



a California joint powers agency

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Sacramento, CA 95815
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**AGENDA
CALIFORNIA AUTHORITY OF RACING FAIRS
LIVE RACING COMMITTEE MEETING
JOE BARKETT, CHAIR
2:00 P.M., TUESDAY, MAY 6, 2008**

Notice is hereby given that a teleconference meeting of the Live Racing Committee will commence at 2:00 P.M., Tuesday, May 6, 2008. The meeting will be held at the Kahn, Soares & Conway Sacramento office located at 1415 L Street, Suite 400, Sacramento, California 95814.

AGENDA

- I. Determination of Date, Time, and Location of Next Meeting.
- II. Approval of Minutes from April 1.
- III. Discussion and Action, if any, on Racing Dates.
- IV. Discussion and Action, if any, on a Combined Fair Meeting in 2009.
- V. Update on Contracts for Racing Services.
- VI. Update on Totalisator Contract and Installations.
- VII. Report on Union Contract for Assistant Starters.
- VIII. Discussion and Action, if any, on Provision of Racing Services for Cal Expo.
- IX. Report on Horse Recruitment.
- X. Discussion and Action, if any, on Implementation of AB 765.
- XI. Discussion and Action, if any, on Legislative Matters.
- XII. Executive Director's Report.

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C A L I F O R N I A A U T H O R I T Y O F R A C I N G F A I R S

2009 DRAFT

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					26	27
28	29	30	31			
5						

GGF Winter	84
GGF Spring	65
Total GGF	149

Pleasanton	20
Pleasanton	15
Total Pleasanton	35

Summer Fairs	83
Overlap Summer Fair	10
Total Fairs	93

January						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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February						
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November						
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December						
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2010 DRAFT

December						
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January						
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GGF Winter	83
GGF Spring	65
Total GGF	148

Pleasanton	20
Pleasanton	15
Total Pleasanton	35

Summer Fairs	83
Overlap Summer Fair	10
Total Fairs	93

February						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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June						
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March						
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November						
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April						
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December						
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2011 DRAFT

December						
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January						
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May						
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September						
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18	19	20	21	22	23	24
25	26	27	28	29	30	
						21

GGF Winter	82
GGF Spring	65
Total GGF	147

Pleasanton	20
Pleasanton	15
Total Pleasanton @ GGF	35

Summer Fairs	83
Overlap Summer Fair	10
Total Fairs	93

February						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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June						
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October						
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March						
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July						
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November						
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April						
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August						
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December						
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2009 DRAFT-A-Specific Fairs Shown

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					26	27
28	29	30	31			
5						

GGF Winter	94
GGF Spring	53
Total GGF	147

Pleasanton @ GGF	20
Pleasanton @ GGF	15
Total Pleasanton @ GGF	35

Simulcast Only	4
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Pleasanton	11
Vallejo	6
Santa Rosa	12
GGF - Benefits Summer Fair	18

Ferndale Overlap	10
Cal Expo	12
Stockton	9
Fresno	11
Total Fairs	89

January						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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11	12	13	14	15	16	17
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February						
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March						
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11						10

April						
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May						
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July						
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August						
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September						
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October						
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November						
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December						
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2009 DRAFT-B-Specific Fairs Shown

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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January						
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May						
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September						
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27	28	29	30			
6			4	1		9

GGF Winter	94
GGF Spring	53
Total GGF	147

Pleasanton @ GGF	10
Pleasanton @ GGF	15
Total Pleasanton @ GGF	25

Simulcast Only	4
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Pleasanton	11
Vallejo	10
Santa Rosa	12
GGF - Benefits Summer Fair	12

Ferndale Overlap	10
Cal Expo	12
Stockton	9
Fresno	11
Total Fairs	87

February						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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June						
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October						
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March						
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July						
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November						
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April						
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10						12

August						
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December						
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FOOD AND AGRICULTURAL CODE

SECTION 4051-4058

4052. An association shall not lease its racetrack for running races of horses to any private person, firm, or corporation, except to a national or international exposition or its affiliated corporations or associations for the period of time which is now permitted by law for fairs.

4058. (a) Notwithstanding Section 4052, the California Exposition and State Fair, a district agricultural association fair, or county fair in the northern zone, with the approval of the Department of Food and Agriculture, may form an entity for conducting combined fair horseracing meetings and utilize their racing facilities for conducting horseracing meetings, with parimutuel wagering, on days other than the days on which general fair activities are conducted. A combined fair horseracing meeting pursuant to this section shall be a general fair activity for the purpose of Section 19549 of the Business and Professions Code.

(b) The association shall designate certain days of a mixed breed meeting held pursuant to this section as charity days with the proceeds therefrom to be distributed in accordance with Sections 19550 and 19556 of the Business and Professions Code.

(c) The association shall encourage the racing of emerging breeds of horses.

CALIFORNIA CODES
BUSINESS AND PROFESSIONS CODE
SECTION 19542-19549.15

19542. Notwithstanding any other provision of law, fairs that conduct live horse racing meetings in the northern zone may allow a joint powers authority to administer and distribute purses and to achieve the purposes of Section 19606.4.

19546. (a) In order to encourage and develop the racing of all horses in California, regardless of breed, whenever a fair conducts a program of parimutuel wagering, it may provide a program of mixed breed racing that includes thoroughbred racing, harness racing, quarter horse racing, Arabian racing, paint racing, Appaloosa racing, steeplechase races, barrel races, and show jumping races.

(b) All recognized breeds of horses may compete in barrel races, show jumping races, and steeplechase races. Parimutuel wagering may be conducted on barrel races, show jumping races, and steeplechase races at any public or private facility that has been approved and licensed by the board.

19547. Notwithstanding Section 19490, no deposit shall be required for any horse racing meeting conducted by a state designated fair.

19548. Except as provided in this chapter, no license, tax, or fee shall be assessed against or collected from any fair which, directly and not through any private person, conducts a horse racing meeting.

19549. Except as provided in Section 19549.1, the maximum number of racing days that may be allocated to a fair shall be 14 days each year. Those racing days shall be days during the period in which general fair activities are conducted. However, any fair racing association that conducted racing in the central or southern zone prior to January 1, 1980, shall be entitled to be allocated up to three weeks of racing. The board shall take public testimony and make all determinations on the allocation of racing dates during a public hearing. All discussions of allocating racing dates by the board or its subcommittees shall be conducted during a public hearing. Nothing in this section diminishes the authority of the board to establish racing dates.

19549.1. Notwithstanding Sections 19533 and 19549 or any other provision of this chapter, the board may allocate horse racing days for mixed breed meetings and combined fair horse racing meetings pursuant to Section 4058 of the Food and Agricultural Code, except as

follows:

(a) Dates may only be allocated for a combined fair horse racing meeting between July 1 and October 31, and the total combined number of dates shall not exceed the total combined dates of the combined fair racing associations in 1995.

(b) Days may not be allocated for a mixed breed meeting or a combined fair horse racing meeting during the month of June at the California Exposition and State Fair if a standardbred meeting is being conducted at that facility during the month of June.

The mixed breed meetings shall be conducted by a person other than the fair and shall be subject to Section 19550. The mixed breed meetings shall encourage the racing of emerging breeds of horses.

19549.2. From the weeks available for harness and quarter horse racing pursuant to subdivision (d) of Section 19531, the board may allocate a maximum of 12 weeks of harness racing to the 22nd District Agricultural Association to be conducted on the 22nd District Agricultural Association grounds. The racing shall be conducted by a person other than the 22nd District Agricultural Association.

19549.3. Notwithstanding Section **19549** or any other provision of this chapter, the board may annually allocate a maximum of 28 racing days to any county fair in the northern zone which did not conduct horseracing prior to January 1, 1985.

19549.4. Notwithstanding Section 19414.5, the board may allocate racing weeks consisting of fewer than five days to an association conducting harness or quarter horse racing meetings if the association and the organization representing the horsemen participating in the meeting agree to the allocation.

19549.6. Notwithstanding subdivision (b) of Section 19531 and Sections 19540, 19546, and **19549**, the board may allocate additional weeks of harness racing to the California Exposition and State Fair in Sacramento or its lessee, to be raced at the California Exposition and State Fair in Sacramento.

19549.7. Notwithstanding subdivision (c) of Section 19531 and Section **19549**, the board may allocate additional weeks of quarter horse racing to a lessee of the California Exposition and State Fair in Sacramento to be raced at the California Exposition and State Fair in Sacramento.

19549.9. Notwithstanding subdivision (d) of Section 19531 and

LEGISLATIVE COUNSEL
Sue E. Boyer-Vine

DEPUTY DEPUTIES

Jury A. DeLand
Michael A. Weitzman

LEGISLATIVE DEPUTIES

Brian M. Johnston
Michael J. Kersten
Rick S. Louie
John F. Sealebaker
Se Ayala
Andy M. Carallo
Edward Ned Cohen
Ken E. Hale
Gavin D. Gress
Patricia Hart Jorgensen
Michael R. Kelly
Antonio L. Lopez
James A. Masada
William K. Stark
Jeff Thum
Michael H. Upson
Richard D. Weisberg

DEPUTIES

Paul Aguila
Santiago Avila-Gonzalez
Scott A. Boster
Ann M. Butters
Eileen J. Burton
Wayne L. Byrd
Sergio R. Campa
William Chan
Jennifer Chu
Emilia Cutter
Dyane D. Damiani, Jr.
J. Christopher Dawson
Tom G. Deiner
R. Duzier
M. Perre
Simon R. Fisher
Debra Zidich-Gibson
Lisa C. Goldkorn
Dulcinea A. Grandham
Maria Hilakos-Jankle
Baldev N. Huer
Thomas R. Huer
LaRon R. Hogg-Haugh
Russell H. Holder
Delma R. Huston
Elsam G. Jaffe
Valerie R. Jones
Forrest Joseph
Michael J. Kowatz
Thomas J. Kerbs
Jacqueline R. Kinney
Eve R. Krostinger
L. Erik Lange
Kristina M. Lantry
Felicia A. Lee
Diana G. Liu
Marjorie Maria
Anthony B. Marquez
Francisco A. Martin
Daniel M. Maracela
Cecilia A. Modolelo
William L. Modolelo
Sheila R. Mohan
Abel Munoz
Michael E. O'Connor-Rachiff
Gerardo Parilla
Lisa M. Plummer
Robert A. Pratt
Stephanie Ramirez-Ridgeway
Patricia Gates Rhodes
Aaron D. Silva
Jessica L. Steyle
Ellen Swand
Mark Franklin Terry
Bradley N. Webb

OFFICE OF LEGISLATIVE COUNSEL

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January 9, 2006

Honorable Gloria Negrete McLeod
Room 5016, State Capitol

HORSE RACING: LICENSES: JOINT POWERS ENTITIES - #0522003

Dear Ms. Negrete McLeod:

QUESTION

May an entity formed pursuant to a joint powers agreement for the purpose of conducting horse racing be issued a license to conduct horse racing and be eligible to receive racing dates?

OPINION

An entity formed pursuant to a joint powers agreement for the purpose of conducting horse racing may be issued a license to conduct horse racing and be eligible to receive racing dates.

ANALYSIS

The Horse Racing Law, contained in Chapter 4 (commencing with Section 19400) of Division 8 of the Business and Professions Code,¹ regulates horse racing in this state. The California Horse Racing Board (hereafter the board) is vested with the jurisdiction and supervision over horse racing (Sec. 19420). The board is authorized to issue a license to any person to conduct horse racing in accordance with the Horse Racing Law, as long as that person complies with the Horse Racing Law and pays a fee, and the board determines that the issuance of the license will be in the public interest (Sec. 19480). Further, the board is responsible for allocating racing dates to qualified associations (para. (5), subd. (a), Sec. 19440).

¹ All section references are to the Business and Professions Code, unless otherwise specified.

Honorable Gloria Negrete McLeod — Request #0522003 — Page 2

Thus, the pertinent question is whether an entity formed pursuant to a joint powers agreement is considered a "person" for purposes of issuing a license for horse racing, and whether such an entity is a "qualified association" for purposes of receiving racing dates. In that regard, Section 19413 defines "person," for purposes of the Horse Racing Law, to include "any individual, partnership, corporation, limited liability company, or other association or organization." Section 19403 defines "association," for purposes of that law, as "any person engaged in the conduct of a recognized horse race meeting."

The Joint Exercise of Powers Act authorizes two or more public agencies to enter into a joint powers agreement in order to "jointly exercise any power common to the contracting parties" (Secs. 6500.1 and 6502, Gov. C.). Specifically, "two or more public agencies having the power to conduct agricultural, livestock, industrial, cultural, or other fairs or exhibitions shall be deemed to have a common power with respect to any such fair or exhibition conducted by ... an entity created pursuant to a joint powers agreement entered into by such public agencies." (Sec. 6502, Gov. C.). An entity formed pursuant to a joint powers agreement is a public entity separate from the parties to the agreement (Sec. 6507, Gov. C.).

Words in statutes should be construed according to the usual ordinary import of the words (*IT Corp. v. Solano County Bd. of Supervisors* (1991) 1 Cal.4th 81, 98). In our view, the ordinary construction of the word "association" or "organization" would include a situation where two or more agencies choose to associate or organize into a new entity by way of a contractual agreement. In the context of the Horse Racing Law, this would apply to an entity created for purposes of engaging in a horse racing meeting. Section 6502 of the Government Code grants no new powers to an entity created by a joint powers agreement, but merely sets up a procedure for the exercise of existing powers. As such, the statute cannot be said to enlarge the powers separately possessed by the individual member public agencies, but rather merely provides a procedure whereby this power may be exercised in cooperative action (*The City of Oakland v. Williams* (1940) 15 Cal.2d 542, 549). Thus, if the public agencies that enter into a joint powers agreement each individually are qualified to receive from the board racing dates and a license to conduct horse racing, the entity they form vis-à-vis the joint powers agreement will have the same authority. And, in our view, because such an entity would qualify as an organization or association, for purposes of the definition of "person" in the Horse Racing Law that entity would be eligible to receive racing dates and a license for horse racing.

03/09/2006 15:16 FAX 916 448 3850
02/14/2006 16:32 FAX 9163192161

KSC LLP SAC
ASM Negrete McLeod

→ CARF


004
004

Honorable Gloria Negrete McLeod — Request #0522003 — Page 3

Therefore, it is our opinion that an entity formed pursuant to a joint powers agreement for the purpose of conducting horse racing may be issued a license to conduct horse racing and be eligible to receive racing dates.

Very truly yours,

Diane F. Boyer-Vine
Legislative Counsel

By 
Gwynnae L. Byrd
Deputy Legislative Counsel

GLB:cob



June 29, 2007

Mr. Chris Korby
Executive Director
California Authority of Racing Fairs
1776 Tribute Road, Ste 205
Sacramento, CA 95815

Dear Chris:

Enclosed you will find four (4) originals of the contract for totalisator services between the California racetracks and OTBs and Scientific Games Racing. Also included are two compact disks containing Exhibits C and D (the original RFP and our proposal, plus amendments, respectively).

All four of these originals have been signed by me and need now only be signed by the ten California signatories to be fully executed.

After signing on pages 51 – 52 where indicated, please retain two of the originals and the two compact disks for your files and return to me the remaining two signed originals.

I would like to take this opportunity to thank you once again for electing to work with Scientific Games Racing for another term. We appreciate your business, are honored to have been selected and are committed to exceeding your expectations for service, technology and value.

Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "W. Huntley", is written over a horizontal line.

William J. Huntley, President
Scientific Games Racing, Sports and Gaming Technology

ACORD™ CERTIFICATE OF LIABILITY INSURANCE		DATE (MM/DD/YYYY) 10/31/07
PRODUCER Frank Crystal & Co., Inc. Financial Square 32 Old Slip New York, NY 10005		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
INSURED Scientific Games Corporation 1500 Bluegrass Lakes Pkwy Alpharetta, GA 30004		
		INSURERS AFFORDING COVERAGE
		INSURER A: Travelers Property & Casualty Co.
		INSURER B: Great American Assurance Company
		INSURER C: Travelers Indemnity Company
		INSURER D:
		INSURER E:

COPY

COVERAGES

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

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	TC2JGLSA1009A614TI	10/31/07	10/31/08	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	\$1,000,000 \$100,000 \$5,000 \$1,000,000 \$5,000,000 \$5,000,000
A		AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS GARAGE LIABILITY <input type="checkbox"/> ANY AUTO	TJCAP1009A626TIL07	10/31/07	10/31/08	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: EA ACC AGG	\$1,000,000 \$ \$ \$ \$ \$
B		EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 10,000	TUU777952700	10/31/07	10/31/08	EACH OCCURRENCE AGGREGATE \$ \$ \$	\$25,000,000 \$25,000,000 \$ \$ \$
C	A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER	TC2HUB1009A36207 TRJUB1009A60207	10/31/07 10/31/07	10/31/08 10/31/08	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	\$1,000,000 \$1,000,000 \$1,000,000

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

This certificate covers the following subsidiaries of Scientific Games Corp.:

Scientific Games Corporation
 Scientific Games International, Inc.
 (See Attached Descriptions)

CERTIFICATE HOLDER

California Authority of Racing
 Fairs
 Chris Korby, Executive Director
 1776 Tribute Rd. Suite 205
 Sacramento, CA 95815

CANCELLATION

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

AUTHORIZED REPRESENTATIVE

Frank Crystal & Co., Inc.

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

DESCRIPTIONS (Continued from Page 1)

Scientific Games Racing, LLC
MDI Entertainment, LLC
Scientific Games, S.A.

California Authority of Racing Fairs and Host Track are included additional insureds. A waiver of subrogation is included in favor of California Authority of Racing Fairs.

MEMORANDUM OF UNDERSTANDING

Recruitment of Horses to Northern California

In order to increase field size in Northern California, California Authority of Racing Fairs (CARF) and Golden Gate Fields (GGF) have agreed to join together in a program to recruit out-of-state owners, horses and trainers to the region. This program will be funded by CARF, GGF and California Marketing Committee (CMC). The agreement is effective as of April 1, 2008.

CARF and Golden Gate Fields agree that the new joint Recruitment Program will extend the terms of the existing CARF Recruitment Program into GGF's Spring meeting, which begins May 14, 2008. Under the terms of the existing program, CARF pays \$300 to the owner of an out-of-state horse, shipping into Northern California which last started or worked at a track 600 miles or more from Sacramento, after its first start on the Fair circuit. This program will not apply to any horses shipping in from Emerald Downs or Hastings Park as Golden Gate Fields will be implementing a separate programs for those horses. In the case of Humboldt County Fair, CARF pays an owner \$150 after the first start at Humboldt and an additional \$300 when his/her horse starts at a subsequent Fair that year.

In the new joint program, effective May 14, 2008, GGF will pay a \$300 Relocation Fee to the owner of any out-of-state horse which last started or worked at a track 600 miles or more from Albany, CA, upon that horse's first start this year in Northern California. When the Fair circuit opens at Alameda County Fair on June 25, CARF will pay owners of out-of-state horses shipping into Northern California the same relocation payment of \$300 upon a horse's first 2008 start at a Northern California Fair. The Program will continue through the conclusion of the Northern California Fair circuit on October 13, 2008. A horse must start in order to receive payment

CARF and GGF acknowledge that by combining the program, we will reduce the Relocation Fees that CARF would have paid to out-of-state first time starters. There were 53 TB starters at Stockton from out-of-state in 2007, 10 of which had run at GGF previously, all of which were paid under CARF's program. Since the calendar period previously occupied by Stockton has been incorporated into GGF's spring meet, we project that many, if not all 53 starts, will now occur at GGF, at an estimated cost of \$15,900 to GGF's program. We project that this will reduce CARF's relocation costs from \$43,200 in 2007 to \$27,300 in 2008.

We intend to apply these cost savings to new, additional incentives in 2008. We will offer a second payment of \$150 in Relocation Fees, increasing the total paid to out-of-state horsemen to \$450, an increase of 50%. Under the terms of our combined Recruitment Program, any horse eligible for Relocation Fees at GGF or CARF Fairs will receive an additional \$150 in Relocation payments the second time that horse starts at either track. In the case of a horse starting the first time at Humboldt County Fair, the Relocation Fee payments will be the mirror image: out-of-state horses which first start at Humboldt will receive \$150 for their first start and, if they

start a second time at any participating Fair following Humboldt (Cal Expo; Stockton; Fresno) they will receive an additional \$300. Note: Cal Expo's participation is conditional on an agreement with CARF.

As of the effective date of this agreement, California State Fair (Cal Expo) is not a participant in this recruitment program and owners are not eligible for payment during its meeting under the terms of this agreement.

The parties agree the subsidy payment structure may be altered if an out-of-state trainer moves his or her entire stable permanently to Northern California during the aforementioned period. In this case, the entire cost of shipping may be covered by Golden Gate Fields in place of the \$300/\$150 program outlined in this MOU. The parties will work together to identify any such stables and, if approved, 100% of the shipping costs will be borne by GGF.

Payments will be made by the GGF and CARF Paymasters respectively. CARF and GGF agree to share all information related to eligibility determinations and payment history. CARF agrees to include combined program statistics in its annual Recruitment Report.

CARF has staked the Recruitment Program \$30,000 and the CMC has matched CARF's \$30,000. CMC has funded GGF \$75,000 for recruitment. This combined funding will allow the enhancements described above to our Northern California Recruitment Program while maintaining the previous 2008 recruitment budget for both organizations.

California Authority Racing Fairs
Christopher Korby
Executive Director

Golden Gate Fields
Robert Hartman
General Manager



a California joint powers agency

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

April 29, 2008

The Honorable Richard Shapiro, Chairman
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

Dear Chairman Shapiro:

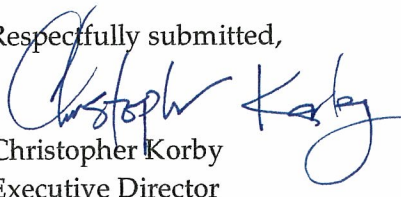
AB 765, introduced by Assembly Member Noreen Evans in the 2007 legislative session and signed by Governor Schwarzenegger, authorized Fairs to contribute 1% of the total amount handled daily in conventional and exotic pools into the Inclosure Facilities Improvement Fund, held at the California Department of Food and Agriculture. The purpose of the fund is to pool money from racing Fairs for the improvement of Fair racing facilities. The bill requires that a Fair to apply to the California Horse Racing Board for authorization to participate in this program.

On behalf of the Fairs signing below, the California Authority of Racing Fairs requests that the Board authorize their participation in this new funding program.

The California horse racing industry is in transition. Privately owned race tracks are closing as the property on which they sit is developed for purposes other than racing. We believe that the future of racing, especially in Northern California, will rely on the success of the Fair racing network. Fairs want to make investments in the tracks, stable areas and related facilities in order to ensure that success. We need the funding mechanism created by AB 765 to kick off this effort.

Thank you for your consideration of this request. Please contact me if you have any questions.

Respectfully submitted,


Christopher Korby
Executive Director

Cc: Kirk Breed, California Horse Racing Board
Cynthia Bryant, Office of Governor Schwarzenegger
Michael Treacy, California Department of Food and Agriculture

C A L I F O R N I A A U T H O R I T Y O F R A C I N G F A I R S

**FAIRS SIGNING LETTER TO
CALIFORNIA HORSE RACING BOARD
IN SUPPORT OF
IMPLEMENTING AB 765 (EVANS)**

**ALAMEDA COUNTY FAIR
RICK PICKERING**

**FRESNO DISTRICT FAIR
JOHN ALKIRE**

**HUMBOLDT COUNTY FAIR
STUART TITUS**

**SAN JOAQUIN FAIR
FORREST WHITE**

**SAN MATEO COUNTY FAIR
CHRIS CARPENTER**

**SOLANO COUNTY FAIR
JOE BARKETT**

**SONOMA COUNTY FAIR
TAWNY TESCONI**

AB 765
EXCERPTS

BILL NUMBER: AB 765 CHAPTERED
BILL TEXT

CHAPTER 613
FILED WITH SECRETARY OF STATE OCTOBER 13, 2007
APPROVED BY GOVERNOR OCTOBER 13, 2007
PASSED THE SENATE SEPTEMBER 11, 2007
PASSED THE ASSEMBLY SEPTEMBER 12, 2007
AMENDED IN SENATE SEPTEMBER 7, 2007
AMENDED IN SENATE AUGUST 28, 2007
AMENDED IN ASSEMBLY JUNE 4, 2007
AMENDED IN ASSEMBLY MAY 23, 2007
AMENDED IN ASSEMBLY APRIL 11, 2007

INTRODUCED BY Assembly Member Evans
 (Coauthors: Assembly Members Ma, Plescia, Portantino, Price, and
Torrico)
 (Coauthors: Senators Denham, Florez, Negrete McLeod, Wyland, and
Yee)

FEBRUARY 22, 2007

An act to amend Section 19605.72 of, to amend and repeal Sections 19411, 19590, and 19595 of, and to add Sections 19601.4 and 19604 to, the Business and Professions Code, relating to horse racing, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 765, Evans. Horse racing.

Existing law requires fairs and racing associations to pay a certain percentage of the handle from races to the state as license fees, and to pay other portions of the handle out for other purposes, as specified.

This bill would authorize certain fairs or associations, or combined entities, to contribute 1% of the total amount handled daily in conventional and exotic pools for maintenance and improvements at a fair's racetrack inclosure, for those fairs that contribute. The money raised would be deposited into the Inclosure Facilities Improvement Fund, which would be created as a special fund in the State Treasury, and that money would be available upon appropriation by the Legislature in the annual Budget Act. The bill would direct the Secretary of Food and Agriculture to appoint a committee to advise on the administration of the funds raised pursuant to the

provisions of the bill, and would require the secretary to report any allocations made pursuant to those provisions of the bill, as specified...

... Under existing law, revenues distributed to the state as license fees from horse racing are required to be deposited in the Fair and Exposition Fund and are continuously appropriated to the Department of Food and Agriculture for various regulatory and general governmental purposes.

Because this bill would revise the amount of money deposited into, and distributed from, that fund, it would make an appropriation.

Appropriation: yes.

... 19601.4. (a) Notwithstanding any other provision of law, a fair, combination of fairs, or an association conducting racing at a fair, may, after approval from the board, deduct an additional 1 percent from the total amount handled daily in its conventional and exotic pools. The additional 1 percent shall be deposited into the Inclosure Facilities Improvement Fund, which is hereby created as a special fund in the State Treasury, the moneys of which are available upon appropriation by the Legislature in the annual Budget Act. Any moneys deducted from the handle pursuant to this section shall be used solely for the purpose of facilities maintenance and improvements at a fair's racetrack inclosure for those fairs that contribute to, or for those fairs where an association conducting racing at that fair contributes to, the Inclosure Facilities Improvement Fund.

(b) The secretary shall appoint a committee of not more than five and no fewer than three individuals with expertise in financing, constructing, and managing horse racing facilities, to advise in the administration of the funds. The secretary shall have oversight over the committee. The secretary shall adhere to the same oversight responsibilities as outlined in Section 19620 when administering the funds contributed and disbursed pursuant to this section.

(c) The secretary shall include in the annual expenditure plan required pursuant to Section 19621 any allocations made pursuant to this section.

(d) For purposes of this section, "secretary" means the Secretary of Food and Agriculture.

LIVE RACING
LEGISLATIVE MATTERS

The Executive Director has had preliminary conversations with Magna/GGF regarding matters in statute that we may want to revise as we approach a transition of racing in Northern California.

To date, these include the following:

- Remove 14-day cap on Fair meets
- Extend calendar window for combined Fair meeting June 1-October 31 (Ag Code 4058)
- Raise 22-week cap on NorCal T-breds to ___ wks
- Humboldt payment from simulcast applies to any Fair running with Humboldt, not just San Mateo

The racing Fairs may wish to discuss these and related legislative matters.

Meeting Handouts

COMMITTEES

DEMOCRATIC CAUCUS, CHAIR
BUDGET
ENVIRONMENTAL SAFETY & TOXIC
MATERIALS
GOVERNMENTAL ORGANIZATION
JUDICIARY

SUBCOMMITTEES

BUDGET #3: NATURAL RESOURCES

SELECT COMMITTEES

CALIFORNIA WINE, CHAIR
FOSTER CARE

Assembly California Legislature



NOREEN EVANS
ASSEMBLYMEMBER, SEVENTH DISTRICT

April 30, 2008

STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0007
(916) 319-2007
FAX (916) 319-2107

SANTA ROSA
50 "D" STREET, SUITE 301
SANTA ROSA, CA 95404
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FAX (707) 546-9031

VALLEJO
1713 SONOMA BOULEVARD
VALLEJO, CA 94590
(707) 649-2307
FAX (707) 649-2311

NAPA
1040 MAIN STREET, SUITE 205
NAPA, CA 94559-2605
(707) 258-8007
FAX (707) 258-8205

EMAIL: assemblymember.evans@assembly.ca.gov
Website: democrats.assembly.ca.gov/members/a07

The Honorable Richard Shapiro
Chairman, California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

Dear Chairman Shapiro:

Last year I authored, and the Governor signed, AB 765 (Ch. 613, Stats. 2007), which authorizes fairs to contribute 1% of the total amount handled daily in conventional and exotic pools to the Inclosure Facilities Improvement Fund at the California Department of Food and Agriculture. The Fund will provide a pool of money for much needed investments at racing fairs to improve racing facilities. In order for fairs to participate in this program, however, they must apply to your Board for authorization.

California's racing fairs will soon submit requests to your Board to authorize their participation in this new funding program. I urge your support of these requests.

As you are well aware, horseracing in California is in transition. Its future will rely on the success of the fair racing network. But investments need to be made to the tracks, stables, and related facilities. Although each fair has invested in the improvement of its facilities, time has proven that no single fair can adequately raise the money necessary to make the investments needed for a state of the art race meet. The funding mechanism created by AB 765 will provide a jump start to this effort.

Thank you for your consideration of my views. Please do not hesitate to contact me if you have any questions.

Yours very truly,

NOREEN EVANS
Assemblymember, 7th District

NE:am

cc: Members, California Horseracing Board
Kirk Breed, California Horseracing Board
Cynthia Bryant, Office of Governor Schwarzenegger
Michael Treacy, California Department of Food and Agriculture
Christopher Korby, California Authority of Racing Fairs



COMMITTEES
DEMOCRATIC CAUCUS, CHAIR
BUDGET
ENVIRONMENTAL SAFETY & TOXIC
MATERIALS
GOVERNMENTAL ORGANIZATION
JUDICIARY

SUBCOMMITTEES
BUDGET #3: NATURAL RESOURCES

SELECT COMMITTEES
CALIFORNIA WINE, CHAIR
FOSTER CARE

Assembly
California Legislature



NOREEN EVANS
ASSEMBLYMEMBER, SEVENTH DISTRICT

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NAPA, CA 94559-2605
(707) 258-8007
FAX (707) 258-8205

EMAIL: assemblymember.evans@assembly.ca.gov
Website: democrats.assembly.ca.gov/members/a07

FACSIMILE COVER SHEET

TO: Chris Korby FAX #: 916-263-3341
ORGANIZATION: CARF
FROM: Assemblymember Noreen Evans
DATE: _____ TIME: _____ PAGES: 1 of 2
REGARDING: Please see attached letter.

NOTES:

Christopher Korby

From: "Stewart Titus" <humcofair@frontiernet.net>
To: ""Michael Treacy"" <MTreacy@cdfa.ca.gov>; ""Joe Barkett"" <jbarkett@scfair.org>; ""Forrest White"" <forrest@sanjoaquinfair.com>; ""Tawny Tesconi"" <tawny@sonomacountyfair.com>; ""John Alkire"" <jalkire@fresnofair.com>; ""Norbert J. Bartosik"" <NBartosik@calexpo.com>; ""Christopher Korby"" <korby@calfairs.net>; ""Rick Pickering"" <rick@alamedacountyfair.com>
Sent: May 04, 2008 9:25 PM
Attach: BLOCK OF DATES ESTIMATES (version 1).xls
Subject: HUMBOLDT

All-

Attached is a spreadsheet which describes the possible results of a racing calendar I hope to present at the meeting on Tuesday, regarding race dates for 2009-2011. The data pertains to thoroughbreds only.

It is predicated on the following criteria:

The Humboldt County Fair Association will no longer be able to remain in business, should it be offered the traditional business plan which includes overlapped racing dates, along with its assortment of subsidized funding provisions.

I would be happy to share with any of you the financial data for our association which supports this statement.

In short, if Humboldt is provided the same overlapped provisions as it has received for the past many years, it will become "collateral damage" of the horse racing industry, before the three-year timeframe anticipated with the racing calendar currently under consideration. That's honestly how I see things.

Regarding the attached spreadsheet, please note the following, in addition to the footnotes included in the document:

1. The projections assume that Humboldt would be allocated six (6) non-overlapped days of racing for 2009-2011.
2. Humboldt's traditional second week would be run at the California State Fair.
3. Supplemental purse funds traditionally allocated to Humboldt and Fresno would revert to the overall "starter bonus" purse program, beginning in 2009.
4. Fresno's supplemental commissions are estimated, but are probably more.
5. Supplemental commissions traditionally "flowing" to Humboldt and Fresno, would instead flow to F&E, as per the law.
6. Based upon the above assumptions, thoroughbreds could expect a net increase of 3% in 2009 and beyond.
7. F&E could expect to receive at least \$200,000 in additional revenues as the result of this proposal.
8. The one-week break in August for higher valued thoroughbreds could be expected to enhance subsequent race events at Cal Expo, Stockton, Fresno and

05/05/2008

Golden Gate Fields.

In closing, I believe that CARF's responsibilities do not include acting on behalf of the TOC, when considering this proposal. I believe that this proposal should be presented along with all others when we next meet with "shareholders", including the TOC. If additional conversations are required with the TOC, I take responsibility for having them on behalf of this proposal.

As a side note, there was mention in our packets about including Humboldt in future legislative efforts which might be sponsored by the JPA. As stated in the packet, those efforts on behalf of Humboldt suggest changes to existing law. While appreciated, the changes noted in the packet are not required, as current law already anticipates Humboldt being overlapped by entities other than San Mateo. I nonetheless appreciate the spirit with which the recommendation was made, while emphasizing the devastating impact that continued overlapped race dates will have on our Association.

If, by some remote possibility, changes to existing law could actually benefit Humboldt, it would have to come in the form of changing existing language in Section 19601.2 making Humboldt the host of the signal during overlap and/or increasing from 0.75% the amount of out-of-zone, out-of-state and out-of-country handle to at least 2.25%.

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PROJECTIONS: THOROUGHBRED ONLY								
2008								
		TOTAL GENERATED	TOTAL PAID	STARTERS BONUS	SUPPLEMENTAL PURSES	SUPPLEMENTAL COMMISSION	F&E	PURSES PLUS STARTER BONUS
PLEASANTON		\$ 1,726,158.00	\$ 1,722,948.00	\$ 94,250.00				
VALLEJO		\$ 1,306,304.00	\$ 1,299,341.00	\$ 63,140.00				
SANTA ROSA		\$ 1,425,059.00	\$ 1,418,969.00	\$ 126,275.00				
SAN MATEO		\$ 1,311,479.00	\$ 1,352,697.00	\$ 73,970.00				
HUMBOLDT		\$ 138,533.00	\$ 233,549.00	\$ 35,620.00	\$ 93,862.00	\$ 80,000.00		
CAL EXPO		\$ 1,778,620.00	\$ 1,349,304.00	\$ 80,000.00				
STOCKTON		\$ 1,197,406.00	\$ 932,012.00	\$ 74,620.00				
FRESNO		\$ 401,397.00	\$ 687,198.00	\$ 65,260.00	\$ 274,022.00	\$ 120,000.00		
		\$ 9,284,956.00	\$ 8,996,018.00	\$ 613,135.00	\$ 367,884.00	\$ 200,000.00		\$ 8,996,018.00
								\$ 613,135.00
								\$ 9,609,153.00
2009								
PLEASANTON			\$ 1,722,948.00	\$ 95,000.00				
VALLEJO			\$ 1,299,341.00	\$ 65,000.00				
SANTA ROSA			\$ 1,418,969.00	\$ 126,300.00				
HUMBOLDT			\$ 510,000.00	\$ 40,000.00	\$ -		\$ 80,000.00	
CAL EXPO			\$ 1,800,000.00	\$ 95,000.00				
STOCKTON			\$ 1,000,000.00	\$ 78,000.00				
FRESNO			\$ 1,000,000.00	\$ 70,000.00	\$ -		\$ 120,000.00	
		\$ -	\$ 8,751,258.00	\$ 569,300.00	\$ -		\$ 200,000.00	
				\$ 530,700.00				
				\$ 1,100,000.00				\$ 8,751,258.00
								\$ 1,100,000.00
								\$ 9,851,258.00
2008 ESTIMATES BASED UPON CARF COMPUTATIONS								
SUPPLEMENTAL COMMISSIONS FOR FRESNO ESTIMATED								

2009 ESTIMATES REFLECT 2008 PROJECTIONS					
2009 ASSUMES ONE WEEK A HUMBOLDT, NON OVERLAPPED					
2009 ASSUMES HUMBOLDT'S OTHER WEEK RUN AT CAL EXPO					