

CALIFORNIA HORSE RACING BOARD  
1010 HURLEY WAY, SUITE 300  
SACRAMENTO, CA 95825  
(916) 263-6000  
FAX (916) 263-6042



## REGULAR MEETING

of the **California Horse Racing Board** will be held on, **Thursday, January 22, 2004**, commencing at **10:00 a.m.**, at the **Arcadia City Hall**, 240 West Huntington Drive, **Arcadia**, California.

### AGENDA

#### Action Items

1. Discussion and action by the Board on the **Application for License to Conduct a Horse Racing Meeting of Capitol Racing, LLC. (H) from March 5 through July 31, 2004, inclusive.**
2. Discussion and action by the Board on the **approval of the distribution of a portion of the unclaimed refund monies, adjusted for inflation, to the Jockey's Guild Health and Welfare Trust**, pursuant to Business and Professions Code Section 19612.9.
3. Staff report by the **Ad Hoc Committee on Security.**
4. Staff report on the **Advance Deposit Wagering** handle for 2003.
5. Staff report on the following **concluded race meetings:**
  - A. **Pacific Racing Association** at Golden Gate Fields from December 26, 2002, through December 21, 2003.
  - B. **Bay Meadows Operating Company** at Bay Meadows from April 2, through November 2, 2003.
  - C. **Churchill Downs Fall Operating Company** at Hollywood Park from November 11, through December 21, 2003.

#### Committee Reports

6. Report from the **Medication Committee**  
Chairman John C. Harris, Chairman  
Commissioner William A. Bianco, Member

**Other Business**

7. **General Business:** Communications, reports, requests for future action of the Board.
8. **Old Business:** Issues that may be raised for discussion purposes only, which have already been brought before the Board.
9. **Executive Session:** For the purpose of receiving advice from counsel, considering pending litigation, reaching decisions on administrative licensing and disciplinary hearings, and personnel matters, as authorized by Section 11126 of the Government Code.
  - A. Personnel.
  - B. Board may convene an Executive Session to consider any of the attached pending litigation.
  - C. The Board may also convene an Executive Session to consider any of the attached pending administrative licensing and disciplinary hearings.

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

**CALIFORNIA HORSE RACING BOARD**

John C. Harris, Chairman  
Sheryl L. Granzella, Vice Chairman  
William A. Bianco, Member  
Alan W. Landsburg, Member  
Roger H. Licht, Member  
Marie G. Moretti, Member  
John C. Sperry, Member  
Roy C. Wood, Jr., Executive Director

**STAFF ANALYSIS**  
January 22, 2004

**ISSUE:** APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF CAPITOL RACING LLC AT CAL EXPO MARCH 5, 2004 THROUGH JULY 31, 2004.

Capitol Racing LLC filed its application to conduct a harness horse racing meeting at Cal Expo:

- March 5 through July 31, 2004. The association proposes to race 82 nights with 1,032 races, or 12.6 races per night.

March - 2004						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

April - 2004						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

May - 2004						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31 H					

June - 2004						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

July - 2004						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4 H	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

- Racing Wednesday through Saturday with up to 15 live races per night.
  - 12 simulcast races Wednesdays, 6 Thursday through Saturday and Sunday March 7.
  - Racing Sunday, March 7.
  - No racing Wednesday, June 2.
- First live post 5:35 p.m. daily.
  - First simulcast 4:50 p.m. Wednesday through Friday, 5:08 p.m. Saturday and 5:10 p.m. Sunday March 7.
- Request Carl Sobey be appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety requirements have been fulfilled.
- Wagering program will use CHRB rules and the ARCI daily double.
  - Early wagering 11:00 a.m. to 5:00 p.m. before each night of racing.
  - Request a \$1 select four to begin on races 2 and 6 and race 10 if at least 13 races are carded, and a \$1 superfecta in any race that meets CHRB requirements.

- Simulcasting conducted with out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- Inspection of backstretch worker housing completed.
- On May 12, 2003, the Board issued Statement of Issues (Nos: L-20000070187 & L-20000070190) dealing with the simulcast signals between Los Alamitos and Capitol Racing. Among other matters, the decision settled the issue of the payment of impact fees for the reciprocal simulcasts between the two racing associations. Essentially, the decision provided a formula for determining the impact fees that each association would pay each other for the simulcast signal. When the appropriate calculations were made the net result was that Capitol Racing owed Los Alamitos \$3.3 million dollars for the period April 2000 through July 2003. As evidenced by the attached letters, Capitol Racing has not complied with the Board's order as of this date.

RECOMMENDATION:

Staff does not recommend approval of the application at this time.

CALIFORNIA HORSE RACING BOARD  
1010 HURLEY WAY, SUITE 300  
SACRAMENTO, CA 95825  
(916) 263-6000  
FAX (916) 263-6042



November 20, 2003

Mr. Alan Horowitz  
Capitol Racing  
Box 255069  
Sacramento, CA 95865

Dear Mr. Horowitz:

SUBJECT: COMPLIANCE WITH CHRB ORDER

I have recently reviewed the file regarding the decision of the California Horse Racing Board dated May 12, 2003. The subject of the decision was the reciprocal acceptance of simulcast signals between Capitol Racing, LLC, and Los Alamitos, and the calculation of impact fees related to those signals. As of this date I have no evidence that you have complied with the Board's order regarding the awarding of impact fees as outlined in Paragraph 14 of the Legal Conclusions section of the order. I realize that there have been settlement discussions regarding this matter. However, it is abundantly clear that those discussions are no longer productive and will not resolve this situation.

As such, please provide to my office documentation showing that you have complied with the order no later than end of business on November 26, 2003. If you have any questions about the calculation of the impact fees, please contact me at 916-263-6023.

Sincerely,

A handwritten signature in cursive script that reads "John Reagan".

John Reagan  
Senior Management Auditor

cc: Roy C. Wood, Jr., CHRB  
Dr. Edward Allred, Los Alamitos  
✓ Dominic Alessio, PCQHRA  
David Neumeister, CHHA



November 26, 2003

Mr. John Reagan  
Senior Management Auditor  
California Horse Racing Board  
1010 Hurley Way, Suite 300  
Sacramento, CA 95815

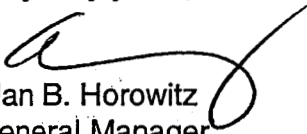
**RE: Compliance with CHRB Order**

Dear Mr. Reagan:

I am in receipt of your letter dated November 20, 2003. Since this matter is in litigation in Sacramento Superior Court, I have been advised to refer all inquiries concerning the litigation to our counsel. Therefore, if the CHRB has any questions regarding this matter, it is suggested that your counsel contact Capitol's counsel Greg Markow (619) 239-3444.

If I can be of any other assistance please feel free to contact me.

Very truly yours,

  
Alan B. Horowitz  
General Manager

CALIFORNIA HORSE RACING BOARD  
1010 HURLEY WAY, SUITE 300  
SACRAMENTO, CA 95825  
(916) 263-6000  
FAX (916) 263-6042



December 11, 2003

Mr. Alan Horowitz  
Capitol Racing  
Box 255069  
Sacramento, CA 95865

Dear Mr. Horowitz:

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SUBJECT: COMPLIANCE WITH CHRB DECISION, *In the Matter of the Statement of Issues of California Harness Horsemen's Association, et al.*, Horse Racing Board  
Nos.: L-20000070187 & L-20000070190

Thank you for your reply to my letter of November 20, 2003. I have reviewed your response with Roy Wood and CHRB counsel, and am informed that the pendency of the Sacramento Superior Court litigation that you refer to does not relieve Capitol Racing, or any of the parties to the subject statement of issues proceeding, from complying with the terms of the Board's decision of May 12, 2003.

As such, I respectfully reiterate my prior request that you provide to my office documentation showing that Capitol Racing is in compliance with the terms of the Decision, no later than end of business on December 17, 2003. If you have any questions about the calculation of the impact fees, please contact me at 916-263-6023.

Sincerely,

A handwritten signature in cursive script that reads "John Reagan".

John Reagan  
Senior Management Auditor

cc: Roy C. Wood, Jr., CHRB  
✓ Dr. Edward Allred, Los Alamitos  
Dominic Alessio, PCQHRA  
David Neumeister, CHHA



December 16, 2003

Mr. John Reagan

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


Dear Mr. Reagan:

I have received your letter of December 10<sup>th</sup> requesting further information about Capitol Racing's compliance with the Board's order of May 12, 2003. Despite our efforts and those of the California Harness Horsemen's Association to resolve this matter through discussions with Los Alamitos Race Course, we remain without a satisfactory agreement.

We are neither shirking our responsibility in this matter nor ignoring the Board's order. To accede to the position taken by Los Alamitos Race Course in our last discussions would be injurious to Capitol Racing.

This is a frustrating situation for all parties. As such we are continuing to explore approaches that will resolve this matter and comply with the Board's order. We will keep the Board apprised of our progress through the holidays.

Sincerely,



Alan B. Horowitz  
General Manager



STATE OF CALIFORNIA  
CALIFORNIA HORSE RACING BOARD  
APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING  
CHRB-17 (Rev. 7/01)

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

1. APPLICANT ASSOCIATION

A. Name, mailing address, telephone and fax numbers of association:

Capitol Racing LLC (916) 263-7893  
Calif. State Fair & Exposition (916) 263-7887  
1010 Hurley Way, Suite 215  
Sacramento, CA 95825 P.O. Box 255069  
Sacramento, CA 95865

B. Breed of horse:  TB  QH  H

C. Racetrack name: *Cal-Expo Race Course*

D. Attach a certified check payable to the Treasurer of the State of California in the amount of \$10,000 as deposit for license fees pursuant to B&P Code Section 19490.

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

2. DATES OF MEETING

A. Inclusive dates for the entire meeting: *March 5, 2004 thru July 31, 2004*

B. Actual dates racing will be held: *See attached Schedule I*

C. Total number of days or nights of racing: *82*

D. Days or nights of the week races will be held:

Wed - Sun  Tues - Sat  Other (specify)

*See attached Schedule I*

E. Number of days or nights of racing per week:

*See attached Schedule I*

CHRB CERTIFICATION

Application received: *12/5/03*  
Deposit received: *on file*  
Reviewed: *PN*

















Hearing date: *1/22/04*  
Approved date:  
License number:



















# Schedule I


## CAPITOL RACING AT CAL-EXPO







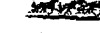









### SPRING/SUMMER RACE MEET
















March 5, 2004 thru July 31, 2004

MARCH 2004				
Wed	Thur	Fri	Sat	Sun
		Opening Night 5 	6 	7 
10 	11 	12 	13 	/
17 	18 	19 	20 	/
24 	25 	26 	27 	/
31 				

APRIL 2004			
Wed	Thur	Fri	Sat
	1 	2 	3 
7 	8 	9 	10 
14 	15 	16 	17 
21 	22 	23 	24 
28 	29 	30 	

MAY 2004			
Wed	Thur	Fri	Sat
			1 
5 	6 	7 	8 
12 	13 	14 	15 
19 	20 	21 	22 
26 	27 	28 	29 

JUNE 2004			
Wed	Thur	Fri	Sat
No Wednesday Racing	3 	4 	5 
9 	10 	11 	12 
16 	17 	18 	19 
23 	24 	25 	26 
30 			

JULY 2004			
Wed	Thur	Fri	Sat
/	1 	2 	3 
/	8 	9 	10 
/	15 	16 	17 
/	22 	23 	24 
/	29 	30 	Closing Night 31 Breeder's Crown 

**Number of race nights**  
 March - 16  
 April - 18  
 May - 17  
 June - 16  
 July - 15  
 Total 82

**3. RACING PROGRAM**

- A. Total number of races: 1032
- B. Number of races for each day or night: *Up to 15 races nightly.*
- C. Total number of stakes races: 38
- D. Attach a listing of all stakes races and indicate the date to be run and the added money or guaranteed purse for each. Note the races that are designated for California-bred horses.  
Addendum to Horsemen's Agreement.
- E. Will provisions be made for owners and trainers to use their own registered colors?  
 Yes     No        If no, what racing colors are to be used:
- F. List all post times for the daily racing program:

*See attached Schedule II*

**NOTICE TO APPLICANT** Every licensee conducting a horse racing meeting shall each racing day provide for the running of at least one race limited to California-bredhorses, to be known as the "California-bredrace" pursuant to CHRB Rule 1813. For thoroughbred and quarter horse meetings, the total amount distributed for California-bredstakes races from the purse account, including overnight stakes, shall not be less than 10% of the total amount distributed for all stakes races pursuant to B&P Code Section 19568(b).

**4. RACING ASSOCIATION**

- A. Association is a:     Corporation (complete subsection C)  
                                    LLC (complete subsection D)  
                                    Other (specify, and complete subsection E)
- B. Complete the applicable subsection and attached Addendum, Background Information and Ownership. *On file at Board Office.*
- C. CORPORATION
  - 1. Registered name of the corporation:
  - 2. State where incorporated:
  - 3. Registry or file number for the corporation:
- D. Names of all officers and directors, titles, and the number of shares of the corporation held by each:

**Schedule II**  
**POST TIMES FOR PROPOSED DAILY RACING PROGRAM**

	<u>Wednesdays</u>	<u>Thursdays</u>	<u>Fridays</u>	<u>W/T-breds</u>	<u>Saturdays</u>	<u>Sundays</u>
<u>Race #1</u>	5:35 p.m.	5:35 p.m.	5:35 p.m.	5:35 p.m.	5:35 p.m.	5:35 p.m.
<u>Race #2</u>	5:54	5:54	5:58	5:55	5:55	5:56
<u>Race #3</u>	6:13	6:13	6:22	6:15	6:18	6:17
<u>Race #4</u>	6:32	6:33	6:44	6:35	6:44	6:38
<u>Race #5</u>	6:52	6:58	7:06	6:55	7:09	6:59
<u>Race #6</u>	7:13	7:25	7:29	7:22	7:35	7:20
<u>Race #7</u>	7:34	7:51	7:54	7:50	8:00	7:41
<u>Race #8</u>	7:55	8:17	8:19	8:18	8:25	8:03
<u>Race #9</u>	8:16	8:42	8:44	8:46	8:50	8:25
<u>Race #10</u>	8:37	9:07	9:09	9:14	9:15	8:47
<u>Race #11</u>	8:58	9:32	9:34	9:42	9:40	9:09
<u>Race #12</u>	9:18	9:57	9:59	10:10	10:05	9:30
<u>Race #13</u>	9:38	10:18	10:24	10:38	10:30	9:50
<u>Race #14</u>	9:58	10:38	10:49	10:59	10:55	10:09
<u>Race #15</u>	10:18	10:58	11:12	11:24	11:16	10:28
<u>Import #1</u>	4:50 p.m.	4:50 p.m.	4:50 p.m.		5:08 p.m.	5:10 p.m.
<u>Import #2</u>	5:08	5:09	5:09		5:28	5:30
<u>Import #3</u>	5:26	5:26	5:28		5:48	5:50
<u>Import #4</u>	5:45	6:02	6:01		6:08	6:10
<u>Import #5</u>	6:04	6:23	6:22		9:09	6:30
<u>Import #6</u>	6:23	6:44	6:43		9:30	6:50
<u>Import #7</u>	7:03	---	---		---	---
<u>Import #8</u>	7:24	---	---		---	---
<u>Import #9</u>	7:45	---	---		---	---
<u>Import #10</u>	8:06	---	---		---	---
<u>Import #11</u>	8:27	---	---		---	---
<u>Import #12</u>	8:48	---	---		---	---

- 5. Names (true names) of all persons, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the corporation and the number of shares held by each:
- 6. Number of outstanding shares in the corporation:
- 7. Are the shares listed for public trading?  Yes  No  
If yes, on what exchange and how is the stock listed:
- 8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation:
- 9. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
- 10. Attach the most recent annual financial statement for the corporation, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the corporation and/or the Securities and Exchange Commission and/or the California Corporations Commission.

D. LLC

- 1. Registered name of the LLC: *Capitol Racing LLC*
- 2. State where articles of organization are filed: *California*
- 3. Registry or file number for the LLC: *101997051009*
- 4. Names of all officers and directors, titles, and the number of shares of the LLC held by each:  
*Stephen A. Bieri – President*  
*Barbara J. Bieri – Secretary & Treasurer*
- 5. Names (true names) of all members, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the LLC and the number of shares held by each:  
*None*
- 6. Are the shares listed for public trading?  Yes  No  
If yes, on what exchange and how is the stock listed:
- 7. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:  
*N/A*
- 8. Attach the most recent annual financial statement for the LLC, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the LLC and/or the Securities and Exchange Commission and/or the California Corporations Commission.  
*On file at Board Office*

E. OTHER

- 1. Name(s) of partners/sole proprietor:
- 2. If a partnership, attach partnership agreement.

F. Management and Staff

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

*Alan Horowitz..... General Manager*  
*John Matijasic..... Director of Marketing*  
*Chris Schick..... Director of Simulcasting*  
*Renee Moddison..... Parimutuel Manager*  
*Richard May..... Director of Operations*  
*J.R. Williams..... Track Superintendent*  
*Richard Colby..... Director of Media Relations*  
*Marty Bridges..... Program Director*

- 2. Name and title of the person(s) authorized to receive notices on behalf of the association and the mailing address of such person(s) if other than the mailing address of the association:

*Alan Horowitz, General Manager*

5. PURSE PROGRAM

A. Estimated purse distribution:

- 1. All races other than stakes: *\$3,690,000.*
- 2. Overnight stakes: *\$50,000. late closers*
- 3. Non-overnight stakes: *\$845,000. (Calif. Sire & Gold events)*

B. Stakes Races:

- 1. Estimated purse distribution for all stakes races: *\$895,000.*
- 2. Percentage of the estimated purse distribution for all stakes races that will be distributed for California-bred stakes races: *90%*

- C. Estimated funds to be generated for all California-bred incentive awards:

*\$90,000.*

- D. Estimated amount of payment to each recognized horsemen's organization contracting with the association and the name(s) of the organization(s):

<u>Recognized Horsemen's Organization</u>	<u>Estimated Payment</u>
<i>California Harness Horsemen's Association</i>	<i>\$200,000.</i>

- E. Total estimated amount from all sources to be distributed at the meeting in the form of purses or other benefits to horsemen: *\$4,875,000.*

- F. Estimated purse funds to be generated from on-track handle and intrastate off-track handle:  
*\$800,000. On-track; \$3,500,000. Intrastate off-track*

- G. Estimated purse funds to be generated from interstate handle:  
*\$575,000.*

- H. Bank or depository for the Paymaster of Purses' purse account and the account number:  
*Bank of America; Acct. # 05239-09927*

- I. Name, address and telephone number of the pari-mutuel audit firm engaged for the meeting:  
*Disher Accountancy, Corp.  
1816 Maryal Drive  
Sacramento, CA 95864  
(916) 482-4224; FAX (916) 482-4225*

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

## 6. STABLE ACCOMMODATIONS

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

*990 stalls*

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

*990 stalls*

- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers:  
N/A
- D. Name or location of each off-site stabling area and the number of stalls to be maintained at each site:  
N/A
- E. Attach each contract or agreement between the association and the person(s) furnishing off-site stabling accommodations for eligible racehorses which cannot be provided stabling on-site.  
N/A

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

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

**7. PARI-MUTUEL WAGERING PROGRAM**

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

Use DD for daily double, E for exacta (special quinella), LS for limited sweepstakes (pick 6), PK3 for pick three, PK4 for select four, PK6 for pick 6 one pool, PK7 for pick 7, PNP for pick (n) pool, PPN for place pick (n), Q for quinella, SF for superfecta, SS1 for special sweepstakes (pick 6) alternate 1, SS2 for special sweepstakes (pick 6) alternate 2, SS3 for special sweepstakes (pick 6) alternate 3, SRUS for special reserved unlimited sweepstakes (pick 9), SUS for special unlimited sweepstakes (pick 9), TRI for trifecta, and US for unlimited sweepstakes (pick 9).

	TYPE OF WAGERS	APPLICABLE RULES
Example Race:	\$1 E; \$2 Twin Trifecta	CHRB #1959; RCI #VP
<b>Race #1</b>	<b>\$1 E; \$1 Tri; \$1 DD</b>	<b>CHRB 1959; 1979; ARCI #VE</b>
<b>Race #2</b>	<b>\$1 E; \$1 Tri</b>	<b>CHRB 1959; 1979</b>
<b>Race #3</b>	<b>\$1 E; \$1 Tri; \$1 Pk 3</b>	<b>CHRB 1959; 1979; 1977</b>
<b>Race #4</b>	<b>\$1 E; \$1 Tri; \$1 Pk 3</b>	<b>CHRB 1959; 1979; 1977</b>
<b>Race #5</b>	<b>\$1 E; \$1 Tri; \$1 Pk 3</b>	<b>CHRB 1959; 1979; 1977</b>
<b>Race #6</b>	<b>\$1 E; \$1 Tri</b>	<b>CHRB 1959; 1979</b>
<b>Race #7</b>	<b>\$1 E; \$1 Tri; \$1 Pk 3</b>	<b>CHRB 1959; 1979; 1977</b>
<b>Race #8</b>	<b>\$1 E; \$1 Tri; \$1 Pk 3</b>	<b>CHRB 1959; 1979; 1977</b>
<b>Race #9</b>	<b>\$1 E; \$1 Tri</b>	<b>CHRB 1959; 1979</b>
<b>Race #10</b>	<b>\$1 E; \$1 Tri; \$1 Pk 3 if 12 races</b>	<b>CHRB 1959; 1979; 1977</b>



Race #11	\$1 E; \$1 Tri; \$1 Pk 3 if 13 races	CHRB 1959; 1979; 1977
Race #12	\$1 E; \$1 Tri; \$1 Pk 3 if 14 races	CHRB 1959; 1979; 1977
Race #13	\$1 E; \$1 Tri; \$1 Pk 3 if 15 races	CHRB 1959; 1979; 1977
Race #14	\$1 E; \$1 Tri	CHRB 1959; 1979
Race #15	\$1 E; \$1 Tri	CHRB 1959; 1979

**Notes:**

- \$1 Pk 4 (CHRB 1978) requested to begin on Races 2 & 6, and on Race 10 if at least 13 races carded.
- \$1 Superfecta (CHRB 1979.1) requested in any race if requirements met, at Assoc. discretion.
- Bal-Cal Pk 4: first Saturday night of each month; 2 Balmoral Park, Ill. races & 2 from Cal-Expo.
- Imported races from U.S. and Canadian harness & quarterhorse tracks will have co-mingled pools.

B. The maximum carryover pool to be allowed to accumulate before its distribution **OR** the date(s) designated for distribution of the carryover pool: *None*

C. List any options requested with regard to exotic wagering:  
*See Note above Section 7A on Bal-Cal Pick 4.*

D. Will "advance" or "early bird" wagering be offered?  Yes  No  
If yes, when will such wagering begin:  
*11:00 a.m. to 5:00 p.m. before each night of racing.*

E. Type(s) of pari-mutuel or totalizator equipment to be used by the association and the simulcast organization, name of the person(s) supplying equipment, and expiration date of the service contract:  
*Autotote 11 System 12/31/04*  
*Autotote Systems, Inc.*

**8. SIMULCASTING WAGERING PROGRAM**

- A. Simulcast organization engaged by the association to conduct simulcast wagering:  
*Southern California Off-Track Wagering, Inc. (Agreement on file with Board)*
- B. Attach the agreement between the association and simulcast organization permitting the organization to use the association's live audiovisual signal for wagering purposes and providing access to its totalizator for the purpose of combining on-track and off-track pari-mutuel pools.  
*On file with Board.*
- C. California simulcast facilities the association proposes to offer its live audiovisual signal:  
*All simulcast locations.*
- D. Out-of-state wagering systems the association proposes to offer its live audiovisual signal:  
*See attached Schedule III*
- E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the association:  
*Same as "D" above, except for authorized locations in Canada & Mexico.*

## SCHEDULE III

### OUT OF STATE SIMULCAST WAGERING LOCATIONS

American Tab, Oregon  
Atlantic City, New Jersey  
Capitol District OTB, New York  
Catskill Region OTB, New York  
Connecticut OTB, Connecticut  
Diaryland Greyhound, Wisconsin  
**ExpressBet, California**  
Fire Lake Casino, Oklahoma  
Foxwoods Casino, Connecticut  
Fraser Downs, B.C., CAN  
Freehold Raceway, New Jersey  
Hazel Park, Indiana  
Hoosier Park, Michigan  
Illinois OTB, Illinois  
Indianapolis Downs, Indiana  
International Racing Group, Curacao  
Ladbrokes at Meadows, Pennsylvania  
Les Bois Park, Idaho  
Lone Star Park, TX  
Meadowlands Race Track, New Jersey  
Mesquaki Casino, Iowa  
Nassau Region OTB, New York  
Nevada Parimutuel Association, Nevada  
New York OTB, New York  
Northfield Park, Ohio  
Northville Downs, Michigan

Ocean Downs, Maryland  
Penn National Gaming, Pennsylvania  
Philadelphia Park, Pennsylvania  
Plainridge Racecourse, Massachusetts  
Pompano Park, Florida  
Racing Channel, Oregon  
Raceway Park, Ohio  
Racing & Gaming Services, St. Kitts  
Racing Services Inc. North Dakota  
Rosecroft Raceway, Maryland  
Sam Houston Park, Texas  
Scioto Downs, Ohio  
Southland Greyhound, Arkansas  
Sports Creek Raceway, Michigan  
Suffolk Downs, MA  
Suffolk Region OTB, New York  
Sunland Park, New Mexico  
**Television Games Network (TVG)**  
Thistledowns, Ohio  
The Downs at Albuquerque, NM  
Western Region OTB, New York  
Windsor Raceway, ONT. CAN  
Woodbine Ent. Grp. ONT. CAN  
Yonkers Raceway, New York  
**YouBet, Oregon**

**Bold type represents ADW providers.**

- F. For **THOROUGHBRED** racing associations, list the host track from which the association proposes to import out-of-state and/or out-of-country thoroughbred races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races":

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

**THOROUGHBRED SIMULCAST RACES TO BE IMPORTED**

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
--------------------	------------	---

Examples:

Calder Race Course	1/1 & 1/2/99	Full Card
Fair Grounds	3/14/99	Selected Feature and/or Stakes Races

- G. For **QUARTER HORSE** racing associations, list the host track from which the association proposes to import out-of-state and/or out-of-country quarter horse races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races":

**QUARTER HORSE SIMULCAST RACES TO BE IMPORTED**

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
--------------------	------------	---

Examples:

Retama Park	4/8 & 4/9/99	Full Card
Ruidoso Downs	9/6/99	Selected Feature and/or Stakes Races

- H. For **STANDARD BRED** racing associations, list the host tracks from which the association proposes to import out-of-state and/or out-of-country harness races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races":

**HARNESS SIMULCAST RACES TO BE IMPORTED**

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
--------------------	------------	---

Examples:

Saratoga Raceway	5/8/99	Full Card
Meadowlands	8/7/99	Selected Feature and/or Stakes Races

***Six (6) out-of-state harness or quarterhorse races per live racing program on nights with QH overlap; twelve (12) out-of-state harness or quarterhorse races on nights without QH overlap, with races predominantly from harness tracks in Illinois and New Jersey, but also may include selected events from tracks in other CHRB approved jurisdictions. A full card of simulcast races to be imported from the Meadowlands on July 31, 2004 as Breeder's Crown program.***

- I. For ALL racing associations, list imported simulcast races the association plans to receive which use breeds other than the breed of the majority of horses racing at its live horse racing meeting. Include the name of the host track, the dates imported races will be held, and how many races will be imported:

**OTHER BREED SIMULCAST RACES TO BE IMPORTED**

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

***On occasion, Quarterhorse races may be imported from CHRB approved jurisdictions.***

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

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

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

**9. CHARITY RACING DAYS**

- A. Name and address of the distributing agent (charity foundation) for the net proceeds from charity racing days held by the association:  
*On file at Board Office*
- B. Names and addresses of the trustees or directors of the distributing agent:  
*Information on file with Board Office*
- C. Dates the association will conduct races as charity racing days OR:  
*March 10; April 14; May 12; June 23 & July 22, 2004*
- D. Will the association pay the distributing agent an amount equal to the maximum required under B&P Code Section 19550(b)?  Yes

NOTICE TO APPLICANT Net proceeds from charity racing days shall be paid to the designated and approved distributing agent within 180 days following the conclusion of the association's race meeting in accordance with the provisions of B&P Code Section 19555. Thereafter, the distributing agent shall distribute not less than 90% of the aggregate proceeds from such charity racing days within 12 calendar months after the last day of the meeting during which the charity racing days were conducted and shall distribute the remaining funds as soon thereafter as is practicable. At least 20% of the distribution shall be made to charities associated with the horse racing industry in accordance with the provisions of B&P Code Section 19556(b).

**10. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT**

**A. Racing Officials nominated:**

- Associate Judges*.....N/A
- Association Veterinarian(s)*..... Dr. Henry Cook
- Clerk of Scales*..... N/A
- Clerk of the Course*..... Patricia Petersen
- Horse Identifier*.....Carl Sobey
- Horseshoe Inspector*.....Larry Goshman/John Walker
- Paddock Judge*..... Nate Bower
- Patrol Judges*..... Bill Vallandingham
- Placing Judges*.....Ron Goldman
- Starter*..... Bill Vallandingham
- Timer*..... Ron Goldman

**B. Management officials in the racing department:**

- Director of Racing*.....N/A
- Racing Secretary*.....Fred Kuebler
- Assistant Racing Secretary*..... N/A
- Paymaster of Purses*..... Michi Abday
- Others (identify by name and title)* ..... None

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

*Capital Reporters*  
*2340 Harvard*  
*Sacramento, CA*  
*(916) 923-5447*

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

<i>Post Time Productions</i>	<i>Additional Digital Systems provided by:</i>
<i>Mr. Mike Tepper</i>	<i>Sportsdata Systems (Mr. Jim Hisle)</i>
<i>Contract thru 12/31/04</i>	<i>Contract thru 12/31/04</i>

- E. Photopatrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract:  
*Pegasus Communications (Mr. Jim Porup)*  
*Contract thru 12/31/04*
- F. Type of electronic timing device to be used for the timing of all races, name of the person supplying the service, and expiration date of the service contract:  
*Sportsdata Systems (Mr. Jim Hisle); Contract thru 12/31/04*

## 11. SECURITY CONTROLS AND EMERGENCY SERVICES

- A. Name and title of the person responsible for security controls on the premises:  
*Chief Kraft, Calif. State Fair Police*
- B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis. Describe the electronic security system:  
 10 *Closed-Circuit TV Surveillance system throughout enclosure; Security alarm System on doors; motion sensors in corridors & stairwells.*
- C. Name, address and emergency telephone number of the ambulance service to be used during workouts and the running of the races:  
*American Medical Response*  
*P.O. Box 3718*  
*Modesto, CA 95352*  
*(916) 565-2837*
- D. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites: *N/A*
- E. Attach a fire clearance from the fire authority having jurisdiction over the premises.  
*On file at Board Office*
- F. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details):  
*State Compensation Insurance Fund*  
*Policy # 1488980-04*  
*P.O. Box 807*  
*San Francisco, CA 94101*
- G. Attach a Certificate of Insurance for workers' compensation coverage. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of insurance which secures the liability of the association for payment of workers' compensation.  
*On file with Board Office; expires 4/1/04*



Office of the State Fire Marshal  
**REINSPECTION REPORT**



File No. 04-34-01  
0000-0000-3300

Name of Facility Cal Expo  
Name of Building Barns A-2  
Address 100 Exposition Blvd  
Sacramento, CA

Inspected by Dave Eddy      Booth  
Accompanied by Booth

Fire Safety Deficiencies Numbered 1-4       noted on the letter   
Fire Safety Correction Notice (EN-11)  dated 9/11/03 have been corrected.  
Uncorrected Deficiencies Numbered 0 were issued as shown  
on the Fire Safety Correction Notice dated \_\_\_\_\_ which is attached to and made a part of this Report.  
In addition, 0 new deficiencies were identified at the time of this reinspection and are shown as items  
\_\_\_\_\_ on the attached Fire Safety Correction Notice.

Fire Clearance Instructions:  
Barns A-2 are granted fire  
clearance for a period of 1 year  
from date noted below.

Yes 9/03      9/03  
Shelton      24 Sept 2003

**STATE  
COMPENSATION  
INSURANCE  
FUND**

P.O. BOX 807, SAN FRANCISCO, CA 94142-0807

**CERTIFICATE OF WORKERS' COMPENSATION INSURANCE**

ISSUE DATE: 04-01-2003

GROUP:  
POLICY NUMBER: 1488980-2003  
CERTIFICATE ID: 2  
CERTIFICATE EXPIRES: 04-01-2004  
04-01-2003/04-01-2004

CALIFORNIA HORSE RACING BOARD  
1010 HURLEY WAY, SUITE 300  
SACRAMENTO CA 95825

NF

This is to certify that we have issued a valid Workers' Compensation insurance policy in a form approved by the California Insurance Commissioner to the employer named below for the policy period indicated.

This policy is not subject to cancellation by the Fund except upon 10 days' advance written notice to the employer.

We will also give you 10 days' advance notice should this policy be cancelled prior to its normal expiration.

This certificate of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policies listed herein. Notwithstanding any requirement, term, or condition of any contract or other document with respect to which this certificate of insurance 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.

*Thomas Hansen*

AUTHORIZED REPRESENTATIVE

*Dianne C. Oki*

PRESIDENT

EMPLOYER'S LIABILITY LIMIT INCLUDING DEFENSE COSTS: \$1,000,000.00 PER OCCURRENCE.

EMPLOYER

CAPITOL RACING LLC  
PO BOX 255069  
SACRAMENTO CA 95865

LEGAL NAME

CAPITOL RACING ,  
LLC



12. CONCESSIONAIRES AND SERVICE CONTRACTORS

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

Ovation/FanFare Enterprises
6473 Sierra Lane Food & Liquor
Dublin, CA 94568

13. SCHEDULE OF CHARGES

A. Proposed charges for admissions, seating or boxes, parking and programs. Note any changes from the previous year:

Admission (general) ..... \$3.00
Admission (Turf Club) ..... No upgrade
Reserved seating (general) ..... N/A
Reserved seating (clubhouse) ..... N/A
Parking (general) ..... N/A
Parking (preferred) ..... N/A
Parking (valet) ..... N/A
Programs (on-track) ..... \$3.00
(off-track) ..... \$3.50

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

C. Describe any "package" plans such as combined parking, admission and program:
N/A

14. JOCKEYS/DRIVERS' QUARTERS

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

[X] Corners (lockers and cubicles) How many [46]
[X] Showers [X] Steam room, sauna or steam cabinets [X] Lounge area
[X] Masseur [X] Food/beverage service [ ] Certified platform scale

B. Describe the quarters to be used for female jockeys/drivers:
Cubicles, Shower, Food/beverage service & Lounge area.

15. BACKSTRETCH EMPLOYEE HOUSING

A. Attach written certification that an inspection of the backstretch employee housing has been conducted by a lead agency designated by the CHRB and the applicant is not aware of any known violations of the local housing ordinances.
Completed.

- B. Number of rooms used for housing on the backstretch of the racetrack:  
100
- C. Number of restrooms available on the backstretch of the racetrack:  
8
- D. Estimated ratio of restroom facilities to the number of backstretch personnel:  
8/160

## 16. TRACK SAFETY

- A. Total distance of the racecourse - measured from the finish line counterclockwise (3' from the inner railing) back to the finish line: One mile feet.
- B. Describe the type(s) of materials used for the inner and outer railings of the race course, the type of inner railing supports (i.e., metal gooseneck, wood 4" x 4" uprights, offset wood 4" x 4" supports, etc.), the coverings, if any, on the top of the inner railing, and the approximate height of the top of the inner railing from the level of the race course.  
*Pylons are used instead of the inner hub rail. An aluminum Steriline racing rail, in full compliance of track safety regulations, is used for the outer rail.*
- C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474: *J. R. Williams, Track Superintendent*
- D. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474.  
*On file with Board Office*
- E. If the association is requesting approval to implement alternate methodologies to the provisions of Article 3.5, Track Safety Standards, pursuant to CHRB Rule 1471, attach a Certificate of Insurance for liability insurance which will be in force for the duration of the meeting specified in Section 2. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of liability insurance. Additionally, the CHRB must be listed as additionally insured on the liability policy at a minimum amount of \$3 million per incident. The liability insurance certificate must be on file in the CHRB headquarters office prior to the conduct of any racing.

## 17. DECLARATIONS

- A. All labor and lease agreements and concession and service contracts necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state):  
*All contracts in place.*
- B. Attach each horsemen's agreement pursuant to CHRB Rule 2044.  
*On file with Board.*

# ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)  
11/06/03

**PRODUCER**  
Aon Client Services  
Aon Risk Services of Texas, Inc. d/b/a  
Aon Risk Insurance Services of TX, Inc.  
CA, Lic#0559715  
2711 N. Haskell Ave., Lock Box 9  
Dallas TX 75204 USA  
PHONE: (866) 733-5747 FAX: (866) 732-7288

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY  
AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS  
CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE  
COVERAGE AFFORDED BY THE POLICIES BELOW.

**INSURERS AFFORDING COVERAGE**  
INSURER A: Scottsdale Ins Company  
INSURER B:  
INSURER C:  
INSURER D:  
INSURER E:

**INSURED**  
Capitol Racing, LLC  
P.O. Box 255069  
Sacramento CA 95865 USA

**COVERAGES:** This Certificate is not intended to specify all endorsements, coverages, terms, conditions and exclusions of the policies shown.

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	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	BNDR110303 03/04 General Liability	11/03/03	11/18/04	EACH OCCURRENCE	\$1,000,000
					FIRE DAMAGE (Any one fire)	\$100,000
					MED EXP (Any one person)	
					PERSONAL & ADV INJURY	\$1,000,000
					GENERAL AGGREGATE	\$2,000,000
					PRODUCTS - COMP/OP AGG	\$1,000,000
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident)	
					BODILY INJURY (Per person)	
					BODILY INJURY (Per accident)	
					PROPERTY DAMAGE (Per accident)	
	<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	
					OTHER THAN AUTO ONLY: EA ACC AGG	
	<b>EXCESS LIABILITY</b> <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION				EACH OCCURRENCE	
					AGGREGATE	
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>				WC STATUTORY LIMITS	OTHER
					E.L. EACH ACCIDENT	
					E.L. DISEASE-POLICY LIMIT	
					E.L. DISEASE-EA EMPLOYEE	
	<b>OTHER</b>					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS  
Certificate holder is added to the general liability as an additional insured ATIMA.

**CERTIFICATE HOLDER**  
California Horse Racing Board  
1010 Hurley Way #300  
Sacramento CA 98565 USA

**CANCELLATION**  
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY 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 COMPANY, ITS AGENTS OR REPRESENTATIVES.  
AUTHORIZED REPRESENTATIVE *[Signature]*

- C. Attach a lease agreement permitting the association to occupy the racing facility during the entire term of the meeting. (In the absence of either a lease agreement or a horsemen's agreement, a request for an extension pursuant to CHRB Rule 1407 shall be made).

*On file with Board Office*

- D. All service contractors and concessionaires have valid state, county or city licenses authorizing each to engage in the type of service to be provided and have valid labor agreements, when applicable, which remain in effect for the entire term of the meeting except as follows (if no exceptions, so state):

*No exceptions*

- E. Absent natural disasters or causes beyond the control of the association, its service contractors, concessionaires or horsemen participating at the meeting, no reasons are believed to exist that may result in a stoppage to racing at the meeting or the withholding of any vital service to the association except as follows (if no exceptions, so state):

*No exceptions*

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

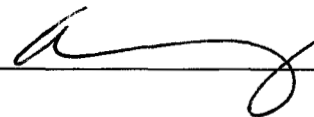
**18. CERTIFICATION BY APPLICANT**

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

*Alan B. Horowitz*

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature



*General Manager*

\_\_\_\_\_  
Print Title

*Dec. 3, 2003*

\_\_\_\_\_  
Date

**STAFF ANALYSIS  
JOCKEYS' HEALTH AND WELFARE PROGRAM**

**REGULAR BOARD MEETING  
JANUARY 22, 2004**

**Background:**

Section 19612.9 of the Horse Racing Law provides for a health and welfare program for California jockeys and their dependents funded by uncashed refund tickets. The Jockeys' Guild was certified by the Board as the organization to provide those services because it was determined that they represented the majority of the licensed California jockeys as required by the law.

The Jockeys' Guild established a trust account to administer the health and welfare funds pursuant to their agreement with the TOC. In 2002 the Guild began a self-insurance program for health, dental, and vision for all jockeys nationwide. The California jockeys were included in this national program. The audited costs for the program relative to the California jockeys is included in this package. The program began in 1997 with an initial transfer of \$450,000 in unclaimed refunds to the trust and has continued each year with an inflation-adjusted contribution to the program. In 2002, the Board approved a transfer of \$884,235 in uncashed refunds to the trust account. The latest data from the Guild indicates that approximately 100 California jockeys and their dependents are included in the Guild's current insurance program.

As indicated above, the law allows the Board to determine if an inflation adjustment is appropriate with each year's transfer. Since the program's inception, the Board has used the State of California's CalPERS premiums increases as the benchmark for annual adjustment to the Jockey's health care costs. In 2003, CalPERS costs increased an average of 12% (prior years have seen increases of 6.5%, 9.5%, 12.5%, 15%, and 25% in that order). The Guild has experienced similar increases and is requesting an inflation adjustment of 15% this year.

An increase of 15% over last year's allocation would mean that \$1,016,870 would be transferred to the Trust this year. If the Board approves this amount (or other amount deemed appropriate by the Board), then staff will notify the racing associations to transfer their prorata share of the funds to the trust account.

**Recommendation:**

Staff recommends that the Board hear from the representatives of the Guild and other interested parties with regard to the health and welfare program for California jockeys.

JOCKEYS' GUILD, INC.

SCHEDULE OF CALIFORNIA JOCKEYS'  
HEALTH AND WELFARE COSTS

FOR THE YEAR ENDED DECEMBER 31, 2002



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PIAZZA, DONNELLY & MARLETTE  
CERTIFIED PUBLIC ACCOUNTANTS

L. G. Marlette Jr., CPA  
Scott J. Donnelly, CPA  
Dana N. Piazza, CPA

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Jockeys' Guild, Inc.

We have audited the accompanying schedule of California Jockeys' Health and Welfare Costs (as defined in the Agreement) dated January 2000 between the Jockeys' Guild, Inc. (the Guild) and the Thoroughbred Owners of California, Inc. (the TOC)) for the year ended December 31, 2002. This schedule is the responsibility of the Jockeys' Guild, Inc.'s management. Our responsibility is to express an opinion on this Schedule based on our audit.

We conducted our audit of the schedule in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of California Jockeys' Health and Welfare Costs is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the schedule of California Jockeys' Health and Welfare Costs referred to above presents fairly, in all material respects, the California Jockeys' Health and Welfare Costs for the year ended December 31, 2002 in accordance with the terms of the Agreement referred to above.

This report is intended solely for the information and use of the boards of directors and managements of the Guild and the TOC and should not be used for any other purpose or relied upon by any other party.

*Piazza Donnelly Marlette JSP*

Torrance, California  
August 21, 2003



JOCKEYS' GUILD, INC.  
SCHEDULE OF CALIFORNIA JOCKEYS' HEALTH AND WELFARE COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2002

Health, dental and vision self insurance costs	\$ 835,710
Life insurance costs	33,169
Disabled, injured and other health and welfare costs	99,996
Administrative costs	<u>78,872</u>
Total health and welfare costs	1,047,747
Less health and welfare contributions from participants	<u>(180,160)</u>
Total costs eligible for reimbursement to Jockey's Guild, Inc.	867,587
Less net interim reimbursement at June 30, 2002	<u>(424,298)</u>
Total remaining costs eligible for reimbursement to Jockeys' Guild, Inc. at December 31, 2002	<u><u>\$ 443,289</u></u>

The accompanying notes are an integral part of this schedule.

JOCKEYS' GUILD, INC.  
NOTES TO THE SCHEDULE OF CALIFORNIA JOCKEYS' HEALTH AND WELFARE COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2002

Note 1-Organization and General

The Schedule of California Jockeys' Health and Welfare Costs has been prepared pursuant to the three-year agreement dated January 2000 (the Agreement) between the Jockeys' Guild, Inc. (the Guild) and the Thoroughbred Owners of California, Inc. (the TOC) effective July 1, 2000 to implement the provisions of California Business and Professions Code 19612.9 (the Statute). The Statute was adopted to provide health and welfare benefits to California-licensed jockeys, former California-licensed jockeys and their dependents (California Jockeys). The California Horse Racing Board is responsible for overseeing the Statute and has approved the Agreement and certified TOC and the Guild as the appropriate responsible parties as described below.

Pursuant to the Statute, certain amounts shall be distributed to the organization that is responsible for negotiating purse agreements on behalf of the horsemen participating in the racing meeting (the TOC) for the purpose of negotiating an agreement with the responsible jockeys' organization (the Guild) to provide health and welfare benefits to California Jockeys. The amount of money distributed annually to the Guild, shall be held in trust and shall not exceed \$ 450,000, adjusted annually for inflation. Effective July 1, 2000, the Guild entered into a new agreement with TOC which increases the amount of money distributed annually to \$ 525,740, adjusted annually for inflation. This agreement shall be in effect through June 30, 2003. The Guild has established a trust known as the Jockeys' Guild, Inc. Health and Welfare Fund (the Trust) for the purpose of holding and expending all monies distributed pursuant to the Statute.

The Guild has developed reasonable and nondiscriminatory criteria for eligibility for the health and welfare benefits. California Jockeys who are not members of the Guild shall become and remain eligible for health and welfare benefits available for California Jockeys who are members of the Guild. To be eligible (Eligible California Jockey) for benefits, a California Jockey must ride at least 100 mounts in legal pari-mutuel races per year and at least 50 of said mounts must be in the State of California. Non-Guild members are required to pay a premium to be eligible to participate in the Guild's health and welfare benefit plans, which is equivalent to the minimum required to be paid by California Guild members to participate in these plans. The premiums paid by non-Guild members are used by the Guild to offset the costs of providing health and welfare benefits. The Guild has determined that for the year ended December 31, 2002, there were 99 Eligible California Jockeys. This amount was used to calculate health and welfare costs for the year ended December 31, 2002.

Note 2-Summary of Significant Accounting Policies

Use of Estimates

The preparation of this schedule in conformity with the terms of the Agreement requires management to make estimates and assumptions that affect the reported costs and disclosures during the reporting period of the schedule. Actual results could differ from those estimates.

JOCKEYS' GUILD, INC.  
NOTES TO THE SCHEDULE OF CALIFORNIA JOCKEYS' HEALTH AND WELFARE COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2002

Note 2--Summary of Significant Accounting Policies (Continued)

**Basis of Accounting**

The costs included on the Schedule of California Jockeys' Health and Welfare Costs were recorded using the accrual basis of accounting.

**Health, Dental and Vision Self Insurance Costs**

These costs include the respective amount of health insurance premiums and costs from the insurance policy administered through P5 E. Health Services Inc. These costs also include eligible costs to be reimbursed to eligible participants participating in the Guild self insurance program. The amount for eligible health care benefit costs has been computed for the Eligible California Jockeys.

**Life Insurance Costs**

These costs include life insurance premiums to Metropolitan Life Insurance Company for the Eligible California Jockeys.

**Disabled, Injured and Other Health and Welfare Costs**

These costs include special charges for aid provided to temporarily injured Eligible California Jockeys and jockeys injured in the state of California. Additionally, financial and medical aid costs for permanently disabled jockeys have been included.

**Administrative Costs**

The Guild staff performs various tasks to administer the benefits available to Eligible California Jockeys and the costs charged to the Trust include various direct and allocated overhead and administrative expenses of the health and welfare program costs incurred by the Guild. The allocations are based on the percentage of Eligible California Jockeys to total active Guild members and participating non-members, as well as specific fees and expenses, where applicable. The Guild has limited its request for reimbursement for administration costs to 10% of the applicable insurance costs less participants' contribution. This is less than the 20% allowed.

**Health and Welfare Contributions from Participants**

Represents the reimbursement of the cost of health insurance premiums incurred by eligible participants who participate in the Guild self insurance program. The Guild estimates the monthly cost of health insurance premiums for eligible participants as follows:

Single	\$348.20 per month
With dependent	\$696.34 per month
Family	\$925.65 per month

JOCKEYS' GUILD, INC.  
NOTES TO THE SCHEDULE OF CALIFORNIA JOCKEYS' HEALTH AND WELFARE COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2002

Note 2—Summary of Significant Accounting Policies (Continued)

Health and Welfare Contributions from Participants (Continued)

The following outlines the amount the Guild charges to each eligible participant to participate in the Guild self insurance program:

Single	\$80.00 per month
With dependent	\$160.00 per month
Family	\$210.00 per month

The Guild estimated the total cost of health insurance premiums for California Jockeys in the self insurance program at \$835,710. Health, dental and vision insurance claims paid to California Jockeys pursuant to the Guild self insurance program was \$348,850.

**ITEM 3**

**CALIFORNIA HORSE RACING BOARD**

**January 22, 2004 Regular Board Meeting**

There is no board package material for this item.

Information to be presented at the board meeting.

**STAFF ANALYSIS**  
**REPORT ON ADW RESULTS FOR 2003**

**REGULAR BOARD MEETING**  
**JANUARY 22, 2004**

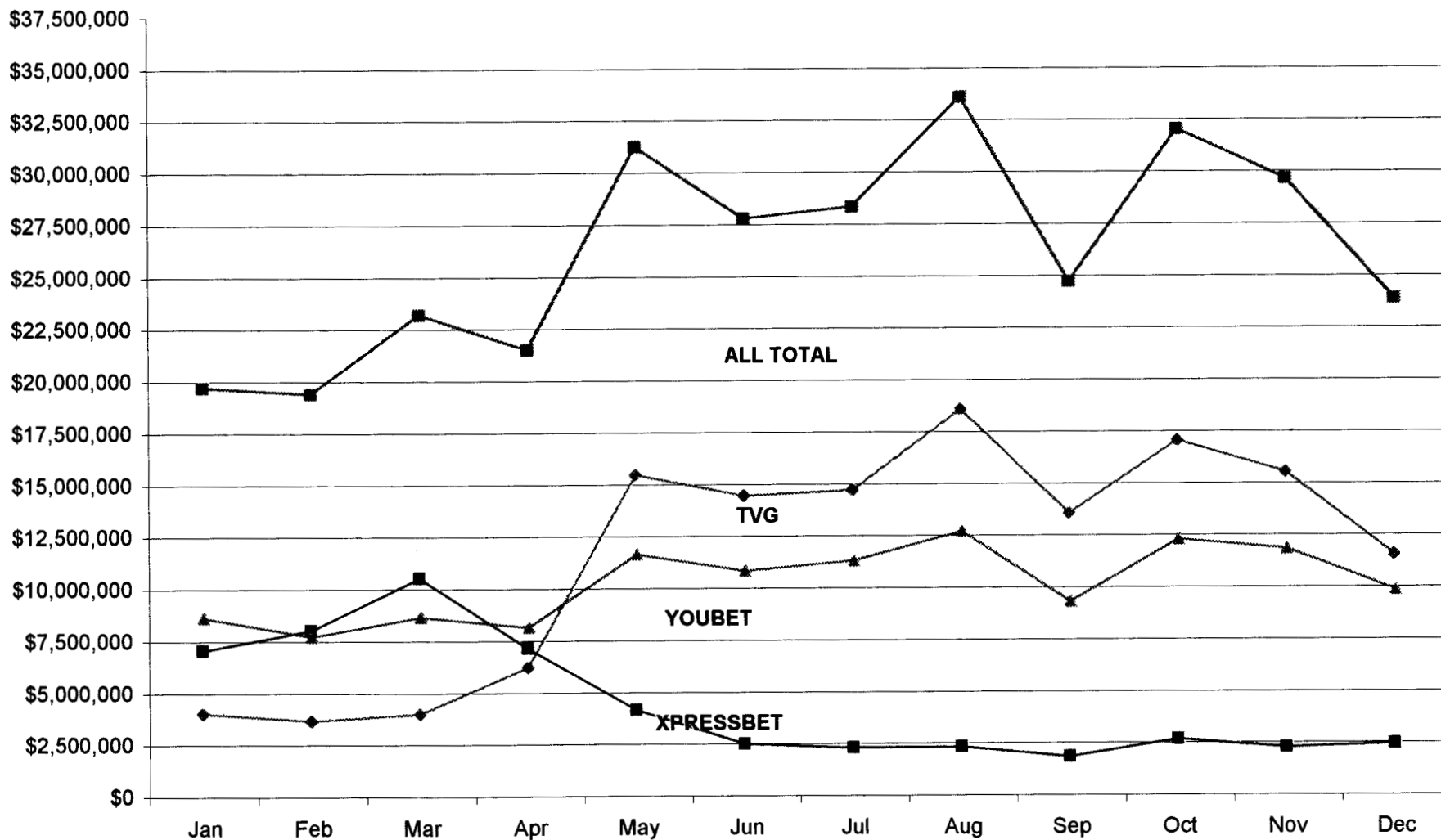
**Background:**

The ADW handle continued to grow rapidly in 2003. For calendar 2003 the total ADW handle was \$315,306,073 as compared to the 2002 handle of \$177 million (a 78% increase). A chart showing the individual handle of the three ADW hubs is included in this package. Also included is a CHRIMS report of the handle distributions related to the 2003 ADW handle.

**Recommendation:**

This item is for information and discussion.

**ADW TOTAL 2003 HANDLE**  
**Jan 1, 2003, Through December 31, 2003**



# ADW Takeout Summary

**Begin Date :** 1/01/2003  
**End Date :** 12/31/2003  
**Distributing Host(s) :** All Hosts  
**ADW Company :** All ADW Companies  
**Breeds :** All Breeds  
**Tracks :** All Tracks

	North	South	All California	Export	Total
Hub Fee	3,290,432.36	10,817,459.35	14,107,891.71	0.00	14,107,891.71
Host Fee	1,053,160.35	2,635,888.91	3,689,049.26	0.00	3,689,049.26
Host Fee OOS	0.00	0.00	0.00	3,207,235.61	3,207,235.61
Equine	67,062.41	210,002.55	277,064.96	0.00	277,064.96
DIR	18,289.76	57,273.43	75,563.18	0.00	75,563.18
Backstretch	100,593.63	315,003.85	415,597.48	0.00	415,597.48
Location Fee	1,219,316.62	3,818,228.35	5,037,544.97	0.00	5,037,544.97
Purses	3,035,972.19	9,493,116.77	12,529,088.96	1,463,597.43	13,992,686.38
Breeders	268,024.80	861,629.06	1,129,653.86	82,885.09	1,212,538.95
Track	3,122,440.95	9,746,451.96	12,868,892.90	1,463,597.43	14,332,490.33
License Fee	0.00	0.00	0.00	261,746.11	261,746.11
Commingled Guest	0.00	0.00	0.00	2,439,837.62	2,439,837.62
Breakage	360,043.77	1,050,936.56	1,410,980.33	326,189.31	1,737,169.64
Takeout	11,815,252.54	36,904,118.49	48,719,371.03	5,973,262.54	54,692,633.56
Payable To Public	48,790,534.66	152,956,362.51	201,746,897.17	57,129,372.18	258,876,269.35
Total Handle	60,965,830.97	190,911,417.56	251,877,248.53	63,428,824.02	315,306,072.55

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**STAFF ANALYSIS**  
**STAFF REPORT ON END-OF-MEET RESULTS**

**REGULAR BOARD MEETING**  
**JANUARY 22, 2004**

**Background:**

This item contains end-of-meet reports for concluded race meets. Staff is prepared to answer questions regarding the information presented.

**Recommendation:**

This item is for information and discussion.

## END-OF-MEET OUTLINE SUMMARY

For the California Horse Racing Board meeting, January 22, 2004. This report includes summaries for the following racing meetings: the CHURCHILL DOWNS CALIFORNIA FALL OPERATING COMPANY at HOLLYWOOD PARK, PACIFIC RACING ASSOCIATION, and the BAY MEADOWS OPERATING COMPANY.

### **Church Downs California Fall Operating Company at Hollywood Park**

November 11-December 21, 2003

Race days: 30

#### AVERAGE DAILY STATISTICS

	PERCENTAGE CHANGE
Ave. daily handle	-0.28%
Ave. On-track	-7.26%
Ave. Off-track	-4.90%
Ave. Interstate-exported	-0.40%
Ave. daily attendance	-3.63%
Ave. daily on-track	0.89%
Ave. daily off-track	-6.91%

### **Pacific Racing Association at Golden Gate Fields**

December 26, 2002-December 21, 2003

Race days: 105

#### AVERAGE DAILY STATISTICS

	PERCENTAGE CHANGE
Ave. daily handle	-1.63%
Ave. On-track handle	-4.10%
Ave. Off-track handle	-3.75%
Ave. Interstate-exported handle	-4.99%
Ave. daily attendance	-3.71%
Ave. daily on-track attendance	-4.61%
Ave. daily off-track attendance	-3.20%

### **Bay Meadows Operating Company at Bay Meadows Race Track**

April 2-November 2, 2003

Race Days: 105

#### AVERAGE DAILY STATISTICS

	PERCENTAGE CHANGE
Ave. daily handle	-0.92%
Ave. On-track	-5.73%
Ave. Off-track	-3.61%
Ave. Interstate-exported	3.43%
Ave. daily attendance	-3.75%
Ave. daily on-track	-4.09%
Ave. daily off-track	-3.47%

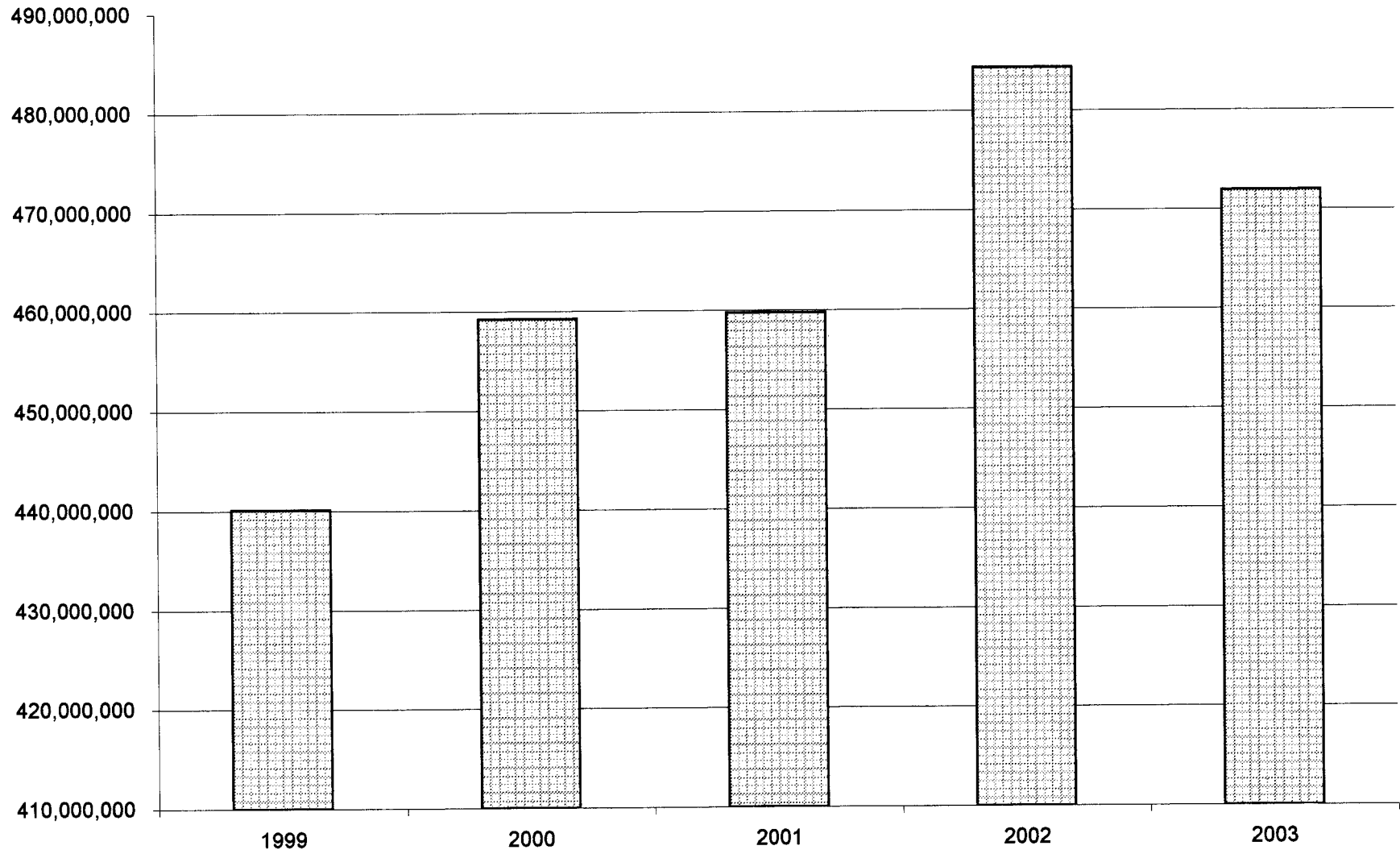
## PACIFIC RACING ASSOCIATION

YEAR	1999	2000	2001	2002	2003
TOTAL RACE DAYS	105	106	103	106	105
TOTAL HANDLE	440,111,686	459,227,040	459,739,751	484,297,380	471,891,192
ON-TRACK	84,639,992	83,295,095	73,216,450	71,658,203	68,070,821
OFF-TRACK	160,301,430	165,232,318	156,565,122	154,420,082	147,222,103
INTERSTATE-EXPORT	195,170,264	210,699,628	229,958,180	249,007,964	234,344,902
ADW	-	-	-	9,211,131	22,253,365
LIVE	298,213,050	311,581,162	318,639,108	343,909,733	334,911,149
INTRASTATE-IMPORT	88,622,895	89,286,889	82,185,912	82,606,859	78,002,203
INTERSTATE-IMPORT	52,069,662	58,358,989	58,875,547	57,687,130	58,954,864
INTERNATIONAL-IMPORT	1,206,079	0	39,185	93,659	22,975
AVE. DAILY HANDLE	4,191,540	4,332,331	4,463,493	4,568,843	4,494,202
AVE. ON-TRACK	806,095	785,803	710,839	676,021	648,294
AVE. OFF-TRACK	1,526,680	1,558,795	1,520,050	1,456,793	1,402,115
AVE. INTERSTATE-EXPORT	1,858,764	1,987,732	2,232,604	2,349,132	2,231,856
AVE. ADW	-	-	-	86,897	211,937
AVE. LIVE	2,840,124	2,939,445	3,093,584	3,244,431	3,189,630
AVE. INTRASTATE-IMPORT	844,028	842,329	797,921	779,310	742,878
AVE. INTERSTATE-IMPORT	495,902	550,556	571,607	544,218	561,475
AVE. INTERNATIONAL-IMPORT	11,486	0	380	884	219
TOTAL TAKEOUT	84,536,241	88,701,910	89,175,868	92,014,373	91,133,857
EFFECTIVE TAKEOUT %	19.21%	19.32%	19.40%	19.00%	19.31%
STATE LICENSE FEES	3,585,328	3,431,948	3,200,408	3,187,543	3,076,042
STATE %	0.81%	0.75%	0.70%	0.66%	0.65%
TRACK COMMISSION	17,465,538	18,046,569	17,535,663	17,466,128	16,542,844
ADW COMMISSION	-	-	-	462,429	1,074,314
TOTAL COMMISSION	17,465,538	18,046,569	17,535,663	17,928,557	17,617,159
TRACK %	3.97%	3.93%	3.81%	3.70%	3.73%
HORSEMEN PURSES	17,112,888	17,670,341	17,083,967	17,062,031	16,154,949
ADW PURSES	-	-	-	447,882	1,046,479
TOTAL PURSES	17,465,538	18,046,569	17,535,663	17,509,913	17,201,428
HORSEMEN %	3.89%	3.85%	3.72%	3.62%	3.65%

## PACIFIC RACING ASSOCIATION

YEAR	1999	2000	2001	2002	2003
CALIFORNIA ATTENDANCE	890,095	845,456	750,237	723,671	690,221
ON-TRACK	328,561	310,020	276,262	263,275	248,761
OFF-TRACK	561,534	535,436	473,975	460,396	441,460
DAILY ATTENDANCE	8,477	7,976	7,284	6,827	6,574
AVE. DAILY ON-TRACK	3,129	2,925	2,682	2,484	2,369
AVE. DAILY OFF-TRACK	5,348	5,051	4,602	4,343	4,204
TOTAL RACE EVENTS	892	899	874	882	890
STARTS	7,295	7,162	6,521	6,863	6,524
AVE. PER EVENT	8.2	8.0	7.5	7.8	7.3
AVE. HANDLE PER START	40,879	43,505	48,864	50,111	51,335

**PACIFIC RACING ASSOCIATION  
TOTAL HANDLE**



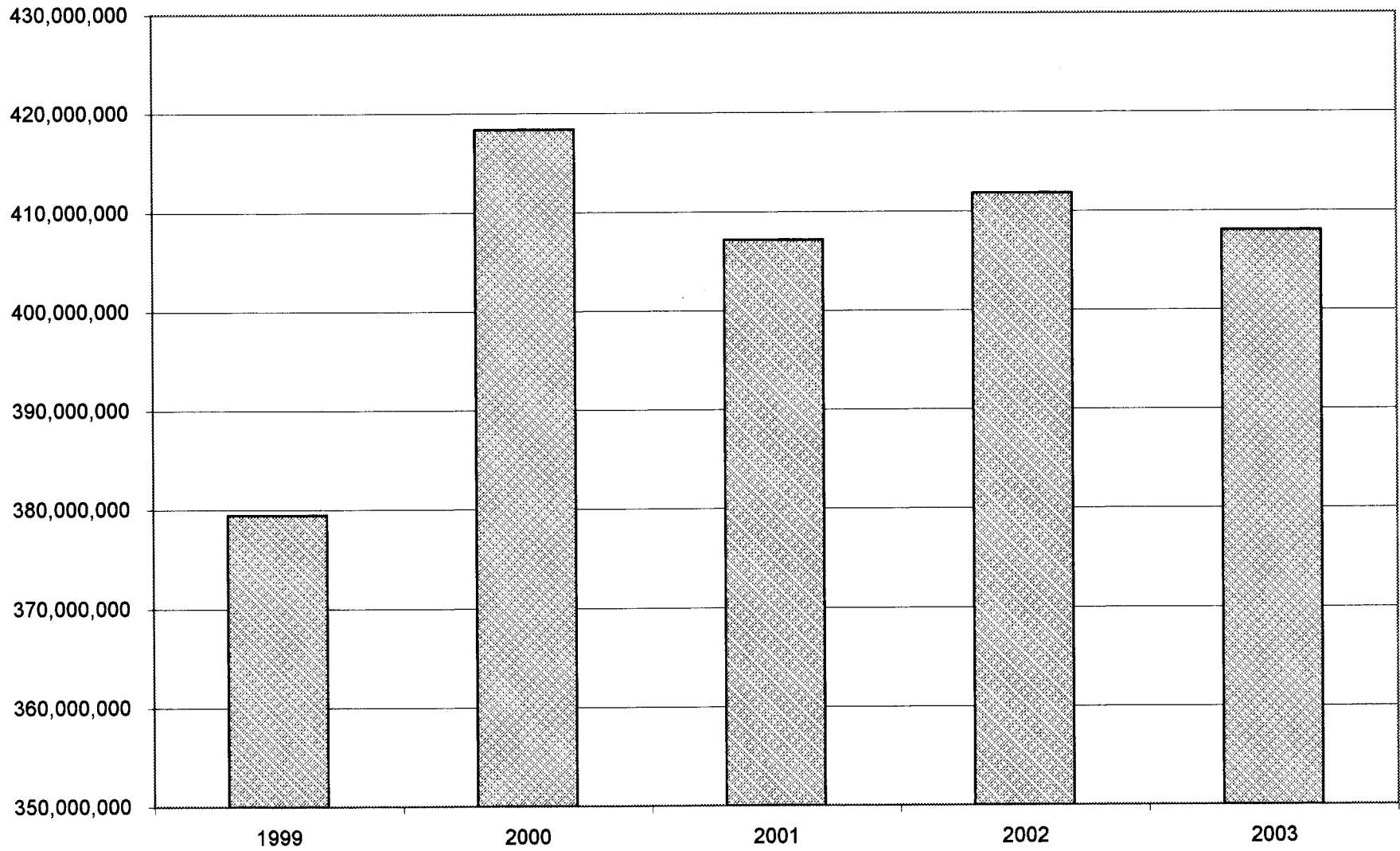
**BAY MEADOWS OPERATING COMPANY**

YEAR	1999	2000	2001	2002	2003
TOTAL RACE DAYS	102	106	107	105	105
TOTAL HANDLE	379,437,018	418,364,529	407,103,790	411,790,486	407,988,940
ON-TRACK	86,789,371	84,918,281	87,888,578	81,634,579	76,955,435
OFF-TRACK	143,272,645	146,716,118	150,741,919	148,251,696	142,892,890
INTERSTATE-EXPORT	149,375,002	186,730,130	168,473,294	181,904,212	188,140,616
ADW	-	-	-	12,792,634	21,853,517
LIVE	244,659,521	279,013,248	253,516,975	259,400,056	260,196,768
INTRASTATE-IMPORT	81,129,900	80,220,758	81,338,720	78,942,911	76,425,184
INTERSTATE-IMPORT	52,630,277	58,868,473	72,006,713	72,822,007	71,366,989
INTERNATIONAL-IMPORT	1,017,320	262,050	241,383	625,512	-
AVE. DAILY HANDLE	3,719,971	3,946,835	3,804,708	3,921,814	3,885,609
AVE. ON-TRACK	850,876	801,116	821,389	777,472	732,909
AVE. OFF-TRACK	1,404,634	1,384,114	1,408,803	1,411,921	1,360,885
AVE. INTERSTATE-EXPORT	1,464,461	1,761,605	1,574,517	1,732,421	1,791,815
AVE. ADW	-	-	-	121,835	208,129
AVE. LIVE	2,255,510	2,185,230	2,230,192	2,189,393	2,093,794
AVE. INTRASTATE-IMPORT	2,398,623	2,632,200	2,369,318	2,470,477	2,478,064
AVE. INTERSTATE-IMPORT	795,391	756,800	760,175	751,837	727,859
AVE. INTERNATIONAL-IMPORT	515,983	555,363	672,960	693,543	679,686
TOTAL TAKEOUT	73,821,949	81,633,916	79,306,492	80,289,760	83,470,774
EFFECTIVE TAKEOUT %	19.46%	19.51%	19.48%	19.50%	20.46%
STATE LICENSE FEES	2,876,088	2,984,145	2,703,250	2,641,085	2,582,193
STATE %	0.76%	0.71%	0.66%	0.64%	0.63%
TRACK COMMISSION	16,562,560	17,139,830	17,096,208	16,634,868	15,929,997
ADW COMMISSION	-	-	-	659,757	1,032,685
TOTAL COMMISSION	16,562,560	17,139,830	17,096,208	17,294,625	16,962,682
TRACK %	4.37%	4.10%	4.20%	4.20%	4.16%
HORSEMEN PURSES	16,185,875	16,783,957	16,461,852	15,940,118	15,340,328
ADW PURSES	-	-	-	627,498	992,404
TOTAL PURSES	16,185,875	16,783,957	16,461,852	16,567,616	16,332,732
HORSEMEN %	4.27%	4.01%	4.04%	4.02%	4.00%

**BAY MEADOWS OPERATING COMPANY**

YEAR	1999	2000	2001	2002	2003
CALIFORNIA ATTENDANCE	924,889	882,048	847,225	800,611	770,622
ON-TRACK	420,592	400,003	382,384	357,591	342,956
OFF-TRACK	504,297	482,045	464,841	443,020	427,666
DAILY ATTENDANCE	9,068	8,321	7,918	7,625	7,339
AVE. DAILY ON-TRACK	4,123	3,774	3,574	3,406	3,266
AVE. DAILY OFF-TRACK	4,944	4,548	4,344	4,219	4,073
TOTAL RACE EVENTS	894	913	916	893	891
STARTS	6,864	6,514	6,436	6,284	6,251
AVE. PER EVENT	7.7	7.1	7.0	7.0	7.0
AVE. HANDLE PER START	35,644	42,833	39,390	41,279	41,625

**BAY MEADOWS OPERATING COMPANY  
TOTAL HANDLE**





**CHURCHILL DOWNS FALL OPERATING COMPANY AT HOLLYWOOD PARK**

YEAR	1999	2000	2001	2002	2003
TOTAL DAYS	31	35	31	35	30
TOTAL HANDLE	276,073,819	293,474,456	268,792,959	302,141,319	258,255,390
ON-TRACK	58,840,043	59,092,585	51,596,214	50,560,841	40,190,594
OFF-TRACK	96,235,011	100,515,659	94,141,517	95,384,333	77,753,538
INTER-STATE	120,998,765	133,866,213	123,055,228	136,460,249	116,503,255
ADW	-	-	-	19,735,896	23,808,002
LIVE	216,663,293	229,303,748	206,406,329	238,453,259	206,813,507
INTRA-STATE	36,308,072	39,045,277	33,521,786	32,947,911	25,791,121
INTER-STATE IMPORTED	22,054,505	25,125,431	28,864,844	30,693,383	25,650,762
INTERNATIONAL IMPORTED	1,047,949	-	-	46,766	-
AVE. DAILY HANDLE	8,905,607	8,384,984	8,670,741	8,632,609	8,608,513
ON-TRACK	1,898,066	1,688,360	1,664,394	1,444,595	1,339,686
OFF-TRACK	3,104,355	2,871,876	3,036,823	2,725,267	2,591,785
INTERSTATE	3,903,186	3,824,749	3,969,523	3,898,864	3,883,442
ADW	-	-	-	563,883	793,600
AVE. CALIFORNIA HANDLE	5,002,421	4,560,236	4,701,217	4,169,862	3,931,471
AVE. LIVE	6,989,138	6,551,536	6,658,269	6,812,950	6,893,784
INTRASTATE IMPORTED	1,171,228	1,115,579	1,081,348	941,369	859,704
INTERSTATE IMPORTED	711,436	717,869	931,124	876,954	855,025
INTERNATIONAL IMPORTED	33,805	-	-	1,336	-
TOTAL TAKEOUT	53,025,910	56,791,801	51,710,808	54,842,475	48,917,136
EFFECTIVE TAKEOUT	19.21%	19.35%	19.24%	18.15%	18.94%
STATE LICENSE FEES	3,433,270	3,595,723	3,266,883	3,345,482	2,740,254
STATE %	1.24%	1.23%	1.22%	1.11%	1.06%
TRACK COMMISSIONS	11,277,576	11,804,884	10,540,074	10,550,267	8,708,949
ADW COMMISSIONS	-	-	-	833,797	1,054,810
TOTAL COMMISSIONS	11,277,576	11,804,884	10,540,074	11,384,064	9,763,760
TRACK %	4.08%	4.02%	3.92%	3.77%	3.78%
HORSEMENS PURSES	11,025,264	11,555,468	10,310,909	10,324,193	8,511,829
ADW PURSES	-	-	-	813,347	1,028,866
TOTAL PURSES	11,025,264	11,555,468	10,310,909	11,137,540	9,540,694
HORSEMENS %	3.99%	3.94%	3.84%	3.69%	3.69%

## CHURCHILL DOWNS FALL OPERATING COMPANY AT HOLLYWOOD PARK

YEAR	1999	2000	2001	2002	2003
CALIFORNIA ATTENDANCE	558,864	583,094	525,213	538,144	444,524
ON-TRACK	235,689	240,807	227,663	226,033	195,475
OFF-TRACK	323,175	342,287	297,550	312,111	249,049
DAILY ATTENDANCE	18,028	16,660	16,942	15,376	14,817
AVERAGE DAILY ON - TRACK	7,603	6,880	7,344	6,458	6,516
AVERAGE DAILY OFF - TRACK	10,425	9,780	9,598	8,917	8,302
TOTAL RACE EVENTS	268	301	270	299	258
STARTS	2,156	2,254	2,046	2,204	1,920
AVERAGE STARTS PER EVENT	8.0	7.5	7.6	7.4	7.4
AVERAGE HANDLE PER START	100,493	101,732	100,883	108,191	107,715

**CHURCHILL DOWNS HOLLYWOOD PARK - FALL  
TOTAL HANDLE**

