

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



REGULAR MEETING

of the **California Horse Racing Board** will be held on, **Thursday, September 18, 2003**, commencing at **9:30 a.m.**, at the **Hinds Pavilion (Barrett's)**, Fairplex Park (enter White Avenue, Gate 12), **Pomona, California**.

AGENDA

Action Items

1. **Approval of the minutes** of the regular Board meeting of July 24, 2003.
2. Discussion and action by the Board on the **Application for License to Conduct a Horse Racing Meeting of the Pacific Racing Association (T)** at Golden Gate Fields, commencing November 5, 2003 through April 4, 2004, inclusive.
3. Discussion and action by the Board on the **Application for License to Conduct a Horse Racing Meeting of the Churchill Downs California Fall Operating Company (T)**, at Hollywood Park, commencing November 11 through December 21, 2003, inclusive.
4. Discussion and action by the Board on the **approval of the nomination** of two directors to the governing board of the California Thoroughbred Horseman's Foundation, pursuant to CHRB Rule 2049(a).
5. Discussion and action by the Board on **the request of the Oak Tree Racing Association to suspend CHRB Rule 1606 – Coupling of Horses**, for the four Oak Tree races to be run at Santa Anita on Breeders' Cup Day. The Board has given prior approval to run the Breeders' Cup races uncoupled.
6. Discussion and action by the Board on the **request by the Thoroughbred Owners of California to suspend CHRB Rule 2040(a) – Horsemen's Organizations for Owners or Trainers**, to allow two TOC Directors to serve concurrently on the board of a racing association.
7. Discussion by the Board on a **proposed provision that requires, as a condition of licensing, each racing association to provide their simulcast signal to any ADW organization** licensed by the California Horse Racing Board.
8. Discussion and action by the Board on a report by the CHRB Legislative Committee on the **proposed legislation allowing the associations and horsemen's organization to increase the takeout to fund worker's compensation insurance**.

9. Report by the staff on the **impact that the four-second cancellation delay** that is currently used in the California thoroughbred and fair totalizator network has on final odds cycles.
10. Staff report on the following concluded race meetings:
 - A. **Sonoma County Fair** at Santa Rosa from July 23 through August 4, 2003.
 - B. **San Mateo County Fair** at Bay Meadows from August 6 through August 18, 2003.
 - C. **Humboldt County Fair** at Ferndale from August 7 through August 17, 2003.

Other Business

11. **General Business:** Communications, reports, requests for future action of the Board.
12. **Old Business:** Issues that may be raised for discussion purposes only, which have already been brought before the Board.
13. **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. * 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

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

CALIFORNIA HORSE RACING BOARD**M e m o r a n d u m**

Date : September 8, 2003

To : **California Horse Racing Board**
Roger H. Licht, Chariman
John C. Harris, Vice-Chairman
William A. Bianco, Member
Sheryl L. Granzella, Member
Alan W. Landsburg, Member
Marie G. Moretti, Member
John C. Sperry, Member

From : Sharyn S. Jolly
Administrative Hearings Unit

Subject : PROPOSED DECISIONS SCHEDULED FOR ACTION-EXECUTIVE SESSION

The following Proposed Decisions and Administrative Proceedings may be reviewed for action:

LOPEZ, Adalberto
SAC 03-025
Appellant

Appeal from Board of Stewards Ruling
036, Bay Meadows Operating Co., dated
May 23, 2003

1010 Hurley Way, Suite 300, Sacramento, CA 95825

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PENDING LITIGATION
SEPTEMBER 2003

<u>CASE</u>	<u>CASE NUMBER</u>
MARTIN, JOHN v. California Horse Racing Board	Sacramento County Superior Court No. 98 CS00952
PLANO, RICHARD v. California Horse Racing Board	Sacramento County Superior Court No. 98 CS00909
DELONG, GREGORY KENNETH v. California Horse Racing Board	Los Angeles County Superior Court No. BS 076967
BURNETT-NUTTER, LAURIE v. California Horse Racing Board	Riverside County Superior Court No. RIC 382077
DUFFY, NORMA v. California Horse Racing Board and Pacific Racing Association	Hayward Superior Court No. VG 03079504
LONG, GREGORY ALLEN v. California Horse Racing Board	Los Angeles County Superior Court No. BS 082483
CALIFORNIA HARNESS HORSEMEN'S ASSOCIATION and CAPITOL RACING, LLC, v. California Horse Racing Board	Sacramento County Superior Court No. 03 CS01033

PROCEEDINGS of the Regular Meeting of the **California Horse Racing Board** held at the **Del Mar Satellite Wagering Facility**, 2260 Jimmy Durante Boulevard, Del Mar, California, on **July 24, 2003**.

Present: Roger H. Licht, Chairman
John C. Harris, Vice-Chairman
William A. Bianco, Member
Sheryl L. Granzella, Member
Alan W. Landsburg, Member
Roy C. Wood, Jr., Executive Director
Derry L. Knight, Deputy Attorney General

MINUTES

Chairman Licht asked for approval of the minutes of the Regular Board Meeting of June 26, 2003. Commissioner Granzella **motioned** to approve the minutes. Commissioner Landsburg **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE BAY MEADOWS OPERATING COMPANY LLC, (T), AT BAY MEADOWS, COMMENCING AUGUST 29 THROUGH NOVEMBER 2, 2003, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said Bay Meadows Operating Company (BMOC) proposed to run 50 days, the same number of days as in 2002, for a total of 430 races. Ms. Wagner stated the first post time would be 1:45 p.m. daily during the Del Mar overlap; 1:15 p.m. during the Oak Tree overlap; and 7:00 p.m. Friday nights. The post time for Breeders' Cup Day would be 11:15 a.m. Ms. Wagner said staff recommended approval of the application as presented. Commissioner Landsburg asked where the advance deposit wagering (ADW) providers were listed on the application. He commented YouBet was shown as an out-of-state simulcast, but XpressBet was not listed. Bernie Thurman of BMOC said that XpressBet and YouBet would

provide ADW services. XpressBet was not listed with YouBet as its hub was in California. Chairman Licht asked if BMOC was confident it could keep Racing Services on its application in light of its current problems. Ms. Thurman said Racing Services was current with all the licensees in California, and had resolved its problems in North Dakota. She stated it would be wise to continue doing business with Racing Services while closely monitoring its relationship with California tracks. Chairman Licht said he believed BMOC's decision regarding Racing Services was a business decision, but he would strongly urge BMOC to keep an eye on the organization. Jack Liebau of BMOC said he believed California racing associations helped each other where out-of-state payables were concerned. He stated the racing associations were monitoring all out-of-state providers; and some more than others. Vice-Chairman Harris asked if out-of-state providers were improving their timeliness in sending wagering information. Mr. Liebau said he was not in a position to answer the question, but BMOC was able to track when wagering information was received from a particular hub. Vice-Chairman Harris congratulated BMOC for not raising its prices. He stated it was a prudent move. Vice-Chairman Harris asked if BMOC had any plans to cooperate with the Fresno Fair in writing races that would complement each other. Mr. Liebau said BMOC had cooperated with the Fresno Fair for many years. He stated BMOC included Fresno Fair entries in its racing program, which were then made available throughout the satellite network. Commissioner Landsburg said he noticed BMOC had five Friday race nights. He asked how the five nights would impact simulcast revenue. Mr. Liebau said the Friday nights were a trade-off. Friday afternoons were better in terms of selling the signal; however, Friday nights were better on-track as there were large numbers of groups in attendance. He stated such persons would

otherwise not come to the track, and hopefully some of them would return. Mr. Liebau said he was a booster of group sales, and in his analysis the trade-off was a break even deal. Commissioner Bianco **motioned** to approve the application for license to conduct a horse racing meeting of BMOC. Commissioner Landsburg **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE LOS ANGELES COUNTY FAIR (F) AT POMONA, COMMENCING SEPTEMBER 12 THROUGH SEPTEMBER 29, 2003, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the Los Angeles County Fair (LACF) proposed to run 17 days, the same number of days as in 2002, for a total of 207 races. Ms. Wagner stated the first post time would be 12:30 p.m., daily. LACF would use CHRB regulations in presenting their wagering program. Ms. Wagner stated staff recommended the application be approved as presented. Vice-Chairman Harris said he was concerned with the increase in admission. He stated the increase was over 10 percent, and it seemed contrary to charge \$14 when the fair was having problems with its on-track attendance. Vice-Chairman Harris said he was aware one could not get into the races without paying to see the fair, but the price still seemed high. Jim Henwood of LACF said there was a variable pricing program for the fair. One could pay anywhere from one dollar to as much as \$14. The \$14 price was admission for the peak weekend. In addition, LACF offered another pricing program exclusively for racing. Mr. Henwood stated LACF's business was heavily predicated on group advance sales, of which there was a program for racing. There was also a discount program one could purchase in advance for admission to the fair. The average cost per day of the discount program was

\$1.50, and included admission to the races. Mr. Henwood said LACF's biggest challenge was not the price of admission, but the convenience of getting to the track for racing fans, and attracting fair customers to horse racing. He stated attending the races did not rank high with those who attend the fair, but once they were at the fair, they saw the racing and perhaps would stop to see the races. Commissioner Landsburg asked if LACF considered starting a little later on Friday nights to coordinate with Bay Meadows. George Bradvica of LACF said his organization attempted to coordinate in the past and found it did not work well. He stated LACF was currently able to double load the grandstands during the fairs by presenting three to four concerts a week. Friday nights were good concert nights and they attracted a distinctively different crowd. Commissioner Landsburg commented he understood LACF did many things to make horse racing a more enticing part of the fair in 2003. Some of the barriers had been removed and racing was more visible to the Fair. Mr. Henwood said the fair was opening up the racing aspect as racing was unique and historic to LACF. Commissioner Granzella **motioned** to approve the application for license to conduct a horse racing meeting of LACF. Commissioner Landsburg **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE CAPITOL RACING ASSOCIATION, LLC, (H) AT CAL-EXPO, COMMENCING SEPTEMBER 26, 2003 THROUGH FEBRUARY 29, 2003, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said Capitol Racing Association (CRA) proposed to run 89 nights for a total of 1,120 races. The first post time would be 5:35 p.m. daily, and 7:00 p.m. on October 19, 2003. Ms. Wagner stated the lease agreement and the name of the company that would provide electronic timing services were missing from the application. She stated

staff received several letters from other parties interested in running a meeting at Cal Expo. Ms. Wagner said staff recommended the Board hear from CRA. Chairman Licht said he thought the lease was more significant than other items normally missing from an application. He asked Deputy Attorney General Derry Knight if the Board could grant a license without a racing venue. Mr. Knight said granting the license without a venue was discretionary. The Board could make the license conditional upon the lease being in place by a certain date. Chairman Licht asked CRA to update the Board about the litigation regarding its lease at Cal Expo. Greg Marco, representing CRA said CRA and Cal Expo were in litigation regarding the length of the lease CRA had at the Cal Expo racing facility. He stated an agreement had been reached, and a letter of intent, which extended the lease until the end of 2005, had been signed by the parties. Mr. Marco stated the agreement was to be presented to the Cal Expo board on July 28, 2003, for approval. The agreement would be presented to the court to enter as a settlement on August 1, 2003. Chairman Licht asked about the other parties who contacted staff regarding the race dates. Mr. Marco said he knew nothing about other parties. He suggested the parties might have inquired about another facility. Rod Blonien, representing Lloyd Arnold, said Mr. Arnold operated harness meetings in Sacramento and Los Alamitos for nearly ten years. He stated Mr. Arnold approached Cal Expo in 2000 and asked to compete for the lease. Mr. Arnold was told Cal Expo was going to exercise its option to extend its lease with CRA for an additional two years. In 2002 Mr. Arnold again approached Cal Expo regarding a lease, and again he was told Cal Expo was giving another two-year option to CRA. Mr. Blonien said upon examination of the relevant documents, it was determined a mistake had been made. It appeared, in 2002, it was not the intent of Cal Expo to give CRA another

option. Subsequently, litigation was filed. In addition, a Mr. Kouretas initiated litigation that was currently in Superior Court. Mr. Blonien stated on July 23, 2003, he was at a settlement meeting with the chairman of the Cal Expo board, with Brian May of Cal Expo, Steve Beneto of the Cal Expo board, and with Christo Bardis and counsel representing Mr. Kouretas. He said the parties agreed to settle Mr. Arnold's and Mr. Kouretas' litigation. However, the settlement was not on the terms described by Mr. Marco of CRA. Mr. Blonien said Mr. Beneto and Cal Expo staff indicated they would attempt to get CRA to agree to the terms of the settlement, but they were different from what Mr. Marco described. Mr. Marco said he had in his possession a letter of intent, signed by Cal Expo, which stated CRA's lease would extend through 2005. Mr. Marco stated the results of the discussions on July 23, 2003, were not agreed to by CRA, nor, as he understood it, were they agreed to by Cal Expo. He said the letter had to be approved by Cal Expo's board on August 1, 2003. Brian May of Cal Expo spoke about the history of the litigation regarding CAR's lease agreement with Cal Expo. He stated as a result of the litigation, Cal Expo entered into a letter of intent which would settle the litigation and allow CRA to race through July of 2005. Vice-Chairman Harris said it appeared no one would be harmed if the Board were to postpone its decision on the license application until its August 2003 Regular Meeting. He stated he did not feel comfortable granting a license while there were still so many questions. Alan Horowitz of CRA said there were two major issues with regard to carrying over the application to August. He stated if the license was not finalized in July, it would be difficult to persuade the horsemen to remain in California. Leaving the application up in the air would essentially be an expression of a lack of support for harness racing in California. Mr. Howoritz said the other issue was the time

needed to complete background work for marketing and promotions, as well as having contracts in place to provide goods, services, media time and billboards for the upcoming race meeting. Mr. Horowitz stated CRA was willing to take the risk of a conditional approval of its application as it was confident the fair board would ratify the agreement its committee had already approved. Chairman Licht asked about the status of the payments due Los Alamitos Race Course (LARC). Mr. Horowitz said there was currently around \$1.5 million in the escrow account. He stated, however, the payments were currently in litigation. Mr. Blonien said he sent a letter asking that if the Board decided to grant CRA a license, it be conditioned on the money being paid pursuant to the Board's order. In addition, the letter requested the Board's order be implemented regarding the portion of CRA's meeting that would run until December 31, 2003, which would be the end of the Zumbrun agreement. Commissioner Landsburg **motioned** to approve the application for license to conduct a horse racing meeting of CRA conditioned upon the receipt of a signed agreement with Cal Expo within 72 hours of Monday, July 28, 2003. Commissioner Bianco **seconded** the motion. Chairman Licht said he believed Mr. Blonien made some valid points. The Board ordered CRA to make payments; Chairman Licht stated he did not know if CRA was suitable for licensing if it had not made them. Mr. Horowitz said the funds were to ensure that no monies were lost by the horsemen, management or the State of California. He stated the complaint was before the Board five years ago, there were changes in legislation, and an Administrative Law Judge hearing on the matter, so the issue was still open to interpretation. Mr. Horowitz said a clause in the agreement made it null and void if there was no harness racing at LARC, so it was void in 2001. The issue became what funds were due for what periods of time for what years. Mr.

Horowitz said three years ago the Board granted a license and racing dates to LARC that included the traditional harness racing months of January, February and March. If impact fees were an issue, the proper question at that time was would LARC race without an impact fee because it was impacting CRA. Mr. Horowitz said the issue was complicated and was going to be subject to litigation. He said CRA would be happy to meet with the Board to determine what periods of time and the amounts owed, and when there was a resolution CRA would pay any funds that were due. Mr. Blonien said the time for an appeal on the order of the Board had passed by two months. He stated if the Board was to have any force and effect in its orders it needed to have them enforced. Mr. Blonien stated LARC asked that as a condition of licensing, the order be enforced. Neil Papiano of CRA said a writ of mandate to halt payment of the funds was before the courts. He stated the Board was served with the writ earlier in the week. He said he did not have a proof of service, but he could get a copy before the end of the meeting. The **motion** was **carried** with Chairman Licht voting “**no.**”

DISCUSSION AND ACTION BY THE BOARD ON A REPORT BY THE CALIFORNIA MARKETING COMMITTEE.

John Van de Kamp of the California Marketing Committee (CMC) said the committee filed its marketing and promotions plans for 2003, and provided the Board with an expense report from the effective date of the program. Mr. Van de Kamp said he believed the reports spoke for themselves. He stated he was available to answer any questions the Board might have. Vice-Chairman Harris said he was concerned that the CMC spent 30 million dollars over a period of five to six years and there had been no evaluation of the program's effectiveness. Jack Liebau of the CMC said the marketing plan was changed every year during the budget process. He

commented that in 2003 approximately 32 percent of the fund was dedicated to defraying the cost of workers' compensation. Vice-Chairman Harris said he realized the budget changed over time. However, there needed to be a third-party evaluation, or a method to evaluate the cost effectiveness of such CMC's programs as the Golden Rewards Network. Mr. Van de Kamp said the point of the Golden Rewards Network was to develop a database for marketing purposes, particularly for facilities that did not have the means to do so. He stated the CMC would discuss its efforts at its upcoming meeting. Chairman Licht said the issue would be put over to the August 2003 Regular Board Meeting.

PUBLIC HEARING BY THE BOARD ON THE ADOPTION OF THE PROPOSED REGULATORY AMENDMENT TO CHRB RULE 1979.1 – SUPERFECTA.

Jacqueline Wagner, CHRB staff, said the amendment to Rule 1979.1, Superfecta, would eliminate the requirement that the entire Superfecta pool be refunded if less than five wagering interests finish the race. Ms. Wagner said during the 45-day comment period the Southern California Horse Racing Industry Fan's Committee endorsed the proposal. She stated staff recommended the Board adopt the amendment as presented. Commissioner Granzella **motioned** to adopt the amendment to Board Rule 1979.1. Commissioner Bianco **seconded** the motion, which was **carried** with Commissioner Landsburg voting "no." Commissioner Landsburg said the amendment opened the door to possible manipulation. Vice-Chairman Harris said he understood there was some concern, however, the benefits of the amendment outweighed the disadvantages. Commissioner Landsburg said that was why he did not express his reservations; he was simply not in favor of the amendment.

PUBLIC HEARING BY THE BOARD ON THE ADOPTION OF ARTICLE 28, BACKSTRETCH WORKER HOUSING AND THE AMENDMENT OF RULE 1928 – FIRE REGULATIONS.

Jacqueline Wagner, CHRB staff, said Assembly Bill 471 amended Horse Racing Law to provide that the Board adopt emergency backstretch housing regulations within 120 days of the enactment of the statute. Ms. Wagner stated the Board adopted the emergency regulations in the form of Article 28, Backstretch Worker Housing, and an amendment to Board Rule 1928, Fire Regulations. The proposal to adopt Article 28 and amend Rule 1928 would make the emergency regulations permanent. Ms. Wagner said no comments were received during the 45-day public comment period, and staff recommended the Board adopt the proposal as presented. Vice-Chairman Harris said going forward the Board needed to ensure that backstretch sanitation facilities were presentable. He stated there needed to be ongoing inspections to make sure the sanitation facilities were maintained. Commissioner Granzella **motioned** to adopt Article 28, Backstretch Worker Housing, and the amendment to Board Rule 1928, Fire Regulations. Commissioner Landsburg **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE FOLLOWING PROPOSED WAIVERS OF CHRB RULES FOR THE 2003 BREEDERS' CUP.

- A. **RULE 1481, OCCUPATIONAL LICENSES AND FEES, TO ISSUE A SPECIAL 120-DAY LICENSE (TO EXPIRE 12/31/03) FOR THE SOLE PURPOSE OF PARTICIPATING IN THE 2003 BREEDERS' CUP, FOR 1/3RD OF THE FEE FOR THAT LICENSE CLASSIFICATION.**
 - B. **RULE 1554, DUTIES OF HORSE IDENTIFIER, TO ALLOW FOREIGN HORSES TO RACE WITHOUT AN IDENTIFICATION TATTOO.**
 - C. **RULE 1693, CONTROL OF HORSES AND JOCKEYS ON ENTERING THE TRACK, TO ALLOW HUMAN ATTENDANTS TO ESCORT HORSES ONTO THE TRACK UNTIL THE FINISH OF THE POST PARADE AND, IF REQUESTED, THAT THOSE ATTENDANTS BE ALLOWED TO BE PRESENT AT THE STARTING GATE.**
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Jacqueline Wagner, CHRB staff, said the proposal to waive Board Rules 1481, Licenses and Fees, 1554, Duties of Horse Identifier, and 1693, Control of Horses and Jockeys on Entering the Track, were presented at the request of the 2003 Breeders' Cup. Ms. Wagner stated the waiver of Rule 1481 would give Breeders' Cup participants a special 120-day license that would expire December 31, 2003. The license would cost \$50.00, or one third the cost of a full license. Ms. Wagner said staff recommended the Board approve the waiver of Rule 1481 for the 2003 Breeders' Cup. Vice-Chairman Harris said it seemed as if a break was being given to the wealthiest people in racing when many persons of lesser means did not receive the same courtesy. In addition, California was experiencing a budget crisis. He stated he thought the Board should make sure Breeders' Cup participants did not have any problems receiving their license, but the fees should not be reduced. Executive Director Roy C. Wood, Jr. said Rule 1481 was waived for all previous California Breeders' Cups. The waiver applied only to owners and trainers who would receive licenses valid to December 31, 2003. Mr. Wood said the waiver was proposed at the request of the Breeders' Cup organization. Vice-Chairman Harris **motioned** to not approve the waiver of Rule 1481 for the 2003 Breeders' Cup.

Commissioner Bianco **seconded** the motion, which was **denied** with Chairman Licht, Commissioner Landsburg, and Commissioner Granzella voting “no.” Commissioner Landsburg **motioned** to approve the waiver of Rule 1481 for the 2003 Breeders’ Cup. Commissioner Granzella **seconded** the motion, which was **denied** with Vice-Chairman Harris and Commissioner Bianco voting “no.” Ms. Wagner said the waiver of Rule 1554 would allow foreign horses to run without an identification tattoo. She stated staff recommended the Board approve the waiver for the 2003 Breeders’ Cup. Vice-Chairman Harris asked what measures were in place to assure foreign horses were correctly identified. He stated he understood there were some foreign horse identification methods that were more sophisticated than tattoos. Sherwood Chillingworth of Oak Tree Racing Association (OTRA) said he was not familiar with European methods. He stated one reason for not tattooing foreign horses was that if there was a mistake, the tattoo would only compound it. There were enough horse identifying methods that the chance of misidentifying a horse was almost zero. Additionally, the horses racing in the Breeders’ Cup were so well known it was unlikely one would be misidentified. CHRB Equine Medical Director Dr. Ronald Jensen said foreign horses traveled with a passport that included all their markings. He stated that was how they were identified for import and export for racing purposes. Vice-Chairman Harris **motioned** to approve the waiver of Rule 1554 for the 2003 Breeders’ Cup. Commissioner Granzella **seconded** the motion, which was **unanimously carried**. Ms. Wagner said the waiver of Rule 1693 would allow human attendants to escort the horse onto the race track until the finish of the post parade, and if requested, allow the attendants to be present at the starting gate. Mr. Wood said the waiver would apply only to horses whose owners requested it, and would be at their own

risk. Commissioner Landsburg **moved** to approve the waiver of Rule 1693 for the 2003 Breeders' Cup with the provision that such exceptions be granted at the risk of those requesting them. Commissioner Bianco **seconded** the motion, which was **unanimously carried**. Mr. Wood said the racing association should note in its condition book and all advance publications that a waiver of rule 1693 was at the risk of the requestor. Mr. Chillingworth said OTRA would publish the warning and entry forms would provide that the waiver was at the requestor's risk. Commissioner Landsburg asked to revisit the waiver of Rule 1481, and **motioned** to approve the waiver of Rule 1481 for the 2003 Breeders' Cup. Commissioner Granzella **seconded** the motion. Vice-Chairman Harris said he did not see a compelling need to change licensing fees. He said he was not against foreign owners running in California, but he did not think they should be treated any differently from a horse shipped from New Mexico to run in a futurity at Los Alamitos. Vice-Chairman Harris stated such owners did not receive special treatment. Chairman Licht said the Breeders' Cup was unique. It was an autonomous event that traveled around the United States. Mr. Chillingworth said to his knowledge, every jurisdiction that hosted the Breeders' Cup granted participants relief from their licensing fees. The Breeders' Cup was good for California racing in general as it generated awareness of racing in this state. He stated there was a possibility the Breeders' Cup would return to California in 2009, and he would not want to see any road blocks impeding that effort. The **motion was carried** with Vice-Chairman Harris voting "**no.**"

REPORT FROM FAIRS AND EXPOSITION ON THE FAIRS IMPACT ON THE CALIFORNIA ECONOMY.

Liz Houser, of Fairs and Expositions, gave a slide presentation and talked about the impact of fairs on the California economy. Chairman Licht thanked Ms. Houser for her presentation.

DISCUSSION BY THE BOARD ON THE ALLOWABLE MAXIMUM OVERWEIGHT THAT CAN BE CARRIED BY A JOCKEY PARTICIPATING IN A RACE.

Chairman Licht said there seemed to be some confusion among the racing public regarding the weight a jockey carried in a race. The weight reported in the racing program was not necessarily true as there was a lot of room for leeway. Did the Board need to be more specific so the public would be informed of the actual weight carried by a horse? Chairman Licht said he watched a jockey weigh in on a digital scale at six or seven pounds more than his assigned weight. He stated he did not think that was a proper representation to the wagering public and perhaps the Board needed to revise the scale of weights to accurately reflect current weights. Executive Director Roy C. Wood, Jr., said staff requested the racing associations consider using digital scales in the weighing-in and weighing-out process. He stated such scales were more easily read by the clerk of scales and the public. Mr. Wood introduced Dino Perez, a clerk of scale at racing associations. Mr. Perez said when jockeys weighed out they carried their tack, boots, silks and anything they would ride with. When jockeys came off the track they would have more to carry because of their helmets, vests and as many as four or five pair of goggles. They would also have sweat, mud and wet chamois in their possession. Jockeys could easily weigh four to six pounds more when they came off the track. Mr. Perez added the helmets and safety vests were not counted in the jockey's weight. Chairman Licht asked

why jockeys merely walked across the scale and did not allow the needle to stabilize. Mr. Perez said his concern at that point was that the jockey not be underweight. He stated if a jockey was supposed to be carrying 18 pounds, the needle would land on the number quickly then flutter, but it did not take long. Mr. Perez said a digital scale might be better for reading the weights, but his main concern was that the jockey was not carrying less weight. Vice-Chairman Harris asked which tracks had digital scales. Mr. Wood said staff met with racing associations and asked them to adopt digital scales. He stated the associations were in the process of buying such scales for weighing in and out. Digital scales could be installed at Del Mar Race Track before the end of its meeting. The cost of the digital scales was approximately \$3,500 each. Chairman Licht asked what the maximum overweight was for a jockey. Mr. Perez said he would allow five pounds above, with the helmet and safety vest taken into account. Vice-Chairman Harris said it seemed as if the weight would be much simpler if the helmet and safety vest were included in the weight. Mr. Wood said the scale of weights was an issue the Board could look at. He stated several years ago the Jockeys Guild (Guild) requested the issue be brought before the Board, but it was set aside in anticipation of a national effort. Chairman Licht said he requested at some point the Guild make a presentation on raising the scale of weights. He asked if the Guild was working on the issue. Darrell Haire of the Guild said his organization was working with the National Thoroughbred Racing Association and the Racing Commissioners International to arrive at a scale of weights. Mr. Haire explained the system the Guild was proposing. Vice-Chairman Harris said he was concerned about full disclosure of weights to the public. Changing the scale of weights was a separate issue. The program should state the entire weight the horse was carrying. Mr. Wood

said perhaps a good way to inform the public about weights would be to print the current regulations. Mr. Wood said he wanted everyone to understand that staff audits regarding jockey weight revealed the jockeys were following the Board's regulations.

DISCUSSION AND ACTION BY THE BOARD TO STOP BETTING ON OUT-OF-STATE MERGERS AT SPECIFIED LOCATIONS.

Chairman Licht said there was a perception that wagering was taking place after the start of a race. John Reagan, CHRB staff, said there had been some notable examples of the situation, especially with what was called "late money," or money that was wagered out-of-state within a minute or so of the start of a race. He stated sometimes the wagers were placed within 30-seconds of the race. Such wagers would arrive in California's pool after the race started. The late arrival could cause the odds to suddenly change, at times with dramatic results, which might upset a lot of fans. Mr. Reagan stated staff investigated the phenomena more than a dozen times, and each time it was determined legitimate wagers were placed at the last possible second, and the money was properly included in the California pool. Mr. Reagan said large changes in the odds could cause a lot of comment and frustration for some racing fans – especially those with winning tickets. He stated there was also the constant concern with the integrity of the system. Mr. Reagan said delays in reporting out-of-state wagers were built into the system. Each tote received individual wagers. The wagers were not forwarded individually. Instead, the wagering information was accumulated into large packages at the hub. The packaging process could take between 30 and 90 seconds before the information was forwarded to another tote, where, if it was not the host track, it would be combined with other wagers and reprocessed, before it was sent again. Mr. Reagan stated a wager made on the

East Coast could process for up to a minute and a half before it reached the California pools. He said the late arrival of such information was what caused late changes in the odds. Mr. Reagan stated closing pools early was proposed as a solution, but it was not well received, so other systems were being looked at. Upgrading the current system would cost between \$40 and \$50 million, but Mr. Reagan said he did not believe it would completely eliminate the problem. Vice-Chairman Harris said \$40 to \$50 million sounded like a lot of money to upgrade the current system. Mr. Reagan said it was not a matter of upgrading one or two hubs. The entire system needed to be rebuilt. The given estimate was several years old, so the costs could change, but they would still be substantial. In addition, an upgrade would require a lot of coordination. California could upgrade its equipment, but that would require all the other hubs to upgrade as well. Vice-Chairman Harris said he was concerned that California fans were not on a level playing field with those outside the state. He stated the Board should either set a date by which out-of-state hubs had to close their wagering slightly earlier, or the system had to be upgraded. Chairman Licht said staff, as well as individual track auditors, generally audited races with aberrations. He cited the Shoemaker Handicap at Hollywood Park, which had high volume wagering, as an example. In that instance large wagers were submitted from out-of-state. The wagers were made within the prescribed time, were legitimate, and were properly included in the pool, yet they resulted in a large change in the odds on the winner. Rick Baedeker of Hollywood Park said every investigation conducted by his organization demonstrated that the wagers were made on a timely basis, before the pools were closed and before the horses started. Mr. Baedeker said if the win pools were cycled before the rest of the information the final odds still would not be posted before the horses

broke, but they would be posted sooner than current practice allowed. Chairman Licht said he received complaints that odds changed after the race finished and the horse was in the winner's circle. Mr. Baedeker said there had been a couple instances where the final cycle did not occur until after the horse crossed the finish line, but they were rare. The majority of odds changes occurred between 45 and 55 seconds after the race was off. Dave Payton of Autotote said his organization was working on the problem and had reached a point where the odds were cycled every 45 seconds in California. Mr. Payton said Autotote was working to update the win odds faster.

DISCUSSION BY THE BOARD REGARDING POSSIBLE REVISIONS OF ELIGIBILITY REQUIREMENTS ALLOWING HORSES CLAIMED IN CALIFORNIA, TO RACE IN ANY STATE OTHER THAN CALIFORNIA.

Chairman Licht said Board Rule 1663, Entry of Claimed Horse, provided that a claimed horse could not race in any other state, except in a stakes race, until the end of the meeting at which it was claimed. He stated it seemed as if many horses were claimed in California and taken out-of-state, while few were claimed elsewhere and brought in-state. The practice added to the horse shortage in California. Chairman Licht said if the current rule allowed the Board to restrict an owner from leaving the state with a claimed horse until the end of the meeting, the Board should be able to extend that period. The Board would be dependent on other jurisdictions to enforce its rule as an owner could, in reality, take his horse out of state at any time. Executive Director Roy C. Wood, Jr. said the issue had been discussed in the past. The discussion at that time centered around the constitutionality of restricting Interstate Commerce, and the item was tabled. Mr. Wood stated with accelerated purse structures in other

jurisdictions, there was an ongoing trend wherein horses claimed in California at some of the shorter meetings were taken to other states. This caused renewed interest in adjusting the rule to extend the time a claimed horse must stay in California. Vice-Chairman Harris asked if Thoroughbred Owners of California (TOC) had a position on the issue. John Van de Kamp of TOC said his organization did not have an official position. He stated it was true claimed horses were going to smaller tracks where slot machines resulted in larger purses. However, if the Board were to put as much as a year's restriction on claimed horses leaving California it would be interfering with an owner's rights. It could also interfere with California's ability to attract horses from out-of-state. Mr. Van de Kamp suggested the Board look to other racing jurisdictions to find a solution that could provide a defense if legal action was taken against an extended "jail time" for claimed horses. He added he did not think anyone would object to a horse that was sold outside a claiming race from being taken out-of-state. There was not much difference between a private sale and putting a horse through the claiming mechanism. Dr. Roger Stein, a horse trainer, said the problem was that the value of a horse was not constant. In the past one could purchase a horse in another part of the country, and bring it to California where it would be worth more money. Now, California did not have the purses to match tracks with slot machines where \$5,000 horses were running for \$18,000. Dr. Stein said the issue wasn't stopping an owner from selling his horse, it was stopping piracy. He stated in April 2003 he knew of twelve horses that were claimed in California and left the state. They were higher priced claiming horses. The loss of the horses put a strain on the racing secretaries ability to write races, and fans were tired of wagering on five horse fields. Dr. Stein stated that what happened to harness racing in California was happening to thoroughbred racing. If

the industry wanted to see what its future would be like, it only needed to look at Northern California. Dr. Stein said he knew what the problem was, but did not have a 100% solution. He suggested holding trainers responsible might be one solution. He stated he had been approached many times to claim horses which would subsequently be taken out-of-state. However, he realized he would be contributing to the demise of racing in California. Dr. Stein stated he believed racing associations should also encourage owners to buy horses out-of-state and bring them to California by offering \$1,000 to \$2,000 for every out-of-state horse that got one start in this state. Rick Baedeker of Hollywood Park said his organization supported a rule change when the issue was first raised, and it would continue to support such a change. He stated he agreed with Dr. Stein regarding the severity of the situation as he understood the number of horses being sold privately versus those claimed was increasing. The Board could introduce a longer "jail time" but the problem would still not be solved. Dr. Stein said he claimed some horses in Florida. After he claimed three or four horses, the trainer he was working with told him if he claimed another horse that would leave the state, he would not get any stalls. A trainer who was going to take \$1,000 or \$2,000 to claim a horse that he knew was going to another jurisdiction should know there would be a penalty to pay. Dr. Stein suggested perhaps such trainers should not get stalls and have to ship his horses in from a training site or a farm. Such a policy might not stop the practice, but it would provide an incentive for trainers to stop and think.

DISCUSSION BY THE BOARD ON THE WAYS TO IMPROVE THE LICENSE APPLICATION AND TO REVIEW THE CURRENT REQUIREMENTS NECESSARY FOR CONDUCTING A RACE MEETING.

Commissioner Landsburg said the committee had not received a single comment from the industry regarding the license application. He stated the committee was looking at adding items involving security and the advance deposit wagering process. The committee wanted to encourage better television coverage of races for the purpose of identification of fouls, and better backstretch security through the use of video cameras at every barn.

STAFF REPORT ON THE FOLLOWING CONCLUDED RACE MEETINGS:

- A. LOS ANGELES TURF CLUB AT SANTA ANITA FROM DECEMBER 26, 2002 TO APRIL 20, 2003.**
 - B. SAN JOAQUIN COUNTY FAIR AT STOCKTON FROM JUNE 11 TO JUNE 22, 2003**
 - C. ALAMEDA COUNTY FAIR AT PLEASANTON FROM JUNE 25 TO JULY 6, 2003**
-

John Reagan, CHRB staff, said the information in the report reflected the “traditional” handle; however, if the \$40 million in advance deposit wagering (ADW) was included, the numbers would continue to be down. Mr. Reagan said staff noted the off-track percentages were significant and staff would continue to monitor them. He stated the bright spot in the report was the San Joaquin County Fair (SJCF) which was up a couple of percent on-track. John Van de Kamp of Thoroughbred Owners of California said the percentage of the handle going to commissions and to horsemen’s revenue was down a quarter point since 2000. That was primarily explained because of the ability of California fans to wager out-of-state. He said the interest of California fans was going elsewhere because of short fields. With regards to the purse revenue at Alameda County Fair (ACF), Mr. Van de Kamp said he believed the deficit could be explained by a non-concurrent Monday. ACF ran with no concurrent racing in the

south. Mr. Van de Kamp said he raised the issue as it appeared ACF was asking for another non-concurrent Monday in it's 2004 race dates request. Chris Korby of California Authority of Racing Fairs (CARF) said ADW contributed significantly to the handle at SJCFair and ACF. He stated CARF was looking at the purse situation. Vice-Chairman Harris said if ACF overpaid purses it had to absorb the costs. He asked if the debt was pushed forward into the next year. Mr. Korby said it depended on the amount of the overpayment. Mr. Van de Kamp said Vice-Chairman Harris was correct. The fair had to pay the horsemen, but it was not good business practice and TOC tried to monitor the situations at all times so all the parties could come out even.

MEETING ADJOURNED AT 12:45 P.M.

A full and complete transcript of the aforesaid proceedings are on file at the office of the California horse racing board, 1010 Hurley Way, Suite 300, Sacramento, California, and therefore made a part hereof:

Chairman

Executive Director

STAFF ANALYSIS
September 18, 2003

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF PACIFIC RACING ASSOCIATION AT GOLDEN GATE FIELDS NOVEMBER 5, 2003 THROUGH APRIL 4, 2004.

Pacific Racing Association filed its application to conduct a thoroughbred horse racing meeting at Golden Gate Fields:

- November 5 through April 4, 2004, or 109 days, 5 more than 2003. The association proposes to race a total of 937 races, or 8.6 per day.

November - 2003						
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
23/30	24	25	26	27 H	28	29

December - 2003						
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			

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

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

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

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

- Racing 5 days per week, Wednesday through Sunday, with 8 races weekdays and 9 or 10 weekends, holidays and dates of special interest.
 - Option to request administrative approval to conduct more than an average of 8.6 races each day if the horse population permits additional racing.
 - Racing November 11, December 29, January 19 and February 16.
 - No racing November 12, December 24 and 25, January 21 and February 18.
- First post 12:45 p.m. daily.
 - Request the option to change post times to coordinate north/south signals.
 - 11:00 a.m. Thanksgiving, Thursday, November 25, 2003.
 - Post to be determined for the 2004 Super Bowl Sunday.
- Specific changes from the 2003 license application:
 - Ken Sjoldal replaces John Nommsen as assistant clerk of scales, Ella Robinson replaces Ken Sjoldal as patrol judge.
 - Programs off-track increased from \$2 to \$2.25.

- Request Patrick Kealy be appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety requirements have been fulfilled.
- Wagering program will use all CHRB rules.
 - Early wagering will not be offered.
- 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.

Specific information **still needed** to complete this application includes:

1. Horsemen's agreement.
2. Stakes schedule.
3. Fire clearance for Albany and Berkeley.
4. Workers' compensation insurance.

RECOMMENDATION:

Staff recommends the Board approve the application conditioned upon receiving the additional information necessary to conduct the racing meeting.

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

1. APPLICANT ASSOCIATION

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

Pacific Racing Association
1100 Eastshore Highway
Albany, California 94706
Phone (510) 559-7300
Administration Fax (510) 559-7465

B. Breed of horse: TB QH H

C. Racetrack name: Golden Gate Fields

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

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

2. DATES OF MEETING

A. Inclusive dates for the entire meeting: November 5, 2003 through April 4, 2004

B. Actual dates racing will be held:

November 5-9, 11, 13-16, 19-23, 26-30; December 3-7, 10-14, 17-21, 26-29, 31; January 1-4, 7-11, 14-19, 22-25, 28-31; February 1, 4-8, 11-16, 19-22, 25-29; March 3-7, 10-14, 17-21, 24-28, 31; April 1-4

C. Total number of days or nights of racing: 109

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

Wed - Sun Tues - Sat Other (specify)

Racing Tuesday November 11, dark Wednesday November 12, dark Wednesday December 24 and Thursday December 25, racing Monday December 29, racing Monday January 19, dark on Wednesday January 21, racing on Monday February 16, dark on Wednesday February 18. Week ending December 28 will be a 3 day week, week ending January 4 will be a 6 day week.

E. Number of days or nights of racing per week: 5 except as set forth in Item D above.

CHRB CERTIFICATION

Application received: 8/7/03
Deposit received: on file
Reviewed: PN

Hearing date: 9/18/03
Approved date:
License number:

3. RACING PROGRAM

- A. Total number of races: 937
- B. Number of races for each day or night: 8.6 will be the average throughout the meet; we propose to conduct 8 races on weekdays, 9 or 10 on weekends, holidays and dates of special interest. We will request administrative approval to conduct more than an average of 8.6 races per day if the horse population permits additional racing.
- C. Total number of stakes races: To Be Determined
- 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.
Stakes to be determined. A copy will be provided upon completion.
- 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:

<u>Post Time</u>	<u>Race Number</u>
12:45 p.m.	1
1:15 p.m.	2
1:45 p.m.	3
2:15 p.m.	4
2:45 p.m.	5
3:15 p.m.	6
3:45 p.m.	7
4:15 p.m.	8
4:45 p.m.	9
5:15 p.m.	10

Request the option to change post time schedules due to Hollywood Park and Los Angeles Turf Club post times in order to coordinate North/South signals. * Post time on Thanksgiving Day, Thursday, November 27, 2003 will be 11:00 a.m.; Post time on Superbowl Sunday, 2004 to be determined.

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.
- C. CORPORATION

1. Registered name of the corporation: Pacific Racing Association
2. State where incorporated: California
3. Registry or file number for the corporation: Federal ID #94-1585367
California ID #173-1919-5
4. Names of all officers and directors, titles, and the number of shares of the corporation held by each: Pacific Racing Association has only one shareholder, Magna Entertainment Corporation, a Delaware Corporation.
5. Names (true names) of all persons, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the corporation and the number of shares held by each:
None
6. Number of outstanding shares in the corporation: 69,347 shares of no par value common stock.
7. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation: Not Applicable
9. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
Magna Entertainment Corporation
10. Attach the most recent annual financial statement for the corporation, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the corporation and/or the Securities and Exchange Commission and/or the California Corporations Commission. On File with the Board.

D. LLC

1. Registered name of the LLC: Not applicable.
2. State where articles of organization are filed:
3. Registry or file number for the LLC:
4. Names of all officers and directors, titles, and the number of shares of the LLC held by each:
5. Names (true names) of all members, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the LLC and the number of shares held by each:
6. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
7. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
8. Attach the most recent annual financial statement for the LLC, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the LLC and/or the Securities and Exchange Commission and/or the California Corporations Commission.

E. OTHER

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

F. Management and Staff

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

Frank Stronach, Chairman and Director
 Jim McAlpine, Chief Executive Officer and Director
 Roman Doroniuk, Chief Operating Officer
 Blake Tohana, Executive Vice President and Chief Financial Officer
 Gary Cohn, Secretary
 Jack Liebau, President & General Manager
 Michael A. Scalzo, Vice President and Ass't General Manager
 Calvin Rainey, Vice-President
 Michael Ziegler, Vice-President
 Frank J. DeMarco, Jr., Assistant Secretary
 Tony Calo, Track Announcer
 Dyan Grealish, Director of Group Sales
 Jerry Gonzales, Chief of Security
 T.W. Johnson, Director of Security
 Paul Miller, Director of Food and Beverage
 Bernie Thurman, Vice President
 Steve Doshi, Controller
 Bryan Wayte, Manager of Mutuels
 Kay Webb, Simulcast Coordinator

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:

Michael A. Scalzo, Vice President and Assistant General Manager

5. PURSE PROGRAM

A. Estimated purse distribution:

1. All races other than stakes: \$15,018,238.00
2. Overnight stakes: \$960,000.00
3. Non-overnight stakes: \$1,085,000.00

B. Stakes Races:

1. Estimated purse distribution for all stakes races: \$2,045,000.00

- 2. Percentage of the estimated purse distribution for all stakes races that will be distributed for California-bred stakes races: 10%

- C. Estimated funds to be generated for all California-bred incentive awards: \$1,400,000.00

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

Recognized Horsemen’s Organization	Estimated Payment
Thoroughbred Owners of California (NTRA Contribution)	\$ 208,076.00
Thoroughbred Owners of California	\$ 170,632.00
California Thoroughbred Trainers (Administration)	\$ 85,316.00
California Thoroughbred Trainers (Pension)	<u>\$ 170,632.00</u>
TOTAL	\$ 634,656.00

- E. Total estimated amount from all sources to be distributed at the meeting in the form of purses or other benefits to horsemen: \$19,097,894.00

- F. Estimated purse funds to be generated from on-track handle and intrastate off-track handle: \$12,797,429.00

- G. Estimated purse funds to be generated from interstate handle: \$4,265,810.00

- H. Bank or depository for the Paymaster of Purses' purse account and the account number:
Wells Fargo Bank - Account #4496895475

- I. Name, address and telephone number of the pari-mutuel audit firm engaged for the meeting:
Bowen & McBeth, Inc.
10722 Arrow Route, Suite 110, Rancho Cucamonga, California 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 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: 1300

- B. Minimum number of stalls believed necessary for the meeting: 2000

- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: 900
- D. Name or location of each off-site stabling area and the number of stalls to be maintained at each site:
Bay Meadows Race Track – 900
- E. Attach each contract or agreement between the association and the person(s) furnishing off-site stabling accommodations for eligible racehorses which cannot be provided stabling on-site.

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

- F. Total number of usable stalls made available on-site for the **1986** meeting: 1405
- G. Estimated cost to provide off-site stalls for this meeting: Stabling \$1,048,320.00
- H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse: \$115,000.00 (\$100.00 per horse) Estimated Starter Fees - \$218,000.00
- I. Estimated cost for off-site stabling and vanning for this meeting. Show cost per-day per-stall: \$1,071,000.00 (Stabling Costs per day = \$7.35 per stall)

7. PARI-MUTUEL WAGERING PROGRAM

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

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

	TYPE OF WAGERS	APPLICABLE RULES
Example Race:	\$1 E; \$2 Twin Trifecta	CHRB #1959; RCI #VP
Race #1	\$2 DD*; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1 PPN%; \$1 SF#	CHRB#1957; 1959; 1958; 1977; 1979; 1976.8; 1979.1
Race #2	\$2 DD*; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1 PPN%; \$1 SF#	CHRB#1957; 1959; 1958; 1977; 1979; 1976.8; 1979.1
Race #3	\$2 DD*; \$2 PNP @; 1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1 SF# \$1 PPN%	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8
Race #4	\$2 DD*; \$2 PNP @; 1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1 SF# \$1 PPN%	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8
Race #5	\$2 DD*; \$2 PNP @; 1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1 SF# \$1 PPN%; \$1 PK4!	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1978

Race #6	\$2 DD*; \$2 PNP @; 1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1 SF# \$1 PPN%; \$1 PK4!	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1978
Race #7	\$2 DD*; \$2 PNP @; 1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1 SF# \$1 PPN%; \$1 PK4!	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1978
Race #8	\$2 DD*; \$2 PNP @; 1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1 SF# \$1 PPN%; \$1 PK4!	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1978
Race #9	\$2 DD*; \$2 PNP @; 1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1 SF# \$1 PPN%; \$1 PK4!	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1978
Race #10	\$2 DD*; \$2 PNP @; 1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1 SF# \$1 PPN%; \$1 PK4!	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1978

* - \$2 Daily Double on all races

@ - \$2 Pick 6 on last six races

+ - \$1 Pick 3 on every race

++ - \$1 Trifecta on every eligible race

- \$1 Superfecta on all eligible races

% - \$1 Place Pick All on all races carded

! - \$1 Pick 4 on last four races

Additional deduction provided by subdivision (a) of Section 19611.5 will be made.

B. The maximum carryover pool to be allowed to accumulate before its distribution **OR** the date(s) designated for distribution of the carryover pool: April 4, 2004 for the period November 5, 2003 through April 4, 2004.

C. List any options requested with regard to exotic wagering: 2 Tier – 70%/30% split

D. Will "advance" or "early bird" wagering be offered? Yes No

If yes, when will such wagering begin:

E. Type(s) of pari-mutuel or totalizator equipment to be used by the association and the simulcast organization, name of the person(s) supplying equipment, and expiration date of the service contract:
Autotote
100 Bellevue Road, Newark, New Jersey 19714, Expires: September, 2004

8. SIMULCASTING WAGERING PROGRAM

A. Simulcast organization engaged by the association to conduct simulcast wagering:
Northern 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.
Agreement is on file with the CHRB.

C. California simulcast facilities the association proposes to offer its live audiovisual signal:

Northern California

Alameda County Fair, Pleasanton
Bay Meadows Race Track, San Mateo
Big Fresno Fair, Fresno
California State Fair & Exposition, Sacramento
Club One, Fresno
Kern County Fair, Bakersfield
Monterey County Fair, Monterey
Redwood Acres Fair, Eureka
San Joaquin County Fair, Stockton
Santa Clara County Fair, San Jose
Shasta District Fair, Anderson
Solano County Fair, Vallejo
Sonoma County Fair, Santa Rosa
Stanislaus County Fair, Turlock
Tulare County Fair, Tulare

Southern California

Barona Casino, Lakeside
Fantasy Springs Casino (Cabazon), Indio
Del Mar Thoroughbred Club, Del Mar
Hollywood Park, Inglewood
Desert Expo Centre, Indio
The Farmers Fair, Perris
Antelope Valley Fair, Lancaster
Santa Barbara County Fair, Santa Maria
Los Alamitos Racecourse, Los Alamitos
Mid-State Fair, Paso Robles.
National Orange Show, San Bernardino
Fairplex Park, Pomona
Santa Anita, Arcadia
Viejas Casino & Turf Club, Alpine
Earl Warren Showgrounds, Santa Barbara
Sycuan Gaming Center, El Cajon
Ventura County Fair, Ventura
San Bernardino County Fair, Victorville

- D. Out-of-state wagering systems the association proposes to offer its live audiovisual signal:
All systems listed below.

**Pacific Racing Association/Golden Gate Fields
November 5, 2003 – April 4, 2004
Out-of-State Imports - Full or Partial Card**

EXHIBIT A

<u>TRACK</u>
Arlington Park
Calder/Tropical Park
Canterbury Downs
Churchill Downs
Delaware Park
Ellis Park
Emerald Downs
Fair Grounds
Hastings Park
Hawthorne
Hoosier Park
Keeneland
Kentucky Downs
Lone Star Park
Louisiana Downs
Meadowlands
Monmouth Park
NYRA
Oaklawn
Penn National
Philadelphia Park
Remington Park
Rockingham Park
Sportsman's Park
Sunland Park
Tampa Bay Downs
Thistledown
Turf Paradise
Turfway Park

E. Out-of-state wagering systems that will combine their pari-mutuel pools with the association:

Acoma Pueblo, NM
 American Tab, OH
 Arapahoe Park, CO
 Arlington International Race Course, IL
 Atlantic City Casino Assn., NJ
 Atlantic City Race Course, NJ
 Atokad Downs, NE
 Balmoral Park, IL
 Batavia Downs, NY
 Bettor Racing OTB, SD
 Beulah Park, OH
 Birmingham Race Course, AL
 Blue Ribbon Downs, OK
 Bluff's Run, IA
 Boyd Gaming d/b/a Delta Downs-LA
 Buffalo Trotting Association, NY
 Calder Race Course, FL
 Canterbury Park, MN
 *Capital District OTB, NY
 *Catskill Off-Track Betting, NY
 Charles Town Races, WV
 Choctaw Racing Services, L.L.C., OK
 Churchill Downs, KY
 Churchill Downs Sports Spectrum, KY
 Coeur d' Alene Hotel & Casino, ID
 *Coeur d' Alene Hotel & Casino, ID
 Colonial Downs, VA
 Columbus Races, NE
 Comanche Nation Games, OK
 *Connecticut OTB, CT
 Corpus Christi Greyhound Track, TX
 Dairyland Greyhound Park, WI
 Delaware Park, DE
 Delta Downs, LA
 Dover Downs, DE
 Downs at Albuquerque, NM
 Ellis Park, KY
 Emerald Downs, WA
 Eureka Downs, KS
 Evangeline Downs, LA
 Excelsior Hotel, Aruba
 Fair Grounds, LA
 Fair Meadows, IL
 Fairmount Park, IL
 Finger Lakes Race Track, NY
 Fire Lakes d/b/a Citizen Band Potawatomi, OK
 Fonner Park, NE
 Foxwoods Casino, CT
 Freehold Raceway, NJ
 Garden State Park, NJ
 Geneva Lakes Kennel Club, WI
 Great Lakes Downs, MI
 Greentrack, AL
 Gulfstream Park, FL
 Harrington Raceway & Simulcast Facility, DE
 Hawthorne Race Course, IL
 Hazel Park, MI
 Hinsdale Greyhound Park, NH
 *Holiday Beach Hotel, NV
 Hoosier Park, IN
 *Horsemen's Atokad Park, NE
 *Horsemen's Park, NE
 International Racing Group, N.V., NV
 Jackson Harness Raceway, MI
 Juarez, TX
 Keeneland, KY
 Kentucky Downs, KY
 Kentucky OTB, KY
 Las Vegas Dissemination Services, NV
 Lebanon Trotting Club, OH
 Les Bois Park, ID
 Lewiston OTB, ME
 Lincoln Park, RI
 Lincoln State Fair, NE
 Lone Star Race Park, TX
 Louisiana Downs, LA
 Manor Downs, TX
 Maryland Jockey Club, MD
 Maywood Park, IL
 Meskwaki Casino, IA
 Mobile Greyhound Park, AL
 Monmouth Park, NJ
 Montana Simulcast Partners (IMS), MT
 Monticello Raceway, NY
 Mountaineer Park, WV
 Mt. Pleasant Meadows, MI
 Multnomah Greyhound Park, OR
 *Nassau Downs Regional OTB, NY
 Nebraska State Fair Park, NE
 Nevada Pari-Mutuel Association, NV
 New Jersey Sports & Exposition, NJ
 New Mexico State Fair, NM
 *New York City Off-Track Betting, NY
 *New York Racing Association, NY
 Newport Jai Alai, RI
 Northfield Park, OH
 Northville Downs, MI
 Northville Racing Corp., MI
 Oaklawn Park, AR
 Ocean Downs, MD
 *Penn National Race Course, PA
 *Philadelphia Park, PA
 Plainridge Racecourse, MA
 Playfair Race Course, WA
 Pocono Downs, PA
 Pojoaque Pueblo Gaming, Inc., NM
 Portland Meadows, OR
 Potawatomi Indian Tribe of OK
 Prairie Meadows, IA
 Raceway Park, OH
 *Racing & Gaming Services, W.I
 Racing Services, Inc., ND
 Randall Doc James, St. Croix, USVI
 Remington Park, OK
 Retama Park, TX
 Rillito Park, AZ
 River Downs, OH
 Rockingham Park, NH
 Rosecroft Raceway, NY
 Ruidoso Downs, NM
 Saginaw Harness, MI
 Sam Houston Park, TX
 Saratoga Raceway, NY
 Scarborough Downs, ME
 Schenectady OTB, NY
 Scioto Downs, OH
 Southland Greyhound Park-AR
 Sports Creek Raceway, MI
 Sportsman's Park, IL
 St. Croix Greyhound Park, WI
 Suffolk Downs, MA
 Sunland Park Racetrack, NM
 SunRay Park and Casino, NM
 Tampa Bay Downs, FL
 *The Meadows, PA
 *The Racing Channel, OR
 The Stables, OK
 The Texas Hub, TX
 Thistledown Racing Club, OH
 *Thoroughbred Racing International, PA
 Tonkawa Bingo, OK
 Tri-State Greyhound, WV
 *TRN International
 Tucson Greyhound Park, AZ
 Turfway Park, KY
 Turf Paradise, AZ
 Turning Stone Casino, NY
 *US Offtrack d/b/a Greyhound Channel-OR
 Valley Race Park, TX
 Vernon Downs, NY
 *Western Regional OTB, NY
 Wichita Greyhound Park, KS
 Will Rogers Downs, OK
 Wonderland Greyhound Park, MA
 Woodlands, KS
 Wyoming OTB, WY
 Yavapai Downs, AZ
 Yonkers Raceway, NY
 *Yobet.com, PA

Separate Pools

Assiniboia Downs, CAN
 Caliente (Hipodromo De Agua Caliente), MEX
 Caymanas Park, JA
 Edmonton Northlands, AL, CAN
 Elmira Raceway, ON, CAN
 Flamboro Downs, ON, CAN
 Fraser Downs, BC, CAN
 Hiawatha Downs, ON, CAN
 Hipodromo d'Aylmer, QU, CAN
 Hipodromo Presidente Remon, PA
 Juarez, MEX
 Las Vegas Dissemination Co., NV
 l' Hippodrome de Montreal, ML, CAN
 Marquis Downs, SA, CA
 Ontario Jockey Club, ON, CAN
 Pacific Racing Association, BC, CAN
 Queensbury Downs, SA, CAN
 Rideau Carlton, ON, CAN
 Stampede Park, AL, CAN
 Stevenson & Associates, MD
 Western Fair, ON, CAN
 Windsor Raceway, ON, CAN

- 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

<u>Name of Host Track</u>	<u>Race Dates</u>	<u>Full Card or Selected Feature and/or Stakes Races</u>
Please See Exhibit A	11/5/03 through 4/4/04	

Examples:

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

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

QUARTER HORSE SIMULCAST RACES TO BE IMPORTED

<u>Name of Host Track</u>	<u>Race Dates</u>	<u>Full Card or Selected Feature and/or Stakes Races</u>
Los Alamitos	TBD	Full Card

Examples:

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

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

HARNESS SIMULCAST RACES TO BE IMPORTED

<u>Name of Host Track</u>	<u>Race Dates</u>	<u>Full Card or Selected Feature and/or Stakes Races</u>
Capital Harness @ Cal-Expo	TBD	Full Card

Examples:

Saratoga Raceway	5/8/99	Full Card
Meadowlands	8/7/99	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:

OTHER BREED SIMULCAST RACES TO BE IMPORTED

<u>Name of Host Track</u>	<u>Breed of Horse</u>	<u>Race Dates</u>	<u>Number of Races to be Imported</u>
None			

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

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

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

9. CHARITY RACING DAYS

- A. Name and address of the distributing agent (charity foundation) for the net proceeds from charity racing days held by the association: Pacific Racing Association is agent for distribution.
- B. Names and addresses of the trustees or directors of the distributing agent:
Pursuant to the provisions of Section 19554 (e), Pacific Racing Association will act as its own distributing agent.
- 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:

Associate Judges	n/a
Association Veterinarian(s)	Robert Connolly
Clerk of Scales	Paul Nicolo

Clerk of the Course	Anne S. Daftary
Horse Identifier	Patrick Kealy
Horseshoe Inspector	Jack Hammonds
Paddock Judge	Larry Rees
Patrol Judges	Ella Robinson
	Larry Rees
Placing Judges	Grant Baker
	Tina Walker
Starter	Chuck Burkes
Timer	Richard Somers

B. Management officials in the racing department:

Coordinator of Racing Operations	Richard Lewis
Racing Secretary	C. Gregory Brent
Assistant Racing Secretary	Linda Anderson
Paymaster of Purses	Patricia Prospero
Others (identify by name and title)	
Assistant Clerk of Scales	Ken Sjoldal
Main Track Superintendent	Juan Meza
Turf Track Superintendent	Jason Spetnagel
Price Maker	Richard Somers
Stable Area Superintendent	Brad Caylor

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

Christine Niccoli, Niccoli Reporting Service
619 Pilgrim Drive, Foster City, CA 94404-1707, (650) 573-9339

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 Corp., USA
P.O. Box 6379, Napa, CA 94581, Expires: 3/04

E. Photopatrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract:

Jim Porep, Jr., Pegasus Communications, Inc.
16633 Ventura Blvd., #1010, Encino, CA 91436
Maintained in House - Equipment contract expires: 12/31/04

F. Type of electronic timing device to be used for the timing of all races, name of the person supplying the service, and expiration date of the service contract:

Pacific Racing Association electronic timer installed & maintained by Pacific Racing Assn. staff.

11. SECURITY CONTROLS AND EMERGENCY SERVICES

A. Name and title of the person responsible for security controls on the premises:

T.W. Johnson, Director of Security

B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis. Describe the electronic security system:

24 full-time personnel during live racing. Surveillance systems are in place at key locations throughout the facility and are monitored by Pacific Racing Association video staff.

- C. Name, address and emergency telephone number of the ambulance service to be used during workouts and the running of the races:
 Brad Winding, Turf Rescue, LLC
 19615 Barclay Road, Castro Valley, CA 94546, Phone (510) 581-8470
- D. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites:
 Bayshore Ambulance
 P.O. Box 4622, Foster City, CA 94404, (650) 525-9700
- E. Attach a fire clearance from the fire authority having jurisdiction over the premises.
 Fire clearances from the cities of Albany and Berkeley will be provided as soon as inspectors are made available to us to perform a tour of the facility.
- F. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details):
 Liberty Mutual - Policy #WC1-B71-072827-023
- G. Attach a Certificate of Insurance for workers' compensation coverage. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of insurance which secures the liability of the association for payment of workers' compensation.

12. CONCESSIONAIRES AND SERVICE CONTRACTORS

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

- Tip Sheets Jack's Blue Card, 127 Sun Ave., Hayward, CA 94544
- Armored Car Services Loomis Armored Car, P.O. Box 44196, San Francisco, CA 94144
- Track Physician Conocen Corporation, 1083 Shell Blvd., #10, Foster City, CA 94404
- Official Program Del Mar Graphics, 1100 Eastshore Highway, Albany, CA 94706
- Jockey's Laundry F. Lorene Dutton, Bailey's Mobile Laundry
 3263 Vineyard Ave., Pleasanton, CA 94566
- Starting Gate Mike Costello. United Puett Starting Gate Co., P.O. Box 18, S. Salem, NY 10590
- Track Photographer Bill Vassar, Vassar Photography, 1167 Sapphire Drive, Livermore, CA 94550

13. SCHEDULE OF CHARGES

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

Admission (general)	\$ 3.00
Admission (clubhouse)	\$ 4.00

Reserved seating (general)	n/a
Reserved seating (clubhouse)	\$ 3.00
Parking (general)	\$ 3.00
Parking (preferred)	\$ 7.00
Parking (valet)	\$ 7.00
Programs (on-track)	\$ 2.00
(off-track)	\$ 2.25

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

Turf Club – Full Season Single Membership	\$1,000.00
Turf Club – Full Season Dual Membership	\$2,000.00
Top of the Stretch – Full Season Membership	\$ 500.00
Clubhouse Box (4 seats, no admission)	\$ 450.00
Clubhouse Season Pass (Admission only)	\$ 400.00
Grandstand Season Pass (Admission only)	\$ 200.00

C. Describe any "package" plans such as combined parking, admission and program: None

14. JOCKEYS/DRIVERS' QUARTERS

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

<input checked="" type="checkbox"/> Corners (lockers and cubicles)	How many	<input type="text" value="23"/>
<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:

Fifteen by twenty foot room accessed from a community hallway. The room has a television and bed with an attached shower room, sink and toilet.

15. BACKSTRETCH EMPLOYEE HOUSING

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

B. Number of rooms used for housing on the backstretch of the racetrack: 128

C. Number of restrooms available on the backstretch of the racetrack: 18 w/showers, 7 in office areas.

D. Estimated ratio of restroom facilities to the number of backstretch personnel:
1 restroom for every 12 people.

16. TRACK SAFETY

A. Total distance of the racecourse - measured from the finish line counterclockwise (3' from the inner railing) back to the finish line: 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.
 Inner and outer railings are metal gooseneck. Coverings are Fontana Safety Rail. Approximate height of the top of the inner railing is 42 inches.
- C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474: Juan Meza
- D. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474.
- E. If the association is requesting approval to implement alternate methodologies to the provisions of Article 3.5, Track Safety Standards, pursuant to CHRB Rule 1471, attach a Certificate of Insurance for liability insurance which will be in force for the duration of the meeting specified in Section 2. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of liability insurance. Additionally, the CHRB must be listed as additionally insured on the liability policy at a minimum amount of \$3 million per incident. The liability insurance certificate must be on file in the CHRB headquarters office prior to the conduct of any racing.

17. DECLARATIONS

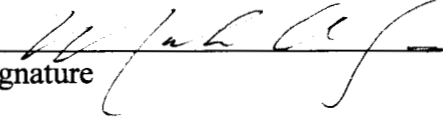
- A. All labor and lease agreements and concession and service contracts necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state): No Exceptions
- B. Attach each horsemen's agreement pursuant to CHRB Rule 2044. To be provided upon signing.
- C. Attach 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). Not applicable
- D. All service contractors and concessionaires have valid state, county or city licenses authorizing each to engage in the type of service to be provided and have valid labor agreements, when applicable, which remain in effect for the entire term of the meeting except as follows (if no exceptions, so state):
 No exceptions
- E. Absent natural disasters or causes beyond the control of the association, its service contractors, concessionaires or horsemen participating at the meeting, no reasons are believed to exist that may result in a stoppage to racing at the meeting or the withholding of any vital service to the association except as follows (if no exceptions, so state): No exceptions

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

18. CERTIFICATION BY APPLICANT

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

MICHAEL A. SCALZO
Print Name


Signature

VICE PRESIDENT & ASSISTANT GEN. MGR
Print Title

8-6-03
Date

RECEIVED
CHRB
2003 AUG 11 PM 9:28

STAFF ANALYSIS
September 18, 2003

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF CHURCHILL DOWNS CALIFORNIA FALL OPERATING COMPANY AT HOLLYWOOD PARK NOVEMBER 11, 2003 THROUGH DECEMBER 21, 2003.

Churchill Downs California Fall Operating Company filed its application to conduct a thoroughbred horse racing meeting at Hollywood Park:

- November 11 through December 21, 2003, or 30 days, 5 less than 2002. The association proposes to race a total of 258 races, or 8.6 per day.

November - 2003						
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
23/30	24	25	26	27 H	28	29

December - 2003						
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 Wednesdays, Thursdays and Fridays, 9 or 10 on a selected basis Saturdays and Sundays, 9 November 11 and 10 November 28, 29 and 30.
 - Racing Tuesday, November 11.
 - No racing Wednesday, November 12.
- First post 12:30 p.m. daily.
 - 7:05 p.m. post Friday, November 14 and 21.
 - 11:00 a.m. post Thursday, November 27.
- Specific changes from the 2002 license application:
 - Hiroshi Yamaguchi replaces Ruben Hernandez as patrol judge and Ruben Hernandez replaces Dennis Flowers as assistant clerk of scales.
- Request Dianne Piper be appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety requirements have been fulfilled.
- Wagering program will use CHRB rules.
 - Early wagering 8:00 a.m. on the day of and advance-day wagering.
 - \$1 trifecta and superfecta in any race that complies with Rule 1979 and 1979.1.
 - Pick 6 offered on last 6 races and pick 4 on last 4 races.
 - Offering option of an alternate selection in the place pick all, pick 6 and pick 4.
 - Pick (n) pool - designate 70% of net pool be retained for the jackpot and no cap be set.
 - Pick 4 pool - designate the major share as 0%.

- 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.

Specific information **still needed** to complete this application includes:

1. Horsemen's agreement.
2. Fire clearance.
3. Stakes schedule.

RECOMMENDATION:

Staff recommends the Board approve the application conditioned upon receiving the additional information necessary to conduct the racing meeting.

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

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

1. APPLICANT ASSOCIATION

A. **Churchill Downs California Fall Operating Company, a wholly owned subsidiary of Churchill Downs Incorporated, 1050 South Prairie Avenue, Inglewood, California 90301 (phone) 310-419-1500 (fax) 310-671-4460**

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 11 through December 21, 2003.**

B. Actual dates racing will be held: **November 11, 13, 14, 15, 16, 19, 20, 21, 22, 23, 26, 27, 28, 29, 30, December 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, 17, 18, 19, 20 & 21.**

C. Total number of days or nights of racing: **30**

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

Wed - Sun Tues - Sat Other (specify)

**Racing Veterans' Day, Tuesday November 11
and dark Wednesday, November 12**

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

3. RACING PROGRAM

A. Total number of races: **258**

CHRB CERTIFICATION

Application received: **8/12/03**
Deposit received: **on file AG**
Reviewed: **PN**

Hearing date: **9/18/03**
Approved date:
License number:

- 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, 9 races Tuesday, November 11 and 10 races on Friday, November 28, Saturday, November 29 and Sunday, November 30.**
- 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. **To be submitted under separate cover.**
- 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:

RACE	All days except Fridays November 14 & 21 and Thursday, November 27	Friday Nights (November 14 & 21)	Thanksgiving Day, Thursday November 27
1 st	12:30 p.m.	7:05 a.m.	11:00 am
2 nd	1:00 p.m.	7:35p.m.	11:30 am
3 rd	1:30 p.m.	8:05 p.m.	12:00 noon
4 th	2:00 p.m.	8:35 p.m.	12:30 pm
5 th	2:30 p.m.	9:05 p.m.	1:00 pm
6 th	3:00 p.m.	9:35 p.m.	1:30 pm
7 th	3:30 p.m.	10:05 p.m.	2:00 pm
8 th	4:00 p.m.	10:35p.m.	2:30 pm
9 ^{th*}	4:30 p.m.		
10 ^{th*}	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.
- C. CORPORATION
1. Registered name of the corporation: **Churchill Downs California Fall Operating Company**
 2. State where incorporated: **Kentucky**
 3. Registry or file number for the corporation: **0474649**
 4. Names of all officers and directors, titles, and the number of shares of the corporation held by each: **See Attachment A**
 5. Names (true names) of all persons, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the corporation and the number of shares held by each: **The corporation is a wholly-owned subsidiary of Churchill Downs Incorporated, a company publicly traded on the Nasdaq national market.**
 6. Number of outstanding shares in the corporation: **1000 no par value**
 7. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
 8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation: **Mary Ann Guenther, Corporate Counsel & Assistant Secretary**
 9. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity: **Churchill Downs Incorporated**
 10. Attach the most recent annual financial statement for the corporation, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the corporation and/or the Securities and Exchange Commission and/or the California Corporations Commission. **On File**
- D. LLC
1. Registered name of the LLC:
 2. State where articles of organization are filed:
 3. Registry or file number for the LLC:
 4. Names of all officers and directors, titles, and the number of shares of the LLC held by each:
 5. Names (true names) of all members, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the LLC and the number of shares held by each:

Attachment A

CHURCHILL DOWNS CALIFORNIA COMPANY

NAME	TITLE	NUMBER OF SHARES (Beneficially Owned)*
Thomas H. Meeker	Chairman of the Board	0
John R. Long	Director and Vice President	0
Rebecca C. Reed	Director & Secretary	0
Frederick M. Baedeker, Jr.	Director and President	0
Vicki L. Baumgardner	Assistant Treasurer	0
Mary Ann Guenther	Assistant Secretary	0
Allen N. Gutterman	Vice President, Marketing	0
Steve Arnold	Vice President, Finance, and Treasurer	0

*Shares beneficially owned in Churchill Downs California Company. The most current proxy statement for shares beneficially owned in Churchill Downs Incorporated on file.

6. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
7. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:
8. Attach the most recent annual financial statement for the LLC, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the LLC and/or the Securities and Exchange Commission and/or the California Corporations Commission.

E. OTHER

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

F. Management and Staff

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

Frederick M. Baedeker, Jr., President
Eual G. Wyatt, Jr., General Manager
Steve Arnold, Vice President, Finance, and Treasurer
Don Barney, Director of Security/Operations
Tim Barden, Management Liaison & Simulcast Coordinator
John Barrios, Turf Course Superintendent
Benoit & Associates, Inc., Track Photographer
Cleon Bounds, Plant Superintendent
Aimee Nakagawa, Turf Club
Allen Gutterman, Vice President, Marketing
Diane Hudak, Horsemen's Liaison
Russell Hudak, Timer, Morning Line Maker
Ted Jakubanis, Television
Kerlan-Jobe Orthopedic, Jockeys' Physician
Michael Mooney, Director of Media Relations
Plusmic, USA
Robert Poole, Director of Pari-mutuels
Chris Quinn, Director New Business Development
Vic Stauffer, Track Announcer

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:
(a) Mary Ann Guenther, Corporate Counsel and Assistant Secretary, 700 Central Avenue, Louisville, Kentucky 40208 and (b) Frederick M. Baedeker, Jr., President or (c) Eual G. Wyatt, Jr. General Manager, 1050 South Prairie Avenue, Inglewood, California 90301.

5. PURSE PROGRAM

A. Estimated purse distribution:

- 1. All races other than stakes: **\$ 6,531,200**
- 2. Overnight stakes: **\$ 375,000**
- 3. Non-overnight stakes: **\$ 2,700,000**

B. Stakes Races:

- 1. Estimated purse distribution for all stakes races: **\$ 3,075,000**
- 2. Percentage of the estimated purse distribution for all stakes races that will be distributed for California-bred stakes races: **4.9%**

C. Estimated funds to be generated for all California-bred incentive awards: **\$ 850,000**

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

TOC		\$ 100,231
CTT	Administration	\$ 50,115
	Pension Plan	\$ 100,231
	NTRA	<u>\$ 146,280</u>
		\$ 396,857

E. Total estimated amount from all sources to be distributed at the meeting in the form of purses or other benefits to horsemen: **\$ 10,853,057**

F. Estimated purse funds to be generated from on-track handle and intrastate off-track handle:
\$ 7,287,300

G. Estimated purse funds to be generated from interstate handle: **\$ 2,318,900**

H. Bank or depository for the Paymaster of Purses' purse account and the account number: **California Federal Bank #2654175997**

I. Name, address and telephone number of the pari-mutuel audit firm engaged for the meeting:
Bowen-McBeth, Inc. 10722 Arrow Route, Suite 110, Rancho Cucamonga, California 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 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 breeder's 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 or location of each off-site stabling area and the number of stalls to be maintained at each site:

Santa Anita	1,500
Pomona	500
San Luis Rey Downs	500
- E. Attach each contract or agreement between the association and the person(s) furnishing off-site stabling accommodations for eligible racehorses, which cannot be provided stabling on-site. **On file.**

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

- 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: **\$394,000, average cost per available stall at San Luis Rey and Pomona - \$ 9.40 per day**
- H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse: **\$175,000**

Roundtrip from:

Santa Anita	\$160	Los Alamitos	\$160
Pomona	\$180	Gallaway Downs	\$290
San Luis Rey	\$290		

I. Estimated cost for off-site stabling and vanning for this meeting. **\$569,000**

7. PARI-MUTUEL WAGERING PROGRAM

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

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

	TYPE OF WAGERS	APPLICABLE RULES
Race #1 *	\$2DD	CHRB 1957
	\$1E	CHRB 1959
	\$1PPN	CHRB 1976.8
	\$1PK3	CHRB 1977
	\$2Q	CHRB 1958
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 P(n)P (Pick 6) (when 8 races)	CHRB 1976.9
Race #4 *	\$2DD	CHRB 1957
	\$1E	CHRB 1959
	\$1PK3	CHRB 1977
	\$2Q	CHRB 1958
	\$2 P(n)P (Pick 6) (when 9 races)	CHRB 1976.9
Race #5 *	\$2DD	CHRB 1957
	\$1E	CHRB 1959
	\$1PK3	CHRB 1977
	\$2Q	CHRB 1958
	\$2 P(n)P (Pick 6) (when 10 races)	CHRB 1976.9
Race #6 *	\$2DD	CHRB 1957
	\$1E	CHRB 1959
	\$1PK3	CHRB 1977
	\$2Q	CHRB 1958

Race #7 *	\$2DD	CHRB 1957
	\$1E	CHRB 1959
	\$1PK3 (when 9 or more races)	CHRB 1977
	\$2Q	CHRB 1958
Race #8 *	\$2 DD (when 9 or more races)	CHRB 1957
	\$1E	CHRB 1959
	\$1PK3 (when 10 races)	CHRB 1977
	\$2Q	CHRB 1958
Race #9 *	\$1E	CHRB 1959
	\$2Q	CHRB 1958
	\$2 DD (when 10 races)	CHRB 1957
Race #10*	\$1E	CHRB 1959
	\$2Q	CHRB 1958

* \$1Trifecta in any race when we can comply with CHRB Rule 1979 and a \$1 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 pool be retained for the jackpot and that no cap be set on the jackpot. The Pick 4 (PnP) will be offered on the 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. 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. The maximum carryover pool to be allowed to accumulate before its distribution **OR** the date(s) designated for distribution of the carryover pool: **N/A**
- 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: **8:00 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:
Autotote: September, 2004

8. SIMULCASTING 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 with CHRB.**
- 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 Val. Fair & Alfalfa Fest. (Lancaster) | San Bernardino County Fair (Victorville) |
| Bay Meadows/Golden Gate/CARF and NOTWINC locations | |

- D. Out-of-state wagering systems the association proposes to offer its live audiovisual signal: **See Attachment B**
- E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the association: **See 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": **See Attachment B**

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

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
Examples:		
Calder Race Course	1/1 & 1/2/99	Full Card
Fair Grounds	3/14/99	Selected Feature and/or Stakes Races

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

QUARTER HORSE SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
Examples:		
Retama Park	4/8 & 4/9/99	Full Card
Ruidoso Downs	9/6/99	Selected Feature and/or Stakes Races

- H. For **STANDARD BRED** racing associations, list the host tracks from which the association proposes to import out-of-state and/or out-of-country harness races. Include the dates imported races will be held,

Attachment B

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

Attachment B (continued)

Retama Park	Turf Paradise
RGS	Turfway Park
River Downs	Valley Race Park
Rockingham Park	Vernon Downs
Ruidoso Downs	Western Regional OTB
Saginaw Harness	Wichita Greyhound Park
Sam Houston Race Park	Will Rogers Downs
Saratoga Harness	Wonderland Greyhound Park
Scarborough Downs	Woodlands
Scioto Downs	Wyoming OTB
Spirit Mountain Casino	Yavapai Downs
Southland Greyhound Park	Yonkers Raceway
Sports Creek	Youbet
Stables Casino	
Stevenson & Associates (Caribbean and South American locations)	
Suffolk Downs	
Suffolk District OTB	
Sunland Park	
Sun Ray Park	
Tampa Bay Downs	
TVG	
The Meadows	
The Racing Channel	
The Stables Casino	
Thistledown	
Tonkawa Casino	
Tri-State Greyhound Park	

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

The following is a list of international wagering systems to which the Association proposes to offer its live audiovisual signal for wagering purposes:

Assiniboia Downs	Canada
Flamboro Downs	Canada
Fraser Downs	Canada
Hastings Park	Canada
Hippodrome de Montreal	Canada
Hippodromo Presidente Ramon	Panama
Northlands Park	Canada
Woodbine Entertainment	Canada
Stampede Park	Canada
Attheraces	England and Ireland
TRNI	England and Ireland
MIR Caliente Group:	
Agua Caliente	Mexico
MIR	Brazil
MIR	Colombia
MIR	Ecuador
MIR	Peru
MIR	Uruguay

Attachment B (continued)

Stevenson & Associates:

Antigua Turf Club	Antigua
Crystal Casino	Aruba
Federal Bookmakers	Barbados
Hippodromo Los Comuneros	Colombia
Track Price Plus	Jamaica
RGS, Inc.	St. Kitts
Lightning	St. Marten
Fair Chance	Trinidad & Tobago
Arima	Trinidad & Tobago
Goodwood	Trinidad & Tobago
RPM Teletheater	Venezuela
IRG – Holiday Beach	Curacao
Excelsior Casino	Aruba
Crystal Palave Casino	Bahamas
Barbados Turf Club	Barbados
Seahorses, Inc.	Bermuda
Triple Crown Racing	Bermuda
Gran Hotel/Agentes de Negocios	Costa Rica
Hipodromo Quinto Centenario	Dominican Republic
Goodwood Racing Service	Guyana
Track Price Plus Ltd.	Jamaica
Caymanas Track Ltd. & otb's	Jamaica
EDENSA Loreda Racetrack	Mexico
Hipodromo Presidente Remon	Panama
Jockey Club de Peru & otb's	Peru
El Comandante	Puerot Rico
Paradise Casino (aka Lightning Casino)	St. Maarten
Hipodromo Moronas	Uruguay
Los Cayos, SRL	Venezuela
RSI de Mexico shops	Venezuela
I.N.H. & otb's	Venezuela

Wagering systems in Northern California:

CARF
Golden Gate Fields

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

(F) Please note the attached 2002 November-December calendars which include single-feature events which were imported during the 2002 Fall Meeting. It is anticipated Hollywood Park may import many of these same events as well as others – to be determined during the 2003 Fall Meeting.

Also:

Full and/or partial cards from The New York Racing Association & Churchill Downs, with other events to be determined.

and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races":

HARNESS SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
Examples:		
Saratoga Raceway	5/8/99	Full Card
Meadowlands	8/7/99	Selected Feature and/or Stakes Races

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

OTHER BREED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Breed of Horse	Race Dates	Number of Races to be imported
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- J. For ALL racing associations, if any out-of-state or out-of-country races will commence outside of the time constraints set forth in B&P Code Section 19596.2(d), attach a copy showing the agreement by the appropriate racing association(s). **To be submitted under separate cover if the above eventuality occurs.**

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

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

9. CHARITY RACING DAYS

- A. Name and address of the distributing agent (charity foundation) for the net proceeds from charity racing days held by the association: **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
 President
 Hollywood Park Race Track
 1050 South Prairie Avenue
 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:

Associate Judges	N/A
Association Veterinarian(s)	Ray Baran, D.V.M.
Clerk of Scales	Dino Perez
Clerk of the Course	Lisa Jones
Horse Identifier	Dianne Piper
Horseshoe Inspector	Harry Toston
Paddock Judge	Ken Goldberg
Patrol Judges	Charles McCaul Hiroshi Yamaguchi
Placing Judges	Kevin Colosi Zachary Soto
Starter	Gary Brinson
Timer	Russell Hudak

B. Management officials in the racing department:

Director of Racing	N/A
Racing Secretary	Martin Panza

Assistant Racing Secretary	Richard Wheeler and Dan Eidson
Paymaster of Purses	James D. Miller
Others (Asst. Clerk of Scales)	Ruben Hernandez

- 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. Photopatrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract: **Association provides its own service and equipment. Equipment utilized is described in Attachment C.**
- 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, 12/31/03**

11. SECURITY CONTROLS AND EMERGENCY SERVICES

- A. Name and title of the person responsible for security controls on the premises: **Don Barney**
- B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis. Describe the electronic security system: **Approximately 49 guards, 10 Gatemen, 1 Fireguard/surveillance cameras throughout grandstand and at both entrances to the barn area.**
- C. 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**
- D. 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**
- E. Attach a fire clearance from the fire authority having jurisdiction over the premises. **(Inspection has been requested)**
- F. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details): **Travelers Insurance Company
TC2JUB 13401215703**
- G. Attach a Certificate of Insurance for workers' compensation coverage. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of insurance which secures the liability of the association for payment of workers' compensation. **See Attachment**

Attachment C

VIDEO EQUIPMENT

CAMERAS

Eight DXC-35 Sony Cameras
Six DXC-637 Sony Cameras
Five DXC-m7 Sony Cameras
Three DXC-M7 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/33X1 Canon Lens
1/4 Tower w/18X1 Canon Lens
3/8 Tower w/45X1 Canon Lens
Winner's Circle w/15X1 Canon Lens
Paddock view Camera w/18X1
Ground Level Finish w/15X1 Canon Lens
Gate Start Camera w/15X1 Canon 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
1 - DVW - A500 Digital Beta (slo-mo) Master
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
1 - GVG (Dubner) 20K CG (Crawl information)
Clear-com "Matrix" Intercom System
Approximately 1,100 Color Televisions

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)

7/17/03

PRODUCER

Acordia of KY-Louisville
10400 Linn Station Road
P.O. Box 24008
Louisville KY 40224-0008
(502) 425-9444

RECEIVED
CHRIS

2003 JUL 28

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.

COMPANIES AFFORDING COVERAGE

- COMPANY
A Gulf Insurance Company
- COMPANY
B Travelers Insurance Co
- COMPANY
C
- COMPANY
D

INSURED

Churchill Downs, Inc.
Attn: Donna Ottersbach
700 Central Avenue
Louisville, KY 40208

COVERAGES

THIS IS TO CERTIFY THAT 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. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT <input checked="" type="checkbox"/> Liquor Liability <input checked="" type="checkbox"/> Participants Legal L	CGL7762268	3/01/03	3/01/04	GENERAL AGGREGATE \$ 2,000,000 PRODUCTS-COMP/OP AGG \$ 1,000,000 PERSONAL & ADV INJURY \$ 1,000,000 EACH OCCURRENCE \$ 1,000,000 FIRE DAMAGE (Any one fire) \$ 500,000 MED EXP (Any one person) \$
B	AUTOMOBILE LIABILITY <input checked="" 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	TC2JCAP133D905A03	3/01/03	3/01/04	COMBINED SINGLE LIMIT \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EACH ACCIDENT \$ AGGREGATE \$
A	EXCESS LIABILITY <input checked="" type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	CU0738560	3/01/03	3/01/04	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL	TC2JUB134D215703	3/01/03	3/01/04	WC STATUTORY LIMITS: OTH-ER EL EACH ACCIDENT \$ 500,000 EL DISEASE-POLICY LIMIT \$ 500,000 EL DISEASE-EA EMPLOYEE \$ 500,000
B	OTHER Business Auto Coverage	TJBAP133D9061032	3/01/03	3/01/04	Hired Car Comprehensive: \$250 ded Hired Car Collision: \$500 ded. Hired Car Phy Damage Limit: \$50,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

California Horse Racing Board is additional insured with reference to Hollywood Park's 2003 meet. Named Insured includes Hollywood Park.

CERTIFICATE HOLDER

California Horse Racing Board
Attn: Roy Wood
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 COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

John G. Beam, Jr.

John G. Beam, Jr.

12. CONCESSIONAIRES AND SERVICE CONTRACTORS

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

13. SCHEDULE OF CHARGES

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

1) General Admission	\$ 7.00
a. 17 yrs. old and under	Free
b. Wed & Thur 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	\$ 2.00
	(On/Off Track)

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

Box Seats		*Turf Club Membership	
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 Super Box	\$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.**

14. JOCKEYS/DRIVERS' QUARTERS

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

<input checked="" type="checkbox"/> Corners (lockers and cubicles)	How many	73
<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

Attachment E

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 Aqurarelli
Duke Racing Selections
6632 West 87th 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

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

15. BACKSTRETCH EMPLOYEE HOUSING

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

16. TRACK SAFETY

- A. Total distance of the racecourse - measured from the finish line counterclockwise (3' from the inner railing) back to the finish line: **Main Track – 1 mile & 1/8 Turf Course – 1 mile & 165 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.
- 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. **On file**

17. DECLARATIONS

- A. All labor and lease agreements and concession and service contracts necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state): **no exceptions**

- B. Attach each horsemen's agreement pursuant to CHRB Rule 2044. **To be submitted under separate cover**
- 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). **n/a**
- D. All service contractors and concessionaires have valid state, county or city licenses authorizing each to engage in the type of service to be provided and have valid labor agreements, when applicable, which remain in effect for the entire term of the meeting except as follows (if no exceptions, so state): **no exceptions**
- E. Absent natural disasters or causes beyond the control of the association, its service contractors, concessionaires or horsemen participating at the meeting, no reasons are believed to exist that may result in a stoppage to racing at the meeting or the withholding of any vital service to the association except as follows (if no exceptions, so state): **no exceptions**

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

18. CERTIFICATION BY APPLICANT

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

 Eual G. Wyatt, Jr.
 General Manager

8/7/03

 Date

STAFF ANALYSIS
APPROVAL OF CTHF NOMINATIONS

REGULAR BOARD MEETING
SEPTEMBER 18, 2003

Background:

The California Thoroughbred Horsemen's Foundation (CTHF) provides services to backstretch workers pursuant to CHRB Rules 2048, 2049, and 2050. Rule 2049 requires that the organization have a governing board and that persons serving on that board are approved by the CHRB.

Two directors who are currently serving on the CTHF board have been nominated for another two-year term. Noble Threewitt and Mike Ames are known to the CHRB staff and are hardworking and dedicated members of the CTHF board. The attached letter from the CTHF's executive director, Peter Tommila, provides additional facts about these two gentlemen.

Recommendation:

Staff recommends approval of this item.

CALIFORNIA THOROUGHBRED HORSEMEN'S FOUNDATION, INC.

"Assisting Horsemen in Need"

RECEIVED
CHRB

2003 AUG 29 AM 8:13



July 31, 2003

NOBLE THREEWITT
President

Board of Directors
MIKE AMES
LEONARD DORFMAN
DORIS JOHNSON
NOBLE THREEWITT
RALPH STEIGER M.D.
LYNDA ROSS

PETER TOMMILA
Chief Executive Officer

ROBERT FORGNONE
Counsel

Mr. Roy C. Wood, Jr.
Executive Director
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

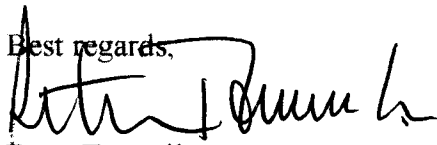
Dear Roy,

At a board meeting of the California Thoroughbred Horsemen's Foundation, Inc. held on July 31, 2003 Directors Noble Threwitt and Mike Ames were re-nominated for two year terms, commencing 07/31/2003. Our other four directors, Doris Johnson, Ralph Steger, MD, Lynda Ross and Leonard Dorfman have terms that expire July 01, 2004

Pursuant to Rule 2049 (a) of the California Horse Racing Board Rules and Regulations, the nominations of Mr. Threwitt and Mr. Ames are submitted to the CHRB for approval, via this letter.

Mr. Threwitt, who will again serve as President, is a legendary trainer and really the "founder" of the CTHF. Mr. Ames is a Credit Examiner for Zions Bancorporation and has served on the board for approximately 10 years.

Please let me know if there is anything we can do to assist the process. I look forward to hearing from you.

Best regards,

Peter Tommila

STAFF ANALYSIS
REQUEST FOR SUSPENSION OF RULE

REGULAR BOARD MEETING
SEPTEMBER 18, 2003

Background:

It is well known to the Board that Breeders' Cup (BC) will be held at Oak Tree this year. At the April 2003 CHRB Board meeting, Oak Tree and the BC Committee asked the Board to suspend CHRB Rule 1606 – Coupling for the BC races. The Board approved that request.

On October 25 the race card will not only contain the BC races but there will also be four races conducted by Oak Tree. Currently these races will be subject to CHRB Rule 1606. However, it has now been learned that certain out of state sites that will be taking the BC program cannot take race cards that have races with different coupling rules. Oak Tree is requesting that Rule 1606 also be waived for their four races so that the entire card will be consistent with regard to coupling thereby allowing all out of state simulcast sites to take the entire card that day.

Recommendation:

Staff recommends approval of this item.



Sherwood C. Chillingworth
Executive Vice-President

September 3, 2003

Via Fax to: 916-263-6042

Mr. John Reagan
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

Dear John:

On the first and last three races on Breeders' Cup Day, October 25, 2003, that are not Breeders' Cup races, which are to be run at Oak Tree at Santa Anita, we are requesting that they be run with uncoupled entries.

As you recall, we have already received approval for Breeders' Cup races to be run with uncoupled entries that day.

Sincerely,

SCC:ck

**STAFF ANALYSIS
REQUEST FOR WAIVER OF RULE**

**REGULAR BOARD MEETING
SEPTEMBER 18, 2003**

Background:

CHRB Rule 2040(a) prohibits persons serving as officers or directors of horsemen's organizations to also serve as officers or directors of licensed racing associations. However, the Thoroughbred Owners of California tells us that two of their directors have "accepted invitations" to join the board of the Oak Tree Racing Association. The TOC is asking the CHRB to waive Rule 2040(a) in this instance thereby allowing the two TOC directors to remain on the TOC board as well as the Oak Tree board. The attached letter from the TOC gives the reasons for their request to waive the rule.

Recommendation:

Staff recommends that the Board approve this request.



MEMORANDUM

September 5, 2003

CHAIRMAN OF THE BOARD
 RON CHARLES
PRESIDENT & GENERAL COUNSEL
 JOHN K. VAN DE KAMP

OFFICERS

JOHN AMERMAN
 VICE PRESIDENT
 TOM BACHMAN
 VICE PRESIDENT
 MACE SIEGEL
 SECRETARY
 DONNA ARNOLD
 TREASURER

DIRECTORS

JOHN AMERMAN
 RON ANSON
 DONNA ARNOLD
 TOM BACHMAN
 RON CHARLES
 BARBARA DUTTON
 JON S. KELLY
 ROBERT B. LEWIS
 TRUDY McCAFFERY
 JACK B. OWENS
 DON REGO
 JOHN SADLER
 ART SHERMAN
 MACE SIEGEL
 DON VALPREDO

EXECUTIVE STAFF

TRACY GANTZ
 DEPUTY DIRECTOR - SOUTH
 JIM GHIDELLA
 DIRECTOR - NORTH
 KELLE BREEN
 CHIEF FINANCIAL OFFICER

CORPORATE OFFICE

285 W. HUNTINGTON DRIVE
 ARCADIA, CA 91007
 (626) 574-6620 PHONE
 (800) 994-9909 TOLL FREE
 (626) 821-1515 FAX

LIVE TRACK SATELLITE OFFICES

BAY MEADOWS 650-571-0459
 DEL MAR 858-794-1018
 GOLDEN GATE 510-559-7521
 HOLLYWOOD PARK 310-330-7142

www.toconline.com

TO: Roy Wood
FROM: John Van de Kamp
RE: Rule 2040 (a)

NO. OF PAGES (INCLUDING THIS PAGE): 1

At TOC's Sept 5th Board meeting it was reported that TOC Board Members Robert Lewis and Trudy McCaffery had accepted invitations to join the Oak Tree Racing Association Board.

Under CHRB Rule 2040 (a) it is stated that "no person shall serve as an officer or director of an acknowledged horsemen's organization other than in an honorary capacity, at the same time such person serves as an officer or director of a licensed racing association"...etc. That rule appears to preclude their continued service on the TOC Board.

Bob Lewis has served on the TOC Board for 7 years and was Chairman for 3 of those years. Trudy McCaffery is now on her second year on the Board. Both have been heavily involved in our Board's work.

At the September 5th Board meeting the TOC Board voted unanimously to request of the CHRB a suspension of the Rule solely as it pertains to Bob and Trudy, pursuant to Rule 1406.

The Board believes there is good cause for the exception, given their value to TOC, and the clear understanding of all concerned that they recuse themselves at the TOC Board level from discussing and voting on issues pertaining to Oak Tree.

Bob and Trudy have said they wish to continue to serve on the TOC Board subject to the above. Given their prior service and contributions to TOC's work the TOC Board unanimously believes there is sufficient good cause to make this request and for the Board to grant it.

We ask that the CHRB suspend Rule 2040 (a) in this limited situation, to permit Bob and Trudy to continue to serve on the TOC Board with the stipulation that Bob and Trudy refrain from participation in discussing and voting on matters pertaining to Oak Tree. This waiver request should not be interpreted as a general suspension of the Rule.

We believe their continued service on the TOC Board, even with the limitation imposed, is in the best interest of California horseracing.

STAFF ANALYSIS
AVAILABILITY OF RACING SIGNALS
FOR ADW PROVIDERS

REGULAR BOARD MEETING
SEPTEMBER 18, 2003

Background:

The current license application for Advance Deposit Wagering (ADW) providers requires an acknowledgement that the applicant has contracts with CHRB licensed California racing associations. The presumption is that in order to act as a licensed ADW provider, an organization must procure contracts with California racing associations. No contract – no license.

A new proposal has been put forth. What if the racing associations were required, as a condition of their CHRB license, to provide their racing signal to *every* CHRB approved ADW provider. This is clearly a change from the current procedures but deserves a full and open airing. That is the purpose of this agenda item.

Recommendation:

This item is for discussion.

DISCUSSION AND ACTION
BY THE BOARD
ON A REPORT BY
THE CHRB LEGISLATIVE COMMITTEE
ON THE PROPOSED LEGISLATION
ALLOWING
THE ASSOCIATIONS
AND
HORSEMEN'S ORGANIZATION
TO INCREASE THE TAKEOUT
TO FUND
WORKER'S COMPENSATION INSURANCE

ITEM -8

Regular Board Meeting
September 18, 2003

BACKGROUND

AB 900 was amended on September 4, 2003, to address the issue of workers' compensation. The bill makes changes to existing law which prescribe the amount deducted from the parimutuel pool, in order to address the increase in workers compensation costs within the California horse racing industry.

Specifically the bill increases the current amount deducted for takeout from the exotic parimutuel pools, on thoroughbred races by 0.5%. It also authorizes a similar 0.5% deduction from quarter horse exotic wagering pools on quarter horse races, and authorizes a 1% deduction from the conventional pools on harness races, that would be used to help defray the cost of workers compensation. "Takeout" money is the amount deducted by associations prior to distribution of the pool to the bettor. By increasing the takeout, less money is returned to the bettor.

ANALYSIS

Under AB 900 every thoroughbred association and fair that conducts a racing meeting shall deduct, from the takeout, an additional 0.5% of the total amount handled in the exotic parimutuel pools. Concurrence among the horsemen and the association is not needed for this deduction. The amounts deducted shall be distributed to a new organization, composed of thoroughbred associations and owners, who will deposit the funds in a separate account and oversee the distribution of the funds. It is proposed that this supplemental premium will be predicated on the number of starts made by an individual trainer. Any funds not used in the calendar year in which they were collected will be distributed to the vanning and stabling fund.

The organization overseeing the distribution of thoroughbred supplemental workers compensation payments, under AB 900, shall make a annual report to the CHRB with respect to the expenditure and distribution of funds received by the committee. However, the Board has no authority regarding these expenditures. Specifically AB 900 states that the CHRB may not do

either of the following: (A) Require the expenditure or distribution of funds received by the organization to which any thoroughbred racing association or the owners' organization objects. (B) Disapprove of the expenditure or distribution of funds received by the organization that is agreeable to each of the thoroughbred racing associations and the owners' organization, provided the distribution or expenditure comports with the provisions of subdivision (e) of the bill.

Under the proposal for the thoroughbred handle, estimating an exotic handle of \$1.2 billion, at 0.5% \$6 million would be generated for workers compensation. For the fair handle, estimating an exotic handle of \$124 million, \$620, 000 would be generated.

The additional deduction in each case for quarter horse and harness will take place with the concurrence of the respective horsemen's organizations and the racing associations. The respective programs will be similar to the thoroughbred program, with any dedications being distributed to a new organization, who shall deposit the money in a separate account, to be used to help defray the cost of workers compensation for their respective breeds trainers. However, under AB 900, regarding harness and quarter horses, any funds not expended for workers compensation in the year they are collected, may either be used for the following years workers compensation costs or may be used to benefit the respective purse pools.

Again, the CHRB will have no authority regarding the expenditure of the quarter horse and harness funds, but the Board, shall be the called upon to make the final decision, if the parties cannot agree on the manner for distributing their respective funds.

Under the proposal, estimating \$90 million in exotic handle for harness, \$450,000 would be generated and quarter horse would generate \$625,000 on an exotic handle of \$125 million.

The bill is supported by: Bay Meadows Operating Company California Thoroughbred Breeders Association California Thoroughbred Trainers Association Capitol Harness Racing Association Capitol Racing LLC Del Mar Thoroughbred Club Golden Gate Fields Hollywood Park Los Alamitos Racing Association Los Angeles Turf Club at Santa Anita Park Oak Tree Racing Association Thoroughbred Owners of California

RECOMMENDATION

This item is presented for discussion. AB 900 was passed off the Senate floor on September 9, 2003, and has been sent back to the Assembly for concurrence on the amendments. The last day for each house to pass bills is September 12, 2003. Should this bill pass the Assembly, it will be sent to the Governor for signature or veto.

STAFF ANALYSIS
FINAL ODDS CYCLES AND THE CANCEL DELAY

REGULAR BOARD MEETING
SEPTEMBER 18, 2003

Background:

When the stewards utilize the "stop betting" button concurrent with the start of a race, an electronic signal is sent to the totalizator system to close all pools for that race. No further betting is allowed on that race. However, for several years in California a four-second cancel delay has been in the tote system for thoroughbred and fair meets. The cancel delay means that for four seconds after the pools are closed a clerk (or patron using a self-service terminal) can cancel a wager. No new wagers can be made so all cancels "after the bell" are straight cancellations of wagers – there are no cancel and replace type transactions.

This feature was added to the tote at the request of representatives of the Parimutuel Employees Guild, Local 280. They were concerned about the growing numbers of their members who were being stuck with tickets that patrons rejected at the last second before the bell. Without the delay, the clerks can be stuck with the ticket and held responsible for the cost of the ticket. The purpose of the delay is to allow the clerk to cancel the ticket at the last seconds and not bear the cost.

A recent update of the cancel delay with pari-mutuel managers indicates that the amounts cancelled after the bell are still minimal and do not impact the final odds. To test that conclusion, four days were selected from the recent Del Mar meet. For all races on Del Mar's opening day there were 28 cancels during the cancel delay period and a total of \$608 was cancelled. On Saturday, August 2, there were 10 cancels for a total of \$83 during the 4-second delay. On Friday, August 8, there were 3 cancels totaling \$35. And on Saturday, August 23, there were 13 cancels for a total of \$59.

Recommendation:

This item is for information and discussion.

STAFF ANALYSIS
STAFF REPORT ON END-OF-MEET RESULTS

REGULAR BOARD MEETING
SEPTEMBER 18, 2003

Background:

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

Recommendation:

This item is for information and discussion.

END-OF-MEET OUTLINE SUMMARY

For the California Horse Racing Board meeting, September 18, 2003. This report includes a summary for the following racing meetings: SONOMA COUNTY FAIR, SAN MATEO COUNTY FAIR and HUMBOLDT COUNTY FAIR.

Sonoma County Fair at Santa Rosa

July 23 – August 4, 2003

Race days: 12

AVERAGE DAILY STATISTICS

	PERCENTAGE CHANGE
Ave. Daily handle	-1.27%
Ave. On-track	-1.46%
Ave. Off-track	-2.97%
Ave. Interstate-exported	-7.49%
Ave. ADW	62.16%
Ave. Daily attendance-Calif.	3.79%
Ave. On-track	6.07%
Ave. Off-track	1.09%

San Mateo County Fair at San Mateo

August 6 – August 18, 2003

Race days: 12

AVERAGE DAILY STATISTICS

	PERCENTAGE CHANGE
Ave. daily handle	3.87%
Ave. On-track	-2.31%
Ave. Off-track	-4.40%
Ave. Interstate-exported	21.75%
Ave. ADW	14.41%
Ave. daily attendance-Calif.	-0.12%
Ave. On-track	4.60%
Ave. Off-track	-3.43%

Humboldt County Fair at Ferndale

August 7 – August 17, 2003

Race days: 10

AVERAGE DAILY STATISTICS

	PERCENTAGE CHANGE
Ave. daily handle	-14.15%
Ave. On-track	0.32%
Ave. Off-track	-24.72%
Ave. Interstate-exported	-71.45%
Ave. ADW	59.31%
Ave. daily attendance-Calif.	-1.50%
Ave. On-track	-2.08%
Ave. Off-track	-1.13%

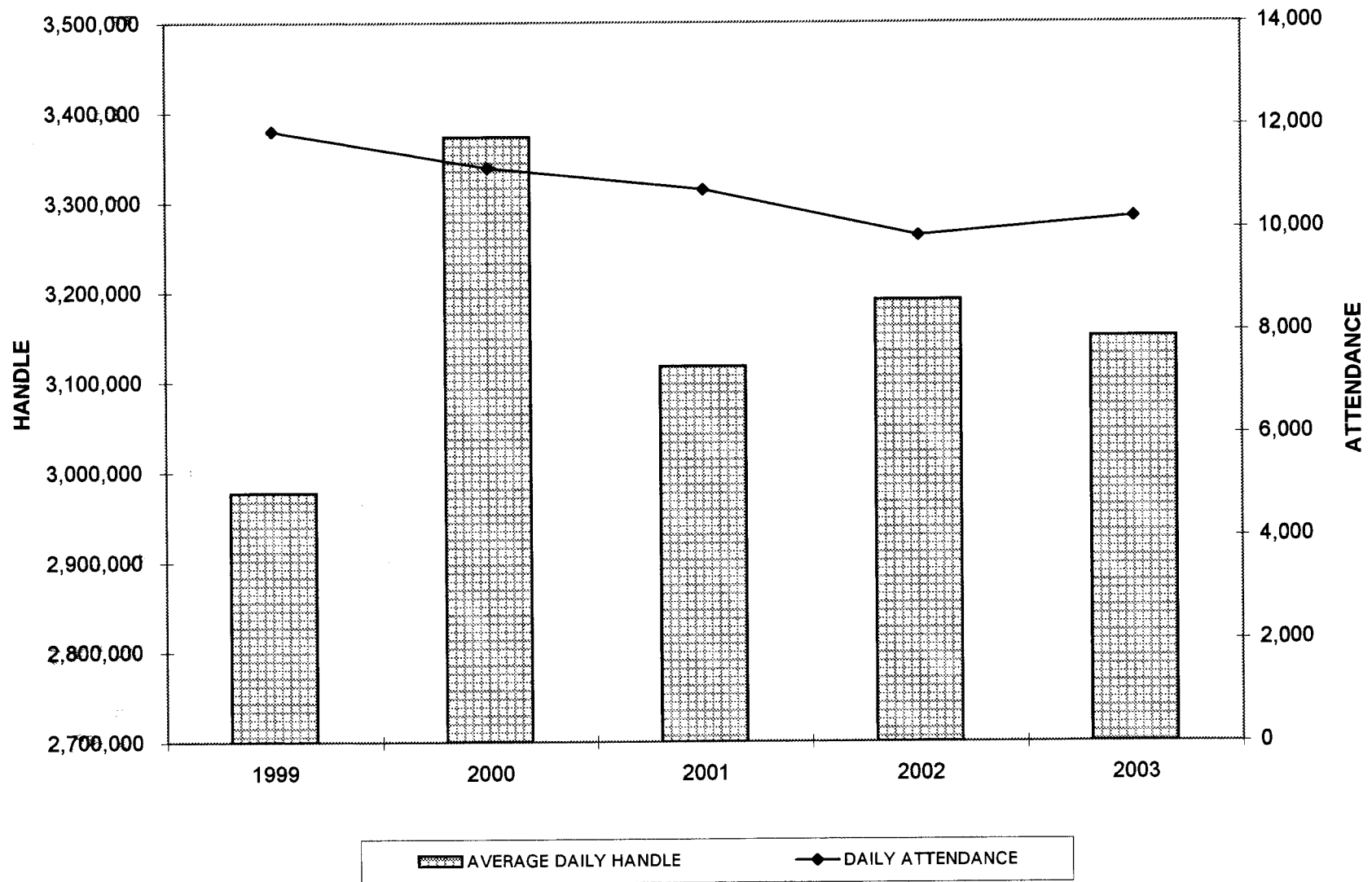
SONOMA COUNTY FAIR

YEAR	1999	2000	2001	2002	2003
TOTAL RACE DAYS	12	12	12	12	12
TOTAL HANDLE	35,729,168	40,477,851	37,412,511	38,294,049	37,806,166
ON-TRACK	6,392,879	6,483,119	6,383,250	6,059,343	5,970,978
OFF-TRACK	21,830,701	21,959,596	21,472,044	20,833,153	20,213,526
INTERSTATE	7,505,588	12,035,137	9,557,217	9,858,839	9,119,985
ADW	0	0	0	1,542,714	2,501,677
LIVE	21,353,397	25,088,682	21,538,585	22,203,325	22,131,376
INTRASTATE IMPORTED	8,837,514	9,496,851	9,433,181	9,265,874	8,817,248
INTERSTATE IMPORTED	5,538,257	5,839,609	6,354,568	6,788,169	6,699,668
INTERNATIONAL IMPORTED	0	52,710	86,177	36,681	157,874
AVERAGE DAILY HANDLE	2,977,431	3,373,154	3,117,709	3,191,171	3,150,514
ON-TRACK	532,740	540,260	531,938	504,945	497,581
OFF-TRACK	1,819,225	1,829,966	1,789,337	1,736,096	1,684,461
INTERSTATE	625,466	1,002,928	796,435	821,570	759,999
AVERAGE ADW	0	0	0	128,560	208,473
AVERAGE LIVE	1,779,450	2,090,723	1,794,882	1,850,277	1,844,281
INTRASTATE IMPORTED	736,459	791,404	786,098	772,156	734,771
INTERSTATE IMPORTED	461,521	486,634	529,547	565,681	558,306
INTERNATIONAL IMPORTED	0	4,393	7,181	3,057	13,156
TOTAL TAKEOUT	7,156,711	8,187,821	7,453,611	7,531,718	7,536,530
EFFECTIVE TAKEOUT	20.03%	20.23%	19.92%	19.67%	19.93%
STATE LICENSE FEES	438,391	443,831	422,476	402,535	390,410
STATE %	1.23%	1.10%	1.13%	1.05%	1.03%
TRACK COMMISSIONS	1,442,905	1,533,743	1,449,207	1,409,442	1,339,087
ADW COMMISSIONS	0	0	0	72,712	106,871
TOTAL COMMISSIONS	1,442,905	1,533,743	1,449,207	1,482,154	1,445,958
TRACK %	4.04%	3.79%	3.87%	3.87%	3.82%
HORSEMEN'S PURSES	1,463,560	1,552,936	1,467,908	1,425,172	1,355,566
ADW PURSES	0	0	0	69,620	108,145
TOTAL PURSES	1,463,560	1,552,936	1,467,908	1,494,792	1,463,711
HORSEMEN'S %	4.10%	3.84%	3.92%	3.90%	3.87%

SONOMA COUNTY FAIR

YEAR	1999	2000	2001	2002	2003
CAIIFORNIA ATTENDANCE	142,675	134,087	128,978	118,201	122,676
ON-TRACK	74,598	70,786	68,885	63,961	67,846
OFF-TRACK	68,077	63,301	60,093	54,240	54,830
DAILY ATTENDANCE	11,890	11,174	10,748	9,850	10,223
AVERAGE DAILY ON - TRACK	6,217	5,899	5,740	5,330	5,654
AVERAGE DAILY OFF - TRACK	5,673	5,275	5,008	4,520	4,569
TOTAL RACE EVENTS	138	145	132	133	134
STARTS	1,096	1,111	1,024	986	1,049
AVERAGE STARTS PER EVENT	7.9	7.7	7.8	7.4	7.8
AVERAGE HANDLE PER START	19,483	22,582	21,034	22,519	21,098

SONOMA COUNTY FAIR



HANDLE and ATTENDANCE

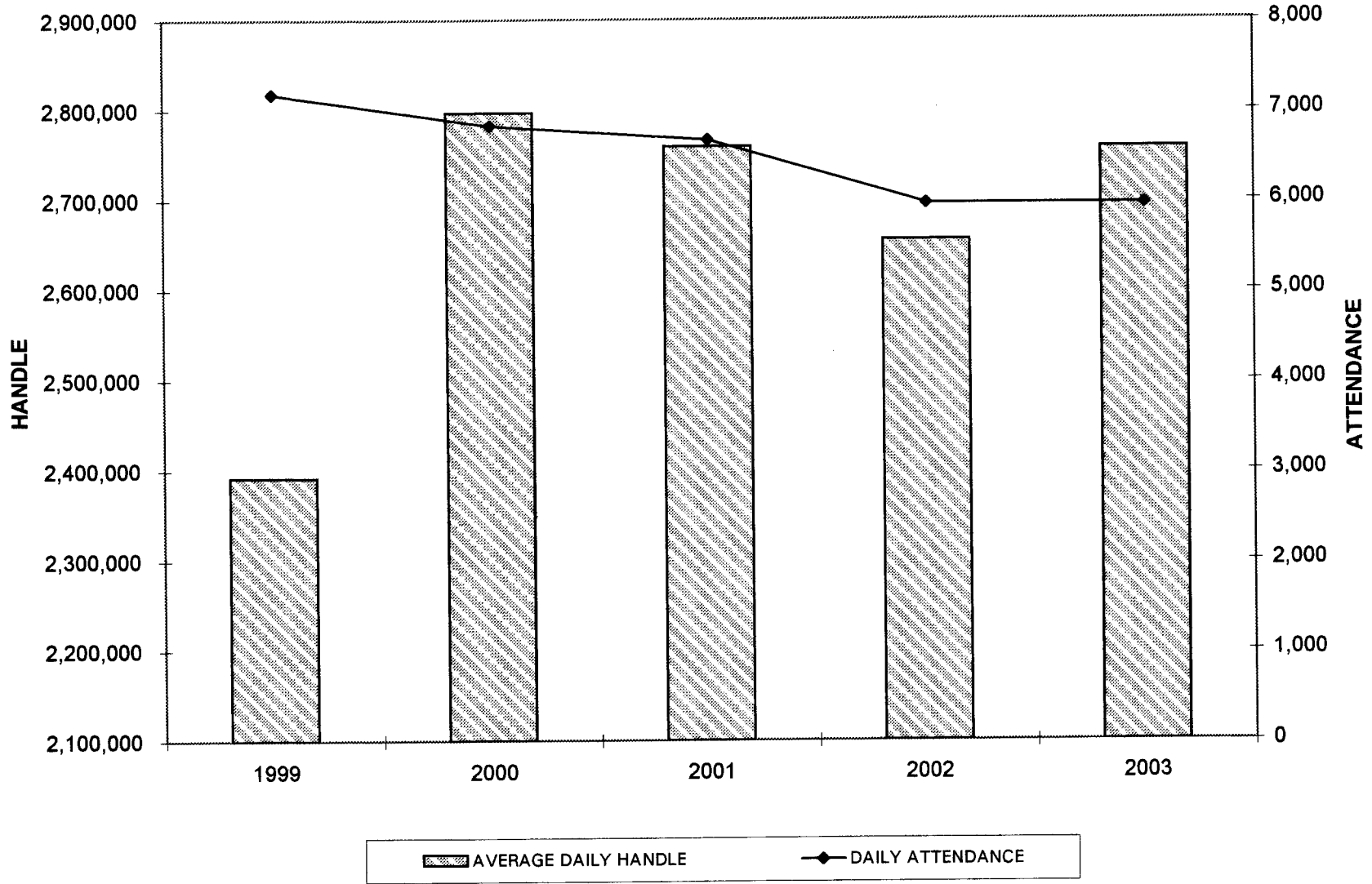
SAN MATEO COUNTY FAIR

YEAR	1999	2000	2001	2002	2003
TOTAL RACE DAYS	12	12	12	12	12
TOTAL HANDLE	28,698,509	33,566,379	33,110,030	31,862,794	33,095,531
ON-TRACK	8,443,549	8,667,469	7,953,573	7,330,295	7,160,665
OFF-TRACK	13,916,839	14,420,420	15,256,454	14,634,282	13,989,697
INTERSTATE	6,338,121	10,478,490	9,900,002	8,456,901	10,296,174
ADW	0	0	0	1,441,316	1,648,996
LIVE	15,110,574	19,317,723	18,169,540	16,657,659	18,984,046
INTRASTATE IMPORTED	8,590,488	8,472,624	8,757,853	8,295,408	7,555,523
INTERSTATE IMPORTED	4,997,448	5,776,032	6,182,637	6,909,727	6,555,963
INTERNATIONAL IMPORTED	0	0	0	0	0
AVERAGE DAILY HANDLE	2,391,542	2,797,198	2,759,169	2,655,233	2,757,961
ON-TRACK	703,629	722,289	662,798	610,858	596,722
OFF-TRACK	1,159,737	1,201,702	1,271,371	1,219,524	1,165,808
INTERSTATE	528,177	873,207	825,000	704,742	858,015
AVERAGE ADW	0	0	0	120,110	137,416
AVERAGE LIVE	1,259,214	1,609,810	1,514,128	1,388,138	1,582,004
INTRASTATE IMPORTED	715,874	706,052	729,821	691,284	629,627
INTERSTATE IMPORTED	416,454	481,336	515,220	575,811	546,330
INTERNATIONAL IMPORTED	0	0	0	0	0
TOTAL TAKEOUT	5,756,225	6,790,048	6,665,848	6,140,693	6,355,874
EFFECTIVE TAKEOUT	20.06%	20.23%	20.13%	19.27%	19.20%
STATE LICENSE FEES	257,360	269,453	261,372	229,371	233,949
STATE %	0.90%	0.80%	0.79%	0.72%	0.71%
TRACK COMMISSIONS	1,213,242	1,318,410	1,276,624	1,182,474	1,155,665
ADW COMMISSIONS	-	-	-	71,778	82,106
TOTAL COMMISSIONS	1,213,242	1,318,410	1,276,624	1,254,252	1,237,771
TRACK %	4.23%	3.93%	3.86%	3.71%	3.49%
HORSEMEN'S PURSES	1,230,890	1,335,740	1,289,111	1,189,927	1,165,836
ADW PURSES	-	-	-	72,210	82,684
TOTAL PURSES	1,230,890	1,335,740	1,289,111	1,262,137	1,248,519
HORSEMEN'S %	4.29%	3.98%	3.89%	3.73%	3.52%

SAN MATEO COUNTY FAIR

YEAR	1999	2000	2001	2002	2003
CALIFORNIA ATTENDANCE	86,130	81,901	80,008	71,538	71,453
ON-TRACK	37,395	35,835	34,156	29,480	30,836
OFF-TRACK	48,735	46,066	45,852	42,058	40,617
DAILY ATTENDANCE	7,178	6,825	6,667	5,962	5,954
AVERAGE DAILY ON - TRACK	3,116	2,986	2,846	2,457	2,570
AVERAGE DAILY OFF - TRACK	4,061	3,839	3,821	3,505	3,385
TOTAL RACE EVENTS	116	119	115	113	112
STARTS	830	792	792	714	760
AVERAGE STARTS PER EVENT	7.2	6.7	6.9	6.3	6.8
AVERAGE HANDLE PER START	18,206	24,391	22,941	23,330	24,979

SAN MATEO COUNTY FAIR



HANDLE and ATTENDANCE

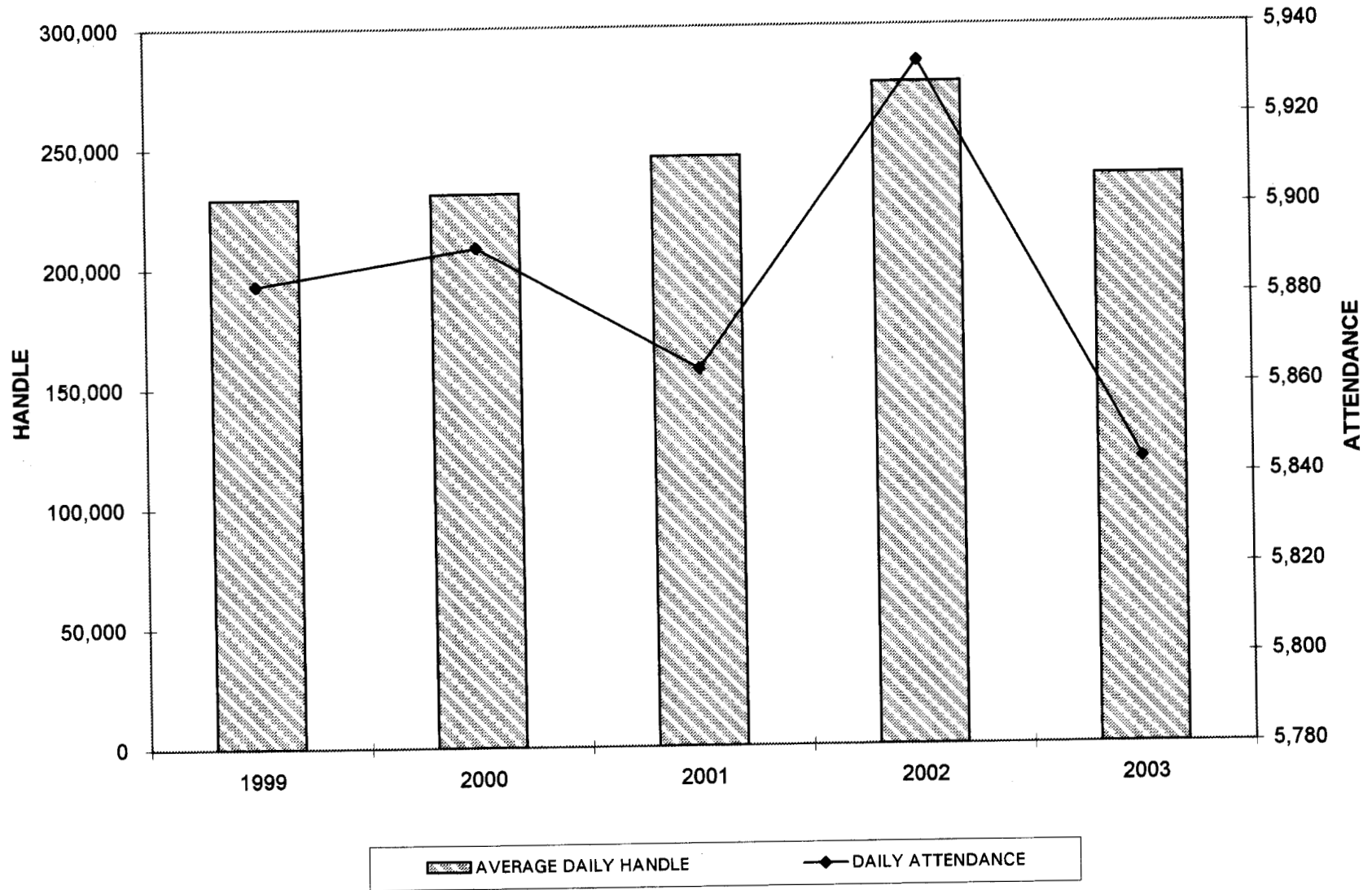
HUMBOLDT COUNTY FAIR

<u>YEAR</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
TOTAL RACE DAYS	10	10	10	10	10
TOTAL HANDLE	2,290,085	2,306,814	2,458,550	2,760,071	2,369,492
ON-TRACK	684,120	737,813	734,949	728,705	731,046
OFF-TRACK	1,577,267	1,548,148	1,593,085	1,545,617	1,163,479
INTERSTATE	28,698	20,853	130,516	228,581	65,262
ADW	0	0	0	257,168	409,705
LIVE	2,290,085	2,306,814	2,458,550	2,760,071	2,369,492
INTRASTATE IMPORTED	0	0	0	0	0
INTERSTATE IMPORTED	0	0	0	0	0
INTERNATIONAL IMPORTED	0	0	0	0	0
AVERAGE DAILY HANDLE	229,009	230,681	245,855	276,007	236,949
ON-TRACK	68,412	73,781	73,495	72,871	73,105
OFF-TRACK	157,727	154,815	159,308	154,562	116,348
INTERSTATE	2,870	2,085	13,052	22,858	6,526
AVERAGE ADW	0	0	0	25,717	40,971
AVERAGE LIVE	229,009	230,681	245,855	276,007	236,949
INTRASTATE IMPORTED	0	0	0	0	0
INTERSTATE IMPORTED	0	0	0	0	0
INTERNATIONAL IMPORTED	0	0	0	0	0
TOTAL TAKEOUT	469,581	471,640	500,203	528,364	479,314
EFFECTIVE TAKEOUT	20.50%	20.45%	20.35%	19.14%	20.23%
STATE LICENSE FEES	31,728	32,070	32,985	32,663	26,769
STATE %	1.39%	1.39%	1.34%	1.18%	1.13%
TRACK COMMISSIONS	131,884	134,528	136,599	138,186	115,380
ADW COMMISSIONS	0	0	0	12,859	20,179
TOTAL COMMISSIONS	131,884	134,528	136,599	151,045	135,559
TRACK %	5.76%	5.83%	5.56%	5.47%	5.72%
HORSEMEN'S PURSES	135,347	138,415	140,415	142,076	119,605
ADW PURSES	0	0	0	13,234	21,083
TOTAL PURSES	135,347	138,415	140,415	155,309	140,688
HORSEMEN'S %	5.91%	6.00%	5.71%	5.15%	5.94%

HUMBOLDT COUNTY FAIR

<u>YEAR</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
CAIIFORNIA ATTENDANCE	58,829	58,911	58,639	59,320	58,433
ON-TRACK	17,064	18,663	18,648	22,919	22,442
OFF-TRACK	41,765	40,248	39,991	36,401	35,991
DAILY ATTENDANCE	5,883	5,891	5,864	5,932	5,843
AVERAGE DAILY ON - TRACK	1,706	1,866	1,865	2,292	2,244
AVERAGE DAILY OFF - TRACK	4,177	4,025	3,999	3,640	3,599
TOTAL RACE EVENTS	73	77	76	74	71
STARTS	451	464	473	482	416
AVERAGE STARTS PER EVENT	6.2	6.0	6.2	6.5	5.9
AVERAGE HANDLE PER START	5,078	4,972	5,198	5,726	5,696

HUMBOLDT COUNTY FAIR



HANDLE and ATTENDANCE