Loss)	255 065	(163 126)	(188 7/10)	(10 171)	(130 274)	
Total Bal Sheet Net Income (Loss) 260,125 (154,682) (185,680) (46,660) (146,474) CARF Unrestricted Reserves 815,124 CARF Use of Reserves for Current Year (185,680)	Agency income (Loss)	233,903	(103,120)	(100,749)	(43,474)	(139,274)	
CARF Unrestricted Reserves 815,124 CARF Use of Reserves for Current Year (185,680)	Southern Prog Income (Loss)	4,160	8,444	3,068	2,814	(7,199)	
CARF Use of Reserves for Current Year (185,680)	Total Bal Sheet Net Income (Loss)	260,125	(154,682)	(185,680)	(46,660)	(146,474)	
CARF Use of Reserves for Current Year (185,680)	CARE Unrestricted Reserves		815 124				
		r					
	CAMP Datance of RESERVES	:	029,444				

Preliminary Draft 2013 California Authority of Racing Fairs Revenues Generated and Paid through CARF Race Recap Report

2013 Race Meet	Pleasanton 6/19-7/7	Sacramento 7/10-7/21	Humboldt 8/14-8/25	Stockton 9/18-9/29	Fresno 10/2-10/14	Total
	0/19-///	//10-//21	8/14-8/25	9/10-9/29	10/2-10/14	
Tote Handle	\$23,462,680	\$13,204,350	\$3,435,382	\$10,093,784	\$16,163,082	\$66,359,278
ADW Handle	\$6,894,333	\$4,662,771	1,920,144	3,740,832	4,752,958	21,971,038
All Handle Total	\$30,357,013	\$17,867,122	5,355,526	13,834,615	20,916,039	88,330,316
<u>REVENUE:</u>						
Takeout	5,097,267	2,869,735	746,095	2,175,151	3,488,748	14,376,997
Programs	21,335	21,143	1,352	16,922	20,765	81,518
Summarized Revenues	165,132	102,386	189,652	89,183	114,782	661,136
ADW (California & Exports)	915,889	621,779	249,559	482,996	616,227	2,886,451
Total	6,199,623	3,615,044	1,186,659	2,764,253	4,240,523	18,006,101
EXPENSES:						
2013 Circuit Billing	155,611	103,741	103,741	77,806	116,709	557,607
Jan-June 2013 Billbacks	54,825	6,577	4,041	5,230	8,885	79,557
July-September 2013 Billbacks	66,854	35,097	25,809	60,749	38,736	227,246
Oct-December 2013 Estimate Billbacks	21,775	11,767	12,679	22,400	52,668	121,289
Racetrack Maintenance	20,564	13,710	13,710	10,282	15,423	73,689
Relocation Costs	12,978	12,978	6,489	12,978	12,978	58,400
Total Track Expenses	332,607	183,869	166,469	189,444	245,398	1,117,788
Revenues Generated and Paid through CARF						
Total Purses Revenue	1,600,658	918,457	222,047	865,437	1,185,577	4,792,177
Total Track Commissions Revenue	1,421,221	840,552	318,301	638,129	984,468	4,202,673
TOTAL PURSES/FAIR COMMISSIONS	3,021,879	1,759,010	540,348	1,503,567	2,170,045	8,994,849

	Live Ra Prelimi	California Authority of Racing Fairs Live Racing Income Statement Preliminary Draft 12/31/2013 2011=58days 2012= 61days 2013=43 days							
	2011	2012	2013	2013	2013	2013			
	Year End	Year End	YTD	Annual	Budget				
	Actual	Actual	Actual	Budget	Variance	% Budget			
Revenues:	Actual	Actual	Actual	Duugei	v al lance				
Change Fund Admin Fee	5,161	9,392	631	12,000	(11,369)	5%			
Racing Fairs Admin Fee	69,945	79,644	74,458	95,277	(20,819)	78%			
Augmentation LRF	0	0	52,457	0	52,457	0%			
Consolidated Purses Admin Fee	82,500	45,000	35,000	35,000	0	100%			
NCOTWINC Reimbursement	29,000	25,000	25,000	25,000	0	100%			
Racing Fairs Reimbursement	932,602	1,063,471	1,003,194	1,270,360	(267,166)	79%			
Advertising Revenue	2,500	4,100	2,700	4,000	(1,300)	68%			
Total	1,121,708	1,226,607	1,193,440	1,441,637	(248,197)	83%			
Total	1,121,700	1,220,007	1,175,770	1,441,037	(2+0,177)	0370			
Expenses:									
Salaries	275,424	362,294	407,250	419,004	11,754	97%			
Employee Benefits	48,505	41,443	66,112	55,684	(10,428)	119%			
Payroll Taxes	12,669	15,317	32,762	24,647	(8,115)	133%			
Accounting Costs	42,255	49,394	49,186	48,750	(436)	101%			
Audit Services	16,575	17,615	17,615	19,125	1,510	92%			
Automobile Expense	0	40	54	1,000	946	5%			
Dues & Subscriptions, NTRA	0	0	0	0	0	0%			
Insurance Expense	0	0	0	0	0	0%			
Legal Expenses	605	811	0	5,000	5,000	0%			
Meetings Expense	740	870	1,109	2,000	891	55%			
Misc. Exp (Storage, Bank fee)	0	339	37	0	(37)	0%			
Telephone Expense	3,051	5,794	4,547	5,000	453	91%			
Travel Expense	34,340	40,923	38,090	40,000	1,910	95%			
Sub-Totals	434,164	534,841	616,762	620,210	3,448	99%			
Racing Support Services:									
Announcer	17,850	22,800	0	23,850	23,850	0%			
Condition Bk/Program Cover	15,748	15,575	23,591	20,000	(3,591)	118%			
Racing Operations Support	57,834	79,596	54,323	65,000	10,677	84%			
TC02 Testing	6,940	6,915	5,235	7,500	2,265	70%			
Marketing/Web Devel	160	120	331	3,000	2,669	11%			
Network Management	2,641	260	0	0	0	0%			
Paymaster Operations	6,044	7,383	6,113	7,500	1,387	82%			
Program Production	171,503	179,919	128,370	190,000	61,630	68%			
Racing Office System	26,406	38,120	26,831	40,000	13,169	67%			
Recruitment	13,654	13,712	1,862	15,000	13,138	12%			
Jumbo Screen	104,550	114,750	68,850	118,450	49,600	58%			
Supplies	11,296	13,326	10,747	15,000	4,253	72%			
Tattooing Timing/Clocker	18,901	16,313	11,741	20,000	8,259	59% 0%			
Timing/Clocker Transportation	0	0	0	0	0	0% 40%			
Transportation TV Production/Simulcast	1,711 74,701	1,915 42,916	1,700 53,206	3,500 46,350	1,800 (6,856)	49% 115%			
Racetrack Safety & Maint.	74,701 0	42,910	73,689	104,000	30,311	71%			
Sub-Totals	529,938	553,619	466,589	679,150	212,561	69%			
Sus-1 VIIIS	527,750	555,017	+00,509	077,150	212,301	0770			
Total Expenses	964,102	1,088,459	1,083,351	1,299,360	216,009	83%			
CARF Admin Fee	157,607	138,147	110,089	142,277	32,188	77%			

California Authority of Racing Fairs Southern Region Income Statement Preliminary Draft 12/31/2013

	2011	2012	2013	2013	2013	2013
	Year End	Year End	YTD	Annual	Budget	% Budget
	Actual	Actual	Actual	Budget	Variance	
Program Revenue:						
Program Sales	254,468	262,545	216,768	266,475	(49,707)	81%
Other Revenue	0	0	0	0	0	0%
Royalties/Fees Due Host	(231,975)	(235,260)	(197,441)	(243,675)	46,234	81%
Total Revenue	22,493	27,285	19,327	22,800	(3,473)	85%
-						
Expenses:	0	0	0	0	0	0.07
Legal Expenses	0	0	0	0	0	0%
Meetings Expense	0	0	0	0	0	0%
Misc Exp.(Storage)	0	0	0	0	0	0%
Office Supplies	0	0	0	0	0	0%
Paper Expense	0	0	0	0	0	0%
Postage & Shipping	0	0	0	0	0	0%
Printing Supplies	0	0	0	0	0	0%
Rent & Utility Expenses	0	0	0	0	0	0%
Repairs & Maintenance	0	0	0	0	0	0%
Telephone Expense	0	0	0	0	0	0%
Travel Expense	0	0	0	0	0	0%
Total Expenses	0	0	0	0	0	0%
Operating Income (Loss)	22,493	27,285	19,327	22,800	(3,473)	85%
CARF Admin Fee	18,333	18,841	16,259	19,986	3,727	81%
	10,555	10,041	10,239	17,700	5,121	01 70
Rebate Income (Loss)	4,160	8,444	3,068	2,814	(7,199)	109%
meome (1055)	7,100	0,777	5,000	2,014	(7,179)	10770

California Authority of Racing Fairs Project Management Income Statement Preliminary Draft 12/31/2013

	2011 Year End Actual	2012 Year End Actual	2013 YTD Actual	2013 Annual Budget	2013 Budget Variance	2013 % Budget
Revenue:						
CARF Admin Fee	442,753	0	0	0	0	0%
Project Management	0	0	0	0	0	0%
Total Revenue	442,753	0	0	0	0	0%
Expenses:						
Salaries Expense	0	0	0	0	0	0%
Employee Benefits	0	0	0	0	0	0%
Payroll Taxes	0	0	0	0	0	0%
Accounting Costs	0	0	0	0	0	0%
Audit Services	0	0	0	0	0	0%
Automobile Expense	0	0	0	0	0	0%
Contracted Services	0	0	0	0	0	0%
Telephone Expense	0	0	0	0	0	0%
Travel Expense	0	0	0	0	0	0%
Misc. Storage	0	0	0	0	0	0%
Total Expenses	0	0	0	0	0	0%
CARF Admin Fee	442,753	0	0	0	0	0%

CALIFORNIA AUTHORITY OF RACING FAIRS **BALANCE SHEET** Preliminary Draft 12/31/13

ASSETS		
Current Assets	CURRENT YTD 12/31/13	PRIOR YTD 12/31/12
CASH - LAIF & INVESTMENTS	865,476	1,256,057
CASH - OPERATING/MM	842,852	312,679
CASH - TRUST & TOC	1,346,958	1,178,023
MARKETABLE SECURITIES	1,923,122	2,476,282
A/R - DUES	27,232	22,368
A/R - PROGRAMS	34,747	54,926
A/R - RACING FAIRS	521,169	323,414
A/R - ERF/OTHER A/R	29,763	1,050,024
	29,703 58,563	54,283
PREPAIDS/DEPOSITS OPEB ASSETS	130,340	130,340
Total Current Assets		<u>6,858,398</u>
Total Current Assets	5,700,222	0,030,370
Fixed Assets	54.404	00 574
AUTOMOBILE	54,194	62,571
FURNITURE & EQUIPMENT	20	259
COMPUTER HARDWARE/SOFTWARE	5,309	5,182
TRACK EQUIPMENT	100,156	100,156
Total Fixed Assets (Net of Depr.)	159,679	168,168
TOTAL ASSETS	5,939,901	7,026,566
LIABILITIES & NET ASSETS		
Current Liabilities		
A/P & WITHHOLDINGS	744,058	1,125,949
A/P - PROGRAM ROYALTIES TO HOST	45,572	56,893
RACING DISTRIBUTIONS	948,104	633,044
PURSES	116,839	743,832
TRACK SAFETY/MAINT.	109,405	223,921
INFOTEXT UPGRADE	0	0
CMC HORSEMENS PROGRAMS	2,816	42,895
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	0	0
LOU-5 - SYMPOSIUM	3,805	3,805
MINI SATELLITE FUNDS	507,634	500,905
CAPITAL IMPROVEMENT FUND	173,089	150,420
Total Current Liabilities		3,481,665
Non-Current Liabilities		•, •• •, •••
CHRIMS FUNDS	92,348	92,348
CHANGE FUND	1,014,000	1,014,000
FAIRS - EQUIP REPLACEMENT FUNDS	1,452,633	1,523,273
Total Non-Current Liabilities		2,629,621
TOTAL LIABILITIES	5,210,302	6,111,286
Net Assets		
FUND EQUITY	815,124	969,806
F&E Net Assets	100,156	100,156
CARF@GG	0	0
RETIREMENT CONTINGENCY	0	0
NET INCOME/LOSS	(185,680)	(154,682)
Total Net Assets		<u>915,280</u>
TOTAL LIABILITIES & NET ASSETS	5,939,901	7,026,566
		.,0,000



CALIFORNIA FAIRS SATELLITE NETWORK PARI-MUTUEL HANDLE & DISTRIBUTIONS (LIVE & SIMULCAST) 1987-2011

Handle & Distributions Figures Do Not Include Adavanced Deposit Wagering (ADW).

Detailed Distributio	on Report 01/01/1987 -																		
Date Range:	12/31/2011																		
Race Type:	All Races																		
Hosts:	All Hosts																		
Locations:	All Locations																		
Tracks:	All Tracks																		
Report By:	Location																		
Location Types: Ca	lifornia																		
Location	Handle	License	CHRB	F & E	City	Equine	Workers	Satellite	Expense Fund	Promotion	Chrims	Van	Proxy Fees	Track	Purses	SB1072	Owners	Breeders	To Out of
		Fee	Support		Тах		Comp	Location				Stable						Sires	State Tracks
			Fee																
Anderson	80,326,332	1,735,350	21,782	107,492	259,350	79,876	35,889	1,561,052	2,590,031	375,187	665	477,976	5	3,573,453	3,554,070	11,720	73,688	353,553	485,662
Bakersfield	332,889,862	7,195,451	80,071	286,427	1,078,953	324,000	144,536	6,521,346	11,585,888	1,898,923	3,119	1,870,351	27,400	14,786,473	14,721,231	46,641	253,305	1,432,857	1,560,638
Eureka	50,441,318	1,136,636	1,498	64,349	162,942	49,268	19,097	963,000	1,530,973	239,657	0	282,824	0	2,210,479	2,202,696	0	45,955	221,303	309,455
Ferndale	24,253,924	237,130	12,174	216,928	57,407	17,122	17,917	88,856	270,195	17,584	84	34,457	16	1,811,479	1,933,428	9,984	22,310	102,365	21,031
Fresno	538,571,201	11,525,428	119,225	1,627,752	1,750,322	468,796	207,180	8,371,971	14,577,681	2,180,333	2,722	2,092,976	19,666	27,777,158	28,296,042	71,522	464,513	2,248,679	1,919,004
Fresno Club One	57,316,755	536,659	42,092	40,307	187,477	57,332	62,799	1,139,563	2,208,314	230,978	1,612	422,308	11,622	2,887,194	2,897,736	23,633	34,404	287,018	593,630
Imperial	63 <i>,</i> 558	1,310	0	0	2	64	0	1,084	1,355	217	0	303	0	2,631	2,593	0	38	293	1,915
Lake Perris	427,495,310	8,809,745	280,714	299,350	1,392,429	427,509	349,298	8,443,556	12,964,749	2,143,619	6,266	2,969,499	32,690	20,302,762	20,177,793	126,913	325,512	2,051,114	2,747,504
Lakeport	100,835	1,281	0	33	0	101	0	1,737	2,522	347	0	608	0	4,258	4,304	0	61	462	2,680
Lancaster	449,439,696	10,276,825	287,994	284,420	1,469,915	449,030	302,550	8,907,423	14,124,713	2,793,460	6,872	3,177,612	51,612	20,600,824	20,448,357	117,243	330,302	2,070,048	2,524,441
Merced	131,242	1,623	0	41	0	131	0	2,309	3,535	462	0	808	0	5,700	5,721	0	81	611	3,377
Mobile Unit	2,578,629	81,157	0	2,675	2,952	2,518	0	50,882	73,558	19,517	0	17,032	0	92,785	90,371	0	2,414	9,890	4,888
Monterey	321,483,483	6,086,931	86,724	293,002	1,043,884	320,172	154,657	6,300,773	11,719,882	1,582,997	3,680	1,602,658	39,355	15,075,852	15,035,434	50,941	257,078	1,412,750	2,171,679
Paso Robles	790,507	16,733	0	108	176	791	0	14,170	17,078	3,045	0	4,087	0	34,178	33,705	0	535	3,652	18,335
Pleasanton	1,439,548,074	26,266,464	532,315	2,927,869	4,676,666	1,338,988	825,038	24,304,043	45,181,546	5,527,227	17,198	7,617,220	158,214	72,998,837	73,974,704	307,418	1,192,543	6,401,708	8,207,819
Pomona	1,715,548,666	38,591,766	1,259,981	4,527,320	5,612,065	1,511,154	1,220,104	25,793,425	39,541,328	6,195,668	27,963	9,659,712	215,284	93,034,165	94,470,984	518,753	1,449,127	7,788,438	8,650,237
Sacramento	1,324,635,197	23,159,271	357,089	1,862,194	2,312,092	1,212,454	704,952	20,763,303	38,722,144	4,802,672	11,743	5,873,365	71,154	71,752,423	71,419,207	183,177	900,007	7,183,355	6,833,502
San Bernardino	1,386,571,292	35,601,264	532,143	819,773	4,534,633	1,384,410	652,918	27,436,466	42,104,794	9,723,308	11,960	9,938,707	65,693	61,023,804	60,350,493	233,765	1,094,863	6,116,804	5,850,656
San Jose	1,100,491,878	18,574,360	418,399	1,063,714	3,580,078	1,097,416	650,709	21,638,622	41,552,108	5,066,391	16,574	6,029,697	207,780	52,105,055	52,182,653	242,133	849,580	4,966,150	7,703,544
San Mateo	256,109,303	837,529	908,765	217,438	840,638	256,111	472,980	5,165,625	9,929,623	954,813	33,624	2,563,299	271,320	12,819,269	12,867,715	528,458	152,083	1,360,120	3,437,649
Santa Barbara	305,518,466	8,556,013	17,756	273,058	495,865	295,272	103,208	6,028,195	8,689,892	1,980,057	0	1,925,164	1,101	13,325,353	13,090,997	0	264,746	1,315,830	1,330,918
Santa Maria	241,413,382	6,252,744	87,383	210,121	787,001	236,904	103,347	4,758,888	6,885,375	1,490,336	1,493	1,611,461	3,326	10,690,951	10,530,839	27,883	203,092	1,072,886	1,140,910
Santa Rosa	661,991,173	13,118,803	186,913	1,961,396	2,153,748	584,091	322,581	9,754,458	18,336,772	2,337,627	5,188	2,798,135	49,600	35,146,399	35,900,668	113,906	560,017	2,841,800	3,024,369
Shalimar (Indio)	296,321,883	7,984,659	107,392	162,512	967,720	295,810	134,188	5,844,043	8,452,383	2,119,676	2,263	2,214,636	1,905	12,914,178	12,730,672	54,849	243,544	1,301,389	1,276,367
Sonora	151,478	2,191	0	19	0	151	0	2,636	3,394	558	0	903	0	6,581	6,671	0	116	680	3,659
Stockton	745,344,897	14,059,003	215,688	1,347,579	2,425,929	695,804	392,985	13,406,071	24,846,497	3,124,640	7,767	3,664,931	89,256	36,579,378	36,825,755	122,654	602,297	3,270,737	4,146,346
Surfside Race Place		59,597,875	942,197	988,188	7,427,714	2,273,020	1,073,728	44,893,519	63,720,400	15,498,650	21,001	17,328,335	120,507	99,418,199	97,987,455	403,728	1,897,237	10,185,620	11,833,875
Tulare	125,718,798	2,593,228	40,135	148,980	405,778	125,313	56,532	2,447,118	4,211,680	601,268	1,348	784,119	2,193	5,593,650	5,569,079	24,303	109,921	556,833	778,061
Turlock	177,509,805	2,753,210	95,868	193,246	572,104	177,425	122,780	3,453,798	5,917,010	682,901	3,185	1,331,506	1,785	8,463,774	8,476,923	56,466	151,962	838,700	1,577,598
Vallejo	617,363,414	11,094,894	197,832	1,396,380	1,259,100	561,746	345,063	10,267,781	20,092,206	2,396,382	7,412	3,001,104	99,222	32,261,765	32,731,278	119,662	497,708	2,721,119	3,546,622
Ventura	1,040,507,473	25,678,695	522,770	739,757	3,396,556	1,039,373	529,195	20,559,521	30,709,799	6,600,249	11,347	7,522,199	46,630	47,117,735	46,548,065	205,571	848,722	4,694,887	5,577,424
Victorville	305,484,368	7,090,111	122,268	190,910	998,379	305,229	185,341	6,044,453	9,693,570	1,897,966	2,929	1,999,574	31,993	13,949,882	13,857,336	55,189	223,955	1,392,410	1,638,781
Yuba City	137,875	1,998	0	26	0	138	0	2,329	3,183	501	0	800	0	5,843	5,825	0	111	591	4,032
TOTALS	16,302,352,865	<mark>349,456,337</mark>	7,477,167	22,253,364	49,851,874	15,587,519	9,189,572	294,932,014	490,264,178	82,487,215	208,014	98,818,367	1,619,331	788,372,463	788,930,799	3,656,513	13,051,827	74,204,650	88,926,609

Calendar for year 2016 (United States)

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PREPARED BY: CALIFORNIA AUTHORITY OF RACING FAIRS CHRISTOPHER KORBY, EXECUTIVE DIRECTOR

RECRUITMENT • RETENTION • RECOGNITION

A program to recruit, retain and recognize horsemen on the Northern California racing circuit.





JANUARY 2014

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Christopher Korby - Executive Director California Authority of Racing Fairs

Larry Swartzlander - COO California Authority of Racing Fairs

Tom Doutrich - Racing Secretary California Authority of Racing Fairs

Victoria Layne - Paymaster of Purses California Authority of Racing Fairs



INTRODUCTION

▶ In 2001, CARF developed a program to actively recruit out-ofstate owners, trainers and horses to compete on the Northern California Summer Racing Circuit. The goal of the program was simple: increase the field size for summer racing in Northern California.

In order to accomplish this goal, CARF set three objectives for the initial program: 1) inform and educate horsemen in other jurisdictions about the benefits of racing in California, 2) retain horsemen who have elected to compete in Northern California in previous years, and 3) offer financial incentives to assist horsemen with the cost of shipping horses to Northern California.

The CARF recruitment program proved successful in bringing horsemen to California and increasing field size. From 2001 to 2012, the CARF recruitment program paid more than \$431,000 in shipping incentives to horses that made upwards of 3,700 starts.

The landscape of racing in California has changed dramatically since the recruitment program's inception in 2001. We're finding that retention and recognition of horsemen have become just as important as recruitment. Consequently, we're adjusting the incentives in our program so that the elements of *recruitment*, *retention* and *recognition* will each contribute to the program's primary objective: increase field size.

We're pleased to report that the changes to our program in 2013 were met with positive response from horsemen. Once again this year, the program proved itself to be a successful component of our summer racing in Northern California.

In closing, we want to express our sincere thanks to all the owners and trainers who participated in our meets this last year and extend a cordial invitation to join us again in 2014.

CHRISTOPHER KORBY EXECUTIVE DIRECTOR CALIFORNIA AUTHORITY OF RACING FAIRS

OUR STRATEGY

The 2013 CARF Recruitment Program was expanded to include recruitment, starter incentives and a VIP Horsemen's program.

RECRUITMENT OUT-OF-STATE SHIPPING INCENTIVES

CARF paid \$45,900 in relocation fees to 129 horses which made 282 starts on the 2013 Fair Circuit.

• Each spring since 2001, CARF has scheduled a series of out-of-state recruitment visits to personally meet one-on-one with horsemen in other jurisdictions and invite them to complete in Northern California for the summer.

To give extra meaning to our invitation and to financially assist horsemen who choose to ship to our circuit, CARF pays a \$300 Relocation Fee to the designated payee of any horse making its first start after shipping over 600 miles. A qualifying runner making its second start on the Fair Circuit will receive \$150.



CARF paid \$51,500 in trainer incentives to trainers who made 668

starts at Cal Expo, Stockton and

RETENTION STARTER INCENTIVES & FIELD SIZE

▶ In an effort to retain Northern California trainers, maximize field size and offset the cost of shipping outside of the Bay Area, CARF offered a \$1,000 incentive for trainers making 10 or more starts at select Fairs (Cal Expo, Stockton and Fresno). Trainers making 5-9 starts received a \$500 bonus. This program realized a 49% increase in the number of entries made by qualifying trainers and a 46% increase in the number of starts.

RECOGNITION HORSEMEN VIP PROGRAM

▶ The CARF VIP Horsemen's Program provides horsemen with a single set of parking and admission credentials for the CARF Fair Circuit. The VIP Horsemen database is also used to distribute a welcome packet of information prior to the Fairs and fuel cards that are redeemable through the Paymaster's office.



The CARF VIP Horsemen credentials simplify many of the logistical challenges horsemen face moving Fair to Fair.

Fresno.



2

PROGRAM BUDGET

• The CARF Recruitment Program is funded by allocations from member Fairs and from the California Marketing Committee (CMC).

In 2013, staff decided to forego the traditional outof-state recruitment trips, receptions and dinners in favor of a direct mail piece to our database of out-of-state horsemen developed over the past 12 years during trips to Arizona, Oregon, Idaho and Washington.

Funds that normally would have been allocated for recruitment trips were instead redirected to develop a new Starter Incentive Program. This program was developed to retain Northern California trainers and increase field size at Fairs that require horsemen to ship outside of the Bay Area.



EXPENSE TYPE	2013 COST
RECRUITMENT (600 or more miles)	
Recruitment - Travel & Receptions	0
Relocation Fees Paid	45,900
Out-of-State Trainer Incentives	6,000
Advertising - Out-of-State Recruitment	14,768
RETENTION & FIELD SIZE	
Starter Incentive (Cal Expo)	21,000
Starter Incentive (Stockton)	10,000
Starter Incentive (Fresno)	20,500
RECOGNITION - VIP PROGRAM	
Hard Costs (Badges & Parking Tags)	2,987
Fuel Cards	7,400
TOTAL 2013 RECRUITMENT PROGRAM	128,555

RECRUITMENT RESULTS

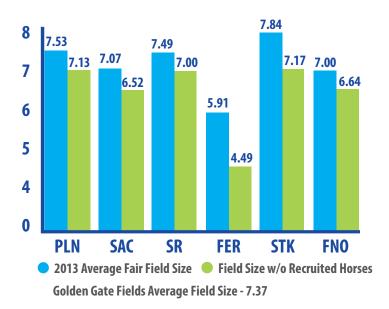
▶ The CARF Out-of-State Recruitment Program, administered by the California Authority of Racing Fairs staff, makes available \$300 to every horse that travels 600 miles or more to start on the Northern California Fair Circuit for its first start and \$150 for its second start (\$450 total). A runner making its first start at Ferndale receives \$150 for each of two starts, with another \$150 available if the horse starts again at Stockton and/or Fresno.

During recruiting efforts prior to our first meet, horsemen are notified of the program and invited to visit or call the paymaster when running an out-of-state horse. The paymaster maintains a ledger of eligible horses and verifies by past performances or Coggins test paperwork that the horse has traveled 600 miles or more to run on the Fairs. Payment is made by a transfer into the account of the owner or trainer of the horse.

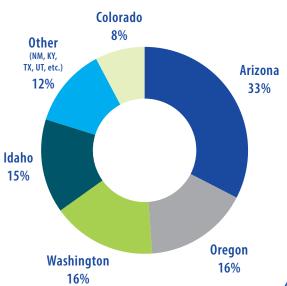


OUT-OF-STATE STARTS BY FAIR: Pleasanton - 46, Sacramento - 40, Santa Rosa - 56, Ferndale - 75, Stockton - 34, Fresno - 31

Impact of Recruited Horses on Field Size



Recruitment by State

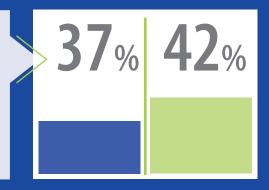


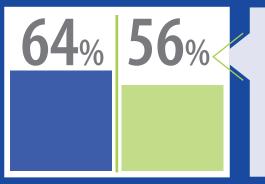
RETENTION RESULTS

In an effort to retain Northern California trainers, maximize field size and offset the cost of shipping outside of the Bay Area, CARF offered a \$1,000 incentive for trainers making 10 or more starts at select Fairs (Cal Expo, Stockton and Fresno). Trainers making 5-9 starts received a \$500 bonus. This program realized a 49% increase in the number of entries made by qualifying trainers and a 46% increase in the number of starts.

CAL EXPO - 34 TRAINERS QUALIFIED FOR THE STARTER INCENTIVE PROGRAM.

Entries by these trainers were up 37% (336 in 2012 compared to 460 in 2013) and starts were up 42% (183 in 2012 compared to 259 in 2013). Thoroughbred field size for the meet increased from 6.73 in 2012 to 7.24 in 2013.



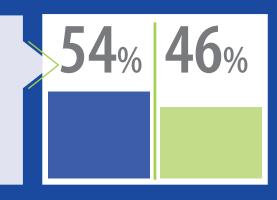


STOCKTON - 19 TRAINERS QUALIFIED FOR THE STARTER INCENTIVE PROGRAM.

With two days less racing, entries by these trainers were up 64% (140 in 2012 compared to 229 in 2013) and starts were up 56% (82 in 2012 compared to 128 in 2013). Thoroughbred field size for the meet increased from 6.92 in 2012 to 8.19 in 2013.

FRESNO - 32 TRAINERS QUALIFIED FOR THE STARTER INCENTIVE PROGRAM.

Entries by these trainers were up 54% (336 in 2012 compared to 518 in 2013) and starts were up 46% (192 in 2012 compared to 281 in 2013).



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RECOGNITION - VIP

hang on rearview mirror facing forward

FAIR CIRCU



ALAMEDA COUNTY FAIR (Pleasanton) From 680, take Bernal Exit East to Valley Avenue and enter Gate 12 on the right. Continue straight until the road dead-ends and park in either the VIP Lot or to the right in the Owner/Trainer Lot.

CALIFORNIA STATE FAIR (Sacramento) From Exposition Blvd., turn south on Ethan Way (at Chevron Station) to Cal Expo Gate 12 at the junction of Ethan Way and Hurley Way. Parking is available on a first come first served basis in Lot 17 across the back road from the south turn of the racetrack.

HUMBOLDT COUNTY FAIR (Ferndale) From Main Street, turn west onto Van Ness Street and enter the Horsemen's Gate on the left. Park near the Racing Office.

SAN JOAQUIN COUNTY FAIR (Stockton) Enter Gate 5 on Charter Ave (next to the Corp Yard). The Parking lot is next to the Jock's Room, south of the Grandstand. Racing Office parking is off Gate 2 on B Street.

BIG FRESNO FAIR (Fresno) Enter the Butler Avenue Gate at Maple Avenue. Park in the designated area on Butler Avenue near the Racing Office.



Thank you for racing at our Fairs





This badge grants special grounds access to VIP Horsemen Special accommodations and events will vary by location. Please refer to the brochure in your welcome packet or call for details.

> TOM DOUTRICH (415) 271-4613 LARRY SWARTZLANDER (916) 799-7084





• \$50 Starter Bonus for each start.

INCOMPTING ON THE 2013 NORTHERN INCOMPTING ON THE 2018 CUIT IONN STARTING CARF FAIR FOR STARTING CARF FAIR CALIFORNIA \$1,000 Bonus for Trainers making 10 starts during • Cal Expo, Stockton and Fresno. Trainers making 5

Out-of-State Horses - \$300 1st start, \$150 2nd Start (\$150/\$150 at Ferndale).

Call Tom Doutrich for details. (415) 271-4613

Transaction Type Report For Types: RE From 06/01/2013 To 01/15/2014 Jan 15,2014 10:29 AM CARF Facilities: CARF Page 1 of 4 Fac. Date From Account Name То Account Name **Amount Memo Relocation Costs** CRF 6/20/2013 30636 **Relocation Costs** 39904 Bobby L Pate 500.00 Per T. Doutrich CRF 6/20/2013 30636 39926 Stephen R. Koler 500.00 Per T. Doutrich **Relocation Costs** CRF 6/20/2013 30636 **Relocation Costs** 39927 Stephen C. Fisher 500.00 Per T. Doutrich Joe Lejzerowicz CRF 6/21/2013 30636 **Relocation Costs** 39962 300.00 Leona Pegasus 38992 CRF 6/21/2013 30636 **Relocation Costs** Ryan Kenney 300.00 Ruler's Peaches CRF 6/22/2013 30636 **Relocation Costs** 39904 Bobby L Pate 300.00 Diamond Touch Ronald D. Taylor-Williams CRF 6/22/2013 30636 **Relocation Costs** 39893 300.00 Lobo Del Desierto CRF 6/22/2013 30636 **Relocation Costs** 39927 Stephen C. Fisher 300.00 American Council W. R. Whitehouse CRF 6/23/2013 30636 **Relocation Costs** 37206 300.00 Dontwiseupadummy W. R. Whitehouse CRF 6/23/2013 30636 **Relocation Costs** 37206 300.00 Le' Heat CRF 6/24/2013 30636 Relocation Costs 39927 Stephen C. Fisher 300.00 Stopin Memo CRF 6/24/2013 30636 **Relocation Costs** 39927 Stephen C. Fisher 300.00 Gold Boom CRF 6/24/2013 30636 **Relocation Costs** 39927 Stephen C. Fisher 300.00 Solar Tex 6/24/2013 30636 W. R. Whitehouse CRF **Relocation Costs** 37206 300.00 Bam Zoom CRF 6/27/2013 30636 **Relocation Costs** 33235 Mike D Thomas 300.00 Shanghai Voyage CRF 6/28/2013 30636 **Relocation Costs** 39970 Donna Duarte 300.00 Raise Again 6/29/2013 30636 CRF **Relocation Costs** 10150 Allen J. Aldrich 300.00 Tiger Cat CRF 6/29/2013 30636 **Relocation Costs** Dan Morgan 300.00 Kisses for Kate 37191 CRF 6/29/2013 30636 **Relocation Costs** 39904 Bobby L Pate 300.00 Gone Digital **Relocation Costs** CRF 6/29/2013 30636 Dan Morgan 37191 300.00 Your Special Day CRF 6/30/2013 30636 **Relocation Costs** 39927 Stephen C. Fisher 300.00 Willapa CRF 6/30/2013 30636 **Relocation Costs** 39983 Jack Zaborac 300.00 Skye Memo CRF 6/30/2013 30636 **Relocation Costs** 39983 Jack Zaborac 300.00 Flying Jack CRF 6/30/2013 30636 **Relocation Costs** 40060 Gloria Ballestrasse or Terry 300.00 Decisive Fact Morris 7/4/2013 **Relocation Costs** CRF 30636 39927 Stephen C. Fisher 300.00 I.B. Dreamin' CRF 7/5/2013 30636 **Ruby Thomas** Relocation Costs 28358 300.00 Buck's Dance CRF 7/6/2013 30636 **Relocation Costs** 40028 Abel Bora 300.00 Hitdamark CRF 7/6/2013 30636 **Relocation Costs** 39983 Jack Zaborac 300.00 Penngrove 7/12/2013 30636 **Rockingham Ranch** 500.00 Per T. Doutrich CRF **Relocation Costs** 40136 CRF 7/13/2013 30636 **Relocation Costs** 10150 Allen J. Aldrich 150.00 Tiger Cat CRF 7/13/2013 30636 **Relocation Costs** 40102 A & D Racing Stable 300.00 Per T. Doutrich CRF 7/13/2013 30636 **Relocation Costs** 40102 A & D Racing Stable 300.00 Latin Coffee CRF A & D Racing Stable 300.00 Play N Win 7/13/2013 30636 Relocation Costs 40102 CRF 7/13/2013 30636 **Relocation Costs** 40102 A & D Racing Stable 300.00 Rondo Hondo CRF 7/13/2013 30636 **Relocation Costs** 35449 Sam A Vasquez 300.00 By Golly Its Hot CRF 7/13/2013 30636 **Relocation Costs** 35449 Sam A Vasquez 300.00 Mufv It On Over 7/13/2013 30636 **Relocation Costs** 35449 Sam A Vasquez CRF 300.00 Lenas Hot Philly CRF 7/13/2013 30636 **Relocation Costs** 35449 Sam A Vasquez 150.00 Lenas Hot Philly CRF 7/13/2013 30636 **Relocation Costs** 35449 Sam A Vasquez 150.00 Mufv It On Over 7/13/2013 30636 **Relocation Costs** Sam A Vasquez 300.00 Sammy V CRF 35449 CRF 7/13/2013 30636 Relocation Costs 35449 Sam A Vasquez 300.00 Gollv Bret CRF 7/13/2013 30636 **Relocation Costs** 35449 Sam A Vasquez 300.00 My Vaz Is Hot CRF 7/13/2013 30636 **Relocation Costs** 35449 Sam A Vasquez 300.00 Laurie Lu 7/13/2013 30636 39927 Stephen C. Fisher 150.00 Gold Boom CRF **Relocation Costs** CRF 7/13/2013 30636 **Relocation Costs** 38992 Ryan Kenney 150.00 Ruler's Peaches CRF 7/13/2013 30636 **Relocation Costs** 37206 W. R. Whitehouse 300.00 Given Episode CRF 7/13/2013 30636 Relocation Costs 39983 Jack Zaborac 150.00 Flying Jack 7/14/2013 30636 CRF **Relocation Costs** 36832 Charles E Hiatt 300.00 Cause Hesa Pistol 7/14/2013 30636 W. R. Whitehouse CRF **Relocation Costs** 37206 300.00 Lady Roll On CRF 7/14/2013 30636 **Relocation Costs** 39927 Stephen C. Fisher 150.00 Stopin Memo CRF 7/14/2013 30636 **Relocation Costs** 37191 Dan Morgan 150.00 Your Special Day 7/15/2013 30636 **Relocation Costs** 39927 Stephen C. Fisher 300.00 Overtime Victory CRF CRF 7/15/2013 30636 **Relocation Costs** 39927 Stephen C. Fisher 150.00 Solar Tex CRF 7/15/2013 30636 **Relocation Costs** 36832 Charles E Hiatt 300.00 Imfixintowin CRF 7/15/2013 30636 39904 Bobby L Pate Relocation Costs 150.00 Diamond Touch CRF 7/15/2013 30636 Relocation Costs 37150 Terri Eaton 300.00 Last Draw CRF 7/15/2013 30636 **Relocation Costs** 37150 Terri Eaton 150.00 Last Draw CRF 7/15/2013 30636 **Relocation Costs** 37150 Terri Eaton 300.00 Millennium Brew

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7/15/2013 30636

Relocation Costs

37150

Terri Eaton

150.00 Millennium Brew

CRF

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Fac.	Date	From	Account Name	То	Account Name	Page 2 of Amount Memo
- rac.		FIOIN		10		Amount Memo
CRF	7/15/2013		Relocation Costs	37150	Terri Eaton	300.00 Tyme Champ
CRF	7/15/2013		Relocation Costs	37150	Terri Eaton	300.00 Palisades Dawn
CRF	7/15/2013		Relocation Costs	37150	Terri Eaton	300.00 Idoitmyway Baby
CRF	7/17/2013		Relocation Costs	38070	Humberto P. Loma	300.00 Per T. Doutrich
CRF	7/18/2013		Relocation Costs	37206	W. R. Whitehouse	150.00 Le' Heat
CRF	7/18/2013		Relocation Costs	37206	W. R. Whitehouse	150.00 Bam Zoom
CRF	7/18/2013		Relocation Costs	40060	Gloria Ballestrasse or Terry Morris	150.00 Decisive Fact
CRF	7/18/2013		Relocation Costs	40102	A & D Racing Stable	300.00 Our Magic Couple
CRF	7/18/2013		Relocation Costs	37206	W. R. Whitehouse	300.00 Rulloke
CRF	7/18/2013		Relocation Costs	37206	W. R. Whitehouse	300.00 Steam Fitter
CRF	7/18/2013		Relocation Costs	37150	Terri Eaton	150.00 Tyme Champ
CRF CRF	7/20/2013 7/20/2013		Relocation Costs Relocation Costs	37206	W. R. Whitehouse	300.00 Raggin Wood
CRF	7/20/2013		Relocation Costs	37196 37196	Helen Shelley Helen Shelley	300.00 Ayers 150.00 Ayers
CRF	7/21/2013		Relocation Costs	33235	Mike D Thomas	150.00 Ayers 150.00 Shanghai Voyage
CRF	7/21/2013		Relocation Costs	35449	Sam A Vasquez	150.00 Laurie Lu
CRF	7/21/2013		Relocation Costs	39927	Stephen C. Fisher	150.00 Overtime Victory
CRF	7/21/2013		Relocation Costs	39904	Bobby L Pate	150.00 Gone Digital
CRF	7/21/2013		Relocation Costs	40102	A & D Racing Stable	300.00 Maria Lake
CRF	7/21/2013		Relocation Costs	28358	Ruby Thomas	150.00 Buck's Dance
CRF	7/21/2013		Relocation Costs	39012	Paul A. Treasure	300.00 Paris in April
CRF	7/22/2013		Relocation Costs	30072	Nancy Klapatch	300.00 Focus Now
CRF	7/22/2013	30636	Relocation Costs	31305	Nancy Klapatch (lessee)	300.00 Old Standard
CRF	7/22/2013	30636	Relocation Costs	35449	Sam A Vasquez	150.00 By Golly Its Hot
CRF	7/22/2013	30636	Relocation Costs	39983	Jack Zaborac	150.00 Skye Memo
CRF	7/22/2013	30636	Relocation Costs	39927	Stephen C. Fisher	150.00 American Council
CRF	7/27/2013	30636	Relocation Costs	37150	Terri Eaton	150.00 Palisades Dawn
CRF	7/27/2013		Relocation Costs	37150	Terri Eaton	150.00 Idoitmyway Baby
CRF	7/27/2013		Relocation Costs	37206	W. R. Whitehouse	300.00 Gannicus
CRF	7/28/2013		Relocation Costs	36832	Charles E Hiatt	150.00 Imfixintowin
CRF	7/28/2013		Relocation Costs	39927	Stephen C. Fisher	150.00 Willapa
CRF	7/28/2013		Relocation Costs	36832	Charles E Hiatt	300.00 Snow Glo
CRF	7/28/2013		Relocation Costs	40246	Tim McCanna or Ray McCanna	300.00 Our Man Clint
CRF CRF	7/29/2013 7/31/2013		Relocation Costs Relocation Costs	37326	Denise Gero	300.00 Littleman John
CRF	7/31/2013	30636 30636	Relocation Costs	40102 40102	A & D Racing Stable A & D Racing Stable	150.00 Latin Coffee 150.00 Rondo Hondo
CRF	8/2/2013	30636	Relocation Costs	37191	Dan Morgan	150.00 Kisses for Kate
CRF	8/3/2013	30636	Relocation Costs	31305	Nancy Klapatch (lessee)	150.00 Old Standard
CRF	8/3/2013	30636	Relocation Costs	30072	Nancy Klapatch	150.00 Focus Now
CRF	8/7/2013	30636	Relocation Costs	40028	Abel Borg	300.00 My Kaliber
CRF	8/7/2013	30636	Relocation Costs	40028	Abel Borg	300.00 Shahwaali
CRF	8/7/2013	30636	Relocation Costs	37206	W. R. Whitehouse	150.00 Rulloke
CRF	8/7/2013	30636	Relocation Costs	37206	W. R. Whitehouse	150.00 Steam Fitter
CRF	8/7/2013	30636	Relocation Costs	37206	W. R. Whitehouse	300.00 Rhythm in May
CRF	8/7/2013	30636	Relocation Costs	39537	Gary C. Hughes	300.00 Atta Boy Lucky
CRF	8/8/2013	30636	Relocation Costs	39926	Stephen R. Koler	300.00 Step Aside Clyde
CRF	8/10/2013	30636	Relocation Costs	37326	Denise Gero	300.00 Alabama Boy
CRF	8/10/2013	30636	Relocation Costs	38434	Dean M. Mazzuca	300.00 Hardbody
CRF	8/10/2013	30636	Relocation Costs	39927	Stephen C. Fisher	300.00 Tizguinness
CRF	8/12/2013	30636	Relocation Costs	35449	Sam A Vasquez	150.00 My Vaz Is Hot
CRF	8/13/2013	30636	Relocation Costs	40102	A & D Racing Stable	150.00 Our Magic Couple
CRF	8/14/2013		Relocation Costs	37152	Edward R. Freeman	500.00 Per T. Doutrich
CRF	8/14/2013		Relocation Costs	38532	Margie Cantrell	300.00 Per T. Doutrich
CRF	8/14/2013		Relocation Costs	38156	Leonard A. Espinoza	300.00 Per T. Doutrich
CRF	8/14/2013		Relocation Costs	37070	Sally P Rivera	300.00 Per T. Doutrich
CRF	8/15/2013		Relocation Costs	38532	Margie Cantrell	150.00 Imasassytwo
CRF	8/15/2013		Relocation Costs	37326	Denise Gero	150.00 Kawani Run
CRF	8/15/2013		Relocation Costs	37326	Denise Gero	150.00 Lerret Star
CRF	8/17/2013		Relocation Costs	37206	W. R. Whitehouse	150.00 Casual Encounter
CRF	8/17/2013		Relocation Costs	28358	Ruby Thomas	150.00 Virginia Way
CRF	8/17/2013	30636	Relocation Costs	37326	Denise Gero	150.00 Littleman John

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CAR	F				es: CARF	Jan 15,2014 10:29 AM Page 3 of 4
Fac.	Date	From	Account Name	То	Account Name	Amount Memo
1 40.		-				
CRF	8/18/2013		Relocation Costs	40147	Ken Nolan	150.00 Salsa Boy
CRF	8/18/2013		Relocation Costs	40147	Ken Nolan	150.00 Stroll for Us
CRF	8/18/2013		Relocation Costs	38532	Margie Cantrell	150.00 Colorful Tune
CRF CRF	8/18/2013 8/18/2013		Relocation Costs Relocation Costs	38532 37890	Margie Cantrell	150.00 Run to Ground 150.00 Wisest Cat
CRF	8/18/2013		Relocation Costs	37890	Matties Racing Stable LLC Matties Racing Stable LLC	150.00 Mansion Mayhem
CRF	8/18/2013		Relocation Costs	29501	Sandy Hanna	300.00 Merry Moon
CRF	8/18/2013		Relocation Costs	29501	Sandy Hanna	300.00 I'll Try
CRF	8/18/2013		Relocation Costs	29501	Sandy Hanna	150.00 I'll Try
CRF	8/18/2013		Relocation Costs	37206	W. R. Whitehouse	150.00 Raggin Wood
CRF	8/18/2013	30636	Relocation Costs	37206	W. R. Whitehouse	150.00 Rhythm in May
CRF	8/18/2013	30636	Relocation Costs	37326	Denise Gero	150.00 Alabama Boy
CRF	8/18/2013		Relocation Costs	38532	Margie Cantrell	150.00 Color Me Tuff
CRF	8/18/2013		Relocation Costs	38532	Margie Cantrell	150.00 Imasassytwo
CRF	8/18/2013		Relocation Costs	38532	Margie Cantrell	150.00 Easy Six
CRF	8/18/2013		Relocation Costs	38532	Margie Cantrell	150.00 Captain Gavel
CRF	8/18/2013		Relocation Costs	38532	Margie Cantrell	150.00 Anisazi Maiden
CRF CRF	8/18/2013 8/18/2013		Relocation Costs Relocation Costs	38532 38532	Margie Cantrell	150.00 Whiskey Talks 150.00 Phaedra's Song
CRF	8/18/2013		Relocation Costs	37890	Margie Cantrell Matties Racing Stable LLC	150.00 R J's Prospect
CRF	8/18/2013		Relocation Costs	40147	Ken Nolan	150.00 Back of the Bus
CRF	8/18/2013		Relocation Costs	40147	Ken Nolan	150.00 Pete's Black Gold
CRF	8/18/2013		Relocation Costs	40147	Ken Nolan	150.00 Ben's Starry Night
CRF	8/22/2013		Relocation Costs	37206	W. R. Whitehouse	150.00 Gannicus
CRF	8/22/2013	30636	Relocation Costs	38532	Margie Cantrell	150.00 Shame On Rosie
CRF	8/22/2013	30636	Relocation Costs	38532	Margie Cantrell	150.00 Chocolate Starr
CRF	8/22/2013	30636	Relocation Costs	38156	Leonard A. Espinoza	150.00 Global Court
CRF	8/24/2013		Relocation Costs	40028	Abel Borg	150.00 Shahwaali
CRF	8/24/2013		Relocation Costs	40028	Abel Borg	150.00 My Kaliber
CRF	8/24/2013		Relocation Costs	38532	Margie Cantrell	150.00 Captain Gavel
CRF	8/24/2013		Relocation Costs	38532	Margie Cantrell	150.00 Phaedra's Song
CRF CRF	8/24/2013 8/24/2013	30636	Relocation Costs Relocation Costs	40114 38532	Mark K. Powell Margie Cantrell	300.00 So Big Is Better 150.00 Low Expectations
CRF	8/24/2013		Relocation Costs	38532	Margie Cantrell	150.00 Diamonds Suzie Q.
CRF	8/24/2013		Relocation Costs	40147	Ken Nolan	150.00 Salsa Boy
CRF	8/24/2013	30636	Relocation Costs	40147	Ken Nolan	150.00 Fighting City Hall
CRF	8/24/2013		Relocation Costs	38532	Margie Cantrell	150.00 Early Habit
CRF	8/24/2013	30636	Relocation Costs	38532	Margie Cantrell	150.00 Colorful Tune
CRF	8/24/2013	30636	Relocation Costs	38532	Margie Cantrell	150.00 Run to Ground
CRF	8/24/2013	30636	Relocation Costs	37890	Matties Racing Stable LLC	150.00 Mansion Mayhem
CRF	8/25/2013		Relocation Costs	38532	Margie Cantrell	150.00 Easy Six
CRF	8/25/2013		Relocation Costs	38532	Margie Cantrell	150.00 Shame On Rosie
CRF	8/25/2013		Relocation Costs	38532	Margie Cantrell	150.00 Anasazi Maiden
CRF	8/25/2013		Relocation Costs	38532	Margie Cantrell	150.00 Color Me Tuff
CRF CRF	8/25/2013		Relocation Costs	40114 40147	Mark K. Powell Ken Nolan	150.00 So Big Is Better
CRF	8/25/2013 8/25/2013		Relocation Costs Relocation Costs	40147	Ken Nolan	150.00 Broulee Beach 150.00 Ben's Starry Night
CRF	8/25/2013		Relocation Costs	37890	Matties Racing Stable LLC	150.00 Wisest Cat
CRF	8/25/2013	30636	Relocation Costs	37206	W. R. Whitehouse	300.00 Per T. Doutrich
CRF	9/6/2013	30636	Relocation Costs	37821	Gary D. Greiner	150.00 Tribal Money
CRF	9/6/2013	30636	Relocation Costs	37821	Gary D. Greiner	150.00 Bluegrass Chapp
CRF	9/6/2013	30636	Relocation Costs	37821	Gary D. Greiner	150.00 Tudor Blue
CRF	9/21/2013	30636	Relocation Costs	40084	James O. Meredith	150.00 Luv's a Courting
CRF	9/21/2013	30636	Relocation Costs	39708	Eugene Burns	300.00 Per T. Doutrich
CRF	9/21/2013		Relocation Costs	40028	Abel Borg	300.00 Aimee Oakley Pw
CRF	9/21/2013		Relocation Costs	40028	Abel Borg	300.00 Nivours Romance
CRF	9/21/2013		Relocation Costs	28358	Ruby Thomas	300.00 Virginia Way
CRF	9/22/2013		Relocation Costs	38532	Margie Cantrell	150.00 Anasazi Maiden
CRF	9/22/2013		Relocation Costs	39927	Stephen C. Fisher	150.00 Tizguinness 200.00 Livin' Lovin' Man
CRF CRF	9/22/2013 9/26/2013		Relocation Costs Relocation Costs	37206 40325	W. R. Whitehouse Ken M. Danyluk	300.00 Livin' Lovin' Man 300.00 Viraka
CRF	9/26/2013		Relocation Costs	40325	Ken M. Danyluk	300.00 Viraka 300.00 T M Burning Bridges
OIN .	9/20/2013	50000		40020	ten m. Dunyian	occ.co i m burning bildges

Transaction Type Report For Types: RE From 06/01/2013 To 01/15/2014 Facilities: CARF

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Fac.	Date	From	Account Name	То	Account Name	Amount Memo
CRF	9/26/2013	30636	Relocation Costs	40325	Ken M. Danyluk	300.00 Tm Maddamee
CRF	9/27/2013	30636	Relocation Costs	38532	Margie Cantrell	150.00 Captain Gavel
CRF	9/29/2013	30636	Relocation Costs	39708	Eugene Burns	300.00 Cause Ur a Ten
CRF	9/29/2013	30636	Relocation Costs	39708	Eugene Burns	300.00 Lulita
CRF	9/29/2013		Relocation Costs	39708	Eugene Burns	300.00 Sought for Speed
CRF	9/29/2013	30636	Relocation Costs	40084	James O. Meredith	300.00 Dennika
CRF	9/29/2013	30636	Relocation Costs	39708	Eugene Burns	300.00 Callthenoise Ariah
CRF	9/29/2013	30636	Relocation Costs	40028	Abel Borg	300.00 Tru Kaolina
CRF			Relocation Costs	37206	W. R. Whitehouse	150.00 Given Episode
CRF	10/3/2013	30636	Relocation Costs	40028	Abel Borg	150.00 Nivours Roman
CRF	10/3/2013	30636	Relocation Costs	40028	Abel Borg	150.00 Aimee Oakley Pw
CRF			Relocation Costs	30831	David J. Payne	300.00 Luando
CRF	10/5/2013	30636	Relocation Costs	10686	Mr. or Mrs. John F. De Meo	300.00 No Team Spirit
CRF	10/5/2013	30636	Relocation Costs	31550	Art Suitter or Betty Suitter	300.00 Giant Ego
CRF	10/5/2013	30636	Relocation Costs	38070	Humberto P. Loma	300.00 Per T. Doutrich
CRF	10/6/2013	30636	Relocation Costs	36507	Morris F. Parker (lessee)	300.00 Oman Whata Kiss
CRF	10/6/2013	30636	Relocation Costs	36507	Morris F. Parker (lessee)	150.00 Oman Whata Kiss
CRF	10/10/2013	30636	Relocation Costs	35571	Bryce Gale	300.00 Marv
CRF	10/10/2013	30636	Relocation Costs	31655	Tim McCanna	300.00 Corduroy
CRF	10/10/2013	30636	Relocation Costs	31655	Tim McCanna	300.00 Pete's Slew
CRF	10/10/2013	30636	Relocation Costs	37760	Luigi Di Pietro	300.00 Femmina Pesante
CRF	10/11/2013	30636	Relocation Costs	39708	Eugene Burns	150.00 Cause Ur a Ten
CRF	10/11/2013	30636	Relocation Costs	40048	Dave Kasparian	300.00 Per T. Doutrich
CRF	10/11/2013	30636	Relocation Costs	31450	Bob W. Grayson	500.00 Per T. Doutrich
CRF	10/12/2013		Relocation Costs	39708	Eugene Burns	150.00 Callthenoise Ariah
CRF	10/12/2013	30636	Relocation Costs	39865	Pat LePley	300.00 Business Venture
CRF	10/12/2013	30636	Relocation Costs	10686	Mr. or Mrs. John F. De Meo	150.00 No Team Spirit
CRF	10/12/2013	30636	Relocation Costs	38004	Hector Jesus Sanchez	300.00 Per T. Doutrich
CRF	10/13/2013	30636	Relocation Costs	39986	Queen Bee Racing, LLC	300.00 Primal Desire
CRF	10/13/2013	30636	Relocation Costs	39986	Queen Bee Racing, LLC	150.00 Primal Desire
CRF	10/13/2013	30636	Relocation Costs	39708	Eugene Burns	150.00 Sought for Speed
CRF	10/13/2013	30636	Relocation Costs	35571	Bryce Gale	300.00 Our Smokin Hero
CRF	10/13/2013	30636	Relocation Costs	36941	Dr. James McEnroe	300.00 Eyes a Optimism
CRF	10/14/2013	30636	Relocation Costs	39708	Eugene Burns	150.00 Lulita
CRF	10/14/2013	30636	Relocation Costs	31977	David Wolochuk	300.00 Delighted Disciple
CRF	10/14/2013	30636	Relocation Costs	38763	Victor Bahna Jr	300.00 Impressa Vanessa
CRF	10/16/2013	30636	Relocation Costs	35571	Bryce Gale	300.00 Own It
CRF	1/15/2014	30636	Relocation Costs	40028	Abel Borg	150.00 Hitdamark
CRF	1/15/2014	30636	Relocation Costs	39927	Stephen C. Fisher	150.00 I.B. Dreamin
CRF	1/15/2014	30636	Relocation Costs	37206	W. R. Whitehouse	150.00 Lady Roll On
CRF	1/15/2014	30636	Relocation Costs	37206	W. R. Whitehouse	300.00 Casual Encounter
CRF	1/15/2014	30636	Relocation Costs	39537	Gary C. Hughes	150.00 Atta Boy Lucky

51,900.00

Grand Total

51,900.00

	2012	2013	%	2012	2013	%	
Horseman	Entries	Entries	Change	Starts	Starts	Change	Paid
Hollendorfer, Jerry	22	25	14%	9	15	67%	\$1,000.00
Jauregui, O.J.	15	32	113%	8	13	63%	\$1,000.00
Howey, Quinn	0	18	NA	0	12	NA	\$1,000.00
Lenzini, Michael	14	14	0%	9	11	22%	\$1,000.00
Moger, Ed Jr.	19	25	32%	8	11	38%	\$1,000.00
Morey, William E.	14	18	29%	8	11	38%	\$1,000.00
Sherman, Steve M.	29	25	-14%	18	11	-39%	\$1,000.00
Matos, Gill	18	14	-22%	10	10	0%	\$1,000.00
Nolan, William J.	15	12	-20%	8	9	13%	\$500.00
Amescua, Rene	7	12	71%	6	8	33%	\$500.00
Bellasis, Tim	8	13	63%	5	8	60%	\$500.00
Ledezma, Sergio	9	13	44%	6	8	33%	\$500.00
Martin, John F.	18	18	0%	9	8	-11%	\$500,00
Mathis, Andy	14	11	-21%	9	8	-11%	\$500.00
Whitehouse, W.R.	11	17	55%	7	8	14%	\$500.00
Eaton, Terri	27	15	-44%	12	7	-42%	\$500.00
Bonde, Jeff	6	8	33%	3	6	100%	\$500.00
Dillenbeck, Bruce	9	12	33%	3	6	100%	\$500.00
Kenney, Ryan	5	10	100%	5	6	20%	\$500.00
McCanna, Tim	6	14	133%	5	6	20%	\$500.00
Miranda, Efrain	2	11	450%	2	6	200%	\$500.00
Naranjo, Salvador	9	9	0%	5	6	20%	\$500.00
Paldanius, Sheldon W.	0	10	NA	0	6	NA	\$500.00
Paszkeicz, Alex	0	16	NA	0	6	NA	\$500.00
Preciado, Guillermo	4	9	125%	3	6	100%	\$500.00
Thomas, Jamey R.	11	7	-36%	5	6	20%	\$500.00
Trujillo, Victor M.	7	7	0%	5	6	20%	\$500.00
Fisher, Steve	0	7	NA	0	5	NA	\$500.00
Henderson, Frances	8	13	63%	2	5	150%	\$500.00
January, Elmer	5	8	60%	4	5	25%	\$500.00
McLean, Bill	10	11	10%	2	5	150%	\$500.00
Miyadi, Steven	11	14	27%	4	5	25%	\$500.00
Raymond, Dale T.	2	5	150%	2	5	150%	\$500.00
Rogers, Allen E.	1	7	600%	1	5	400%	\$500.00
Total	336	460	37%	183	259	42%	\$21,000.00

Trainer Start Incentive - Cal-Expo 2013 (8 days of racing)

	2012	2013	%	2012	2013	%	
Horseman	Entries	Entries	Change	Starts	Starts	Change	Paid
Preciado, Guillermo	6	17	183%	4	12	200%	\$1,000.00
Eaton, Terri	13	23	77%	10	9	-10%	\$500.00
Bellasis, Tim	8	13	63%	8	8	0%	\$500.00
January, Elmer	17	15	-12%	11	8	-27%	\$500.00
Lenzini, Michael	9	12	33%	2	8	300%	\$500.00
Morey, William E.	11	18	64%	8	8	0%	\$500.00
Jauregui, O.J.	3	10	233%	2	7	250%	\$500.00
Sherman, Steve M.	20	13	-35%	9	7	-22%	\$500.00
Vallejo, Genaro	8	11	38%	5	7	40%	\$500.00
Josephson, Jedd B.	3	10	233%	3	6	100%	\$500.00
Matos, Gill	10	10	0%	5	6	20%	\$500.00
Nolan, William J.	5	10	100%	2	6	200%	\$500.00
Whitehouse, W.R.	0	12	NA	0	6	NA	\$500.00
Delia, William	4	13	225%	4	5	25%	\$500.00
Howey, Quinn	0	8	NA	0	5	NA	\$500.00
McCanna, Tim	6	8	33%	1	5	400%	\$500.00
Raymond, Dale T.	0	7	NA	0	5	NA	\$500.00
Rogers, Allen E.	3	11	267%	2	5	150%	\$500.00
Trujillo, Victor M.	14	8	-43%	6	5	-17%	\$500.00
Total	140	229	64%	82	128	56%	\$10,000.00

Trainer Start Incentive - Stockton 2013 (6 days of racing)

Trainer Start Incentive - Fresno 2013 (9 days of racing)

Horseman	2012 Entries	2013 Entries	% Change	2012 Starts	2013 Starts	% Change	Paid
Martin, John F.	32	58	81%	12	28	133%	\$1,000.00
Amescua, Rene	45	29	-36%	24	15	-38%	\$1,000.00
Jauregui, O.J.	21	29	38%	12	14	17%	\$1,000.00
Vallejo, Genaro	15	26	73%	11	13	18%	\$1,000.00
Greiner, Gary	6	20	233%	3	11	267%	\$1,000.00
January, Elmer	26	20	-23%	15	11	-27%	\$1,000.00
Lenzini, Michael	7	22	214%	5	11	120%	\$1,000.00
Loma, Humburto P.	8	28	250%	4	11	175%	\$1,000.00
Howey, Quinn	0	26	NA	0	10	NA	\$1,000.00
McCanna, Tim	16	26	63%	10	9	-10%	\$500.00
Naranjo, Salvador	13	11	-15%	8	9	13%	\$500.00
Paldanius, Sheldon W.	8	17	113%	5	9	80%	\$500.00
Winick, Debbie	3	14	367%	3	9	200%	\$500.00
Kenney, Ryan	6	12	100%	6	8	33%	\$500.00
Nolan, William J.	7	13	86%	4	8	100%	\$500.00
Preciado, Guillermo	8	10	25%	4	8	100%	\$500.00
Diaz, Antonio L.	2	17	750%	2	7	250%	\$500.00
Eaton, Terri	13	9	-31%	10	7	-30%	\$500.00
Hollendorfer, Jerry	10	11	10%	4	7	75%	\$500.00
Paszkeicz, Alex	8	10	25%	2	7	250%	\$500.00
Thomas, Jamey R.	2	12	500%	2	7	250%	\$500.00
Frujillo, Victor M.	6	13	117%	3	7	133%	\$500.00
Bonde, Jeff	19	9	-53%	10	6	-40%	\$500.00
DeZotell, Lisa	2	10	400%	1	6	500%	\$500.00
Grayson, Bobby Wayne	11	10	-9%	8	6	-25%	\$500.00
Ledezma, Sergio	15	12	-20%	8	6	-25%	\$500.00
Rogers, Allen E.	7	6	-14%	4	6	50%	\$500.00
DiLaura, Sam	4	9	125%	2	5	150%	\$500.00
Gomez, Ruben	4	6	50%	2	5	150%	\$500.00
Miranda, Efrain	8	8	0%	5	5	0%	\$500.00
Raymond, Dale T.	4	6	50%	3	5	67%	\$500.00
Sanchez, Hector J.	0	9	NA	0	5	NA	\$500.00
Total	336	518	54%	192	281	46%	\$20,500.00

Results of CARF Program to Increase Field Size

The Fair Out-of-State Recruitment Program, administered by the California Authority of Racing Fairs, pays \$300 to every horse that travels 600 or more miles to start on the Northern California Fair Circuit for its first start and an additional \$150 for its second start (\$450 total). A runner making its first start at Ferndale receives \$150 for each of two starts, with another \$150 available if the horse starts again at Stockton and/or Fresno.

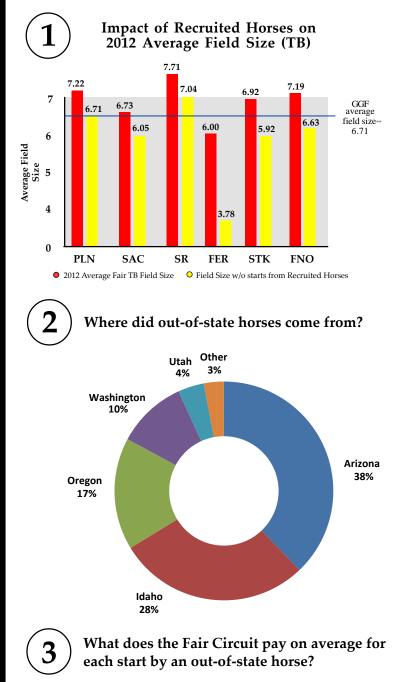
- 2012 Total TB Recruitment Costs \$66,411.71 2012 Recruitment at Tracks - \$13,711.71 2012 TB Relocation Fees Paid - \$50,700.00 2012 Trainer Incentives - \$2,000.00 Number of Horses Paid - 149 Number of TB Starts - 338 Percentage of Total Horse Population - 11%
- Number of Starts by Recruited TB Horses, by Fair:

Pleasanton - 49 (75% increase from 2011) Sacramento - 38 Santa Rosa - 72 (9% increase from 2011) Ferndale - 93 Stockton - 50 Fresno - 36

- Number of TB Starts by State Recruited From: Arizona - 128 (71% increase from 2011) Idaho - 96 Oregon - 56 Washington - 35 Utah - 13 New Mexico - 7 Nevada - 3
- Leading Trainers of Recruited Horses (by starts): Don Roberson Eugene Burns W.R. Whitehouse Tim McCanna Paul Treasure Kenneth McReynolds

Phil Oviedo Mike Chambers

- 2012 Emerging Breed Relocation Fees \$4,500 (42 starts) ** During Period 12/26/2011-6/18/2012
- *** Cost of Recruitment at Tracks and TB Relocation Fees divided by number of Thoroughbred Starts.



\$196 per starter***

Increased field size is the single largest contributor to increasing ontrack and simulcast handle.

1. Statistics from CHRIMS Runners Report & CARF Out-of-State Starts.

2. Statistics from CARF Paymaster Reports & CFSA Relocation Costs.

Results of CARF Program to Increase Field Size

The Fair Out-of-State Recruitment Program, administered by the California Authority of Racing Fairs, pays \$300 to every horse that travels 600 or more miles to start on the Northern California Fair Circuit for its first start and an additional \$150 for its second start (\$450 total). A runner making its first start at Ferndale receives \$150 for each of two starts, with another \$150 available if the horse starts again at Fresno.

• 2011 Total Recruitment Costs - \$83,110.47 2011 Recruitment at Tracks - \$17,410.47 2011 TB Relocation Fees Paid - \$56,700.00 2011 Trainer Incentives - \$9,000.00 Number of Horses Paid - 175 Number of TB Starts - 328 (15% increase from 2010) Percentage of Total Horse Population - 11%

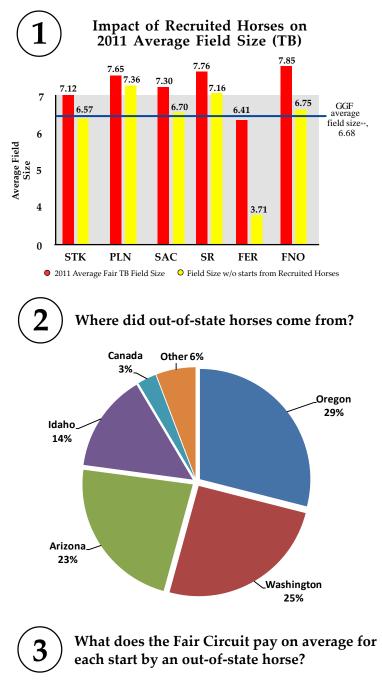
• Number of Starts by Recruited TB Horses, by Fair: Stockton - 14 Pleasanton - 28 Sacramento - 36 Santa Rosa - 66 Ferndale - 105 (15% increase from 2010) Fresno - 79 (44% increase from 2010)

 Number of TB Starts by State Recruited From: Oregon - 95 Washington - 83 (315% increase from 2010) Arizona - 75 Idaho - 47 Canada - 9 Minnesota - 7 Nebraska - 7 Utah - 4 Florida - 1

• Leading Trainers of Recruited Horses (by starts): Tim McCanna Nick Lowe Bob Beckner Miguel Silva Charles Essex Michael Talbot Gary Morris Paul Treasure

2011 Emerging Breed Relocation Fees - \$750 ** During Period 12/26/2010-6/12/2011

*** Cost of Recruitment at Tracks and TB Relocation Fees divided by number of Thoroughbred Starts.



\$253 per starter***

Increased field size is the single largest contributor to increasing ontrack and simulcast handle.

1. Statistics from CHRIMS Runners Report & CARF Out-of-State Starts.

^{2.} Statistics from CARF Paymaster Reports & CFSA Relocation Costs.

Results of CARF Program to Increase Field Size

The Fair Out-of-State Recruitment Program, administered by the California Authority of Racing Fairs, pays \$300 to every horse that travels 600 or more miles to start on the Northern California Fair Circuit for its first start and an additional \$150 for its second start (\$450 total). A runner making its first start at Ferndale receives \$150 for each of two starts, with another \$150 available if the horse starts again at Fresno.

• 2010 Total Recruitment Costs - \$86,808.40* 2010 Recruitment at Tracks - \$31,108.40 2010 TB Relocation Fees Paid - \$45,150.00 2010 Trainer Incentives - \$5,300.00 Number of Horses Paid - 143 Number of Starts - 331 Number of TB Starts - 286 Percentage of Total Horse Population - 9%

 Number of Starts by Recruited TB Horses, by Fair: Stockton - 19 Pleasanton - 35 Sacramento - 34 Santa Rosa - 52 Ferndale - 91 Fresno - 55

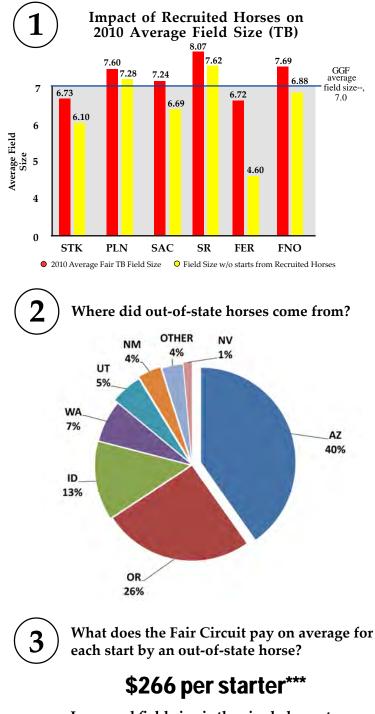
• Number of TB Starts by State Recruited From: Arizona - 115 Oregon - 73 Idaho - 38 Washington - 20 Utah - 15 New Mexico - 11 Nevada - 4 Delaware - 4 Other - 5

• Leading Trainers of Recruited Horses (by starts): Tim McCanna Bob Beckner W.R. Whitehouse Brenda Estes Nick Lowe Phil Oviedo

* Emerging Breed Relocation Fees - \$5,250, Does not Include CMC Reimbursement - \$20,000

** During Period 1/1/10-6/20/10

** Cost of Recruitment at Tracks and TB Relocation Fees divided by number of Thoroughbred Starts.



Increased field size is the single largest contributor to increasing ontrack and simulcast handle.

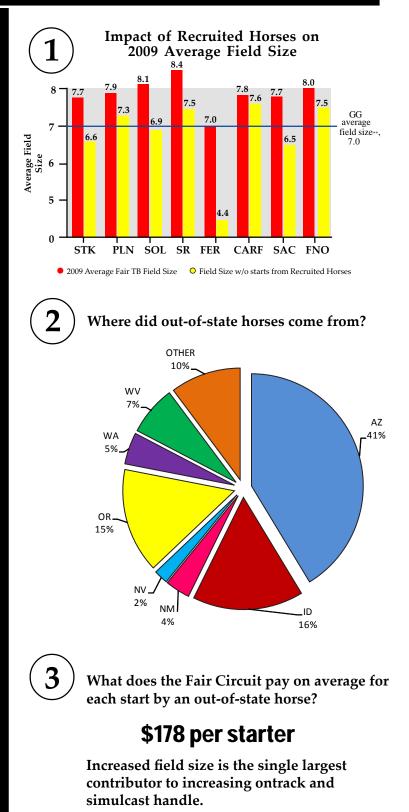
Statistics from CHRIMS Runners Report & CARF Out-of-State Starts.
 Statistics from CARF Paymaster Reports & CFSA Relocation Costs.

Results of CARF Program to Increase Field Size

The Fair Out-of-State Recruitment Program, administered by the California Authority of Racing Fairs, pays \$300 to every horse that travels 600 or more miles to start on the Northern California Fair Circuit for its first start and an additional \$150 for its second start (\$450 total). A runner making its first start at Ferndale receives \$150, with another \$300 available if the horse starts again at another Fair facility.

- 2009 Total Recruitment Costs \$104,776.04* 2009 Recruitment at Tracks - \$22,176.04 2009 TB Relocation Fees Paid - \$73,600.00 2009 Trainer Incentives - \$4,500 Number of Horses Paid - 217 Number of Starts - 588 Percentage of Total Horse Population - 13%
- Number of Starts by Recruited Horses, by Fair: Stockton - 81 Pleasanton - 82 Vallejo - 51 Santa Rosa - 74 Ferndale - 111 CARF at GGF - 43 Sacramento - 104
- Number of Starts by State Recruited From: Arizona - 243 Idaho - 94 Oregon - 89 West Virginia - 42 Washington - 27 California (Fairplex) - 23 New Mexico - 21 Nevada - 12 Other - 60
- Leading Trainers of Recruited Horses (by starts): Don Roberson Keith Bennett Justin Treasure Kelly Bainum Jason Homer W.R. Whitehouse Charles Hiatt
 - * Emerging Breed Relocation Fees \$4,500, Does not Include CMC Reimbursement - \$25,000
 - ** During Period 1/1/09-6/18/09

Fresno - 42



- Statistics from CHRIMS Runners Report & CARF Out-of-State Starts.
 Statistics from CARF Paymaster Reports & CFSA Relocation Costs.
 - CALIFORNIA AUTHORITY OF RACING FAIRS