

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



## REGULAR MEETING

Notice is hereby given that a meeting of the **California Horse Racing Board** will be held on **Thursday, October 6, 2005**, commencing at **9:30 a.m.**, at the **Big Fresno Fair, 1121 South Chance Avenue, Fresno, California**. **The meeting will open at 9:30 a.m., then the Board will adjourn into Executive Session with the regular meeting commencing at approximately 10:00 a.m.**

### AGENDA

#### Action Items

1. Discussion and action by the Board on the **Application to Conduct a Horse Racing Meeting of the Hollywood Park Fall Racing Association (T) at Hollywood Park** commencing November 9 through December 19, 2005, inclusive.
2. Discussion and action by the Board on **amending the race dates of the recently approved license of the Pacific Racing Association at Golden Gate Fields** to October 19 through December 19, 2005.
3. Discussion and action by the Board on the **need for adequate camera views/angles of racing**, particularly the view at the 5/16<sup>th</sup> pole.
4. Discussion and action by the Board on the **matter of full public disclosure on Jockey Weights**.
5. Discussion and action by the Board on the **proposed addition of the emergency regulation 1920.1, Heightened Security**.
6. Public hearing by the Board on the **adoption of the regulatory amendment to CHRB Rule 1977 – Pick Three**.
7. Report by Scientific Games Racing on the **proposal to implement Net Pool Pricing for California racing associations** with regard to the commingling of wagering pools with Canadian racetracks.
8. Staff report on the following concluded race meets:
  - A. **Del Mar Thoroughbred Club** at Del Mar from July 20 through September 7, 2005.
  - B. **California Exposition & State Fair** at Cal Expo from July 31 through September 22, 2005.

**Other Business**

9. **General Business:** Communications, reports, requests for future action of the Board.
10. **Old Business:** Issues that may be raised for discussion purposes only, which have already been brought before the Board.
11. **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  
William A. Bianco, Vice Chairman  
Sheryl L. Granzella, Member  
Marie G. Moretti, Member  
Jerry Moss, Member  
Richard B. Shapiro, Member  
Ingrid Fermin, Executive Director

STAFF ANALYSIS  
October 6, 2005

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE HOLLYWOOD PARK FALL RACING ASSOCIATION, LLC AT HOLLYWOOD PARK NOVEMBER 9, 2005 THROUGH DECEMBER 19, 2005.

Hollywood Park Fall Racing Association, LLC filed its application to conduct a thoroughbred horse racing meeting at Hollywood Park:

- November 9 through December 19, 2005, or 31 days. The association proposes to race a total of 267 races, or 8.6 per day.

November - 2005						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11 H	12
13	14	15	16	17	18	19
20	21	22	23	24 H	25	26
27	28	29	30			

December - 2005						
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 H	26	27	28	29	30	31

- Racing 5 days per week, Wednesday through Sunday, with 8 races Wednesday, Thursday Friday and Monday, December 19, 9 or 10 races on a selected basis Saturday and Sunday and 10 races November 25, 26 and 27.
  - Racing Monday, November 19.
- First post 12:30 p.m. daily.
  - 7:05 p.m. post Friday, November 11 and 18.
  - 11:00 a.m. post Thursday, November 24.
- Request Jennifer Paige be appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety requirements have been fulfilled.
- Wagering program will use CHRB rules.
  - Early wagering 8:30 a.m. on the day of and advance-day wagering.
  - \$1 trifecta in any race that complies with Rule 1979 and a \$ .10 superfecta in any race that complies with Rule 1979.1.
  - Pick 6 on last 6 races - 70% of net pool to be retained for the jackpot and no cap be set.
  - Pick 4 on first 4 races and last 4 races - designate the major share as 0%.
  - Offering option of an alternate selection in the place pick all, pick 6 and pick 4.
- 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.

RECOMMENDATION:

Staff recommends the Board approve the application.

STATE OF CALIFORNIA  
CALIFORNIA HORSE RACING BOARD  
APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING  
CHRB-17 (Rev. 7/05)

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. **Hollywood Park Fall Racing Association, LLC**  
**1050 South Prairie Avenue**  
**Inglewood, California 90301**  
**(310) 419-1500 phone**  
**(310) 671-4460 fax**

B. Breed of horse:  TB     QH     H

C. Racetrack name: **Hollywood Park**

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. **On File**

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: **November 9 through December 19, 2005.**

B. Actual dates racing will be held: **November 9, 10, 11, 12, 13, 16, 17, 18, 19, 20, 23, 24, 25, 26, 27, 30, December 1, 2, 3, 4, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18 & 19.**

C. Total number of days or nights of racing: **31**

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

Wed - Sun     Tues - Sat     Other (specify)  
**Racing Monday, December 19 (closing day).**

E. Number of days or nights of racing per week: **5**

**3. RACING PROGRAM**

A. Total number of races: **267**

B. Number of races for each day or night: **8 races on Wednesdays, Thursdays and Fridays; 9 or 10 races on a selected basis on Saturdays and Sundays, with 10 races on Friday, November 25, Saturday, November 26, Sunday, November 27 and 8 races on Monday, December 19.**

**CHRB CERTIFICATION**

Application received: *5/11/05*  
Deposit received: *on file*  
Reviewed: *PN*

Hearing date: *10/16/05*  
Approved date:  
License number:

- C. Total number of stakes races: **20 (15 stakes and 5 overnight stakes)**
- 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. **Attached**
- 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:

<i>Race</i>	All days except Fridays November 11 & 18 and Thursday, November 24	Friday Nights (November 11 & 18)	Thanksgiving Day, Thursday November 24
1 <sup>st</sup>	12:30 p.m.	7:05 p.m.	11:00 am
2 <sup>nd</sup>	1:00 p.m.	7:35p.m.	11:30 am
3 <sup>rd</sup>	1:30 p.m.	8:05 p.m.	12:00 noon
4 <sup>th</sup>	2:00 p.m.	8:35 p.m.	12:30 pm
5 <sup>th</sup>	2:30 p.m.	9:05 p.m.	1:00 pm
6 <sup>th</sup>	3:00 p.m.	9:35 p.m.	1:30 pm
7 <sup>th</sup>	3:30 p.m.	10:05 p.m.	2:00 pm
8 <sup>th</sup>	4:00 p.m.	10:35p.m.	2:30 pm
9 <sup>th*</sup>	4:30 p.m.		
10 <sup>th*</sup>	5:00 p.m.		

\* When applicable

**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-bred horses, to be known as the "California-bred race" pursuant to CHRB Rule 1813. For thoroughbred and quarter horse meetings, the total amount distributed for California-bred stakes 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**
- C. CORPORATION

1. Registered name of the corporation:
2. State where incorporated:

**HOLLYWOOD PARK FALL MEETING**  
**2005 PROPOSED STAKES SCHEDULE**

<b><u>DATE</u></b>	<b><u>STAKE</u></b>	<b><u>PURSE/DISTANCE</u></b>
Sat. Nov. 12	<b>BIEN BIEN STAKES</b> Three Year Olds which have not won \$60,000 at one mile or over	\$60,000 Added One Mile (Turf)
Sun. Nov. 13	<b>AUDREY S. KENIS STAKES</b> Fillies, Three Years Old	\$60,000 Added One Mile & One Eighth (Turf)
Sat. Nov. 19	<b>HOLLYWOOD PREVUE STAKES (GRADE III)</b> Two Year Olds	\$100,000 Seven Furlongs
Sun. Nov. 20	<b>MOCCASIN STAKES</b> Fillies, Two Years Old	\$100,000 Seven Furlongs
Thu. Nov. 24	<b>THE HERMOSA BEACH HANDICAP</b> Fillies & Mares, Three Years Old & Upward	\$60,000 Added One Mile and One Half (Turf)
<b><u>TURF FESTIVAL</u></b>		
Fri. Nov. 25	<b>HOLLYWOOD TURF EXPRESS (GRADE III)</b> Three Year Olds & Upward	\$150,000 Five and One Half Furlongs (Turf)
Fri. Nov. 25	<b>GENEROUS STAKES (GRADE III)</b> Two Years Old	\$100,000 One Mile (Turf)
Sat. Nov. 26	<b>CITATION HANDICAP (GRADE I)</b> Three Year Olds & Upward	\$400,000 One Mile and One Sixteenth (Turf)
Sat. Nov. 26	<b>MIESQUE STAKES (GRADE III)</b> Fillies, Two Year Olds	\$100,000 One Mile (Turf)
Sun. Nov. 27	<b>THE MATRIARCH (GRADE I)</b> Fillies & Mares, Three Year Olds & Upward	\$500,000 One Mile (Turf)
Sun. Nov. 27	<b>HOLLYWOOD DERBY (GR. I)</b> Three Year Olds	\$500,000 One Mile and One Quarter (Turf)
Sat. Dec. 3	<b>HOLLYWOOD TURF CUP (GRADE I)</b> Three Year Olds & Upward	\$250,000 One Mile and One Half (Turf)
Sat. Dec. 3	<b>VERNON O. UNDERWOOD (GRADE III)</b> Three Year Olds & Upward	\$100,000 Six Furlongs
Sun. Dec. 4	<b>ON TRUST HANDICAP</b> Three Year Olds & Upward, Bred in California	\$85,000 Added* Seven and One Half Furlongs
Sun. Dec. 4	<b>CAT'S CRADLE HANDICAP</b> Fillies & Mares, Three Year Olds & Upward, Cal-Bred	\$85,000 Added* Seven and One Half Furlongs
Sat. Dec. 10	<b>NATIVE DIVER HANDICAP (GRADE III)</b> Three Year Olds & Upward	\$100,000 One Mile and One Eighth

**HOLLYWOOD PARK FALL MEETING**  
**2005 PROPOSED STAKES SCHEDULE**

Sun. Dec. 11	<b>BAYAKOA HANDICAP (GRADE II)</b> Fillies & Mares, Three Year Olds & Upward	\$150,000 One Mile and One Sixteenth
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Sat. Dec. 17	<b>HOLLYWOOD FUTURITY (GRADE I)</b> Two Year Olds Late Supplements to be made at Time of Entry. (\$20000)	\$250,000 Guaranteed (\$200,000 added) One Mile and One Sixteenth
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Sun. Dec. 18	<b>HOLLYWOOD STARLET (GRADE I)</b> Fillies, Two Years Old Late Supplements to be made at Time of Entry. (\$20000)	\$250,000 Guaranteed (\$200,000 Added) One Mile and One Sixteenth
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Mon. Dec. 19	<b>DAHLIA HANDICAP (GRADE II)</b> Fillies & Mares, Three Year Olds & Upward	\$150,000 One Mile and One Sixteenth (Turf)
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\* - \$25,000 from the Cal-Bred Race Fund.

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:

**F. Jack Liebau, President**  
**Eual G. Wyatt, Jr., Vice President & General Manager**  
**Michael Ziegler, Vice President and Assistant General Manager**  
**Tim Barden, Assistant General Manager**  
**Rick Baedeker, Vice President-Legislative & Regulatory Matters**  
**Charlene Kiley, Vice President & Chief Financial Officer**  
**Dyan Grealish, Vice President**  
**Martin Panza, Vice President-Racing**  
**Bernie Thurman, Vice President**  
**Don Barney, Director of Security & Operations**  
**John Barrios, Turf Course Superintendent**  
**Cleon Bounds, Plant Superintendent**  
**Diane Hudak, Horsemen's Liaison**  
**Russell Hudak, Timer, Morning Line Maker**  
**Ted Jakubanis, Television**  
**Michael Mooney, Director of Media Relations**  
**Robert Poole, Director of Pari-Mutuels**  
**Vic Stauffer, Track Announcer**  
**Christy Tucker, Director of Marketing**  
**Kerlan-Jobe Orthopedic, Jockeys' Physician**

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:

**F. Jack Liebau, President, 2600 South Delaware Street, San Mateo, CA 94403**

5. PURSE PROGRAM

A. Purse distribution:

**Please note that there were 36 race days during the prior Fall meeting, compared to 31 race days for the current meeting.**

1. All races other than stakes:  
 Current meet estimate: **\$6,849,900 (includes estimated \$102,864 overpayment recovery)**  
 Prior meet actual: **\$8,756,625 (includes overpayment recovery of \$572,116)**
2. Overnight stakes:  
 Current meet estimate: **\$300,000**  
 Prior meet actual: **\$300,000**
3. Non-overnight stakes:  
 Current meet estimate: **\$2,700,000 (net of nominations and starting fees)**  
 Prior meet actual: **\$2,608,700**



B. Stakes races:

1. Purse distribution for all stakes races:  
 Current meet estimate: **\$3,000,000**  
 Prior meet actual: **\$2,908,700**
  
2. Percentage of the purse distribution for all stakes races that will be distributed for California-bred stakes races:  
 Current meet estimate: **4.0%**  
 Prior meet actual: **4.1%**

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

Current meet estimate: **\$819,406**  
 Prior meet actual: **\$994,425**

D. Payment to each recognized horsemen's organization contracting with the association and the name(s) of the organization(s):

Recognized Horsemen's Organizations	Current meet estimate:	Prior meet actual:
<b>TOC</b>	<b>\$102,400</b>	<b>\$ 120,222</b>
<b>CTT – Pension</b>	<b>\$102,400</b>	<b>\$ 120,222</b>
<b>CTT – Administration</b>	<b>\$51,200</b>	<b>\$ 60,111</b>
<b>NTRA</b>	<b>\$149,564</b>	<b>\$ 163,481</b>
<b>Total</b>	<b>\$405,564</b>	<b>\$ 464,036</b>

E. Total amount from all sources to be distributed in the form of purses or other benefits to horsemen (5A+5C+5D):

Current meet estimate: **\$11,074,870**  
 Prior meet actual: **\$13,123,786**

F. Purse funds to be generated from on-track handle and intrastate off-track handle:

Current meet estimate: **\$7,551,425**  
 Prior meet actual: **\$8,835,968**

G. Purse funds to be generated from interstate handle:

Current meet estimate: **\$2,298,475**  
 Prior meet actual: **\$2,829,357**

H. Bank and account number for the Paymaster of Purses' purse account: **Cal National #0022002380**

I. Name, address and telephone number of the pari-mutuel audit firm engaged for the meeting: **Bowen-McBeth, Inc. 10722 Arrow Highway, Suite 110, Rancho Cucamonga, CA 91730 909/944-6465**

**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; **shall not** be transferred to a parent corporation outside the State of California; 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: **1,950**
- B. Minimum number of stalls believed necessary for the meeting: **1,950**
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: **2,500**
- D. Name and location of each off-site auxiliary stabling area and the number of stalls to be maintained at each site:
- |                           |              |
|---------------------------|--------------|
| <b>Santa Anita</b>        | <b>1,500</b> |
| <b>Pomona</b>             | <b>500</b>   |
| <b>San Luis Rey Downs</b> | <b>500</b>   |
- E. Attach each contract or agreement between the association and the person(s) furnishing off-site stabling accommodations for eligible racehorses that cannot be provided stabling on-site. **On file**

Complete subsections F through H 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.

- F. Total number of usable stalls made available on-site for the **1986** meeting: **2,000**
- G. Estimated cost to provide off-site stalls for this meeting: **\$960,000** Show cost per day per stall:  
**Average cost: Pomona & San Luis Rey \$10.46, Santa Anita \$11.33**
- H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse: **\$190,000 Roundtrip from:**
- |                     |              |
|---------------------|--------------|
| <b>Santa Anita</b>  | <b>\$160</b> |
| <b>Pomona</b>       | <b>\$180</b> |
| <b>San Luis Rey</b> | <b>\$290</b> |
| <b>Los Alamitos</b> | <b>\$160</b> |

## 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), PK3 for pick three, PK4 for select four, PNP for pick (n) pool, PPN for place pick (n), Q for quinella, SF for superfecta, TRI for trifecta, and US for unlimited sweepstakes (pick 9).

	<b>TYPE OF WAGERS</b>	<b>APPLICABLE RULES</b>
Race #1 *	\$2DD	CHRB 1957
	\$1E	CHRB 1959
	\$1PPN	CHRB 1976.8
	\$1PK3	CHRB 1977
	\$2Q	CHRB 1958
	\$1 PNP (Pick 4)	CHRB 1976.9
Race #2 *	\$2DD	CHRB 1957
	\$1E	CHRB 1959
	\$1PK3	CHRB 1977
	\$2Q	CHRB 1958
Race #3 *	\$2DD	CHRB 1957
	\$1E	CHRB 1959
	\$1PK3	CHRB 1977
	\$2Q	CHRB 1958
	\$2 PNP (Pick 6 when 8 races)	CHRB 1976.9
Race #4 *	\$2DD	CHRB 1957
	\$1E	CHRB 1959
	\$1PK3	CHRB 1977
	\$2Q	CHRB 1958
	\$2 PNP (Pick 6 when 9 races)	CHRB 1976.9
Race #5 *	\$2DD	CHRB 1957
	\$1E	CHRB 1959
	\$1PK3	CHRB 1977
	\$2Q	CHRB 1958
	\$2PNP (Pick 6 when 10 races)	CHRB 1976.9
	\$1PNP (Pick 4 when 8 races)	CHRB 1976.9
Race #6 *	\$2DD	CHRB 1957
	\$1E	CHRB 1959
	\$1PK3	CHRB 1977
	\$2Q	CHRB 1958
	\$1PNP (Pick 4 when 9 races)	CHRB 1976.9
	\$1PNP	CHRB 1976.9
Race #7 *	\$2DD	CHRB 1957
	\$1E	CHRB 1959
	\$1PK3 (when 9 or more races)	CHRB 1977
	\$2Q	CHRB 1958
	\$1PNP (Pick 4 when 10 races)	CHRB 1976.9
Race #8 *	\$2 DD (when 9 or more races)	CHRB 1957
	\$1E	CHRB 1959
	\$1PK3 (when 10 races)	CHRB 1977
	\$2Q	CHRB 1958
	\$1PNP	CHRB 1976.9

Race #9 *	\$1E	CHRB 1959
	\$2Q	CHRB 1958
	\$2 DD (when 10 races)	CHRB 1957
Race #10*	\$1E	CHRB 1959
	\$2Q	CHRB 1958

\* \$1 Trifecta in any race when we can comply with CHRB Rule 1979. Dime Superfecta in any race when we can comply with CHRB Rule 1979.1. The Pick 6 [P(n)P] will be offered on the last 6 races of the card. In accordance with CHRB Rule 1976.9 we designate that seventy percent (70%) of the net Pick 6 pool be retained for the jackpot and that no cap be set on the jackpot. A Pick 4 (PnP) will be offered on the first 4 and last 4 races of the card. In accordance with CHRB Rule 1976.9 we designate that major share of the Pick 4 pool be designated as 0%. Additionally, we will offer our patrons the option of an alternate selection pick (when available) in the place Pick All and Pick 6 and Pick 4 and Pick 3. Additionally we will offer Win, Place or Show parlay wagering in accordance with CHRB 1954.1.

NOTE: Applicant reserves the right to offer or substitute additional wagers approved prior to or during its meeting.

- B. Maximum carryover pool to be allowed to accumulate before its distribution **OR** the date(s) designated for distribution of the carryover pool: **Closing day, December 19, 2005**
- C. List any options requested with regard to exotic wagering: **B & P Code Section 19611.5**
- D. Will "advance" or "early bird" wagering be offered?  Yes  No  
If yes, when will such wagering begin: **8:30 am on the day of and advance-day wagering.**
- 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: **Scientific Games, September 2006**

**8. SIMULCAST WAGERING PROGRAM**

- A. Simulcast organization engaged by the association to conduct simulcast wagering: **Southern California Off-Track Wagering, Inc.**
- 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**
- C. California simulcast facilities the association proposes to offer its live audiovisual signal:
 

National Orange Show (San Bernardino)	Barona Indian Reservation
Del Mar Fair (Del Mar)	Sycuan Tribe
Ventura County Fair	Cabazon Indian Reservation
Riverside County Nat'l Date Fest. (Indio)	Viejas Indian Reservation
Lake Perris Fairgrounds	Santa Anita Racetrack
Santa Barbara Horse & Flower Show (S.B.)	L.A. County Fair (Pomona)
Santa Barbara County Fair (Santa Maria)	Los Alamitos Race Course
Antelope Valley Fair & Alfalfa Fest. (Lancaster)	San Bernardino County Fair (Victorville)
All Northern California locations authorized to conduct pari-mutuel wagering	
- D. Out-of-state wagering systems the association proposes to offer its live audiovisual signal: **Attachment "B"**

**Attachment B – Section 8D and 8E**

**Out of State Wagering Systems the association proposes to offer its live audiovisual signal. Locations that will not combine their pools with those of the association are marked with an asterisk (\*)**

Acoma Pueblo Casino	Greenetrack
AmericaTab	Greyhound Track at Post Falls
AmWest Entertainment	Gulf Greyhound Park
Arapahoe Park	Harrington Raceway
Arima Race Club	Hawthorne
Arlington Park	Hazel Park
Atlantic City Race Course	Hinsdale Greyhound Park
Atlantis Casino	*Hippodromo Presidente Ramon
Atokad Downs	Hoosier Park
Balmoral Park	Horsemen's Park
Batavia Downs	Indiana Downs
Beulah Park	Jackson Harness
Birmingham Race Course	Keeneland
Blue Ribbon Downs	*LVDC
Bluff's Run Greyhound Park	Lebanon Raceway
Buffalo Raceway	Les Bois Park
Calder Race Course	Lewiston Raceway
Canterbury Park	Lincoln Greyhound Park
Capital District OTB	Lone Star Park
Catskill District OTB	Louisiana Downs
Charles Town Race Course	Manor Downs
Choctaw Racing Services	Maryland Jockey Club
Churchill Downs	Maywood Park
Colonial Downs	Meadowlands
Columbus Races	Meskwaki Casino
Connecticut OTB	*MIR/Caliente
Corpus Christi Greyhound Park	Mobile Greyhound Park
Crystal Palace Casino	Monmouth Park
Dairyland Greyhound	Montana Simulcast Partners
Dakota Teletrack	Monticello Raceway
Delaware Park	Mountaineer Park
Delta Downs	Mt. Pleasant Meadows
Dover Downs	Multnomah Kennel Club
Downs at Albuquerque	Nassau Regional OTB
Dubuque GHP	Nebraska State Fair Park
Ellis Park	Nevada Pari-Mutuel Association
Emerald Downs	New Jersey Casinos
Eureka GHP	New York City OTB
Evangeline Downs	NYRA
Excelsior Casino	Newport Jai-Alai
Fair Grounds	Northfield Park
Fairmount Park	Northville Downs
Finger Lakes	Oaklawn Park
Fonner Park	Ocean Downs Racetrack
Foxwoods Casino	Penn National
Freehold Raceway	Philadelphia Park
Geneva Lakes Kennel Club	Plainridge Racecourse
Great Lakes Downs	Pocono Downs

**Attachment B – Continued**

Pojoaque Casino  
Portland Meadows  
Potawatomi Casino  
Prairie Meadows  
Raceway Park  
Remington Park  
Retama Park  
RGS  
River Downs  
Rockingham Park  
Ruidoso Downs  
Saginaw Harness  
Sam Houston Race Park  
Saratoga Harness  
Scarborough Downs  
Scioto Downs  
Spirit Mountain Casino  
Southland Greyhound Park  
Sports Creek  
Stables Casino  
Suffolk Downs  
Suffolk District OTB  
Sunland Park  
Sun Ray Park  
Tampa Bay Downs  
TVG  
The Meadows  
The Racing Channel/The Racing Channel Intl.  
The Stables Casino  
Thistledown  
Tri-State Greyhound Park

Turf Paradise  
Turfway Park  
Valley Race Park  
Vernon Downs  
Western Regional OTB  
Wichita Greyhound Park  
Will Rogers Downs  
Wonderland Greyhound Park  
Woodbine Entertainment Group  
Woodlands  
Wyoming OTB  
Yavapai Downs  
Yonkers Raceway  
Youbet.com

\* Out-of-state wagering systems that will not combine their pari-mutuel pools with those of the association.

Other out-of-state wagering systems to be determined.

- E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the association:  
**Attachment "B"**
- 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
--------------------	------------	---

**Attachment "C"**

- 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": **N/A**

**QUARTER HORSE SIMULCAST RACES TO BE IMPORTED**

Name of Host Track	Race Dates	Full Card or 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": **N/A**

**HARNESS SIMULCAST RACES TO BE IMPORTED**

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

- 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: **N/A**

**OTHER BREED SIMULCAST RACES TO BE IMPORTED**

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

- 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 and 19596.3, attach a copy showing the agreement by the appropriate racing association(s). **N/A**

**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.

**Attachment C – Section 8F****THOROUGHBRED SIMULCAST RACES TO BE IMPORTED**

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
Aqueduct	11/09 through 12/19/05	Full or Partial Cards
Calder	11/09 through 12/19/05	Full or Partial Cards
Churchill Downs	11/09 through 11/26/05	Full or Partial Cards
Delaware Park	11/09 through 11/13/05	Full or Partial Cards
Fair Grounds	11/24 through 12/19/05	Full or Partial Cards
Hastings Park	11/09 through 11/27/05	Full or Partial Cards
Hawthorne	11/09 through 12/19/05	Full or Partial Cards
Hoosier Park	11/09 through 11/25/05	Full or Partial Cards
Laurel Park	11/09 through 12/19/05	Full or Partial Cards
Meadowlands	11/09 through 11/12/05	Full or Partial Cards
Sam Houston	11/09 through 11/27/05	Full or Partial Cards
Suffolk Downs	11/09 through 11/19/05	Full or Partial Cards
Tampa Bay	12/10 through 12/19/05	Full or Partial Cards
Thistledown	11/09 through 12/19/05	Full or Partial Cards
Turf Paradise	11/09 through 12/19/05	Full or Partial Cards
Turfway Park	11/27 through 12/19/05	Full or Partial Cards
Woodbine	11/09 through 12/11/05	Full or Partial Cards



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 vaning 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: **Hollywood Park Racing Charities, 1050 South Prairie Avenue Inglewood, California 90301 310-419-1518**

B. Names and addresses of the trustees or directors of the distributing agent:

**Tirso del Junco, M.D.**  
**Chairman & President**  
**4924 Sunset Boulevard**  
**Los Angeles, CA 90027**

**Miss Angie Dickinson**  
**Treasurer**  
**P. O. Box 369**  
**Inglewood, CA 90306**

**Mr. Willie D. Davis**  
**Vice-President**  
**P. O. Box 369**  
**Inglewood, CA 90306**

**Mrs. Barbara Knight**  
**Secretary**  
**P. O. Box 369**  
**Inglewood, CA 90306**

**Rick Baedeker**  
**c/o Hollywood Park**  
**1050 South Prairie Ave**  
**Inglewood, CA 90301**

**Alvin Segel, Esq.**  
**Irell & Manella**  
**1800 Avenue of the Stars, #900**  
**Los Angeles, CA 90067**

C. Dates the association will conduct races as charity racing days OR:

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:

Association Veterinarian(s)

**Steven C. Buttgenbach, D.V.M.**

Clerk of Scales

**Ruben Hernandez**

Clerk of the Course

**Lisa Jones**

Horse Identifier

**Jennifer Paige**

Horseshoe Inspector

**Harry Toston**

- |                              |                       |
|------------------------------|-----------------------|
| Paddock Judge/Patrol Judge   | <b>Ken Goldberg</b>   |
|                              | <b>Charles McCaul</b> |
| Patrol Judge/Film Specialist | <b>Dawn Jackson</b>   |
| Placing Judges               | <b>Zachary Soto</b>   |
|                              | <b>Kevin Colosi</b>   |
| Starter                      | <b>Gary Brinson</b>   |
| Timer                        | <b>Russell Hudak</b>  |
- B. Management officials in the racing department:
- |                                |  |
|--------------------------------|--|
| Director of Racing             | <b>N/A</b>                               |
| Racing Secretary               | <b>Martin Panza</b>                      |
| Assistant Racing Secretary     | <b>Richard Wheeler and Daniel Eidson</b> |
| Paymaster of Purses            | <b>Susan Winters</b>                     |
| Others (Asst. Clerk of Scales) | <b>Tora Yamaguchi</b>                    |
- C. Name, address and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards: **Weinstein Court Reporters, 9582 Hamilton Avenue, Suite 265 Huntington Beach, California 92646 (714) 964-7102**
- 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: **Plusmic, USA 12/31/05**
- E. Photo patrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract. Specify the number and location of cameras for dirt and turf tracks. **Association provides its own service and equipment. Equipment utilized is described in Attachment "D"**
- 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: **American Teletimer, 12/31/07**

## 11. SECURITY CONTROLS

- A. Name and title of the person responsible for security controls on the premises. Include an organizational chart of the security department and a list of the names of security personnel and contact telephone numbers. **Don Barney, Director of Security 310/419-1395 – organizational chart attached.**
- B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis:
- 55 Uniformed Officers**
  - 11 Agents**
  - 7 Firemen**
  - 11 Gatemen**
  - 6 Communication Operators**

**Attachment D – Section 10E**

VIDEO EQUIPMENT

CAMERAS

Eight DXC-35 Sony Cameras  
Six DXC-637 Sony Cameras  
Pan (Wide) w/44X1 Fuji Lens  
Pan (Close up) w/55X1 Fuji Lens  
7/8 Dirt Tower w/45X1 Canon Lens  
7/8 Turf Tower w/22X1 Fuji Lens  
1/4 Tower w/26X1 Angenieux Lens  
3/8 Dirt Tower w/45X1 Canon Lens  
3/8 Turf Tower w/33X1 Canon Lens  
Winner's Circle w/18X1 Canon Lens  
Paddock view Camera w/18X1  
Ground Level Finish w/18X1 Canon Lens  
Gate Start Camera w/15X1 Fuji Lens  
Horse Tunnel Camera w/15X1 Canon Lens  
Studio Camera w/15X1 Canon Lens  
Paddock view Camera w/15X1

VIDEO TAPE RECORDING EQUIPMENT

12 - Channels Leitch 300 Video Servers  
2 - BVW - 75 Beta SP (slo-mo)  
4 - PVW - 2800 Beta Sp  
1- DPS Velocity video edit system

DISTRIBUTION/SWITCHING EQUIPMENT

Utah 132X132 A/V Router  
Ross Synergy 3 Production Switcher  
Ross "Squeeze & Tease" four Channel Digital Video Effects Unit

OTHER

Four "Autotote" VGS Units - Betting Screens  
Data links wagering system  
2 - Chyron Graphics Systems - Max and Maxine  
Charlson O'Hare Computer Graphics System  
Clear-com "Matrix" Intercom System  
Approximately 1,100 Color Televisions

All officers can be reached  
at (310)419-1555

Don Barney (310)419-1395  
Director of Security & Operations

55 uniform officers  
allotted manpower

Richard Welsh  
Fire Chief  
6 Firemen

Capt. M. Bragg  
Field Services

Lt. Sherry Jones  
Support Services

Bill Lux  
Acting Administrative Agent

Lt. Bill Morgan  
Backside & Patrol Sup.

Sgt. Lara  
Floor Officers

(310)419-1555  
Communications  
6

11 Gatemen

Sgt. Williams  
Sgt. Guerrero  
Sgt. Hogan  
Backside Sup.

Sgt. Hyson  
Sgt. Guerrero  
Sgt. Hogan  
Frontside Sup.

24 Officers on Floor

Ed Ward  
Dan Lee  
Backside Agents

11 Uniformed Officers

2 Motors  
13 Patrol

Ron Young  
Curt Alleman  
Jack Stephanovich  
Pat Upstill  
Floor Agents

1. Attach a written plan for enhanced security for graded/stakes races, and races of \$100,000 or more, to include the number of security guards in the restricted areas during a 24-hour period and a plan for detention barns. **Six hours prior to post time, an officer will be assigned to each horse scheduled to run in all graded stakes races and non-graded races of \$100,000 or more. The officers will all be equipped with a video surveillance camera and a security radio. In addition, there will be 2 Agents to monitor the security enforcement and 7 additional uniformed officers throughout the backside during racing. During non-racing nighttime hours there will be 4 officers per shift patrolling the backside. In the event that horses are assigned to the detention barn, uniformed officers will be assigned to that area for a twenty-four hour period. The horses will also be under video surveillance.**
2. Detention Barns:
  - A. Attach a plan for use of graded stakes or overnight races.  
**The use of the detention barn is as defined in contractual agreements with TOC and CTT. Upon implementation of CHRB Rule 1843.6, applicant will follow directives from CHRB staff to insure compliance with the new law.**
  - B. Number of security guards in the detention barn area during a 24-hour period.  
**As needed per horse, also one additional officer to cover relief/breaks.**
  - C. Describe number and location of surveillance cameras in detention barn area.  
**There are currently 7 cameras over the stalls and 2 covering the shedrow. We have additional cameras on site ready for installation.**
3. TCO2 Testing:
  - A. Number of races to be tested, and number of horses entered in each race to be tested.  
**Upon implementation of CHRB Rule 1843.6, applicant will follow CHRB staff directives to insure compliance with the new law.**
  - B. Plan for enhanced surveillance for trainers with high-test results **Upon implementation of CHRB Rule 1843.6, applicant will follow CHRB staff directives to insure compliance with the new law.**
  - C. Plan for detention barns for repeat offenders. **Upon implementation of CHRB Rule 1843.6, applicant will follow CHRB staff directives to insure compliance with the new law.**
  - D. Number of security personnel assigned to the TCO2 program.  
**As needed per the advice of CHRB staff.**
- C. Describe the electronic security system:
  1. Location and number of video surveillance cameras for the detention barn and stable gate.  
**See 2C above, there is a camera at each of our two stable gates.**
- D. For night racing associations: Describe emergency lighting system: **The track lighting system, which is used primarily for Friday night racing is on a preferred electrical current provided by Southern California Edison. Additionally we have an emergency lighting system powered by two**

**karolite 125 k.w. 277/480 volt generators which are activated and placed on line during the running of every race run after dark.**

## 12. EMERGENCY SERVICES

- A. Name, address and emergency telephone number of the ambulance service to be used during workouts and the running of the races: **Huntington Ambulance Service, Box 145 Sunset Beach, California 562/904-1550**
- B. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites: **Santa Anita -Huntington Ambulance Service Box 145 Sunset Beach, California (562) 904-1550 Pomona – Event Medical, EMS Los Alamitos, CA 714/821-6166 San Luis Rey Downs – North County Fire Protection District Fallbrook, CA 760/723-2005**
- C. Attach a fire clearance from the fire authority having jurisdiction over the premises. **Inspection scheduled for September 28, 2005.**
- D. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details): **American Home Assurance Company #WC3420311**
- E. 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 that secures the liability of the association for payment of workers' compensation. **Attached**

## 13. 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: **See Attachment "E"**

## 14. ON-TRACK ATTENDANCE/FAN DEVELOPMENT

- A. Describe any promotional plans:

<b>Date</b>	<b>Promotion</b>
Wednesday, November 9	Senior Day/Scratcher Card Day
Thursday, November 10	Senior Day/Scratcher Card Day
Friday, November 11	Veterans' Day (free admission for active or retired military)
Friday Night Concert Series – Band TBD	
Saturday, November 12	Long Sleeve T-Shirt Giveaway
Sunday, November 13	Family Day #1 – Raven Symone in Concert
Wednesday, November 16	Senior Day/Scratcher Card Day
Thursday, November 17	Senior Day/Scratcher Card Day
Friday, November 18	Friday Night Concert Series – Reggae Night
Saturday, November 19	Mystery Mutuel Voucher Promotion #1

# ACORD™ CERTIFICATE OF LIABILITY INSURANCE Page 1 of 2

DATE  
09/22/2005

<b>PRODUCER</b> 877-945-7378  Willis North America, Inc. - Regional Cert Center 26 Century Blvd. P. O. Box 305191 Nashville, TN 372305191	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.												
<b>INSURED</b> Stockbridge Real Estate Fund, LP et al Stockbridge Real Estate Fund II 1200 Park Place, Ste #200 San Mateo, CA 94403	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"><b>INSURERS AFFORDING COVERAGE</b></td> <td style="width: 20%;"><b>NAIC#</b></td> </tr> <tr> <td>INSURER A: American Home Assurance Company</td> <td>19380-100</td> </tr> <tr> <td>INSURER B:</td> <td></td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> </table>	<b>INSURERS AFFORDING COVERAGE</b>	<b>NAIC#</b>	INSURER A: American Home Assurance Company	19380-100	INSURER B:		INSURER C:		INSURER D:		INSURER E:	
<b>INSURERS AFFORDING COVERAGE</b>	<b>NAIC#</b>												
INSURER A: American Home Assurance Company	19380-100												
INSURER B:													
INSURER C:													
INSURER D:													
INSURER E:													

## 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	ADD'L	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
		GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO. <input type="checkbox"/> LOC				EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COM/POP AGG \$
		AUTOMOBILE LIABILITY <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) \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
		EXCESS LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE  <input type="checkbox"/> DEDUCTIBLE RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	WC3420311	9/23/2005	9/23/2006	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
		OTHER				

**DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS**  
 Named Insured includes the following:  
 Stockbridge Real Estate Fund LP et al  
 Stockbridge Real Estate Fund II (collectively as described in policy)  
 Stockbridge Hollywood Park Co-Investment LP

## CERTIFICATE HOLDER

California Horse Racing Board  
 ATTN: John Reagan  
 1010 Hurley Way, Suite #300  
 Sacramento, CA 95825

## 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

*Kristen Cherry*

**Attachment E - Section 13**

Concessionaires and Service Contractors

Levy Premium FoodService Limited Partnership  
980 North Michigan Avenue, Suite 400  
Chicago, IL 60611

Food, Beverage, Liquor

Robert J. Baedeker  
Baedeker's Guide  
130 West El Portal  
San Clemente, California 92672

Tip Sheet

Harry Aquarelli  
Duke Racing Selections  
6632 West 87<sup>th</sup> Street  
Los Angeles, California 90045

Tip Sheet

Winners  
Toby Turrell  
14112 Enfield Circle  
Westminster, California 92683

Tip Sheet

Bob's Card, Inc.  
Tiffany Boland  
420 South Rolling Hills Place  
Anaheim, California 92807

Tip Sheet

Today's Racing Digest  
P. O. Box 85007  
San Diego, California 92138

Thorograph  
541 Hudson Street  
New York City, New York 10014

New World Service, Inc.  
1050 South Prairie  
Inglewood, California 90301

Janitorial

Miscellaneous

Ann Roper Silks  
c/o Ann Roper  
P. O. Box 3547  
Lennox, CA 90304

Western Saddlery  
c/o A. Liederman  
206 E. Hillsdale Blvd.  
San Mateo, CA 94403



Sunday, November 20	Family Day #2
Wednesday, November 23	Senior Day/Scratcher Card Day
Thursday, November 24	Thanksgiving Day Brunch
Friday, November 25	Turf Festival – Laffit Pincay, Jr. DVD Promotion
Saturday, November 26	Turf Festival – Direct Mail Promotion – Double GSRN Points/ Free Admission Coupon in Mailer
Sunday, November 27	Turf Festival – Umbrella Giveaway/\$1,000,000 Guaranteed Pick Six Family Day #3/Hollywood Derby & Matriarch
Wednesday, November 30	Senior Day/Scratcher Card Day
Thursday, December 1	Senior Day/Scratcher Card Day
Friday, December 2	Direct Mail Promotion – Free Clubhouse Passes for Mailing List
Saturday, December 3	Fall Meet Spectacular Handicapping Contest
Sunday, December 4	Family Day #4
Wednesday, December 7	Senior Day/Scratcher Card Day
Thursday, December 8	Senior Day/Scratcher Card Day
Friday, December 9	Direct Mail Promotion – Free Clubhouse Passes for Mailing List
Saturday, December 10	SnowDay/Christmas Ornament Giveaway/Christmas Tree Raffle
Sunday, December 11	Family Day #5 - \$1 Day (\$1 Admission/\$1 Pick 6)
Wednesday, December 14	Senior Day/Scratcher Card Day
Thursday, December 15	Senior Day/Scratcher Card Day
Friday, December 16	Closing Weekend Passes/Mystery Mutuel Voucher
Saturday, December 17	Closing Weekend Passes/Mystery Mutuel Voucher
Sunday, December 18	Closing Weekend Passes/Mystery Mutuel Voucher
Monday, December 19	Closing Weekend Passes/Mystery Mutuel Voucher

- B. Number of hosts and hostesses employed for meeting: **During the fall meet, we will employ up to 14 hosts and hostesses to handle group business and between 12 and 15 guest service personnel. We add another 15-20 people on promotional days for giveaways and sign-ups for the Golden State Rewards Network.**
- C. Describe facilities set aside for new fans:
- **Longshots Lounge, with free Fast Forms**
  - **Friday night handicapping sessions outside of Longshots Lounge**
  - **“Take 5” members from the spring/summer meet will be invited to fall backstretch tours**
  - **Finish Line Cafe**
- D. Describe any improvements to the physical facility in advance of the meeting that directly benefit:
1. Horsemen **New turf course, other improvements to be determined**

- 2. Fans **New turf course, other improvements to be determined**
- 3. Facilities in the restricted areas **Improvements to be determined**

**15. SCHEDULE OF CHARGES**

A. Proposed charges, note any changes from the previous year:

1) General Admission	\$ 7.00
a. 17 yrs. old and under	Free
b. Wed & Thu Senior Citizens	\$ 4.00
(2) Clubhouse Admission	\$ 10.00
(3) Turf Club	\$ 20.00
(4) Reserved seating	\$ 2.00
(5) General Parking	Free
(6) Preferred (Premium) Parking	\$ 3.00
(7) Valet Parking	\$ 8.00
(8) Programs	On Track \$ 2.00 Off Track \$ 2.25

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

<u>Box Seats</u>	<u>*Turf Club Membership</u>		
4 seat Box	\$1,600	Single Turf Club	\$ 1,000
6 seat Box	\$2,000	Double Turf Club	\$ 1,500
8 seat Box	\$2,600	Corporate Membership	\$ 2,400
8 seat SuperBox	\$3,000	Guest	\$ 12

**\*Includes Spring/Summer, Fall Meets and Simulcast**

C. Describe any "package" plans such as combined parking, admission and program:  
**Admission includes parking and program.**

**16. JOCKEYS/DRIVERS' QUARTERS**

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

<input checked="" type="checkbox"/> Corners (lockers and cubicles)	How many	80
<input checked="" type="checkbox"/> Showers	<input checked="" type="checkbox"/> Steam room, sauna or steam cabinets	<input checked="" type="checkbox"/> Lounge area
<input checked="" type="checkbox"/> Masseur	<input checked="" type="checkbox"/> Food/beverage service	<input checked="" type="checkbox"/> Certified platform scale

B. Describe the quarters to be used for female jockeys/drivers: **Separate quarters including restroom facilities, showers, cubicles, scale, televisions, couch, food services, etc.**

**17. BACKSTRETCH EMPLOYEE HOUSING**

- A. Inspection of backstretch housing was completed by (the most recent inspections at the submission of the application) **Robert S. Nieto – CHRB on 2/2/05.**
- B. Number of rooms used for housing on the backstretch of the racetrack: **Approximately 450**
- C. Number of restrooms available on the backstretch of the racetrack: **77 including: 155 toilets, 81 urinals and 167 sinks.**
- D. Estimated ratio of restroom facilities to the number of backstretch personnel: **Minimum of 1 to 10 including non-resident personnel.**

**18. TRACK SAFETY**

- A. Total distance of the racecourse - measured from the finish line counterclockwise (3' from the inner railing) back to the finish line: **Main Track - 1 mile & 1/8 – 5,940 feet, Turf Track – 1 mile 165 feet – 5,445 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. **Main Track – inner rail sheet metal panel covering over metal goosenecks supports – 40” in height, outer rail – metal uprights. Turf Course – inner rail – Fontana turf rail 40” in height, outer rail – metal uprights.**
- C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474: **Dennis Moore**
- D. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474. **On File.**
- 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. **N/A**

**19. 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): **Applicant will assume terms of agreements now in place.**
- B. Attach each horsemen's agreement pursuant to CHRB Rule 2044. **On File.**
- 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.**

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.

**20. 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.

F. JACK LIEBAU  
Print Name

President  
Print Title

F. Jack Liebau  
Signature

8/9/05  
Date

**STAFF ANALYSIS  
LICENSE AMENDMENT**

REGULAR BOARD MEETING  
OCTOBER 6, 2005

**Background:**

At the August 2005 Board meeting the license application for the upcoming Pacific Racing Association meet was approved. Prior to the completion of the race dates process for 2006, the license contained the dates October 19, 2005 through January 29, 2006. However, during the 2006 dates allocation and approval process, the 2006 race dates for Bay Meadows and Pacific Racing were reversed causing Bay Meadows to commence their 2006 racing year on December 26, 2005 thus overlapping the dates in the prior Pacific Racing application.

Therefore, in order to adjust for the recently approved dates schedule, the license approved in August must be revisited so that Pacific Racing's race dates for the upcoming meet can be amended to October 19, 2005 through December 19, 2005.

**Recommendation:**

Staff recommends that the Board approve this item.

**CALIFORNIA HORSE RACING BOARD**

**OCTOBER 6, 2005**

**REGULAR BOARD MEETING**

**There is no board package material for Item 3 & Item 4**

STAFF ANALYSIS  
PROPOSED ADDITION OF EMERGENCY RULE  
1920.1 HEIGHTENED SURVEILLANCE

Regular Board Meeting  
October 6, 2005

## BACKGROUND

Business and Professions (B&P) Code Section 19420 provides that jurisdiction and supervision over meetings in California where horse races with wagering on their results are held or conducted, and over all persons or things having to do with the operation of such meetings, is vested in the California Horse Racing Board (Board). B&P Code Section 19440 states The Board shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of Horse Racing Law. Responsibilities of the Board shall include, but not be limited to, adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. B&P Code Section 19580 provides that the Board shall adopt regulations to establish policies, guidelines, and penalties relating to equine medication to preserve and enhance the integrity of horse racing in California. The ad hoc medication committee (committee) has concluded that abnormal changes in some horses' winning patterns, unusually high winning percentages, and routine drug test results near a prohibited level, were resulting in at least the perception that some horses are receiving medications or other treatments that are prohibited by California Horse Racing Law. However, such horses often do not test positive in post-race blood or urine tests. The committee felt the unusual patterns were causing the perception of an uneven playing field, and were contributing to the decline in attendance and wagering on horse racing. To immediately address the perception of unfairness and halt the decline in on-track attendance and wagering on horse races the committee proposed to add, as an emergency regulation, Rule 1920.1, Heightened Surveillance.

## ANALYSIS

Rule 1920.1 provides that any horse, stable or trainer that is on the premises, as defined by Rule 1420(q), shall, in the sole and absolute discretion of the Board, be subject to heightened surveillance during the period of ten days immediately preceding, and during any race meeting. Heightened surveillance may include, but is not limited to: observation by Board staff, stewards or persons affiliated with or retained by the racing association; requiring any horse to be stabled in a stall that is better situated for monitoring by enforcement staff; requiring any horse to be stabled in a stall that has within it monitoring device(s), including, but not limited to, audio, video, or any other means determined by the Board, and any or all persons or devices utilized for the purposes may use recording devices in connection with such surveillance; having the horse stabled in a stall which has on-premises security; or requiring a horse to be placed in a detention area designated by the Board. An owner, trainer, or any person having control of a horse, who refuses to permit the horse to be placed under

heightened surveillance may be barred from the premises, fined, suspended, or otherwise disciplined by the Board.

The committee determined that Rule 1920.1 should be submitted to the Office of Administrative Law (OAL) as an emergency regulation. This requires that the Board adopt the regulation as an emergency, and reduces the OAL review period from 30 working days to 10 calendar days. If OAL agrees with the Finding of Emergency the regulation becomes effective upon filing with the Secretary of State, but must be followed within 120 days of the effective date by a "certificate of compliance" that certifies the Board completed the regular rulemaking process for Rule 1920.1. The emergency regulation is no longer effective if the regular rulemaking process is not completed within 120 days.

#### **RECOMMENDATION**

Staff recommends the Board adopt the emergency regulation as presented.



CALIFORNIA HORSE RACING BOARD  
TITLE 4. CALIFORNIA CODE OF REGULATIONS  
ARTICLE 17. FIRE PREVENTION AND SECURITY  
PROPOSED ADDITION OF  
RULE 1920.1. HEIGHTENED SURVEILLANCE

Regular Board Meeting  
October 6, 2005

1920.1. Heightened Surveillance.

(a) Any horse, stable or trainer that is on the premises, as defined by Rule 1420, subsection (q), shall, in the sole and absolute discretion of the Board, be subject to heightened surveillance during the period of ten days immediately preceding, and during, any racing meeting. Such heightened surveillance may include, but need not be limited to, the following: observation by Board staff, stewards or persons affiliated with or retained by the racing association; requiring any horse to be stabled in a stall that, in the sole discretion of the Board, is better situated for monitoring by enforcement staff; requiring any horse to be stabled in a stall that has within it monitoring device(s), including, but not limited to, audio, video, or any other mean determined by the Board, and any or all persons or devices utilized for these purposes may utilize recording devices in connection with such surveillance; having the horse stabled in a stall which has on-premises security; or requiring a horse to be placed in a detention area designated by the Board.

(b) Any owner, or trainer, or other person responsible for a horse who refuses to subject any horse under his ownership or care to such heightened surveillance may be barred from the premises, fined, suspended, or otherwise disciplined by the Board as the Board deems appropriate.

Authority: Sections 19420 and 19440,  
Business and Professions Code.

Reference: Sections 19460 and 19580,  
Business and Professions Code.

STAFF ANALYSIS  
PROPOSED AMENDMENT OF  
RULE 1977. PICK THREE

Regular Board Meeting  
October 6, 2005

**BACKGROUND**

Business and Professions (B&P) Code Section 19440 states the Board shall have all powers necessary and proper to enable it to adopt rules and regulations for the protection of the public and the control of horse racing. B&P Code Section 19590 provides that the Board shall adopt rules governing, permitting, and regulating pari-mutuel wagering on horse races under the system known as the pari-mutuel method of wagering. At the February 2005 Pari-Mutuel Operations Committee meeting a proposal to amend Rule 1977, Pick Three, was heard. The proposed amendment was based on recommendations made by the National Thoroughbred Racing Association (NTRA) Players Panel (Panel), an advisory body charged with making policy recommendations of importance to bettors. The NTRA Panel recommended the Pick Three be amended to eliminate the practice of substituting the off-time favorite for a horse that is scratched, excused or determined by the stewards to be a nonstarter in a race constituting the Pick Three wager. The Panel argued substituting the off-time favorite was unfair to persons placing wagers, as such persons were often wagering against the favorite. The proposed amendment of Rule 1977 was heard for adoption at the September 2005 Regular Board Meeting, but was continued to another meeting.

**ANALYSIS**

The proposed amendment of Rule 1977 eliminates the practice of substituting the off-time favorite for a horse scratched from any leg of the Pick Three prior to the running of the first leg. Instead, all wagers containing such horse(s) shall be refunded. If a horse is scratched from the second leg after the start of the first leg, or from the third leg, after the start of the second leg, a consolation payout is paid to holders of tickets that combine the winners of the completed legs and the scratched wagering interest(s). In addition, a consolation payout is provided if wagering interests are scratched from the second and third leg of the Pick Three after the start of the first leg.

**RECOMMENDATION**

No comments were received during the 45-day public comment period. Staff recommends the Board adopt the proposed amendment to Rule 1977 as presented.

CALIFORNIA HORSE RACING BOARD  
TITLE 4. CALIFORNIA CODE OF REGULATIONS  
ARTICLE 18. PARI-MUTUEL WAGERING  
PROPOSED AMENDMENT OF  
RULE 1977. PICK THREE

Regular Board Meeting  
October 6, 2005

1977. Pick Three.

(a) The Pick Three is a separate pari-mutuel pool established on three ~~(3)~~ consecutive races. The pool consists of amounts wagered on the winning horse in each of the races. It is not a parlay and has no connection with or relation to other pools conducted by the association, ~~except for the provisions in subsection (h),~~ or to rules governing the distribution of other pools.

(b) A valid Pick Three ticket shall be evidence of a binding contract between the holder of the ticket and the association and shall constitute an acceptance of Pick Three provisions and rules contained in this Aarticle.

(c) A wager on a coupled entry or field is considered a wager on the remaining part of the coupled entry or field if any part of such entry starts for pari-mutuel purposes in accordance with Rule 1974.

(d) The association shall distribute the net pool to holders of valid tickets that correctly selected the winners in all three ~~(3)~~ races.

(e) In a dead heat for win between two ~~(2)~~ or more horses in any of the Pick Three races, all such horses shall be considered winning horses in that race for calculating the pool. The payout shall reflect the proportionate amount of money wagered on each winning combination.

(f) If no ticket selected the winner in all three (3) races, the net pool shall be paid for tickets that selected the winner in any two (2) races; and if no ticket selected two (2) winners the net pool shall be paid for tickets that selected the winner of any one (1) race. The association shall refund the entire pool if no ticket selected the winner of any one (1) race.

(g) If one (1) of the races is cancelled, the net pool shall be distributed as provided in subsection (f). If more than one (1) race is cancelled the association shall refund the entire pool.

~~(h) A ticket designating a selection that was scratched, excused or determined by the Stewards to be a nonstarter in the race, shall have the favorite, which is determined by the amounts wagered in the win pool at the time of the start of the race, substituted for the nonstarting selection for all purposes. If a wagering interest is scratched (which hereinafter includes being declared a non-starter) from any leg of the Pick Three prior to the running of the first leg, all wagers containing such scratched wagering interests shall be refunded.~~

(i) If a wagering interest is scratched from the second leg after the start of the first leg, a consolation payout shall be computed for those wagers combining the winners of the first and third legs with such scratched horse(s) as follows: The amount represented by wagers on combinations involving horse(s) scratched from the second leg shall be deducted from the gross pool. The resulting pool, net of takeout, shall be distributed as a win pool among tickets combining the winners of the first and third legs with horse(s) scratched from the second leg.

(j) If a wagering interest is scratched from the third leg after the start of the second leg, a consolation payout shall be computed for those wagers combining the winners of the first and second legs with such scratched horse(s) as follows: The amount represented by wagers on

combinations involving horse(s) scratched from the third leg shall be deducted from the gross pool. The resulting pool, net of takeout, shall be distributed as a win pool among tickets combining the winners of the first and second legs with horse(s) scratched from the third leg.

(k) If wagering interests are scratched from both the second and third legs after the start of the first leg, a consolation payout shall be computed for those wagers combining the winner of the first leg with horse(s) scratched from both the second and third legs as follows: The amount wagered on the winner of the first leg combined with all other horse(s) scratched from the second and third legs shall be deducted from the gross pool. The resulting pool, net of takeout, shall be distributed as a win pool among tickets combining the winner of the first leg with horse(s) scratched from both the second and third legs.

(l) After wagering closes on the first race of the Pick Three no ticket shall be sold, exchanged or cancelled. No person shall disclose the number of tickets sold in the Pick Three races or the number or amount of tickets that selected winners of Pick Three races until the Stewards declare the last race official. After the second of the three (3) races, the association may display potential distributions dependent upon the outcome of the third race.

Authority: Sections 19440 and 19590,  
Business and Professions Code.

Reference: Section 19590,  
Business and Professions Code.

**STAFF ANALYSIS**  
**REPORT BY SCIENTIFIC GAMES ON NET POOL PRICING**

REGULAR BOARD MEETING  
OCTOBER 6, 2005

**Background:**

When California racing associations conduct their race meets they are currently using two takeout rates: one for WPS and one for Exotic wagers (by law, *each breed* of racing has different takeout rates, but only two rates: WPS and Exotics). Jurisdictions outside of California that wish to participate in our pools by commingling their wagers into the California pools use our takeout rates (not theirs) when commingling in our pools. Similarly, when California associations offer wagers on out-of-state races to their patrons, those wagers are subject to the takeout rates in the out-of-state jurisdiction. Generally speaking, California takeout rates are some of the lowest in North America thus making our pools attractive to some big bettors who are sensitive about such differences.

Paragraph "c" of Section 19602 of the Business and Professions Code is included with this item. It requires out-of-state jurisdictions to use the California takeout when commingling into our pools. However, paragraph "c" does permit the Board to allow the out of state jurisdiction to use their particular takeout rates if their law does not allow it to use ours AND the Board "determines it to be in the public interest of this state to do so".

For several years now, some out-of-state wagering networks have been offering Net Pool Pricing (NPP). This simply means that the totalizator system uses software that allows the system to operate with multiple takeout rates. Thus a commingled pool with several jurisdictions placing wagers into the pool can allow each jurisdiction to use their own unique takeout rates thereby increasing the complexity of the pari-mutuel calculation. The first and most obvious result is that jurisdictions with higher takeouts contribute less to the net pool and therefore winning wagers from that jurisdiction are paid less when the pool is calculated.

Also noteworthy is that NPP can allow for the use of different currencies. Thus the considerable interest by Canadian tracks and Magna tracks to have their tote supplier (Scientific Games Racing - SGR) implement NPP in California so that they can commingle wagers and adjust not only for the multiple takeout rates in Canada but also the currency exchange rate. Of course, once the Canadian tracks have been digested into the California system it is only a matter of time before other states and countries can also request to be included in our pools using their own takeout rates and/or unique currency exchange rates.

Included with this item is information regarding many aspects of NPP provided by Magna and their Canadian partner, Woodbine. Of note is a page of "Frequently Asked Questions" about NPP and also a rather hair-raising example of a NPP calculation.

**Recommendation:**

Staff recommends that the Board hear from Scientific Games Racing regarding this matter.

# Section 19602

— 62 —

to the consent of the host association and applicable federal laws, including, but not limited to, Chapter 57 (commencing with Section 3001) of Title 15 of the United States Code.

(b) (1) Except as provided in paragraph (2), any racing association described in subdivision (a), when it authorizes betting systems located outside of this state to accept wagers on a race, shall pay a license fee to the state in an amount equal to 8 percent of the total amount received by the association from the out-of-state betting system. In addition, with respect to thoroughbred racing only, 3 percent of the amount remaining after the payment of the license fee shall be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2, and shall thereafter be distributed in accordance with subdivisions (b), (c), and (d) of Section 19617.2. The remaining amount received by the association shall be distributed to the association that conducts the racing meeting and to horsemen participating in that racing meeting as follows: 50 percent to the association as commissions, and 50 percent to the horsemen as purses. All rents, costs, and fees shall be deducted pursuant to a contract between the association that conducts the racing meeting and the horsemen participating in the racing meeting. Notwithstanding any other provision of law, racing associations may form a partnership, joint venture, or any other affiliation in order to negotiate terms and conditions of agreements with out-of-state betting systems.

(2) A thoroughbred association that hosts the series of races known as the "Breeder's Cup" shall not be required to pay to the state the license fees required pursuant to paragraph (1). Amounts received by the association from out-of-state betting systems as wagers on Breeder's Cup races shall be distributed as follows: 50 percent as commissions to the association that conducts the racing meeting, and 50 percent as purses to the horsemen participating in the meeting.

(c) With the permission of the board, wagers accepted by betting systems located outside of this state may be, but are not required to be, included in the parimutuel pool of the association that conducts the racing meeting in this state. If the wagers accepted by betting systems located outside of this state are included in the parimutuel pool of the association that conducts the racing meeting in this state, the betting system located outside of this state shall, if permissible under applicable law, deduct from the total amount handled in each conventional and exotic parimutuel pool the same total percentages deducted pursuant to Article 9.5 (commencing with Section 19610) by the association that conducts the racing meeting in this state. If the laws of the jurisdiction in which the betting system is located do not permit the betting system to deduct the same percentages as are deducted by the association that conducts the racing, the board may, nonetheless, permit the inclusion of those out-of-state wagers in the association's parimutuel pool if the board determines it to be in the public interest of this state to do so.

(d) If wagers accepted by betting systems located outside of this state and wagers accepted by betting systems located in this state are combined in a parimutuel pool, both deduct from the pool the same percentages as are deducted from the pool on the basis of the wagers accepted by betting systems located in this state.

(e) If wagers accepted by betting systems located outside of this state and wagers accepted by betting systems located in this state are combined in a parimutuel pool, the percentages deducted from the pool shall be based on the basis of a calculation of the wagers accepted by betting systems located in this state.

(f) Breakage fees on wagers accepted by betting systems located outside of this state shall be deducted from the pool as a percentage of the wagers accepted by betting systems located outside of this state.

(g) If wagers accepted by betting systems located outside of this state are included in the parimutuel pool of the association that conducts the racing meeting in this state, funds in the pool shall be distributed to wagers accepted by betting systems located outside of this state and to wagers accepted by betting systems located in this state in the same proportion as the wagers accepted by betting systems located outside of this state are to the wagers accepted by betting systems located in this state.

19603. Notwithstanding any other provision of law, wagers accepted by betting systems located outside of this state and wagers accepted by betting systems located in this state may be combined in a parimutuel pool, and may be deducted from the pool the same percentages as are deducted from the pool of state, except that the percentages deducted from the pool shall be based on the basis of a calculation of the wagers accepted by betting systems located in this state.

19604. Notwithstanding any other provision of law, wagers accepted by betting systems located outside of this state and wagers accepted by betting systems located in this state may be combined in a parimutuel pool, and may be deducted from the pool the same percentages as are deducted from the pool of state, except that the percentages deducted from the pool shall be based on the basis of a calculation of the wagers accepted by betting systems located in this state.



# Net Pool Pricing



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# Net Pool Pricing

## Introduction

The 30% withholding tax on foreign winning pari-mutuel wagers was eliminated by the U.S. to enable the large amount of money wagered outside the country to be commingled. For further expansion to occur, one of the requirements is to change to the tote calculating package that is most commonly used in the United States. This upgrade to NPP (Net Pool Pricing) enables U.S. tracks to deal with foreign tax rates and currency values.

This pricing package accomplishes this by commingling Net Pools (subtracting association retention and taxes from the gross pool) as opposed to commingling the Gross Pools. This not only overcomes the barriers indicated with the standard pricing calculation, but it is arguably a more accurate method of calculation. This may result in slightly different pricing results for the Place and Show pools particularly in situations where one of the horses on the board has been bet down significantly.

Net Pool Pricing allows each jurisdiction participating in the pool to offer different retention rates (also known as takeout rates) than the host track should they choose or be regulated to do so. For example, if a participant chooses to use a higher takeout than the host track, they will have proportionately less weighting in the commingled pool than wagers with a lower takeout rate. Therefore, jurisdictions using a higher retention offer a lower payout to their customers and the remainder of the network is not affected. This also would work the other way should the participant use a lower takeout, and their respective prices would be higher than the host track. Any changes to these takeout rates would likely be subject to the host track and possibly regulatory approvals.

## Frequently Asked Questions

- ❖ **Why do I need to change to Net Pool Pricing in order to commingle wagers from Canada?**
  - *Since some countries such as Canada have different legal deductions, takeouts, breaks and currency, Net Pool Pricing is needed to combine their wagers and accurately calculate prices throughout the network.*
  
- ❖ **Will changing to Net Pool Pricing affect the way prices are calculated?**
  - *Yes, the algorithm used to calculate the prices is different under Net Pool Pricing. You should see little to no changes in prices under single priced pools such as Win, Ex, & Tri. Long shots tend to pay a little more and favourites tend to pay a little less in multi-priced pools such as Place and Show. However, amount paid out to the public is relatively the same.*
  
- ❖ **Why can't I hand calculate the prices from the pool values on the tote board?**
  - *Since Net Pool Pricing uses a complex algorithm to calculate the prices there are many other variables that affect the calculation of the price which are not displayed on the tote board.*
  
- ❖ **Why do some jurisdictions display different prices than the host track?**
  - *If a jurisdiction chooses to or is required to use different takeout rates and or breakage, prices at that jurisdiction will vary from the host. Jurisdictions using a higher takeout rate, will be displaying lower prices than the host.*
  
- ❖ **Has Net Pool Pricing Been Proven to Work?**
  - *Yes, Canadian racetracks have been using Net Pool Pricing since the Breeder's Cup was hosted by Woodbine in 1996. Customers betting on Woodbine in the U.S. have already been exposed to this calculation method. Many states have since adopted Net Pool Pricing in their regulations including the RCI Model Rules.*
  
- ❖ **Is Net Pool Pricing more susceptible to minus pools?**
  - *Due to the nature of the algorithm used in Net Pool Pricing on a split pool such as Place or Show, a heavy favourite will not drive the value down on the remaining runners as much as it does using the standard pricing method. This may result in the favourite paying \$2.10 and the other horses paying more which is more favourable to the betting public. The negative break is then attributed to the wager and that association who bet down the favourite.*
  
- ❖ **How can pools from two different currencies be merged together?**
  - *Net Pool Pricing allows for pools in different currencies to be merged together by applying a daily exchange rate before the foreign currency enters the pools and again to the prices before being paid to the public.*

## RCI Model Rules of Racing

Net Pool Pricing is also defined in the RCI model rules and gives the following examples of how Net Pool Pricing differs from Gross Pool Pricing on the Win pool and Show pool. Note that the SHW pool's prices differ slightly from the two calculation methods. Spreadsheets illustrating how NPP is used in a multi-commission environment are also available upon request:

### WIN POOL (SINGLE PRICE POOL)

#### Standard Price Calculation

Gross Pool:	=Sum of Wagers on all Betting Interests - Refunds
Takeout:	=Gross Pool x Percent Takeout
Net Pool:	=Gross Pool - Takeout
Profit:	=Net Pool - Gross Amount Bet on Winner
Profit Per Dollar:	=Profit / Gross Amount Bet on Winner
\$1 Unbroken Price:	=Profit Per Dollar + \$1
\$1 Broken Price:	=\$1 Unbroken Price Rounded Down to the Break Point
Total Payout:	=\$1 Broken Price x Gross Amount Bet on Winner
Total Breakage:	=Net Pool - Total Payout

#### Net Price Calculation (Single Takeout Rate & Single Betting Source)

Gross Pool:	=Sum of Wagers on all Betting Interests - Refunds
Takeout:	=Gross Pool x Percent Takeout * for Each Source:
Net Pool:	=Gross Pool - Takeout
Net Bet on Winner:	=Gross Amount Bet on Winner x (1 - Percent Takeout)
Total Net Pool:	=Sum of All Sources Net pools
Total Net Bet on Winner:	=Sum of All Sources Net Bet on Winner
Total Profit:	=Total Net Pool - Total Net Bet on Winner
Profit Per Dollar:	=Total Profit / Total Net Bet on Winner
\$1 Unbroken Base Price:	=Profit Per Dollar + \$1* for each source:
\$1 unbroken price:	=\$1 Unbroken Base Price x (1 - Percent Takeout)
\$1 Broken Price:	=\$1 Unbroken Price Rounded Down to the Break Point
Total Payout:	=\$1 Broken Price x Gross Amount Bet on Winner
Total Breakage:	=Net Pool - Total Payout

### SHOW POOL (MULTI-PRICED POOL)

#### Standard Price Calculation

Sum of Wagers on All Betting Interests:	= \$194,230.00
Refunds:	= \$1,317.00
Gross Pool:	
(Sum of Wagers on All Betting Interests-Refunds)	= \$192,913.00
Percent Takeout:	= 18%
Takeout: (Gross Pool x Percent Takeout)	= \$34,724.34
Net Pool: (Gross Pool – Takeout)	= \$158,188.66
Gross Amount Bet on 1st place finisher:	= \$23,872.00
Gross Amount Bet on 2nd place finisher:	= \$12,500.00
Gross Amount Bet on 3rd place finisher:	= \$4,408.00
Profit:	
(Net Pool - Gross Amt Bet on 1st place finisher	
-Gross Amount Bet on 2nd place finisher	
-Gross Amount Bet on 3rd place finisher)	= \$117,408.66
Show Profit: (Profit / 3)	= \$39,136.22
Profit Per Dollar for 1st place:	
(Show Profit / Gross Amt Bet on 1st finisher)	= \$1.6394194
\$1 Unbroken Price for 1st place:	
(Profit Per Dollar for 1st place + \$1)	= \$2.6394194
Profit Per Dollar for 2nd place:	

(Show Profit / Gross Amt Bet on 2nd place finisher)	= \$3.1308976
\$1 Unbroken Price for 2nd place:	
(Profit Per Dollar for 2nd place + \$1)	= \$4.1308976
Profit Per Dollar for 3rd place:	
(Show Profit / Gross Amount Bet on 3rd place finisher)	= \$8.8784528
\$1 Unbroken Price for 3rd place	
(Profit Per Dollar for 3rd place + \$1)	= \$9.8784528
<u>Net Price Calculation (Single Takeout Rate &amp; Single Betting Source)</u>	
Sum of Wagers on All Betting Interests:	= \$194,230.00
Refunds:	= \$1,317.00
Gross Pool:	
(Sum of Wagers on All Betting Interests – Refunds)	= \$192,913.00
Percent Takeout:	= 18%
Takeout: (Gross Pool x Percent Takeout)	= \$34,724.34
Total Net Pool: (Gross Pool – Takeout)	= \$158,188.66
Gross Amount Bet on 1st place finisher:	= \$23,872.00
Net Amount Bet on 1st place finisher:	= \$19,575.04
Gross Amount Bet on 2nd place finisher:	= \$12,500.00
Net Amount Bet on 2nd place finisher:	= \$10,250.00
Gross Amount Bet on 3rd place finisher:	= \$4,408.00
Net Amount Bet on 3rd place finisher:	= \$3,614.56
Total Net Bet on Winners:	
(Net Amount Bet on 1st place finisher +	
Net Amount Bet on 2nd place finisher +	
Net Amount Bet on 3rd place finisher)	= \$33,439.60
Total Profit: (Total Net Pool - Total Net Bet on Winners)	= \$124,749.06
Show Profit: (Total Profit / 3)	= \$41,583.02
Profit Per Dollar for 1st place:	
(Show Profit / Net Amount Bet on 1st place finisher)	= \$2.1242879
\$1 Unbroken Base Price for 1st place:	
(Profit Per Dollar for 1st place + \$1)	= \$3.1242879
\$1 Unbroken Price for 1st place:	
(\$1 Unbroken Base Price for 1 <sup>st</sup> place x (1 - % takeout))	= \$2.5619161
Profit Per Dollar for 2nd place:	
(Show Profit / Net Amount Bet on 2nd place finisher)	= \$4.0568800
\$1 Unbroken Base Price for 2nd place:	
(Profit Per Dollar for 2nd place + \$1)	= \$5.0568800
\$1 Unbroken Price for 2nd place:	
(\$1 Unbroken Base Price for 2 <sup>nd</sup> place x (1 - % takeout))	= \$4.1466416
Profit Per Dollar for 3rd place:	
(Show Profit / Net Amount Bet on 3rd place finisher)	= \$11.504310
\$1 Unbroken Base Price for 3rd place:	
(Profit Per Dollar for 3rd place + \$1)	= \$12.504310
\$1 Unbroken Price for 3rd place:	
(\$1 Unbroken Base Price for 3 <sup>rd</sup> place x (1 - % takeout))	= \$10.253534

## **Communications Plan**

Since Net Pool Pricing results do vary somewhat from the Standard Pricing Model we suggest that you inform your public before implementation. Arlington Park was kind enough to share the following communication plan, which proved to be very effective:

### **TV Crawl...**

*Arlington Park is now using the Net Pool method of calculating prices. Visit our Web site at [www.arlingtonpark.com](http://www.arlingtonpark.com) for more information.*

### **Program**

To Our Guests,

Arlington Park has adopted the **net pool method** of pricing to allow race fans in Canada and, prospectively, other countries to wager into Arlington Park mutuel pools. As international wagering becomes more prevalent, other racetracks will move to net pool pricing, and Arlington Park is proud to be one of the first Thoroughbred tracks to do so.

While allowing for potentially larger pools, prices on pools with multiple winners (place and show, or any pool with a dead-heat) may calculate to a slightly different payout than under standard pricing. The favorites may pay a little less, and the long shots a little more, but in all cases the total amount of monies paid out to the wagering public remains the same.

Arlington Park is committed to being the industry leader in bringing new innovations and wagering opportunities to our guests. We appreciate your continued support of Arlington Park racing.

More information can be found at our Web site, [www.arlingtonpark.com](http://www.arlingtonpark.com)

### **Website**

#### **An Explanation of Net-Pool Pricing:**

Historically, prices on pari-mutuel races have been calculated by dividing the GROSS amount of winning bets by the net pool. The net pool is the total amount of wagers reduced by the commission rate, or take-out. This process returns a fair price provided all wagers were made using the same take out. Not all international jurisdictions, however, are allowed by local law to wager into U.S. pools using the local take-out rates, and must use the standard take-out rate for their locality. They have, therefore, been forbidden from wagering into our pools.

To accommodate multiple take-out rates, the Net-Pool pricing model was established in approximately 1995. Under the Net-Pool pricing model, the payouts are calculated by dividing NET amount of winning bets, (rather than the GROSS amount as in Standard Pricing) by the net pool. Each locality then multiplies the payout by the compliment of the commission rate (1-commission rate) to arrive at the local payout.

This process weights each wager according to the local commission rate, as the higher the local commission rate (take-out), the lower the local price. For example, \$100 bet at 17-percent commission is worth \$83, and \$100 bet at 18-percent commission is worth \$82. The payout at the locality with a 17-percent commission rate will therefore be slightly higher than the payout at the locality with an 18-percent commission rate.

#### **Place and Show Pools:**

For most pools and payouts, if all localities were using the same take-out rate, the prices would be identical under both the Standard and Net-Pool pricing models. But in any multiple winning runner pool (Place and Show and any other pool in which a dead-heat creates two or more different payouts), the Net-Pool model distributes the same amount of winnings slightly differently. This is a function of allocating the profits to the different winners based on their NET winnings rather than their GROSS winnings. The total amount of monies paid out will not change, but the

net effect, in these cases, is that the favorites will pay a little less, while long shots will pay a little more.

**\$2.10 Payouts and Minus Pools:**

Fans will notice that show pools with a heavy favorite that you would expect to return \$2.10 for all three runners, now may now pay significantly higher on the two non-favorite horses. This is because that even though the payout on the favorite is reduced to a number even farther below the minimum \$2.10 payout, it still must return \$2.10. But the other horses are not participating in the minus pool as they were under the Standard Pricing model.

**Calculating Projected Payouts using Tote Board Information:**

One of the results of the Net Pool pricing model is that one can no longer accurately calculate the payouts using only the information available on the tote board. This is true for all pools, including the Win pool. The reason for this is one needs to know the commission rate of the wagers on each runner in each pool to determine the true NET pool and NET winning wagers. (The tote odds continue to be accurate, as the tote has all of the necessary information to properly calculate and display the current odds / payouts.

# NET PRICING CALCULATION

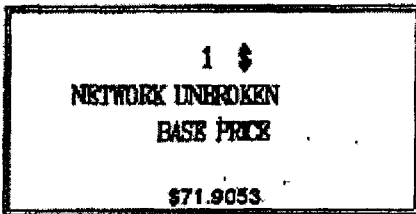
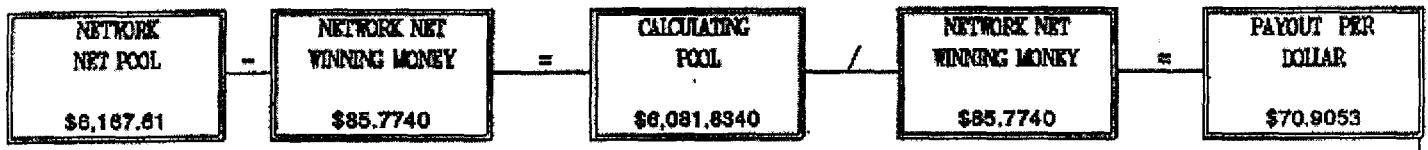
1.30 EXCHANGE RATE

	CURRENCY 1	CURRENCY 1	CURRENCY 1	CURRENCY 2	CURRENCY 2
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
	TOTAL POOL	TOTAL POOL	TOTAL POOL	TOTAL POOL	TOTAL POOL
	\$1,233.00	\$3,246.00	\$1,000.00	\$1,000.00	\$1,000.00
	MINUS	MINUS	MINUS	MINUS	MINUS
	Takeout	Takeout	Takeout	Takeout	Takeout
	Ass. 15	Ass. 18	Ass. 18		
	Prov. 7	Prov. 7	Prov. 9		
	Levy 0.8	Levy 0.8	Levy 0.8	19.8 %	19.8 %
	TOTAL 22.8	TOTAL 25.8	TOTAL 27.8		
	\$281.12	\$837.47	\$278.00	\$198.00	\$198.00
	NET POOL	NET POOL	NET POOL	NET POOL	NET POOL
	\$951.88	\$2,408.53	\$722.00	\$802.00	\$802.00
	X Exchange rate	X Exchange rate	X Exchange rate	X Exchange rate	X Exchange rate
STEP 'A'			NETWORK NET POOL		
			\$6,167.61		

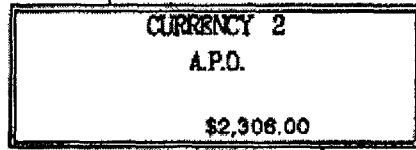
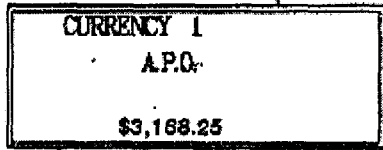
## WINNING MONEY

	A	B	C	D	E
	TOTAL WINNINGS	TOTAL WINNINGS	TOTAL WINNINGS	TOTAL WINNINGS	TOTAL WINNINGS
	\$5.00	\$25.00	\$30.00	\$15.00	\$25.00
	X	X	X	X	X
	NET FACTOR	NET FACTOR	NET FACTOR	NET FACTOR	NET FACTOR
	77.2 %	74.2 %	72.2 %	80.2 %	80.2 %
	NET WINNING \$	NET WINNING \$	NET WINNING \$	NET WINNING \$	NET WINNING \$
	\$3.86	\$18.55	\$21.66	\$12.03	\$20.05
	X Exchange Rate	X Exchange Rate	X Exchange Rate	X Exchange Rate	X Exchange Rate
STEP 'B'			NETWORK NET WINNING \$		
			\$85.7740		





	Div. Exchange Rate	Div. Exchange Rate	Div. Exchange Rate	Div. Exchange Rate	Div. Exchange Rate
STEP 'C'	X	X	X	X	X
	NET FACTOR 0.772	NET FACTOR 0.742	NET FACTOR 0.722	NET FACTOR 0.802	NET FACTOR 0.802
	1 \$ UNBROKEN SATELLITE PAYOUT 55.5109	1 \$ UNBROKEN SATELLITE PAYOUT 53.9537	1 \$ UNBROKEN SATELLITE PAYOUT 51.9158	1 \$ UNBROKEN SATELLITE PAYOUT 44.3600	1 \$ UNBROKEN SATELLITE PAYOUT 44.3600
STEP 'D'	X BET VALUE	X BET VALUE	X BET VALUE	X BET VALUE	X BET VALUE
	\$ 1 Satellite payout				
	\$55.50	\$53.35	\$51.90	\$57.65	\$57.65
	Satellite APO				
	\$277.50	\$1,333.75	\$1,557.00	\$864.75	\$1,441.25



STEP 'E' X Exchange Rate

( In Currency 1 )

**Woodbine Common Pool with Santa Anita  
And Other Southern California Tracks**

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## **Introduction**

Woodbine Entertainment Group on behalf of Racetracks of Canada proposes to wager on Santa Anita and the other Southern California tracks on a commingled pool basis. In order for Canada to join these pools, the host track must operate using Net Pool Pricing (NPP). This is a requirement primarily to facilitate the different tax structures currently in place throughout the provinces in Canada.

## **Common Pool Experience**

Common pool with US tracks has gone over quite well so far from both an operation standpoint as well as a business volume standpoint. We have seen a \$900,000 increase in handle on the Chicago harness tracks since we have gone to US common pool wagering with them. This is from increases in year over year handle, races we can offer per card, and number of cards taken.

Arlington Park, our largest thoroughbred racetrack operating in a commingled environment thus far has seen a handle increase of 17% or \$1.3 million over last year since we started on August 10. It is even more impressive because we were down about 4% prior to August 10. We are prepared to start with Keeneland on October 7 and anticipate similar results.

## **State Approvals**

The following states have already granted approval to licensed racetracks within their jurisdiction to use Net Pool Pricing allowing Canadian racetracks to commingle pools:

1. Illinois
2. Kentucky
3. Ohio
4. South Africa
5. Delaware
6. West Virginia
7. Iowa
8. Washington

Many other states not listed here are either in the process of reviewing Net Pool Pricing or have not yet been asked whether or not they support it.

## **Racetrack Approvals**

The following racetracks have allowed Canadian tracks to commingle into their pools using Net Pool Pricing thus far:

1. Arlington Park
2. Balmoral Park
3. Maywood Park
4. Hawthorne Racecourse
5. Mountaineer (waiting for tote software)

6. Northfield Park
7. Delaware County Fair
8. Dover Downs
9. Harrington Raceway
10. Prairie Meadows
11. Emerald Downs
12. Phumelela
13. The Red Mile
14. Keeneland (start date Oct 7, 2005)
15. Turfway (start date Nov 27, 2005)
16. Churchill (start date Oct 30, 2005)

## Commission Takeouts

The following commission rates will apply to all sources WEG will be settling on behalf of which include Woodbine, Mohawk, all WEG teletheatres and all Canadian HPI (Horse Player Interactive) account wagering regions:

<b>Ontario HPI &amp; WEG</b>						
	<b>Association</b>	<b>Prov Tax</b>	<b>Fed Levy</b>	<b>Prov Levy</b>	<b>Total</b>	<b>Host Rates</b>
Win	12.13%	0.50%	0.80%	2.00%	15.43%	15.43%
Place	13.70%	0.50%	0.80%	2.00%	<b>17.00%</b>	15.43%
Show	13.70%	0.50%	0.80%	2.00%	<b>17.00%</b>	15.43%
Exactor	17.38%	0.50%	0.80%	2.00%	20.68%	20.68%
Place Pick All	17.38%	0.50%	0.80%	2.00%	20.68%	20.68%
Double	17.38%	0.50%	0.80%	2.00%	20.68%	20.68%
Triactor	19.70%	0.50%	0.80%	4.00%	<b>25.00%</b>	20.68%
Superfecta	21.70%	0.50%	0.80%	2.00%	<b>25.00%</b>	20.68%
Pick 3	21.70%	0.50%	0.80%	2.00%	<b>25.00%</b>	20.68%
Pick 4	21.70%	0.50%	0.80%	2.00%	<b>25.00%</b>	20.68%
Pick 6	21.70%	0.50%	0.80%	2.00%	<b>25.00%</b>	20.68%
<b>B.C. HPI</b>						
	<b>Association</b>	<b>Prov Tax</b>	<b>Fed Levy</b>	<b>Prov Levy</b>	<b>Total</b>	<b>Host Rates</b>
Win	12.13%		0.80%	2.50%	15.43%	15.43%
Place	12.13%		0.80%	2.50%	15.43%	15.43%
Show	12.13%		0.80%	2.50%	15.43%	15.43%
Exactor	17.38%		0.80%	2.50%	20.68%	20.68%
Place Pick All	17.38%		0.80%	2.50%	20.68%	20.68%
Double	17.38%		0.80%	2.50%	20.68%	20.68%
Triactor	15.38%		0.80%	4.50%	20.68%	20.68%
Superfecta	17.38%		0.80%	2.50%	20.68%	20.68%
Pick 3	17.38%		0.80%	2.50%	20.68%	20.68%
Pick 4	17.38%		0.80%	2.50%	20.68%	20.68%
Pick 6	17.38%		0.80%	2.50%	20.68%	20.68%
<b>Alberta HPI</b>						
	<b>Association</b>	<b>Prov Tax</b>	<b>Fed Levy</b>	<b>Prov Levy</b>	<b>Total</b>	<b>Host Rates</b>
Win	9.63%	5.00%	0.80%		15.43%	15.43%
Place	9.63%	5.00%	0.80%		15.43%	15.43%
Show	9.63%	5.00%	0.80%		15.43%	15.43%
Exactor	14.28%	5.00%	0.80%	0.60%	20.68%	20.68%
Place Pick All	14.28%	5.00%	0.80%	0.60%	20.68%	20.68%
Double	14.28%	5.00%	0.80%	0.60%	20.68%	20.68%

Triactor	16.10%	5.00%	0.80%	0.60%	22.50%	20.68%
Superfecta	16.10%	5.00%	0.80%	0.60%	22.50%	20.68%
Pick 3	16.10%	5.00%	0.80%	0.60%	22.50%	20.68%
Pick 4	16.10%	5.00%	0.80%	0.60%	22.50%	20.68%
Pick 6	16.10%	5.00%	0.80%	0.60%	22.50%	20.68%
<b>Maritime HPI</b>						
	<b>Association</b>	<b>Prov Tax</b>	<b>Fed Levy</b>	<b>Prov Levy</b>	<b>Total</b>	<b>Host Rates</b>
Win	3.63%	11.00%	0.80%		15.43%	15.43%
Place	5.20%	11.00%	0.80%		<b>17.00%</b>	15.43%
Show	5.20%	11.00%	0.80%		<b>17.00%</b>	15.43%
Exactor	8.88%	11.00%	0.80%		20.68%	20.68%
Place Pick All	8.88%	11.00%	0.80%		20.68%	20.68%
Double	8.88%	11.00%	0.80%		20.68%	20.68%
Triactor	13.20%	11.00%	0.80%		<b>25.00%</b>	20.68%
Superfecta	13.20%	11.00%	0.80%		<b>25.00%</b>	20.68%
Pick 3	13.20%	11.00%	0.80%		<b>25.00%</b>	20.68%
Pick 4	13.20%	11.00%	0.80%		<b>25.00%</b>	20.68%
Pick 6	13.20%	11.00%	0.80%		<b>25.00%</b>	20.68%
<b>Saskatchewan HPI</b>						
	<b>Association</b>	<b>Prov Tax</b>	<b>Fed Levy</b>	<b>Prov Levy</b>	<b>Total</b>	<b>Host Rates</b>
Win	14.63%		0.80%		15.43%	15.43%
Place	16.20%		0.80%		<b>17.00%</b>	15.43%
Show	16.20%		0.80%		<b>17.00%</b>	15.43%
Exactor	19.88%		0.80%		20.68%	20.68%
Place Pick All	19.88%		0.80%		20.68%	20.68%
Double	19.88%		0.80%		20.68%	20.68%
Triactor	23.00%		0.80%		<b>23.80%</b>	20.68%
Superfecta	23.00%		0.80%		<b>23.80%</b>	20.68%
Pick 3	23.00%		0.80%		<b>23.80%</b>	20.68%
Pick 4	23.00%		0.80%		<b>23.80%</b>	20.68%
Pick 6	23.00%		0.80%		<b>23.80%</b>	20.68%
<b>Bold notation indicates different rates from the host</b>						

## Bet Minimums

Pool	Base	Box	Wheel
WPS	\$2.00	\$1.00	\$1.00
Exacta	\$2.00	\$1.00	\$1.00
Trifecta	\$2.00	\$1.00	\$1.00
Daily Double	\$2.00	\$1.00	\$1.00
Pick 3	\$1.00	\$1.00	\$1.00
Pick 4	\$1.00	\$1.00	\$1.00
Pick 6	<b>*\$3.00</b>	<b>*\$3.00</b>	<b>*\$3.00</b>
Place Pick All	\$1.00	\$1.00	\$1.00
Superfecta	\$1.00	\$1.00	\$1.00

\*Value may change but will always be at least \$2USD

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

**REGULAR BOARD MEETING**  
**OCTOBER 6, 2005**

**Background:**

This item contains end-of-meet reports for recently 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, October 6, 2005. This report includes a summary for the following racing meetings: DEL MAR THOROUGHBRED CLUB and the CALIFORNIA STATE FAIR HARNESS.

**Del Mar Thoroughbred Club**  
July 20 – September 7, 2005  
Race days: 43

### AVERAGE DAILY STATISTICS

	PERCENTAGE CHANGE
Ave. Daily handle	4.73%
Ave. On-track	6.12%
Ave. Off-track	-1.85%
Ave. Interstate-exported	2.92%
Ave. ADW	24.00%
Ave. Daily attendance-Calif.	-4.00%
Ave. On-track	-0.27%
Ave. Off-track	-10.03%

**California State Fair Harness Racing at Sacramento**  
August 6 – September 17, 2005  
Race days: 24

### AVERAGE DAILY STATISTICS

	PERCENTAGE CHANGE
Ave. daily handle	-62.25%
Ave. On-track	-76.50%
Ave. Off-track	-53.29%
Ave. Interstate-exported	-80.72%
Ave. ADW	-50.00%
Ave. daily attendance-Calif.	-57.16%
Ave. On-track	-90.60%
Ave. Off-track	-5.91%



**DEL MAR THOROUGHBRED CLUB**

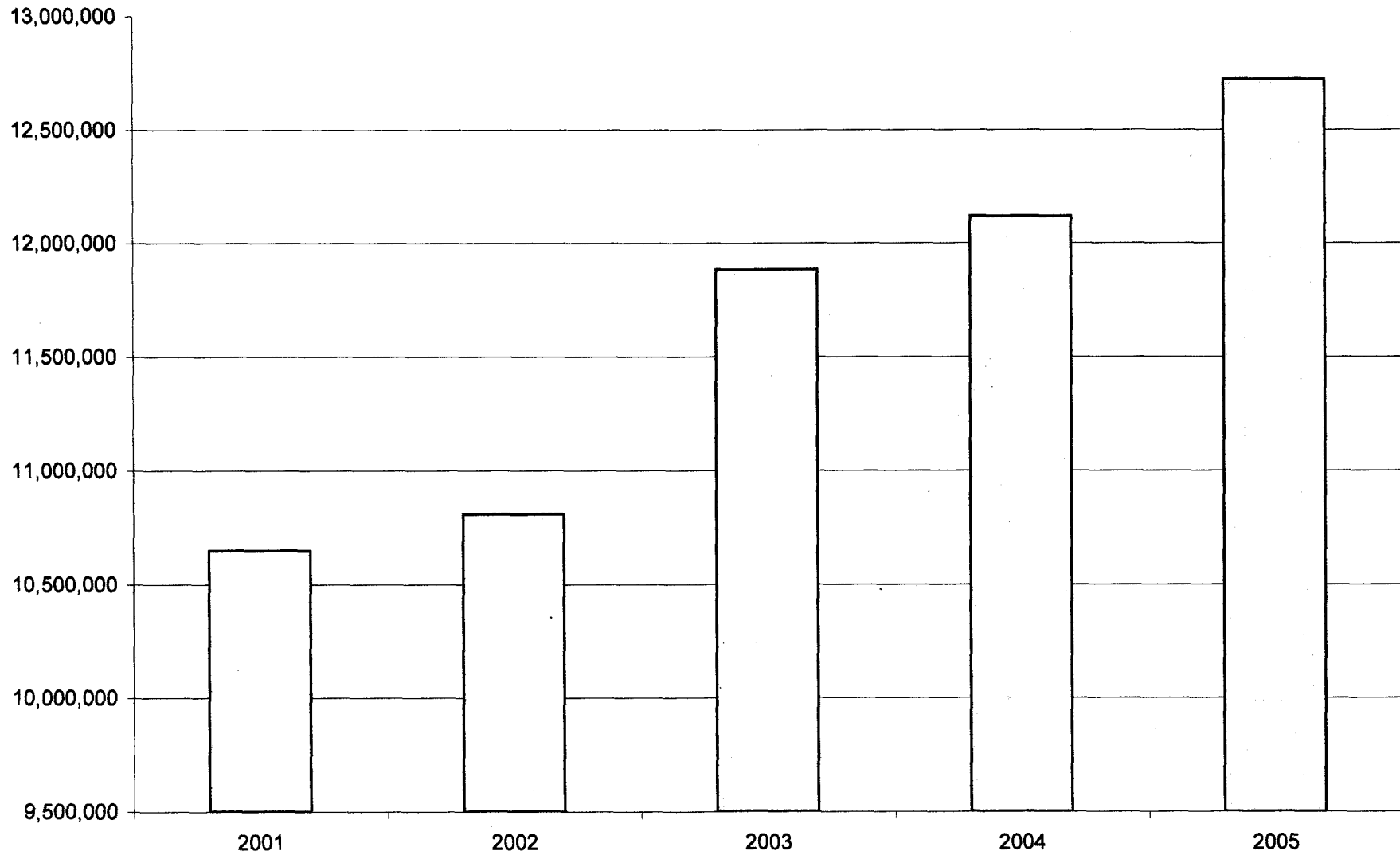
YEAR	2001	2002	2003	2004	2005
TOTAL RACE DAYS	43	43	43	43	43
TOTAL HANDLE	\$457,895,051	\$464,707,784	\$510,968,915	\$521,113,745	\$546,971,289
ON-TRACK	99,740,719	98,830,070	102,961,640	102,242,996	108,907,840
OFF-TRACK	178,834,540	166,274,621	163,303,386	156,275,504	153,435,395
INTERSTATE	179,319,792	180,417,144	206,549,861	213,128,960	219,543,395
ADW		19,185,950	38,154,028	49,466,286	65,084,660
LIVE	369,948,385	379,324,724	425,274,411	439,615,212	464,253,682
INTRASTATE IMPORTED	43,392,527	36,844,860	37,152,703	34,190,989	31,488,617
INTERSTATE IMPORTED	44,424,850	48,245,564	48,223,773	47,307,544	43,587,871
INTERNATIONAL IMPORTED	129,289	292,636	318,027	0	7,641,119
AVERAGE DAILY HANDLE	10,648,722	10,807,158	11,882,998	12,118,924	12,720,263
ON-TRACK	2,319,552	2,298,374	2,394,457	2,377,744	2,532,740
OFF-TRACK	4,158,943	3,866,852	3,797,753	3,634,314	3,568,265
INTERSTATE	4,170,228	4,195,748	4,803,485	4,956,487	5,105,660
AVE. ADW		446,185	887,303	1,150,379	1,513,597
AVERAGE LIVE	8,606,458	8,828,311	9,897,499	10,223,610	10,974,298
INTRASTATE IMPORTED	1,009,129	856,857	864,016	795,139	732,293
INTERSTATE IMPORTED	1,033,136	1,121,990	1,121,483	1,100,175	1,013,671
INTERNATIONAL IMPORTED	3,007	6,805	7,396	0	177,700
COMMINGLED TAKEOUT	87,705,576	89,937,452	96,899,391	102,211,988	107,017,562
EFFECTIVE TAKEOUT	19.15%	19.35%	18.96%	19.61%	19.57%
STATE LICENSE FEES	6,481,199	6,139,301	6,284,789	6,230,514	6,170,609
STATE %	1.42%	1.32%	1.23%	1.20%	1.13%
TRACK COMMISSIONS	19,684,844	19,074,174	19,395,550	19,483,346	19,919,590
ADW COMMISSIONS	0	1,082,820	1,639,819	2,118,562	2,787,835
TOTAL COMMISSIONS	19,684,844	20,156,994	21,035,369	21,601,908	22,707,426
TRACK %	4.30%	4.34%	4.12%	4.15%	4.15%
HORSEMEN'S PURSES	19,324,760	18,743,217	19,099,761	19,219,732	19,648,143
ADW PURSES	0	1,061,175	1,609,388	2,083,484	2,745,893
TOTAL PURSES	19,324,760	19,804,392	20,709,150	21,303,216	22,394,036
HORSEMEN'S %	4.22%	4.26%	4.05%	4.09%	4.09%

### DEL MAR THOROUGHBRED CLUB

YEAR	2001	2002	2003	2004	2005
CAIFORNIA ATTENDANCE	1,250,100	1,227,464	1,268,228	1,232,763	1,185,297
ON-TRACK	664,594	667,280	725,922	733,237	731,287
OFF-TRACK	585,506	560,184	542,306	499,526	454,010
DAILY ATTENDANCE	29,072	28,546	29,494	28,669	27,565
AVERAGE DAILY ON - TRACK	15,456	15,518	16,882	17,052	17,007
AVERAGE DAILY OFF - TRACK	13,616	13,028	12,612	11,617	10,558
TOTAL RACE EVENTS	370	371	372	371	372
STARTS	3,141	3,034	3,048	3,064	3,128
AVERAGE STARTS PER EVENT	8.5	8.2	8.2	8.3	8.4
AVERAGE HANDLE PER START	117,780	125,025	139,526	143,478	148,419

Average Daily Handle

**DEL MAR THOROUGHBRED CLUB  
AVERAGE DAILY HANDLE**



PARIMUTUEL LICENSING FEES

## CALIFORNIA EXPOSITION & STATE FAIR HARNESS

YEAR	2004 Mixed	2005 Harness	Yr. To Yr. Difference	Yr. To Yr. Change
TOTAL RACE DAYS	12	24		
TOTAL HANDLE	22,128,357	16,705,820	(5,422,538)	-24.50%
ON-TRACK	3,245,022	1,525,281	(1,719,741)	-53.00%
OFF-TRACK	11,608,886	10,845,513	(763,372)	-6.58%
INTERSTATE	4,784,358	1,844,934	(2,939,424)	-61.44%
ADW	2,490,091	2,490,091	-	0.00%
LIVE	13,367,483	12,662,624	(704,859)	-5.27%
INTRASTATE IMPORTED	4,590,345	0	(4,590,345)	-100.00%
INTERSTATE IMPORTED	4,170,530	3,857,052	(313,478)	-7.52%
INTERNATIONAL IMPORTED	0	186,144	186,144	100.00%
AVERAGE DAILY HANDLE	1,844,030	696,076	(1,147,954)	-62.25%
ON-TRACK	270,419	63,553	(206,865)	-76.50%
OFF-TRACK	967,407	451,896	(515,511)	-53.29%
INTERSTATE	398,697	76,872	(321,824)	-80.72%
AVERAGE ADW	207,508	103,754	(103,754)	-50.00%
AVERAGE LIVE	1,113,957	535,365	(578,592)	-51.94%
INTRASTATE IMPORTED	382,529	0	(382,529)	-100.00%
INTERSTATE IMPORTED	347,544	160,711	(186,834)	-53.76%
INTERNATIONAL IMPORTED	0	7,756	7,756	100.00%
COMMINGLED TAKEOUT	4,511,821	3,831,391		
EFFECTIVE TAKEOUT	20.39%	22.93%		
STATE LICENSE FEES	223,971	70,862	(153,108)	-68.36%
STATE %	1.01%	0.42%		
TRACK COMMISSIONS	755,072	803,750		
ADW COMMISSIONS	114,066	147,023		
TOTAL COMMISSIONS	869,138	950,773	81,635	9.39%
TRACK %	3.93%	5.69%		
HORSEMEN'S PURSES	762,043	803,771		
ADW PURSES	115,199	137,084		
TOTAL PURSES	877,242	940,855	63,613	7.25%
HORSEMEN'S %	3.96%	5.63%		

**CALIFORNIA STATE FAIR & EXPOSITION  
AVERAGE DAILY HANDLE**

