

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, July 24, 2003**, commencing at **9:30 a.m.**, at the **Del Mar Satellite Wagering Facility**, 2260 Jimmy Durante Blvd., **Del Mar**, California.

AGENDA

Action Items

1. Approval of the **minutes** of the regular Board meeting of June 26, 2003.
2. 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.
3. 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.
4. 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.
5. Discussion and action by the Board on a report by the **California Marketing Committee**.
6. Public hearing by the Board on the adoption of the **proposed regulatory amendment to CHRB Rule 1979.1 – Superfecta**.
7. Public hearing by the Board on the **adoption of Article 28, Backstretch Worker Housing and the amendment of Rule 1928 – Fire Regulations**.
8. 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.
9. Report from Fairs and Exposition on the **Fairs impact on the California economy**.
10. Discussion and action by the Board to **stop betting on out-of- state mergers at specified locations**.
11. Discussion by the Board regarding possible revisions of **eligibility requirements allowing horses claimed in California, to race in any state other than California**.
12. Discussion by the Board on the **ways to improve the license application and to review the current requirements necessary for conducting a race meet**.
13. Discussion by the Board on the **allowable maximum overweight that can be carried by a jockey participating in a race**.
14. Staff report on the following concluded race meetings:
 - A. **Los Angeles Turf Club** at Santa Anita from December 26, 2003 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.

Other Business

15. **General Business:** Communications, reports, requests for future action of the Board.
16. **Old Business:** Issues that may be raised for discussion purposes only, which have already been brought before the Board.
17. **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

Date of Notice: July 14, 2003

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SACRAMENTO, CA 95825
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PENDING LITIGATION
JULY 2003

CASE

CASE NUMBER

MARTIN, JOHN v.
California Horse Racing Board

Sacramento County Superior Court
No. 98 SC00952

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

PROCEEDINGS of the Regular Meeting of the **California Horse Racing Board** held at the **Alameda County Fair Satellite Wagering Facility**, 4501 Pleasanton Avenue, Pleasanton, California, on **June 26, 2003**.

Present: Roger H. Licht, Chairman
John C. Harris, Vice-Chairman
Sheryl L. Granzella, Member
Alan W. Landsburg, Member
Marie G. Moretti, Member
John C. Sperry, 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 March 27, 2003. Vice-Chairman Harris **motioned** to approve the minutes. Commissioner Landsburg **seconded** the motion, which was **unanimously carried**. Chairman Licht asked for approval of the minutes of the Regular Board Meeting of April 24, 2003. Vice-Chairman Harris **motioned** to approve the minutes. Commissioner Granzella **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 DEL MAR THOROUGHBRED CLUB (T), AT DEL MAR, COMMENCING JULY 23 THROUGH SEPTEMBER 10, 2003, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the Del Mar Thoroughbred Club (DMTC) proposed to run 43 days, the same number of days as in 2002, for a total of 372 races. Ms. Wagner stated the first post time would be 2:00 p.m. daily; 12:30 p.m. on August 24; 3:30 p.m. on August 22 and August 29; and 4:00 p.m. on July 25 and August 1, 8 and 15. DMTC would use

CHRB regulations for its wagering program. Ms. Wagner said the only outstanding item on the application was the fire clearance. She stated staff recommended approval of the application conditioned upon receipt of any missing items noted in the analysis. Vice-Chairman Harris asked if DMTC would accept mule races. Craig Fravel of DMTC said his organization worked with the stewards to modify the wagering formats to avoid the problem of minus pools, so the 2002 incident with the mule Black Ruby would not be repeated. Vice-Chairman Harris asked if the application showed which advance deposit wagering (ADW) entities had a contractual agreement with the track. Mr. Fravel said TVG and YouBet were listed on the application as ADW providers. Commissioner Sperry **motioned** to approve the application for license to conduct a horse racing meeting of DMTC. Commissioner Moretti **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 SOLANO COUNTY FAIR (F) AT VALLEJO, COMMENCING JULY 9 THROUGH JULY 20, 2003, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the Solano County Fair (SCF) proposed to run 10 days, one day less than in 2002, for a total of 114 races. Ms. Wagner stated the first post time would be 12:15 p.m., and SCF would utilize CHRB regulations for its wagering program. She said there were no items missing from the application, and staff recommended approval of the application as presented. Vice-Chairman Harris asked how advance deposit wagering (ADW) worked with a fair that did not offer early wagering. Chris Korby of the California Authority of Racing Fairs said when the East Coast hubs opened for wagering the ADW operators were fully operational. Any individual with an ADW account could place a wager at that time.

Marv Fortman of Autotote said the Bay Meadows hub opened at 8:45 a.m., so SCF would open at 8:45 a.m. for ADW wagering. He stated the same was true for Southern California hubs. Commissioner Granzella **motioned** to approve the application for license to conduct a horse racing meeting of SCF. Commissioner Moretti **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 SONOMA COUNTY FAIR (F), AT SANTA ROSA, COMMENCING JULY 23 THROUGH AUGUST 4, 2003, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the Sonoma County Fair (SCF) proposed to run 12 days, the same number of days as in 2002, for a total of 134 races. Ms. Wagner stated the first post time would be 12:45 p.m. daily. SCF would use CHRB regulations for its wagering program. Ms. Wagner said there were no items missing from the application, and staff recommended approval of the application as presented. Vice-Chairman Harris said he noted many associations were raising their admission by 10 to 20 percent, which seemed illogical to him as on track attendance was in decline. He stated he hoped the associations took note of the decline in on-track attendance and considered any ramifications on wagering and concession sales at the track. Commissioner Moretti **motioned** to approve the application for license to conduct a horse racing meeting of SCF. 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 SAN MATEO COUNTY FAIR (F), AT BAY MEADOWS, COMMENCING AUGUST 6 THROUGH AUGUST 18, 2003, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the San Mateo County Fair (SMCF) proposed to run 12 days, the same number of days as in 2002, for a total of 124 races. Ms. Wagner stated the first post time would be 1:15 p.m. daily. SMCF would use CHRB regulations for its wagering program. Ms. Wagner said the name of the general manager and the fire clearance were missing from the application. She stated staff recommend approval of the application conditioned on the receipt of any missing items noted in the analysis. Vice-Chairman Harris asked why SMCF felt a later post time to coincide with Del Mar was not desirable. Mike Zeigler of SMCF said his organization determined it would do well with the out-of-state signal on Fridays when Del Mar was running at 4:00 p.m. Commissioner Sperry **motioned** to approve the application for license to conduct a horse racing meeting of SMCF. Commissioner Moretti **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 HUMBOLDT COUNTY FAIR (F), AT FERNDALE, COMMENCING AUGUST 7 THROUGH AUGUST 17, 2003, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the Humboldt County Fair (HCF) proposed to run 10 days, the same number of days as in 2002, for a total of 76 races. Ms. Wagner stated the first post time would be 1:55 p.m. Mondays, and Wednesdays; 2:25 p.m. Thursdays; and 2:55 p.m. Fridays. HCF would use CHRB regulations for its wagering program. Ms. Wagner said the fire clearance was the only item missing from the application. She stated staff

recommended approval of the application conditioned on the receipt of the missing item noted in the analysis. Commissioner Granzella **motioned** to approve the application for license to conduct a horse racing meeting of HCF. 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 CALIFORNIA EXPOSITION AND STATE FAIR (F), AT CAL-EXPO, COMMENCING AUGUST 20 THROUGH SEPTEMBER 1, 2002, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the California Exposition and State Fair (CESF) proposed to run 12 days, the same number of days as in 2002, for a total of 132 races. Ms. Wagner stated the first post time would be 1:00 p.m. daily, and 2:30 p.m. Fridays. CESF would use CHRB regulations for its wagering program. Ms. Wagner said the name of the placing judge and the fire clearance were missing from the application. She stated staff recommended approval of the application conditioned on receipt of any missing items noted in the analysis. Commissioner Landsburg said the fairs had a unique opportunity to capitalize on the release of Seabiscuit the movie. He stated he wished to complement the California Authority of Racing Fairs (CARF) for ensuring the fairs would capitalize on the movie in many ways. Chris Korby of CARF said his organization had a co-promotion agreement with Universal Studios which included tickets to advanced screenings. Mr. Korby said the fairs would use the tickets to promote the film and build enthusiasm among patrons. He stated CARF was also working with local theaters to cross-promote track attendance. Craig Fravel of Del Mar Thoroughbred Club spoke about Seabiscuit promotional activities planned by the National Thoroughbred Racing Association. Vice-Chairman Harris **motioned** to approve the

application for license to conduct a horse racing meeting of CESF. Commissioner Landsburg **seconded** the motion, which was **unanimously carried**.

PUBLIC HEARING BY THE BOARD ON THE ADOPTION OF THE PROPOSED REGULATORY AMENDMENT TO CHRB RULE 1867 – PROHIBITED VETERINARY PRACTICES.

Jacqueline Wagner, CHRB staff, said the proposed amendment to Board Rule 1867, Prohibited Veterinary Practices, would add the possession and or use of snake and snail venom on a facility under the jurisdiction of the CHRB to the list of prohibited substances. Ms. Wagner stated no comments were received during the 45-day public comment period, and staff recommended approval of the amendment as presented. Vice-Chairman Harris **motioned** to approve the amendment to Board Rule 1867. Commissioner Moretti **seconded** the motion, which was **unanimously carried**.

PUBLIC HEARING BY THE BOARD ON THE ADOPTION OF THE PROPOSED REGULATORY ADDITION OF CHRB RULE 1979.5 – BEAT THE ODDS.

Jacqueline Wagner, CHRB staff, said the proposal would add Rule 1979.5, Beat the Odds (BTO), to the Board's rules. Ms. Wagner stated the BTO wager would require the selection of a first place finisher that was a non-favorite in three or more races on the card for a single performance. The proposed rule was heard at the January 2003 Pari-Mutuel Operations Committee meeting with the endorsement of the Los Angeles Turf Club. Ms. Wagner said staff received comments from the Southern California Horse Racing Industry Fans Committee (SCHRIFC) during the 45-day public comment period. The SCHRIFC endorsed the proposal.

Ms. Wagner said staff recommended the Board adopt the proposal as presented. James Quinn, the author of the BTO wager proposal, spoke about the wager and how he perceived it would be accepted by horse racing fans. Commissioner Landsburg asked about the proprietary element of the wager. Mr. Quinn said he held the trademark for "Beat the Favorite." If an association offered the wager under the name, "Beat the Favorite," they would have to negotiate with him. However, If an association used BTO, there would be no proprietary element. Vice-Chairman Harris said he thought the proposed wager was a good idea. He said the industry needed innovative ideas that offered the chance to win big without investing much money. He asked if the wager was being used in another jurisdiction. Mr. Quinn said the BTO would be unique to California. Bill Hoge, a racing fan and former State Assemblyman spoke in favor of the proposed BTO wager. Commissioner Landsburg asked how new fans might react when they heard the wager's rules. Mr. Hoge said expert handicappers would take immediately to the wager. He stated it would take new racing fans a period of time to learn the rules of the wager, but once they realized a lot of money could be won with little investment, they would participate. Commissioner Landsburg asked if the industry was anxious to introduce a new wager that would drain money out of the churn as well as out of their take. Rick Baedeker of Hollywood Park said he agreed the wager was probably too complicated for new fans. He said, however, new fans should not be the entire focus. The industry needed to focus on keeping existing fans, whom he believed would be interested in the BTO. Vice-Chairman Harris asked what was the denomination of the wager. Mr. Quinn said it was \$1 per combination. If one played three races, two horses in one, one in another and three in another, it would be six combinations and cost \$6. If one used one horse in each of three races, the wager would cost \$1. Frank DeMarco representing Santa Anita said his

organization endorsed the proposed wager. He stated the wager could generate new interest and should be tried. It was the wagering public that would ultimately decide if the wager was a success. Chairman Licht said he believed the wagering menu was already too confusing, with too many exotic wagers where the winnings went to too few people. He stated a \$50,000 payoff was not a good thing as it meant there were 49,999 losers and only one winner. Chairman Licht said the BTO gave an inherent advantage to big tickets if the favorite wins the first few races on a card. He stated large tickets could bombard the pool on the last few races and have an unfair advantage. Mr. Quinn said when favorites win the early races larger wagers and syndicates would enter into the pool. However, if the favorite wins any of the subsequent races the wagers were dead, so there was risk to such players. Mr. Quinn said if a large wager paid \$100,000 it would knock any of the fans out of the box as it would be constituted by literally thousands of relatively small wagers. Mr. Quinn stated such a pay out would only encourage fans to return the next day. The wager was analogous to the lottery: when a \$55 million lottery was paid, it was constituted by millions of small wagers. Mr. Quinn said the wagering public liked wagers with large pay outs. He stated the public's preference had been demonstrated empirically for years. The most popular wager in California was the Pick 6. Chairman Licht said racing was losing fans every day. He stated he believed it was because too many fans were leaving the track broke. The average lottery wager was between \$5 and \$7, but at racetracks fans were wagering over \$200 a day. When fans left the track without any of their \$200, it was a big problem. Chairman Licht asked if the Pari-Mutuel Employees Guild (PMEG) had any comments on the proposal. Ron Liccardo of the PMEG said he was not prepared to speak about the proposed wager. He stated mutual clerks often heard from new fans that they found wagering confusing. Mr. Liccardo said fans who

placed small wagers typically thought the industry was crooked. He said he saw potential for manipulation of the pools with the BTO wager, as large players could load up on a horse to make it the favorite over a horse that would have otherwise been in that position. Mr. Liccardo said he believed the wager would tie up money in the pool just like the Pick 6 – which did not have much churn. Vice-Chairman Harris said if the proposed wager was adopted by the Board, the associations must still decide if they wished to use it. He stated he believed the Board should allow tracks the opportunity to try new wagers. David Pascale of SCHRIFC said he found the learning curve on the BTO wager was short. He stated he talked to people with no knowledge of wagering and found they understood the wager after only one or two questions. Mr. Pascale said the wager was an experiment that offered a chance to bring new fans to horse racing. He stated experimentation was important and he suggested the BTO be tried. Commissioner Landsburg asked how long it would take Autotote to program the BTO. Dave Payton of Autotote said he would guess it could take a few months to program the wager. He stated Autotote's contract with California had a clause in it for programming hours, so it would not be a huge expense. The cost would come in the implementation of the wager in the system, not the programming, and would be borne by the tracks. Vice-Chairman Harris **motioned** to adopt Rule 1979.5, Beat the Odds. Commissioner Moretti **seconded** the motion, which was **not carried**. Commissioners Moretti and Granzella, and Vice-Chairman Harris voted “**aye**” and Commissioners Landsburg and Sperry, and Chairman Licht voted “**opposed**.” Chairman Licht said the proposed wager would be heard again at the next Pari-Mutuel Operations Committee meeting.

DISCUSSION AND ACTION BY THE BOARD ON THE APPROVAL OF SERVICE, OFFICIAL VETERINARIAN AND STEWARD'S CONTRACTS.

Roy Minami, CHRB staff, said the service contracts, the Teal Data Center, the Health and Human Services Data Center and the three contracts with the University of California Davis were all three-year contracts. The dollar amounts for each contract would be divided by three to arrive at the annual costs. Mr. Minami said Peter Tommila would not be a part of the Steward Services Contract. Mr. Tommila was the executive director of the California Thoroughbred Horsemen's Foundation and would no longer work as a steward unless there was an emergency. Vice-Chairman Harris asked if each individual had a contract with the Board. Mr. Minami said each individual had a contract with the Board, and that the dollar amount of the contract was encumbered in the Board's budget. Each of the individuals with contracts were not guaranteed a certain number of work days. The contract amount before the Board was based on the annual schedule for that particular racing year. The second and third years of the contracts were projected based on the current year assignments. Mr. Minami added the assignments could change at the direction of the Executive Director or the Board at any time. Commissioner Sperry **motioned** to approve the service, official veterinarian and steward's contracts. Commissioner Granzella **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE REQUEST OF GOLDEN GATE FIELDS TO DISTRIBUTE CHARITY RACING DAY PROCEEDS IN THE AMOUNT OF \$62,500 TO 9 BENEFICIARIES.

John Reagan, CHRB staff, said staff found the request of the Pacific Racing Association doing business as Golden Gate Fields to distribute charity racing day proceeds to be in order and recommended approval. Commissioner Granzella **motioned** to approve the request of Golden Gate Fields to distribute charity racing day proceeds. Commissioner Landsburg **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE REQUEST OF THE OAK TREE CHARITABLE FOUNDATION TO DISTRIBUTE CHARITY RACING DAY PROCEEDS IN THE AMOUNT OF \$94,500 TO 22 BENEFICIARIES.

John Reagan, CHRB staff, said staff found the request of the Oak Tree Charitable Foundation to distribute charity racing day proceeds to be in order and recommended approval. Commissioner Landsburg **motioned** to approve the request of the Oak Tree Charitable Foundation to distribute charity racing day proceeds. Commissioner Sperry **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE REQUEST OF THE LOS ANGELES TURF CLUB TO DISTRIBUTE CHARITY RACING DAY PROCEEDS IN THE AMOUNT OF \$259,121 TO 24 BENEFICIARIES.

John Reagan, CHRB staff, said staff found the request of the Los Angeles Turf Club (LATC) to distribute charity racing day proceeds to be in order and recommended approval. Commissioner Landsburg **motioned** to approve the request of the LATC to distribute charity racing day proceeds. Commissioner Granzella **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON AUTOTOTE'S EFFORTS ON THE DEVELOPMENT AND IMPLEMENTATION OF SOFTWARE THAT WILL ALLOW THE "ALTERNATE RUNNER" OPTION FOR MULTIPLE LEG WAGERS IN CALIFORNIA.

Dave Payton of Autotote said the Pick 6 scandal of 2002 resulted in the loss of the alternate runner selection. He stated in restoring the selection, Autotote worked with the industry to ensure the pools were dealt with in a manner that would be agreeable to all concerned. Autotote was working with the Tote Standards Committee of the Association of Racing Commissioners International. Specifications for the alternate runner selection were prepared and submitted to the committee for review. Mr. Payton said the review would allow Autotote to receive the approval from the regulators on the committee and the other totalizator companies. He commented the review would take three to four weeks to complete. Another four to six weeks would be needed to program and test the system, as well as another week or two to deploy the program. Mr. Payton said the software should be in place for Oak Tree's opening. Chairman Licht said the Board was told in January 2003 the software would be up and running by March at the latest. He stated a six or seven month delay was discouraging. Mr. Payton said the implementation was delayed by the work on the leg scan for the Pick 6. Chairman Licht asked if any of the tracks could say there had been a fall of in Pick 6 wagering due to there being no alternate runner. Rick Baedeker of Hollywood Park said there had been only sporadic complaints. He stated the Pick 6 was difficult to evaluate because in 2003 there had been fewer carryovers compared to 2002.

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 was looking at what could be included in the license application to better protect, and ensure the survival of racing. He stated the license application had become traditional and the committee was concerned that there might be much in it that was not necessary, and not enough of what was necessary for the Board to effectively carry out its constitutional mandate. Commissioner Landsburg said the committee asked the industry for input regarding the content of the application, however, not a single response has been received. Commissioner Landsburg outlined the committee's concerns regarding the license application - including a requirement that associations align themselves with any advance deposit wagering entity to increase handle. There were also concerns about the television presentation at the track, the adequacy of the totalizator boards, and the level of backside video cameras for security purposes. Vice-Chairman Harris said it was disappointing that the tracks had yet to provide any type of commentary, as the committee had hoped to make the license application review an interactive process.

PRESENTATION BY WINNERS FOUNDATION STAFF.

Nora Lee of the Northern California Winner's Foundation (WF) spoke about the WF in Northern California, its purpose, and how it functioned at the various racetracks. Mike Zeigler of Bay Meadows and Golden Gate Fields said three days prior to the national release of the Seabiscuit movie a pre-release screening would be held in Alameda with the proceeds benefiting the WF. Chairman Licht asked how large the WF staff was in Northern California

and how many employees were involved. Ms. Lee said there were two staff persons in Northern California. The staff covered the major tracks and the fairs. The permanent WF offices were located at Golden Gate Fields, Bay Meadows and Pleasanton.

GENERAL BUSINESS

Chairman Licht said the Daily Racing Form (DRF), in line with much of what the Board requested, had virtually eliminated the off-shore gaming advertisements. He stated it was a major plus for the industry and the DRF deserved recognition for its action. Chairman Licht stated people might have read about the ongoing investigation that was being conducted on Hollywood Park's backside. He stated the Board's investigators had done a tremendous job and Hollywood Park was very cooperative. Chairman Licht said Del Mar had indicated it would be as cooperative. Commissioner Landsburg said he was concerned with how horse racing marketed itself. He stated there was a California Marketing Committee in which the Board had input, but he believed there needed to be a broader view of the way in which California racing marketed itself. Commissioner Landsburg said he would request an ad-hoc committee be formed to review all the marketing. He stated he thought it was time a committee which was not necessarily all racing related personnel get together to make some reasonable recommendations to the Board and to the industry in general. Chairman Licht said he would be pleased if Commissioner Landsburg would chair such a committee. Vice-Chairman Harris said he would serve on the ad-hoc committee. Ed Halpern of California Thoroughbred Trainers said his organization would hold a Seabiscuit premier in Southern California with the proceeds going to the McBeth Fund and the Gregson Fund. John Van de

Kamp of Thoroughbred Owners of California (TOC) said he would like to commend the industry for coming together to put a workers' compensation package together for 2003. He stated the program was working well, and it looked like it would be in place for a second year. Mr. Van de Kamp said TOC received a memorandum from the Race Dates Committee that asked for recommendations for the 2004 racing calendar. He stated the deadline for recommendations was July 7, 2003. Mr. Van de Kamp said TOC's Board would not meet until July 11, and asked for an extension of the deadline until July 15, 2003. Chairman Licht said July 15 was fine. Rick Baedeker of Hollywood Park said the Hollywood Park Gold Cup would run July 13, 2003. Mr. Baedeker said Lafit Pincay would also receive recognition on July 13 in honor of his career and his retirement.

MEETING ADJOURNED AT 11:05 A.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
July 24, 2003

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF BAY MEADOWS OPERATING COMPANY, LLC AT BAY MEADOWS, COMMENCING AUGUST 29, 2003 THROUGH NOVEMBER 2, 2003.

Bay Meadows Operating Company, LLC filed its application to conduct a thoroughbred horse racing meeting at Bay Meadows:

- August 29 through November 2, 2003, or 50 days, the same as 2002. The association proposes to race a total of 430 races, or 8.6 per day.
 - Request to increase the number of races if sufficient horses are available. The request would permit the association to average more than 8.6 races per day.
 - They meet the 10% requirement of stakes purses paid for Cal-bred stakes races.

August - 2003						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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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						

September - 2003						
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	20
21	22	23	24	25	26	27
28	29	30				

October - 2003						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13 H	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

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

- Racing 5 days per week, Wednesday through Sunday with 8 races Wednesday, Thursday and Friday and 9 or 10 races Saturday, Sunday, holidays and days of special interest.
 - Racing Monday, September 1, 8 and October 13.
 - No racing Thursday, September 11.
- First post:
 - 1:45 p.m. during Del Mar overlap, August 29 through September 10.
 - 1:15 p.m. during Fairplex overlap, September 12-27.
 - 12:45 p.m. during Oak Tree overlap, September 28 through November 2.
 - 7:00 p.m. Friday, September 2, October 3, 10, 17 and 24.
- Specific changes from the 2002 license application:
 - Ken Sjoldal replaces John Nommsen as assistant clerk of scales.

- Request Patrick Kealy be appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety requirements have been fulfilled.
- Wagering program will use CHRB rules.
 - Early wagering for Breeders' Cup will start Friday, October 24.
 - Breeders' Cup "Future" wagering on dates to be announced.
- 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. Post time for Breeders' Cup, October 25.

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

Bay Meadows Operating Company LLC
P. O. Box 5050
2600 South Delaware Street
San Mateo, CA 94402

Phone: (650) 574-7223
Fax: (650) 573-4671

B. Breed of horse: TB QH H

C. Racetrack name: Bay Meadows

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 Deposit with CHRB.

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: August 29 through November 2, 2003

B. Actual dates racing will be held: August 29-31, September 1, 3-8, 10, 12-14, 17-21, 24-28
October 1-5, 8-13, 15-19, 22-26, 29-31, November 1-2

C. Total number of days or nights of racing: 50

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

Wed - Sun Tues - Sat Other (specify)

Exceptions:

1st Week-Friday through Monday (Labor Day)
3rd Week-Wednesday, Friday through Sunday
Week of October 8th-Wednesday through Monday (Columbus Day)

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

CHRB CERTIFICATION

Application received: 7/2/03 AG
Deposit received: on file
Reviewed: PN

Hearing date: 7/24/03
Approved date:
License number:

3. RACING PROGRAM

- A. Total number of races: 430
- B. Number of races for each day or night:
 Not more than an average of 8.6 races per day throughout the meet; propose to conduct 8 races on Wednesdays, Thursdays, and Fridays, 9 or 10 races on Saturdays, Sundays, Holidays and days of special interest. Will seek administrative approval to conduct more than an average of 8.6 races per day if horse population permits additional races.
- C. Total number of stakes races: Four listed stakes plus thirteen overnight stakes and handicaps
- 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.
- 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:

We reserve the right to adjust post times as necessary to conform to post times in Southern California.

Race #	Day Cards (During Del Mar) 8/29-9/10	Day Cards (During Fairplex) 9/12 – 9/27	Day Cards (During Oak Tree) 9/28 – 11/2	Friday Nights 9/26, 10/3, 10/10, 10/17 & 10/24
1	1:45	1:15	12:45	7:00
2	2:15	1:45	1:15	7:28
3	2:45	2:15	1:45	7:56
4	3:15	2:45	2:15	8:24
5	3:45	3:15	2:45	8:52
6	4:15	3:45	3:15	9:20
7	4:45	4:15	3:45	9:48
8	5:15	4:45	4:15	10:16
9	5:45	5:15	4:45	
10	6:15	5:45	5:15	

- Saturday, Breeders' Cup Day, October 25, 2003 – 1st post TBD

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

Bay Meadows 2003 Fall Meet Proposed Stakes Schedule

Saturday, August 30, 2003-Overnight Handicap

AUTUMN LEAVES - \$60,000 Added

Fillies and Mares, Three Years Old & Up

One Mile (Longden Turf Course)

Monday, September 1, 2003

CAL TURF CHAMPIONSHIP-\$100,000 Guaranteed

(Includes \$20,000 from the California-bred Race Fund)

Three Years Old & Up, bred in California

One Mile (Longden Turf Course)

Saturday, September 6, 2003-Overnight Handicap

BIG JAG-\$60,000 Added

Three Years Old & Up

Six Furlongs

Saturday, September 13, 2003-Overnight Handicap

CARMEL-\$60,000 Added

Fillies, Three Years Old

One Mile & a Sixteenth (Longden Turf Course)

Saturday, September 20, 2003-Overnight Handicap

HILLSBOROUGH-\$60,000 Added

Fillies & Mares, Three Years Old & Up

One Mile & a Sixteenth (Longden Turf Course)

Sunday, September 21, 2003-Overnight Handicap

HALF MOON BAY-\$60,000 Added

Three Years Old

One Mile & a Sixteenth (Longden Turf Course)

Saturday, September 27, 2003

BAY MEADOWS BREEDERS' CUP HANDICAP-\$200,000 Guaranteed

(Includes \$100,000 from the Breeders' Cup Fund)

Three Year Olds & Up

One Mile & an Eighth (Longden Turf Course)

Sunday, September 28, 2003-Overnight Stakes

SAN MATEO-\$60,000 Added

Two Year Olds

Six Furlongs

Saturday, October 4, 2003

CAL SPRINT CHAMPIONSHIP-\$100,000 Guaranteed

(Includes \$20,000 from the California-bred Race Fund)

Three Year Olds & Up, bred in California

Six Furlongs

Sunday, October 5, 2003-Overnight Stakes

COURTSHIP STAKES-\$60,000 Added

Fillies, Two Years Old

Six Furlongs

Saturday, October 11, 2003-Overnight Handicap

PALO ALTO-\$60,000 Added

Fillies, Three Years Old

One Mile

Sunday, October 12, 2003-Overnight Handicap

CHARLES RUSSELL-\$60,000 Added

Fillies & Mares, Three Year Olds & Up

Six Furlongs

Saturday, October 18, 2003-Overnight Handicap

GOLDEN POPPY-\$60,000 Added

Fillies & Mares, Three Year Olds & Up

One Mile and a Sixteenth

Sunday, October 19, 2003-Overnight Stake

BAY MEADOWS JUVENILE-\$60,000 Added

Two Year Olds

One Mile

Sunday, October 26, 2003-Overnight Handicap

PACIFICA-\$60,000 Added

Three Year Olds & Up

One Mile & a Sixteenth (Longden Turf Course)

Saturday, November 1, 2003

BAY MEADOWS DERBY-\$100,000 Guaranteed

Three Year Olds

One Mile & an Eighth (Longden Turf Course)

Sunday, November 2, 2003-Overnight Stake

BAY MEADOWS LASSIE-\$60,000 Added

Fillies, Two Years Old

One Mile

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

D. LLC

1. Registered name of the LLC: Bay Meadows Operating Company LLC
2. State where articles of organization are filed: Delaware
3. Registry or file number for the LLC: 8541094 (State of Delaware)
4. Names of all officers and directors, titles, and the number of shares of the LLC held by each:
 - Frank Stronach – Chairman and Director
 - Jim McAlpine – Chief Executive Officer and Director
 - Graham J. Orr – Chief Financial Officer and Director
 - F. Jack Liebau – President and General Manager
 - Bernie Thurman – Vice President and Assistant General Manager
 - Michael A. Scalzo – Vice President Operations
 - Michael Ziegler – Vice President Marketing
 - Gary Cohn – Secretary
 - Frank J. DeMarco, Jr. – Assistant Secretary
 - Steve Doshi – Controller
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:
 - Magna Entertainment Corporation – 99%

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:
 Magna Entertainment Corporation - 99%

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
- Graham J. Orr – Chief Financial Officer and Director
- Gary Cohn – Secretary
- Frank DeMarco, Jr. – Assistant Secretary
- F. Jack Liebau – President and General Manager
- Bernie Thurman – Vice President and Assistant General Manager
- Michael A. Scalzo – Vice President Operations
- Michael Ziegler – Vice President Marketing
- Tony Calo – Track Announcer
- Jim Fetter – Director of Video Operations
- Jerry Gonzales – Chief of Security
- Dyan Grealish – Director of Group Sales
- Steve Doshi – Controller
- Paul A. Miller – Director of Food and Beverage
- Bryan Wayte – Mutuel Manager
- 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:
 F. Jack Liebau, President

5. PURSE PROGRAM

A. Estimated purse distribution:

1. All races other than stakes: \$6,850,000
 (Excludes listed stakes, overnight stakes, & overnight handicaps)
2. Overnight stakes: \$780,000 (Includes overnight handicaps and supplemental funds)

3. Non-overnight stakes: \$500,000 (Includes supplemental funds)
- B. Stakes Races:
1. Estimated purse distribution for all stakes races: \$ - see attachment
 2. Percentage of the estimated purse distribution for all stakes races that will be distributed for California-bred stakes races:
Over the course of the calendar year, over 12% of the purse distribution for stakes events will be for California-bred stakes.
- C. Estimated funds to be generated for all California-bred incentive awards: \$885,000
- 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) | \$108,000 |
| Thoroughbred Owners of California | \$ 79,900 |
| California Thoroughbred Trainers (Administration) | \$ 39,950 |
| California Thoroughbred Trainers (Pension) | <u>\$ 79,900</u> |
| TOTAL | \$307,750 |
- E. Total estimated amount from all sources to be distributed at the meeting in the form of purses or other benefits to horsemen: \$9,322,750
- F. Estimated purse funds to be generated from on-track handle and intrastate off-track handle:
\$6,795,583
- G. Estimated purse funds to be generated from interstate handle: \$1,194,417
- H. Bank or depository for the Paymaster of Purses' purse account and the account number:
Wells Fargo – Account #4496-895475
- I. Name, address and telephone number of the pari-mutuel audit firm engaged for the meeting:
Bowen McBeth, 10722 Arrow Route, Suite #110, Rancho Cucamonga, CA 91730, (909) 944-6465

NOTICE TO APPLICANT All funds generated and retained from on-track pari-mutuel handle which are obligated by law for distribution in the form of purses, breeders' awards or other benefits to horsemen, **shall not** be deemed as income to the association 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: 900
- B. Minimum number of stalls believed necessary for the meeting: 1,900
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: 1,000
- D. Name or location of each off-site stabling area and the number of stalls to be maintained at each site:
Golden Gate Fields – 1,000
- 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: 1,534
- G. Estimated cost to provide off-site stalls for this meeting: \$405,912
- H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse:

Vanning per horse \$100; estimated total vanning cost \$110,000. Estimated starter fee cost \$98,600
- I. Estimated cost for off-site stabling and vanning for this meeting. Show cost per-day per-stall:
Total cost for off-site stabling and vanning-\$515,912; Stabling cost per day per stall - \$6.15; cost per day per stall including vanning - \$7.82

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: November 2, 2003 (closing day)
- C. List any options requested with regard to exotic wagering:
Pick (n) pool (pick six) - \$2 minimum wager; 70% to major pool or carryover, 30% to minor pool
- D. Will "advance" or "early bird" wagering be offered? Yes No
If yes, when will such wagering begin:
Friday, October 24, 2003 for Breeders' Cup Day (Saturday, October 25, 2003)
Breeders' Cup "Future" wagering on dates to be announced
- 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 Limited Probe System
Contact Person: David Payton
Contract Expires: November, 2003

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 CHRB

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

NORTHERN CALIFORNIA
 Alameda County Fair, Pleasanton
 Big Fresno Fair, Fresno
 California State Fair & Exposition, Sacramento
 Club One, Fresno
 Golden Gate Fields, Albany
 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 ExpoCentre, 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-Attached

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

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

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

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
NYRA	8/29 – 11/02/03	Full or Partial Cards
Arlington Park	8/29 – 09/27/03	Full or Partial Cards
Calder	8/29 – 11/02/03	Full or Partial Cards
Churchill Downs	10/26 – 11/02/03	Full or Partial Cards
Hastings Park	8/29 – 10/19/03	Full or Partial Cards
Keeneland	10/03 – 10/25/03	Full or Partial Cards
Lone Star	8/29 – 11/02/03	Full or Partial Cards
Remington Park	8/29 – 11/02/03	Full or Partial Cards
Thistledown	8/29 – 11/02/03	Full or Partial Cards
Turfway Park	9/03 – 10/02/03	Full or Partial Cards
Woodbine	8/29 – 11/02/03	Full or Partial Cards

Additional cards and/or races pending negotiations

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

Attachment - Bay Meadows 2003 Fall Meet License Application

Out-of-state wagering systems the association proposes to offer its live audiovisual signal and
Out-of-state wagering systems that will combine their pari-mutuel pools with those of the association

Commingled Pools

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
Attheraces, England
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 Trackside (Spectrum), KY
Citizen Band Potawatomi Indians, IA
Coeur d'Leone Hotel & Casino (ADW), ID
Coeur d'Leone Hotel & Casino, ID
Colonial Downs, VA
Columbus Races, NE
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 (S&A), MD
Fair Grounds, LA
Fair Meadows, IL
Fairmount Park, IL
Finger Lakes Race Track, NY
Fonner Park, NE
Freehold Raceway, 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
Hoosier Park, IN
Horsemen's Atokad Park, NE
Horsemen's Park, NE
Indiana Downs, IN
Jackson Harness Raceway, MI
Juarez, TX

Keeneland, KY
Kentucky Downs, KY
Kentucky OTB, KY
Las Vegas Dissemination Services, NV
Comanche Tribe, OK
Cities of Gold Sports Bar, NM
Fire Lakes Entertainment, OK
Foxwoods Resorts Casino, CT
Holiday Beach, Cuaraco
Meskwaki Bingo & Casino, IW
The Stables, OK
Tonkawa Bingo, OK
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
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
Penn National, PA Telebet, Dial-A-Bet, PA
Philadelphia Park, PA
Philadelphia Park, (PhoneBet), PA
Plainridge Racecourse, MA
Playfair Race Course, WA
Pocono Downs, PA
Portland Meadows, OR
Prairie Meadows, IA
Raceway Park, OH
Racing & Gaming Services (RGS), W.I
Racing Services, Inc., ND
Randall Doc James (S&A)
Remington Park, OK
Retama Park, TX
Rillito Park, AZ
River Downs, OH
Rockingham Park, NH
Rockingham Park (ADW), 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 Texas Hub (Gulf Greyhound), TX
Thistledown Racing Club, OH
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
Youbet

Separate Pools

Assiniboia Downs, CAN
Caliente (Hipodromo De Agua Caliente), MEX
Caymanas Park, JA
Edmonton Northlands, AL, CAN
Elmira Raceway, ON, CAN
Flamoro 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

“selected feature and/or stakes races”:

QUARTER HORSE SIMULCAST RACES TO BE IMPORTED

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

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

HARNESS SIMULCAST RACES TO BE IMPORTED

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

- 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).

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 vaning deductions. Every association shall pay to its Paymaster of Purses' account within 3 calendar days following the closing of wagering for each day or night racing program, or upon receipt of the proceeds, such amounts that are retained or obligated from off-track simulcast wagering, interstate and out-of-state wagering for purses, breeders' awards or other benefits to horsemen. (See Notice to Applicant, Section 5.)

9. CHARITY RACING DAYS

- A. Name and address of the distributing agent (charity foundation) for the net proceeds from charity racing days held by the association:
 Bay Meadows Foundation, Melvin Cohn, President, P.O. Box 4687, Burlingame, CA 94011

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

Melvin E. Cohn, c/o Aaronson, Dickerson, Cohn, & Lanzone
 939 Laurel Street, Suite D, San Carlos, CA 94070

Joseph W. Cotchett, c/o Cotchett & Pitre
 840 Malcom Road, Suite 200, Burlingame, CA 94010

James Fox, San Mateo District Attorney
 401 Marshall Street, Redwood City, CA 94063

Eleanor Nettle
 2015 Eucalyptus, San Carlos, CA 94070

Jackie Speier, c/o Electronic Arts
 1450 Fashion Island Blvd., San Mateo, CA 94404-2064

Tormey L. Ward
 391 Montwood Circle, Redwood City, CA 94062

Robert F. Kane, c/o Judges & Attorneys Resolution Services, Inc.
 630 N. San Mateo Drive, San Mateo, CA 94403

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)	Dr. Robert Connolly – track vet Dr. Diane Isbell – exam vet
Clerk of Scales	Paul Nicolo
Clerk of the Course	Anne Daftary
Horse Identifier	Patrick Kealy
Horseshoe Inspector	Jack Hammonds
Paddock Judge	Larry Rees
Patrol Judges	Larry Rees, Ella Robinson
Placing Judges	Tina Walker, Grant Baker
Starter	Chuck Burkes
Timer	Richard Somers

B. Management officials in the racing department:

Coordinator of Racing Operations	Richard Lewis
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Racing Secretary	C. Gregory Brent, Jr.
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	Robert Turman
Turf Track Superintendent	Bernie Eastridge
Price Maker	Richard Somers
Stable Area Superintendent	Jerry Lynn Hunter

- C. Name, address and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards:
Christine M. Niccolo, Niccolo Reporting Services
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, Bill O'Brien, P. O. Box 6379, Napa, CA 94581
Description of Equipment on file with CHRB Expiration Date: 11/03/03
- 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:
Photopatrol service, provided by Bay Meadows Operating Company utilizes seven color cameras, twenty-one videotape camera/recorders, and twenty one video monitors.
- 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:
Bay Meadows electronic timer, installed and maintained by Bay Meadows personnel

11. SECURITY CONTROLS AND EMERGENCY SERVICES

- A. Name and title of the person responsible for security controls on the premises:
Jerry Gonzales, Chief 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:

Uniformed guards	18
Plain clothesmen	2
Stable gate attendants	5

Security alarm systems, monitored by Hue & Cry, cover the administrative offices, mutuel and catering money rooms. Surveillance systems with time-lapse recorders monitor key locations throughout the plant and parking lot.
- C. Name, address and emergency telephone number of the ambulance service to be used during workouts and the running of the races:
Bayshore Ambulance
P. O. Box 4622, Foster City, CA 94404, (650) 525-9700
- D. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites:
Turf Rescue, LLC
19615 Barclay Road, Castro Valley, CA 94546, (510) 581-8470



Aon Reed Stenhouse Inc.

20 Bay Street
Toronto, Canada M5J 2N9
Tel: (416) 868-5500 Fax: (416) 868-5580

Memorandum of Insurance

No. M6 /03-04 **AMENDED**

To: Bay Meadows
Attn: Bernie Thurman
2600 S. Delaware Street
San Mateo, CA 94402

Re: Evidence of Insurance

Facsimile: (650) 349-5884

Insurance as described herein has been arranged on behalf of the insured named herein under the following policy(ies) and as more fully described by the terms, conditions, exclusions and provisions contained in the said policy(ies) and any endorsements attached thereto.

Insured: Magna Entertainment Corp.
375 Magna Drive
Aurora, ON L4G 7L6

Coverage:

	Insurer	Policy No.	Policy Eff. Date	Policy Exp. Date	Limit(s) of Liability not less than/ Perils Insured
US Commercial General Liability	Zurich American Insurance Company	GLO9302183-01	Jan. 1/2003	Jan. 1/2004	\$1,000,000 US INCLUSIVE Bodily Injury and Property Damage subject to aggregate where applicable
Canadian Commercial General Liability	Zurich Insurance Company of Canada	CGL 3485589-01	Jan. 1/2003	Jan. 1/2004	\$1,000,000 INCLUSIVE Bodily Injury and Property Damage subject to aggregate where applicable
Workers' Compensation	Liberty International	WC1-B71-072827-023	Jan. 1/2003	Jan. 1/2004	As per applicable State Law

This memorandum constitutes a statement of the facts as of the date of issuance and are so represented and warranted only to the insured; other persons relying on this memorandum do so at their own risk.

Aon Reed Stenhouse Inc.

Mary M. Smith, Supervisor
Technical Services Department

Issued by: Alexandra Schrader
Direct Line: 416-868-5915

Dated January 3, 2003, at Toronto, Ontario

**THE POLICY CONTAINS A CLAUSE THAT MAY LIMIT THE AMOUNT PAYABLE
OR, IN THE CASE OF AUTOMOBILE INSURANCE,
THE POLICY CONTAINS A PARTIAL PAYMENT OF LOSS CLAUSE**

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

Bay Meadows Jockey Club:	
Single Membership	\$ 600
Double Membership	\$ 1,000
Full Season (6 seat table)	\$ 2,400
Full Season (4 seat table)	\$ 2,000
Weekday Membership (4 seats)	\$ 600
Weekend/Holiday Membership (4 seats)	\$ 1,500
Bay Meadows Reserved Box Seating:	
Clubhouse Box (6 seats)	\$ 1,000
Special Horsemen's Rate	\$ 700
Grandstand Box (6 seats)	\$ 1,350
Special Horsemen's Rate	\$ 900
Grandstand Box (4 seats)	\$ 1,100
Special Horsemen's Rate	\$ 800

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="25"/>
<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 seventeen foot room with a private entrance hall; room has windows, TV, heating unit, bunk beds, and a single stall shower. Attached is a private rest room with sink & 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:
69 rooms in the barn area, plus 53 in the dormitory for a total of 122 rooms

C. Number of restrooms available on the backstretch of the racetrack:
Barn area has 10 restrooms with 35 toilets & 26 showers
Dorm area has 6 restrooms, 3 for men, and 3 for women

D. Estimated ratio of restroom facilities to the number of backstretch personnel:
One toilet for every seven 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 rail is a metal gooseneck Fontana safety rail, 42" in height from track to top of rail.
 Outer rail is a metal rounded pipe rail.
- C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474: Caesar Roldan
- 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):
 Teamsters (Local 78 & 665), HERE (Local 2)
- B. Attach each horsemen's agreement pursuant to CHRB Rule 2044. To be submitted
- 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).
 Lease is on file with CHRB
- 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.

BERNIE THURMAN

Print Name



Signature

VP- ASST GENERAL MANAGER

Print Title

5/30/03

Date

STAFF ANALYSIS

July 24, 2003

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE LOS ANGELES COUNTY FAIR AT FAIRPLEX FROM SEPTEMBER 12, 2003 THROUGH SEPTEMBER 28, 2003.

Los Angeles County Fair filed its application to conduct a horse racing meeting at Fairplex:

- September 12 through September 28, 2003, or 17 straight days, the same as 2002. The fair proposes to race 207 races, 13 more than 2002. 12 races per day Monday through Saturday and 13 on Sundays.

September - 2003						
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	20
21	22	23	24	25	26	27
28	29	30				

- First post 12:30 p.m. daily.
- Specific changes from the 2002 license application:
 - Melody Truitt replaces Marcus Murphy as timer.
 - Offering 13 races on Sunday.
 - Offering an unlimited sweepstakes wager.
 - New weekend admission rate for child and senior.
 - Admission rate increases – adult weekend from \$12 to \$14, senior weekday from \$7 to \$8, and race fan club card from \$6 to \$7.
- Request Darrel Sparks be appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety requirements have been fulfilled.
- Wagering program will use CHRB rules.
 - Early wagering 8:30 a.m. at Hollywood Park.
- Simulcasting conducted with other 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 for quarter horse and thoroughbred.
2. Fire clearance.

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 of a California fair as authorized by Article 6.5 of the California Business and Professions (B&P) Code, Chapter 4, Division 8, Horse Racing Law, and in accordance with applicable provisions and the California Code of Regulations, Title 4, Division 4, CHRB Rules and Regulations.

1. APPLICANT FAIR ASSOCIATION

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

Los Angeles County Fair Association
P. O. Box 2250 Phone: 909-865-4093
Pomona, CA 91769 Fax: 909-622-5652

B. Fair association is a: District Fair County Fair Citrus Fruit Fair
 California Exposition and State Fair Other qualified fair

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: *Sept. 12 – Sept. 28, 2003*
B. Actual dates racing will be held: *Sept. 12 – Sept. 28, 2003*
C. Dates racing will NOT be held: *None*
D. Total number of days or nights of racing: *17 days*
E. Number of days or nights of racing per week: *7 days*

3. RACING PROGRAM

A. Total number of races: 207

B. Number of races by breed:

<input type="text" value="170"/>	Thoroughbreds	<input type="text" value="19"/>	Quarter Horses	<input type="text" value="10"/>	Appaloosas
<input type="text"/>	Arabians	<input type="text"/>	Paints	<input type="text" value="8"/>	Mules

CHRB CERTIFICATION

Application received: *6/12/03 AG*
Reviewed: *PN*

Hearing date: *7/24/03*
Approved date:
License number:

C. Number of races for each day or night:

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Thoroughbred	10	10	10	10	10	10	10
Other Breeds	3	2	2	2	2	2	2
Total	13	12	12	12	12	12	12

D. Total number of stakes races by breed:

Thoroughbreds
 Quarter Horses
 Appaloosas
 Arabians
 Paints
 Mules

E. Attach a listing of all stakes races and indicate the date to be run and the added money or guaranteed purse for each. *Attached*

F. 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:

G. List all post times for the daily racing program:

<i>Race</i>	<i>Daily</i>
1 st	12:30 p. m.
2 nd	1:00 p. m.
3 rd	1:30 p. m.
4 th	2:00 p. m.
5 th	2:30 p. m.
6 th	3:00 p. m.
7 th	3:30 p. m.
8 th	4:00 p. m.
9 th	4:30 p. m.
10 th	5:00 p. m.
11 th	5:30 p. m.
12 th	6:00 p. m.
*13 th	6:30 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.

4. FAIR ASSOCIATION

A. Names of the fair directors:

<i>Stephen C. Morgan, Chairman</i>	
<i>Richard P. Crean</i>	<i>James H. Piatt</i>
<i>Fred W. Freehling</i>	<i>Larry M. Rinehart</i>
<i>Juan Gamboa</i>	<i>Jill Stark</i>
<i>Arthur J. Ludwick</i>	<i>Ronald T. Vera</i>
<i>Janet M. Paulson</i>	<i>Reggie Webb</i>

PROPOSED STAKES SCHEDULE
FAIRPLEX PARK 2003

<u>DATE</u>	<u>STAKE</u>	<u>DISTANCE/PURSE</u>
Friday Sept. 12	FOOTHILL STAKES Colts & Geldings, Three Years Old	\$50,000 Guaranteed Six & One Half Furlongs
Saturday Sept. 13	PHIL D. SHEPHERD Three Year Olds & Upward	50,000 Guaranteed One Mile & One Sixteenth
Sunday Sept. 14	E.B. JOHNSTON STAKES Fillies & Mares, Three Year Olds & Upward	\$50,000 Guaranteed One Mile & One Sixteenth
Monday Sept. 15	DERBY TRIAL Three Year Olds	\$50,000 Guaranteed One Mile & One Sixteenth
Tuesday Sept. 16	BEAU BRUMMEL STAKES Colts & Geldings, Two Years Old	\$50,000 Guaranteed Six & One Half Furlongs
Wednesday Sept. 17	APRISA HANDICAP Three Year Olds & Upward	\$50,000 Guaranteed Six Furlongs
Thursday Sept. 18	BUSTLE AND BOWS STAKES Fillies, Two Years Old	\$50,000 Guaranteed Six & One Half Furlongs
Friday Sept. 19	PIO PICO STAKES Fillies & Mares, Three Years Old & Upward (Bred in California)	\$50,000 Guaranteed Six & One Half Furlongs
Saturday Sept. 20	BARRETT'S DEBUTANTE Fillies, Two Years Old	\$110,000 Estimated Six & One Half Furlongs
Sunday Sept. 21	BARRETT'S JUVENILE Colts & Geldings, Two Years Old	\$110,000 Estimated Six & One Half Furlongs
Monday Sept. 22	CTBA MARIAN STAKES Fillies, Three Years Old (Bred in California)	\$50,000 Guaranteed One Mile & One Sixteenth
Tuesday Sept. 23	BANGLES AND BEADS STAKES Fillies & Mares, Three Years Old & Upward	\$50,000 Guaranteed Six & One Half Furlongs
Wednesday Sept. 24	BLACK SWAN STAKES Fillies, Two Years Old	\$50,000 Guaranteed One Mile & One Sixteenth
Thursday Sept. 25	GATEWAY TO GLORY STAKES Two Year Olds	\$50,000 Guaranteed One Mile & One Sixteenth
Friday Sept. 26	LAS MADRINAS HANDICAP Fillies & Mares, Three Year Olds & Upward	\$100,000 Guaranteed One Mile & One Sixteenth
Saturday Sept. 27	POMONA DERBY Three Year Olds	\$100,000 Guaranteed About One Mile & One Eighth
Sunday Sept. 28	RALPH M. HINDS POMONA INVITATIONAL HANDICAP Three Year Olds & Upward (Invitational)	\$100,000 Guaranteed About One Mile & One Eighth
Sunday Sept. 28	GOVERNOR'S CUP Three Year Olds & Upward	\$50,000 Guaranteed Six & One Half Furlongs

**FAIRPLEX PARK 2003
QUARTER HORSE STAKES SCHEDULE**

DATE	STAKE	DISTANCE/PURSE
Sunday, Sept. 14	Pomona Express Stakes Three Years Old & Upward	\$12,500 Added
Sunday, Sept. 21	Pomona Juvenile Championship Two Years Old	\$12,500 Added
Sunday, Sept. 28	Pomona Quarter Horse Championship Three Years Old & Upwards	\$15,000 Added

- B. Name of the directors serving on the Racing Committee or otherwise responsible for the conduct of the racing program: *N/A*
- C. Name and title of the fair manager or executive officer and the names and titles of all department managers and fair staff, **other than those listed in 9B**, who will be listed in the official program:

OFFICERS

James E. Henwood, President & Chief Executive Officer
Dale Coleman, Vice President-Sales, Marketing, & Programming
Michael Seder, Vice President-Finance & Chief Financial Officer
Dwight Richards, Vice President Operations

MANAGEMENT

<i>George M. Bradvica, Equine Manager</i>	<i>William Shacklett, Facilities Manager</i>
<i>Dennis Fee, Security/Parking Manager</i>	<i>Scott Kelly, Director of Marketing</i>
<i>Kathy Wadham, Exhibits Manager</i>	<i>Michelle DeMott, Marketing Manager</i>
<i>Rey O'Day, Food & Beverage Manager</i>	<i>Patrick Wright, Events & Admissions Manager</i>
<i>Wendy Talarico, Communications Manager</i>	<i>John Buck, Director of Sales</i>
<i>Karen Furlow, Controller</i>	<i>Ralph Schorbach, I.T. Manager</i>
<i>Lisa Girolami, Director of Creative Development</i>	<i>Ray Ortegaso, Administrative Services Manager</i>
	<i>Holly Reynolds, Children's Services Manager</i>

5. PURSE PROGRAM

- A. Estimated purse distribution:
 - 1. All races other than stakes: *\$2,928,774*
 - 2. Overnight stakes: *0*
 - 3. Non-overnight stakes: *\$1,070,000*
- B. Estimated purse distribution for all **stakes** races: *\$1,070,000*
- C. Estimated funds to be generated for all California-bred incentive awards: *\$316,400*

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

Recognized Horsemen's Organization	Estimated Payment
<i>TOC</i>	<i>\$26,402</i>
<i>CTT</i>	<i>13,004</i>
<i>CTHF Welfare</i>	<i>39,405</i>
<i>CTT Pension</i>	<i>39,405</i>
<i>NTRA</i>	<i>68,959</i>
<i>PCQHRA</i>	<i>5,532</i>
<i>CWA</i>	<i>7,907</i>
TOTAL	<i>\$200,614</i>

- E. Total estimated amount from **all sources** to be distributed at the meeting in the form of purses or other benefits to horsemen: *\$4,515,788*

- F. Estimated purse funds to be generated from on-track handle and intrastate off-track handle:
\$3,700,148
- G. Estimated purse funds to be generated from interstate handle: *\$499,240*
- H. Bank or depository for the Paymaster of Purses' purse account and the account number:
Bank of America, Account #1496002783
- 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, CA 91730, 909-944-6465

NOTICE TO APPLICANT All funds generated and retained from on-track pari-mutuel handle which are obligated by law for distribution in the form of purses, breeders' awards or other benefits to horsemen, **shall not** be deemed as income to the fair 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 fair 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 fair 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 fair is entitled thereafter 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 fair 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 fair 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: *1306*
- B. Minimum number of stalls believed necessary for the meeting: *1600*
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: *1,000*
- D. Name or location of each off-site stabling area and the number of stalls to be maintained at each site: *Hollywood Park – 300 San Luis Rey – 200 Santa Anita - 500*
- E. Attach each contract or agreement between the fair 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 fair 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:
695 permanent; 350 portable
- G. Estimated cost to provide **off-site** stalls for this meeting: *\$257,000*

H. Estimated cost to provide **vanning** from off-site stalls for this meeting. Show fees to be paid for vanning **per-horse**:

<i>Vanning - \$111,465</i>	<i>Santa Anita</i>	<i>\$160 round-trip</i>
	<i>Hollywood Park</i>	<i>\$180 round-trip</i>
	<i>San Luis Rey</i>	<i>\$290 round-trip</i>

I. Total estimated cost for off-site stabling and vanning for this meeting. Show cost per-day **per-stall**:
 \$368,465 - \$21.67 per day per stall

7. PARI-MUTUEL WAGERING PROGRAM

A. Pursuant to B&P Code Section 19599, and with the approval of the CHRB, fairs 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 seven, 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
Ex. Race	\$1 E; \$2Twin Trifecta	CHRB #1959; RCI #VP
Race #1	Mixed, \$2Q, \$1E, \$1TRI, \$1PK-3, \$1SF	CHRB #1958, #1959, #1979, #1977, #1979.1
Race #2	Mixed, \$2Q, \$1E, \$1TRI, \$1PK-3, \$1SF	CHRB #1958, #1959, #1979, #1977, #1979.1
Race #3	Mixed ¹ /Thor. \$2Q, \$1E, \$1TRI, \$1PK-3, \$2 Parlay, \$1SF	CHRB #1958, 1959, #1979, #1977, #1954.1, #1979.1
Race #4	Thor. \$2Q, \$1E, \$1TRI, \$1PK-3, \$2 Parlay, \$1US begins, \$1SF	CHRB #1958, #1959, #1979, #1977, #1954.1, #1976, #1979.1
Race #5	Thor. \$2Q, \$1E, \$1TRI, \$1PK-3, \$2 Parlay, \$2 PNP-6 ² , \$DD	CHRB #1958, #1959, #1979, #1977, #1954.1, #1957, #1976.9
Race #6	Thor. \$2Q, \$1E, \$1TRI, \$1PK-3, \$2 Parlay, \$1SF	CHRB #1958, #1959, #1979, #1977, #1954.1, #1979.1
Race #7	Thor. \$2Q, \$1E, \$1TRI, \$1PK-3, \$2 Parlay, \$1PK-4 ³ , \$1SF	CHRB #1958, #1959, #1979, #1977, #1954.1, #1978, #1979.1
Race #8	Thor. \$2Q, \$1E, \$1TRI, \$1 PK-3, \$2 Parlay, \$1SF	CHRB #1958, #1959, #1979, #1977, #1954.1, #1979.1
Race #9	Thor. \$2Q, \$1E, \$1TRI, \$1PK-3, \$2 Parlay, \$1SF	CHRB #1958, #1959, #1979, #1977, #1954.1, #1979.1
Race #10	Thor. \$2Q, \$1E, \$1TRI, \$1PK-3, \$2 Parlay, \$1SF	CHRB #1958, #1959, #1979, #1977, #1954.1, #1979.1

Race #11	Thor. \$2Q, \$1E, \$1TRI, \$2 Parlay, \$1SF, \$1PK-3	CHRB #1958, #1959, #1979, #1954.1, #1979.1, #1977
Race #12	Thor. \$2Q, \$1E, \$1TRI, \$1SF, \$2DD	CHRB #1958, #1959, #1979, #1979.1, #1957
Race #13	Thor. \$2Q, \$1E, \$1TRI, \$1SF	CHRB #1958, #1959, #1979, #1979.1

- 1 Three mixed breed races are scheduled on days 9/20, 9/24, and 9/25.
- 2 \$2 PNP-6 offered in the last six races daily.
- 3 \$1 PK-4 offered in the last four races daily.

NOTE: On days with 11, 12 or 13 races, the type of wagers offered based on this schedule will be rolled forward or backwards accordingly.

B. The maximum carryover pool to be allowed to accumulate before its distribution **OR** the date(s) designated for distribution of the carryover pool: *September 28, 2003*

C. List any options requested with regard to exotic wagering: *None*

D. Will "advance" or "early bird" wagering be offered? Yes No
 If yes, when will such wagering begin:

Hollywood Park – 8:30 a.m.

E. Type(s) of pari-mutuel or totalizator equipment to be used by the fair and the simulcast organization, the name of the person(s) supplying equipment, and expiration date of the service contract:

AUTOTOTE, P. O. Box 6009, Newark, Delaware 19714-6009

Expiration Date: September 2003

8. SIMULCAST WAGERING PROGRAM

A. Simulcast organization engaged by the fair to conduct simulcast wagering:
Southern California OffTrack Wagering, Inc.

B. Attach the agreement between the fair and simulcast organization permitting the organization to use the fair'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 the CHRB*

C. California simulcast facilities the fair proposes to offer its live audiovisual signal: *Exhibit A*

D. Out-of-state wagering systems the fair proposes to offer its live audiovisual signal: *Exhibit B*

E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the fair:
Exhibit C

F. List the host tracks from which the fair 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":
Exhibit D

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).

Exhibit A

Alameda County Fair, Pleasanton
Antelope Valley Fair, Lancaster
Barona Casino, Lakeside
Bay Meadows, San Mateo
Big Fresno Fair, Fresno
Cabazon Fantasy Springs Casino, Indio
California State Fair & Expo, Sacramento
Earl Warren Showgrounds, Santa Barbara
Fairplex Park, Pomona
Fresno Club One, Fresno
Golden Gate Fields, Albany
Hollywood Park, Inglewood
Humboldt County Fair, Ferndale
Kern County Fair, Bakersfield
Los Alamitos Racecourse, Los Alamitos
Monterey County Fair, Monterey
National Orange Show, San Bernardino
Redwood Acres Fair, Eureka
San Bernardino County Fair, Victorville
San Joaquin County Fair, Stockton
Santa Clara County Fair, San Jose
Santa Anita Park, Arcadia
Santa Maria Fair Park, Santa Maria
Shalimar Sports Center, Indio
Shasta District Fair, Anderson
Solano County Fair, Vallejo
Sonoma County Fair, Santa Rosa
Stanislaus County Fair, Turlock
Sycuan Gaming Center, El Cajon
The Farmers Fair, Perris
Tulare County Fair, Tulare
Ventura County Fair, Ventura
Viejas Casino & Turf Club, Alpine

Exhibit B

AKsarben, Nebraska
Arapahoe Park, Colorado
Arlington International Race Course, Illinois
Assiniboia Downs, Canada
Atlantic City Casino Assn., New Jersey
Atlantic City Race Course, New Jersey
Atokad Park, South Dakota
Balmoral Park, Illinois
Barrie Raceway, Ontario
Batavia Downs, New York
Beulah Park, Ohio
Birmingham Race Course, Alabama
Blue Grass Downs, Kentucky
Blue Ribbon Downs, Oklahoma
Buffalo Trotting Association, New York
Calder Race Course, Florida
Caliente, Mexico
Camptown Greyhound Park, Kansas
Canterbury Park, Minnesota
Capital District OTB, New York
Caymanas Race Track, Jamaica
Charles Town Races, West Virginia
Churchill Downs, Kentucky
Colonial Downs, Virginia
Columbus Races, Nebraska
Connecticut OTB, Connecticut
Dairyland Greyhound Park, Wisconsin
Dakota Teletrack, South Dakota
Delaware Park, Delaware
Delta Downs, Louisiana
Dover Downs, Delaware
Downs at Albuquerque, New Mexico
Downs at Santa Fe, (PTE Inc.), New Mexico
Dueling Grounds Race Course, Kentucky
Edmonton Northlands, Canada
Ellis Park, Kentucky
Elmira Raceway, Ontario
Evangeline Downs, Louisiana
Fairgrounds Racecourse, Louisiana
Fairmount Park, Illinois
Finger Lakes Race Track, New York
Flamboro Downs, Ontario
Fonner Park, Nebraska
Foxboro Park, Massachusetts
Foxwoods Casino (LVDC), Connecticut
Fraser Park, British Columbia
Freehold Raceway, New Jersey
Garden State Park, New Jersey
Geneva Lakes Kennel Club, Wisconsin
Green Mountain Racetrack, Vermont
Gulf Greyhound, Texas
Gulfstream Park, Florida
Harrington Raceway, Delaware
Hawthorne Race Course, Illinois
Hazel Park, Michigan
Hialeah Park, Florida
Hiawatha Downs, Ontario
Hinsdale Greyhound Park, New Hampshire
Hipodromo de las Americas, Mexico
Hipodromo Presidente Remon, Panama
Holiday Beach, (LVDC) Nevada
Hoosier Park, Indiana
Jackson Harness Raceway, Michigan
Juarez, Mexico
Kawartha Downs, Ontario
Keeneland, Kentucky
Kentucky OTB,
Korea Racing Association,
l' Hippodrome de Montreal, Canada
Las Vegas Dissemination Company, Nevada
Lebanon Trotting Club, Ohio
Les Bois Park, Idaho
Lewiston OTB, Maine
Lincoln Greyhound Park, Rhode Island
Lone Oak Racing, Oregon
Lone Star Race Park, Texas
Louisiana Downs, Louisiana
Manor Downs, Texas
Marquis Downs, Saskatchewan
Maryland Jockey Club, Maryland
Maywood Park,
Meskwaki Casino (LVDC), Nevada
Mile High Greyhound,
Mobile Greyhound Park, Alabama
Monmouth Park, New Jersey
Montana State Fair, Montana
Monticello Raceway, NY
Mountaineer Park, West Virginia
Mt. Pleasant Meadows, Michigan
Muskegon Race Course, Michigan

Nassau Downs OTB, New York
Nebraska State Fair Park, Nebraska
Nevada Pari-Mutuel Association, Nevada
New Jersey Sports & Exposition Authority,
New Jersey
New Mexico State Fair, New Mexico
New York City Off-Track Betting,
New York
New York Racing Association, New York
Newport Jai-Alai, Rhode Island
Northfield Park, Ohio
Northville Downs, Michigan
Northwest Racing Associates Limited
Partnership, Washington
Oaklawn Park, Arkansas
Ocean Downs, Maryland
On Demand Services, Kentucky
Ontario Jockey Club, Ontario
Pacific Racing Association, Canada
Penn National Race Course, Pennsylvania
Philadelphia Park, Pennsylvania
Pimlico, Maryland
Plainfield Greyhound Park, Connecticut
Playfair Race Course, Washington
Pocono Downs, Pennsylvania
Portland Meadows, Oregon
Prairie Meadows, Iowa
Queensbury Downs, Saskatchewan
Raceway Park, Ohio
Racing and Gaming Services, St Kitts
Racing Services, Inc., North Dakota
Remington Park, Oklahoma
Retama Park, Texas
Rideau Carlton, Ontario
Rillito Park, Arizona
River Downs, Ohio
Roberts Television International, NV
Rockingham Park, New Hampshire
Ruidoso Downs, New Mexico
Saginaw Harness Raceway,
Sam Houston Park, Texas
Saratoga Raceway, New York
Scarborough Downs, Maine
Scioto Downs, Ohio
Seabrook Greyhound Park,

Southland Greyhound Park, Arkansas
Sports Creek Raceway, Michigan
Sportsman's Park, Illinois
St. Croix Greyhound Park, Wisconsin
Stampede Park, Alberta
Stevenson & Associates, Maryland
Suffolk Downs, Massachusetts
Sunland Park Racetrack, New Mexico
Tampa Bay Downs, Florida
Teton Racing Association, Idaho
The Meadows, Pennsylvania
The Red Mile, Kentucky
Thistledown Racing Club, Ohio
Thunder Ridge, Kentucky
Timonium, Maryland
Tri-State Greyhound, West Virginia
Trinity Meadows, Texas
TVG, Delaware
Turf Paradise, Arizona
Turfway Park, Kentucky
Turning Stone Casino, New York
Valley Race Park, Texas
Vernon Downs, New York
Victoryland, Alabama
Western Fair, Ontario
Western Regional OTB, New York
Wheeling Downs, Canada
Windsor Raceway, Ontario
Wisconsin Dells Greyhound, Wisconsin
Wichita Greyhound Park, Kansas
Wonderland Greyhound Park,
Massachusetts
Woodlands, Kansas
Wyoming OTB, Wyoming
Yavapai Downs, Arizona
Yonkers Raceway, New York
Youbet, Pennsylvania

Exhibit C

AKsarben, Nebraska
Arapahoe Park, Colorado
Arlington International Race Course, Illinois
Atlantic City Casino Assn., New Jersey
Atlantic City Race Course, New Jersey
Atokad Downs, Nebraska
Balmoral Park, Illinois
Batavia Downs, New York
Bay Meadows, California
Beulah Park, Ohio
Birmingham Race Course, Alabama
Blue Ribbon Downs, Oklahoma
Buffalo Trotting Association, New York
Calder Race Course, Florida
California State Fair, California
Camptown Greyhound Park, Kansas
Canterbury Park, Minnesota
Capital District OTB, New York
Charles Town Races, West Virginia
Churchill Downs, Kentucky
Colonial Downs, Virginia
Columbus Races, Nebraska
Connecticut OTB, Connecticut
Dairyland Greyhound Park, Wisconsin
Dakota Teletrack, South Dakota
Delaware Park, Delaware
Delta Downs, Louisiana
Dover Downs, Delaware
Downs at Albuquerque, New Mexico
Downs at Santa Fe, (PTE Inc.), New Mexico
Dueling Grounds Race Course, Kentucky
Ellis Park, Kentucky
Evangeline Downs, Louisiana
Fairgrounds Racecourse, Louisiana
Fair Meadows, Oklahoma
Fairmount Park, Illinois
Finger Lakes Race Track, New York
Fonner Park, Nebraska
Foxboro Park, Massachusetts
Foxwoods Casino (LVDC), Connecticut
Freehold Raceway, New Jersey
Garden State Park, New Jersey
Geneva Lakes Kennel Club, Wisconsin
Golden Gate Fields, California
Gulf Greyhounds, Texas
Harrington Raceway, Delaware
Hawthorne Race Course, Illinois
Hazel Park, Michigan
Hinsdale Greyhound Park, New Hampshire
Holiday Beach, (LVDC) Nevada
Hoosier Park, Indiana
Humboldt County Fair, California
Jackson Harness Raceway, Michigan
Keeneland, Kentucky
Las Vegas Dissemination Company, Nevada
Lebanon Trotting Club, Ohio
Les Bois Park, Idaho
Lewiston OTB, Maine
Lincoln Greyhound Park, Rhode Island
Lone Oak Racing, Oregon
Lone Star Race Park, Texas
Louisiana Downs, Louisiana
Manor Downs, Texas
Maryland Jockey Club, Maryland
Meskwaki Casino (LVDC), Nevada
Mobile Greyhound Park, Alabama
Monmouth Park, New Jersey
Monticello Raceway, NY
Mountaineer Park, West Virginia
Mt. Pleasant Meadows, Michigan
Nassau Downs OTB, New York
Nebraska State Fair Park, Nebraska
Nevada Pari-Mutuel Association, Nevada
New Jersey Sports & Exposition Authority,
New Jersey
New Mexico State Fair, New Mexico
New York City Off-Track Betting,
New York
New York Racing Association, New York
Newport Jai-Alai, Rhode Island
Northfield Park, Ohio
Northville Downs, Michigan
Oaklawn Park, Arkansas
Ocean Downs, Maryland
On Demand Services, Kentucky
Penn National Race Course, Pennsylvania
Philadelphia Park, Pennsylvania
Pocono Downs, Pennsylvania
Portland Meadows, Oregon
Prairie Meadows, Iowa

Raceway Park, Ohio
Racing and Gaming Services, St. Kitts
Racing Services, Inc., North Dakota
Remington Park, Oklahoma
Retama Park, Texas
Rillito Park, Arizona
River Downs, Ohio
Rockingham Park, New Hampshire
Ruidoso Downs, New Mexico
Sam Houston Park, Texas
San Mateo County Fair, California
Saratoga Raceway, New York
Scarborough Downs, Maine
Sonoma County Fair, California
Southland Greyhound Park, Arkansas
Sports Creek Raceway, Michigan
Sportsman's Park, Illinois
St. Croix Greyhound Park, Wisconsin
Suffolk Downs, Massachusetts
Sunland Park Racetrack, New Mexico
Tampa Bay Downs, Florida
Teton Racing Association, Idaho
The Meadows, Pennsylvania
Thistledown Racing Club, Ohio
Timonium, Maryland
Tri-State Greyhound, West Virginia
Trinity Meadows, Texas
TVG, Delaware
Turfway Park, Kentucky
Turning Stone Casino, New York
Valley Race Park, Texas
Vernon Downs, NY
Western Regional OTB, New York
Wisconsin Dells Greyhound, Wisconsin
Wichita Greyhound Park, Kansas
Wonderland Greyhound Park,
Massachusetts
Woodlands, Kansas
Wyoming OTB, Wyoming
Yavapai Downs, AZ
Yonkers Raceway, New York
Youbet, Pennsylvania

Exhibit D

Date	Location	Event	Grade	Purse	Distances
9/13/03	Turfway Park	Kentucky Cup Starter Stake		\$50,000	1 Mile
9/13/03	Turfway Park	Kentucky Cup Juvenile Fillies (Listed)		\$100,000	1 Mile
9/13/03	Turfway Park	Gallery Furniture KY Cup Juvenile	III	\$100,000	1 1/15 Miles
9/13/03	Turfway Park	Kentucky Cup Sprint	II	\$150,000	6 Furlongs
9/13/03	Turfway Park	Turfway Breeders' Cup	III	\$250,000	1 1/16 Miles
9/13/03	Turfway Park	Kentucky Cup Classic	II	\$500,000	1 1/8 Miles
9/13/03	Turfway Park	Kentucky Cup Turf		\$300,000	1 1/2 Miles (turf)
9/13/03	Turfway Park	Kentucky Cup Mile		\$200,000	1 Mile (turf)
9/13/03	Turfway Park	Kentucky Cup Ladies Turf		\$100,000	1 Mile (turf)
9/13/03	Turfway Park	Kentucky Cup Turf Dash		\$100,000	6 Furlongs (turf)
9/13/03	Belmont	Ruffian Handicap	I	\$300,000	1 1/16 Miles
9/13/03	Belmont	Belmont Breeders' Cup Handicap	II	\$200,000	1 1/8 Miles (turf)
9/13/03	Belmont	Jerome Handicap	II	\$150,000	1 Mile
9/13/03	Belmont	The Floral Park	III	\$100,000	6 Furlongs
9/14/03	Belmont	Matron Stakes	I	\$200,000	1 Mile
9/14/03	Belmont	Futurity	I	\$200,000	1 Mile
9/14/03	Woodbine	Atto Mile	I	\$1,000,000	1 Mile
9/21/03	Belmont	Vosburgh Stakes	I	\$500,000	6 1/2 Furlongs
9/20/03	Belmont	Noble Damsel Handicap	III	\$150,000	1 Mile (turf)
9/20/03	Belmont	The Ashley T. Cole		\$75,000	1 1/8 Miles (turf)
9/20/03	Calder	Brave Raj Stakes		\$100,000	1 Mile & 70 yds
9/20/03	Calder	Foolish Pleasure Stakes		\$100,000	1 Mile & 70 yds
9/20/03	Delaware Park	Cesar Rodney HCP		\$200,000	1 1/8 Miles (turf)
9/20/03	Louisiana Downs	Super Derby XXI	I	\$500,000	1 1/8 Miles
9/20/03	Louisiana Downs	Marie P. DeBartolo		\$50,000	1 1/16 Miles (turf)
9/21/03	Hastings	British Columbia Derby	II	\$250,000	9 Furlongs
9/21/03	Louisiana Downs	Louisiana Downs Handicap		\$100,000	1 1/15 Miles (turf)
9/21/03	Belmont	The Jamaica	II	\$200,000	1 1/8 Miles (turf)
9/21/03	Belmont	The Schenectady		\$75,000	6 Furlongs
9/22/03	Arlington	Arlington-Washington Futurity Stakes	II	\$140,000	1 Mile
9/27/03	Belmont	The Flower Bowl Invitational	I	\$750,000	1 1/4 Miles (turf)
9/27/03	Belmont	The Jockey Club Gold Cup	I	\$1,000,000	1 1/4 Miles
9/27/03	Belmont	The Turf Classic Invitational	I	\$750,000	1 1/2 Miles (turf)
9/28/03	Belmont	The Joseph A. Gimma		\$75,000	7 Furlongs
9/28/03	Belmont	The Bertram F Bongard		\$75,000	7 Furlongs
9/28/03	Arlington	Arlington-Washington Lassie Stakes	III	\$100,000	1 Mile

Full cards to be determined.

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. List imported simulcast races the fair plans to receive during the racing meeting 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:

Exhibit E

OTHER BREED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Breed of Horse	Race Dates	Number of Races to be Imported
Examples:			
Meadowlands	H	8/7/99	1
Ruidoso Downs	QH	9/6/99	3

- H. 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 agreement by the appropriate racing association(s).

NOTICE TO APPLICANT All interstate wagering to be conducted by a fair 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 a fair is subject to the provisions 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 fair shall pay to the simulcast organization within 3 calendar days following the closing of wagering for each 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 fair shall pay to its Paymaster of Purses' account within 3 calendar days following the closing of wagering for each 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. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

- A. Racing Officials nominated:

<i>Associate Judges</i>	<i>N/A</i>
<i>Association Veterinarian(s)</i>	<i>Heather Kerr, D.V.M.</i>
<i>Clerk of Scales</i>	<i>Charles McCaul</i>
<i>Clerk of the Course</i>	<i>Michele Martinez</i>
<i>Horse Identifier</i>	<i>Darrel Sparks</i>
<i>Horseshoe Inspector</i>	<i>Victor Tovar</i>
<i>Paddock Judge</i>	<i>Ken Goldberg</i>
<i>Patrol Judges</i>	<i>Tora Yamaguchi</i>
	<i>Cheryl White</i>

	<i>Ruben Hernandez</i>	
<i>Placing Judges</i>	<i>John Bucalo</i>	
	<i>Kevin Colosi</i>	
	<i>James Dreyer</i>	
<i>Starter</i>	<i>Jay Slender*</i>	<i>*Tucker Slender (Sept. 28 only)</i>
<i>Timer</i>	<i>Melody Truitt</i>	
<i>Quick Official</i>	<i>Larry Gilligan</i>	

B. Management officials in the racing department:

<i>Director of Racing</i>	<i>N/A</i>	
<i>Racing Secretary</i>	<i>Richard Wheeler</i>	
<i>Assistant Racing Secretary</i>	<i>Zachary Soto</i>	
<i>Paymaster of Purses</i>	<i>Bridget Crawford</i>	
<i>Others (identify by name and title)</i>		
<i>Equine Manager</i>	<i>George M. Bradvica</i>	
<i>Racing Supervisor</i>	<i>Terry Gilligan</i>	
<i>Racing Secretary-Quarter Horses & Appaloosas</i>	<i>Robert Moreno</i>	
<i>Jockey Room Custodian</i>	<i>Dennis Flowers</i>	
<i>Mutuel Manager</i>	<i>Bill Navarro</i>	
<i>Safety Manager</i>	<i>Dennis Fee</i>	
<i>Announcer</i>	<i>Trevor Denman*</i>	<i>*Michael Wrona (Sept. 28 only)</i>
<i>Track Superintendent</i>	<i>Steve Wood</i>	
<i>Director of Labor Relations</i>	<i>Richard A. Hughes</i>	

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

Sidney Proctor, 180 W. State Avenue, Pasadena, California 91105, 626-403-9731

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: *Contract Expiration: 12/31/03*

William D. O'Brien, Plusmic Corp USA, P. O. Box 6379, Napa California 94581

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: *Contract Expiration: 4/30/08*

Jim Porep, Pegasus Communication, 16633 Ventura Blvd., #1010, Encino, California 91436

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:

TP-2500G Time Processor timing controller

Provided by Essential Data Control Systems

Contract Expiration: 9/28/03

CARF, Larry Swartzlander, 1776 Tribute Road, Suite 150, Sacramento, CA 95815

Timing cells - (16) 42 MRR - 5,000 receiving cells

(16) 42 MRR - 5,000 light source cells

Owned and operated by Fairplex

10. SECURITY CONTROLS AND EMERGENCY SERVICES

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

Dennis Fee, Safety Services Manager

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: *13 Security Guards Money room in the Grandstand Mezzanine has magnetic connections at each opening. There are also interior motion detectors. These systems are monitored by a central alarm station located at Gate 1, which is manned by Security 24 hours a day.*

- C. Name, address and emergency telephone number of the ambulance service to be used during workouts and the running of the races:

*Event Medical Services (EMS)
10765 Noel Street, Los Alamitos, California 90720-2457
Emergency Telephone No.: 909-865-4370 (on grounds)
800-EMS-1140 or 714-821-6166*

- D. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites:

*Santa Anita and Hollywood Park
Huntington Ambulance
P. O. Box 145, Sunset Beach, California 90742
562-904-1550 Emergency Telephone No.: 562-460-1463*

*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.
To be forwarded directly from Los Angeles County Fire Department.

- F. Name of the workers' compensation insurance carrier for the fair and the number of the insurance policy (if self-insured, provide details):

State Compensation Insurance Fund, #1578604 – 03 Expiration Date: 7/1/04

- 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 fair for payment of workers' compensation.
Attached

11. 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:

C & C Concessions, Mr. Charles Giordano, President, P. O. Box 1651, Ontario, California 91762

Today's Racing Digest, Kay Neves, 1414 E. Foothill Blvd., Glendora, California 91741

Winners, Toby Turrell, 14112 Enfield Circle, Westminster, California 92683

Bob's Cards, Inc., Tiffany Bohland, 420 S. Rolling Hills Place, Anaheim, California 92807

Winner's Circle Gift Shop, Bill Hill & Mark Hill, 200 N. 2nd Avenue, Upland, California 91786

**STATE
COMPENSATION
INSURANCE
FUND**

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

CERTIFICATE OF WORKERS' COMPENSATION INSURANCE

ISSUE DATE: 07-01-2003

GROUP:
POLICY NUMBER: 1578604-2003
CERTIFICATE ID: 1
CERTIFICATE EXPIRES: 07-01-2004
07-01-2003/07-01-2004

CALIFORNIA HORSE RACING BOARD
1010 HURLEY WAY #300
SACRAMENTO CA 95825

SJ

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

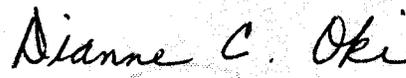
This policy is not subject to cancellation by the Fund except upon 30 days' advance written notice to the employer.

We will also give you 30 days' advance notice should this policy be cancelled prior to its normal expiration.

This certificate of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policies listed herein. Notwithstanding any requirement, term, or condition of any contract or other document with respect to which this certificate of insurance may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.



AUTHORIZED REPRESENTATIVE



PRESIDENT

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

ENDORSEMENT #2065 ENTITLED CERTIFICATE HOLDERS' NOTICE EFFECTIVE 07-01-2003 IS ATTACHED TO AND FORMS A PART OF THIS POLICY.

EMPLOYER

LOS ANGELES COUNTY FAIR ASSOC
PO BOX 2250
POMONA CA 91769

LEGAL NAME

LOS ANGELES COUNTY FAIR ASSOCIATION

12. SCHEDULE OF CHARGES

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

General Admission

Adults \$10.00 weekdays/\$14.00 weekends*

Child 5.00/7.00

Seniors 8.00*/10.00**

Adult purchased through Group Sales 7.00

Child purchased through Group Sales 4.00

RaceFan ClubCard 7.00*

Box Seats 3.00

General Parking 7.00

Preferred Parking 10.00

Valet Parking 15.00

Programs

On-Track 2.00

Off-Track 2.00

*increases – adult weekend admission \$2, weekday senior \$1, race fan club \$1

**new weekend admission rate for child and senior

B. Describe any "Season Boxes" or other special accommodation fees: *Described above.*

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

13. JOCKEYS' QUARTERS

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

Corners (lockers and cubicles) How many

Showers Steam room, sauna or steam cabinets Lounge area

Masseur Food/beverage service Certified platform scale

B. Describe the quarters to be used for female jockeys:

12' x 11' lounge with air conditioning and closed circuit TV. 11' x 13' restroom with shower, sauna and 4 cubicles. Located between Paddock and Food and Beverage Area

14. 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: 0

C. Number of restrooms available on the backstretch of the racetrack: 26

D. Estimated ratio of restrooms to the number of backstretch personnel: 26/1000

15. TRACK SAFETY

- A. Total distance of the racecourse - measured from the finish line counterclockwise (3' from the inner railing) back to the finish line:

3,294.46

 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.
Rail designed per specifications of the California Horse Racing Board. Metal gooseneck supports with sheet metal cover. Aluminum face of rail - 25" overhang. Approximate height of the top of inner railing from the level of the race course - 40".
- C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474: *Steve Wood*
- D. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474.
- E. If the fair 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.

16. DECLARATIONS

- A. All labor agreements, concession and service contracts, and other agreements 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. *QH and TB - Pending*
- C. 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*
- D. Absent natural disasters or causes beyond the control of the fair, 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 fair 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.

17. 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 fair to attest to this application on its behalf.

Michael D. Seder
Print Name


Signature

Vice-President
Print Title

June 11, 2003
Date

STAFF ANALYSIS
July 24, 2003

ISSUE: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF CAPITOL RACING LLC AT CAL EXPO FROM SEPTEMBER 26, 2003 THROUGH FEBRUARY 29, 2004.

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

- September 26, 2003 through February 29, 2004. The association proposes to race 89 nights with 1,120 races, or 12.6 races per night.
 - Meet the 10% requirement of stakes purses paid for Cal-bred stakes races.

September - 2003						
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	20
21	22	23	24	25	26	27
28	29	30				

October - 2003						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13 H	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

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	24	25	26	27 H	28	29
30						

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						

- Racing 2 nights per week, Friday and Saturday through October 4; 3 per week, Thursday-Saturday through October 18; 4 per week, Wednesday-Saturday through December 20 and 5 per week, Wednesday-Sunday through February 29, 2004.
 - Up to 15 live races nightly.
 - 6 simulcast races on nights with Quarter Horse overlap and 12 with no overlap.
 - Racing Sunday, November 30.
 - No racing Thursday, November 27 and December 25 or Wednesday, December 24, January 21 and February 18.
- First live post 5:35 p.m. daily and 7:00 p.m. October 19.
 - First simulcast post 4:50 p.m. Wednesday-Friday, 5:08 p.m. Saturday and 5:10 p.m. Sunday.

- Request Carl Sobey be appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety requirements have been fulfilled.
- Wagering program will use a combination of CHRB and ARCI rules.
 - Early wagering 11:00 a.m. to 5:00 p.m. before each night of racing.
- 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. Lease agreement.
2. Company to provide electronic timing device to be used for the timing of races.

RECOMMENDATION:

Staff has received several letters from interested parties expressing interest in conducting the harness horse racing meeting at Cal Expo.

Staff recommends the Board hear from Capitol Racing.

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

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

1. APPLICANT ASSOCIATION

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

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

B. Breed of horse: TB QH H

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

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

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

2. DATES OF MEETING

A. Inclusive dates for the entire meeting: *Sept. 26, 2003 thru Feb. 29, 2004*

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

C. Total number of days or nights of racing: *89*

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

Wed - Sun Tues - Sat Other (specify)

See attached Schedule I

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

See attached Schedule I

CHRB CERTIFICATION

Application received: *6/25/03*
Deposit received: *On File*
Reviewed: *PN*

Hearing date: *7/24/03*
Approved date:
License number:

CAPITOL RACING AT CAL-EXPO
Fall 2003/Winter 2004 Harness Race Meet

Schedule I

SEPTEMBER 2003				
Sun	Wed	Thur	Fri	Sat
	3	4	5	6
7	10	11	12	13
14	17	18	19	20
21	24	25	Opening Night 26 	27 
28				

OCTOBER 2003				
Sun	Wed	Thur	Fri	Sat
	1	2	3 	4 
5	8	9 	10 	11 
12	15	16 	17 	18 
19	22 	23 	24 	25 
26	29 	30 	31 	

NOVEMBER 2003				
Sun	Wed	Thur	Fri	Sat
				1 
2	5 	6 	7 	8 
9	12 	13 	14 	15 
16	19 	20 	21 	22 
23 30 	26 	27 Thanksgiving Day No Racing	28 	Breeder's Crown 29 

DECEMBER 2003				
Sun	Wed	Thur	Fri	Sat
	3 	4 	5 	6 
7	10 	11 	12 	13 
14	17 	18 	19 	20 
21	24 Christmas Eve No Racing	25 Christmas Day No Racing	26 	27 
28 	31 New Year's Eve No Racing			

JANUARY 2004				
Sun	Wed	Thur	Fri	Sat
		1 New Year's Day No Racing	2 	3 
4 	7 	8 	9 	10 
11 	14 	15 	16 	17 
18 	21 No Racing	22 	23 	24 
25 	28 	29 	30 	31 

FEBRUARY 2004				
Sun	Wed	Thur	Fri	Sat
1 Super Bowl Sunday No Racing	4 	5 	6 	7 
8 	11 	12 	13 	14 
15 	18 No Racing	19 	20 	21 
22 	25 	26 	27 	28 
Closing Night 29 				

3. RACING PROGRAM

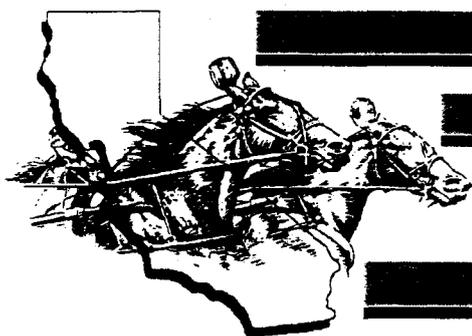
- A. Total number of races: 1120
- B. Number of races for each day or night: *Up to 15 races nightly.*
- C. Total number of stakes races: 48
- D. Attach a listing of all stakes races and indicate the date to be run and the added money or guaranteed purse for each. Note the races that are designated for California-bred horses.
Addendum to Horsemen’s Agreement.
- E. Will provisions be made for owners and trainers to use their own registered colors?
 Yes No If no, what racing colors are to be used:
- F. List all post times for the daily racing program:

See attached Schedule II

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

4. RACING ASSOCIATION

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



CAPITOL

RACING

at Cal-Expo

Fall/Winter Race Meet 2003-2004

■ Racing September 26th thru February 29th; 89 Racing Programs.

OPENING PURSE SCHEDULE

<u>CLAIMING PRICE</u>	<u>PURSE</u>	<u>CONDITION</u>	<u>PURSE</u>
\$3,000 w/cond	\$2,200-2,400	N/W1 or \$3,000 ..	\$3,000
3,000	2,500	N/W 2 or \$7,500	3,500
4,000	2,800	N/W 3 or \$15,000.....	4,200
5,000	3,200	N/W 6 or \$30,000	6,000
6,000	3,600	N/W 10 or \$50,000	7,200
8,000	4,000		
10,000	4,500	N/W \$1,501 last 6 races	4,000
12,500	5,000	N/W \$2,501 last 6 races	4,500
16,000	5,600	N/W \$4,501 last 6 races	5,500
20,000	6,400	N/W \$7,501 last 6 races	6,500
25,000	7,200		
35,000	8,000	CB Open or FM Trot Open ..	7,000
50,000	8,500	FM or Trot Invite	8,000
60,000	9,000	Invite	10,000
75,000	9,500		

CONDITION/CLAIMERS

N/W 2 (CB & FM 3) ExPM Races or \$10,000
 (CB & FM \$15,000) Life; Clm. Price \$6,000
 Purse..... \$3,200

N/W 4 (CB & FM 6) ExPM Races or \$20,000
 (CB & FM \$30,000) Life; Clm. Price \$10,000
 Purse..... \$3,600

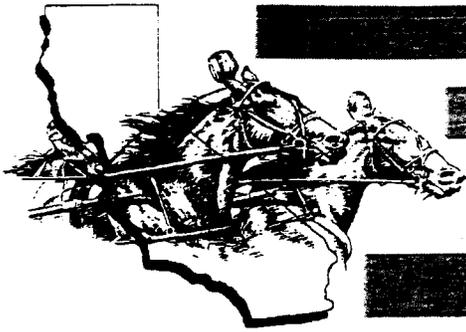
N/W 6 (CB & FM 9) ExPM Races or \$30,000
 (CB & FM \$45,000) Life; Clm. Price \$14,000
 Purse..... \$4,200

N/W 8 (CB & FM 12) ExPM Races or \$40,000
 (CB & FM \$60,000) Life; Clm. Price \$18,000
 Purse..... \$4,800

Notes:

● If two (2) classes are combined, then the resulting purse will be the average of both purses.

● If three (3) classes are combined, then the resulting purse will be the average of the three (3) purses.



CAPITOL

RACING

at Cal-Expo

FALL/WINTER RACE MEET 2003-2004

SCHEDULE OF LATE CLOSING EVENTS

No. 1 - The Silverado Pacing Series: For Cal-Bred Colts & Geldings, 5-year-olds & under, N/W 3 ExPm races or \$15,000 lifetime as of Sept. 1, 2003.

Leg I - Purse \$4,500 (Entry Fee \$100); Oct. 4th.
Leg II - Purse \$5,000 (Entry Fee \$100); Oct. 11th.
Final - Purse \$12,500 Guaranteed
(Entry Fee \$200); Oct. 18th.

No. 2 - The Placerville Pacing Series: For Cal-Bred Fillies & Mares, 5-year-olds & under, N/W 3 ExPm races or \$15,000 lifetime as of Sept. 1, 2003.

Leg I - Purse \$4,500 (Entry Fee \$100); Oct. 3rd.
Leg II - Purse \$5,000 (Entry Fee \$100); Oct. 10th.
Final - Purse \$12,500 Guaranteed
(Entry Fee \$200); Nov. 7th.

No. 3 - The Roseville Pacing Series: For Cal-Breds; 5-year-olds & under; Colts & Geldings and Fillies & Mares that participated in at least one (1) Leg of the Silverado or Placerville Series but did not finish "First" or "Second" in the Final.

Leg I - Purse \$4,500 (Entry Fee \$100); Oct. 25th.
Leg II - Purse \$5,000 (Entry Fee \$100); Nov. 1st.
Final - Purse \$12,500 Guaranteed
(Entry Fee \$200); Nov. 8th.

No. 4 - The Gold Rush Pacing Series: For Colts & Geldings, 5-year-olds & under, N/W 3 (CB 6) ExPm races or \$15,000 (CB \$30,000) lifetime as of Oct. 15, 2003.

Leg I - Purse \$4,500 (Entry Fee \$100); Nov. 22nd.
Leg II - Purse \$5,000 (Entry Fee \$100); Nov. 29th.
Final - Purse \$12,500 Guaranteed
(Entry Fee \$200); Dec. 6th.

No. 5 - The Mother Lode Pacing Series: For Fillies & Mares, 5-year-olds & under, N/W 3 (CB & FM 6) ExPm races or \$15,000 (CBFM \$30,000) lifetime as of Oct. 15, 2003.

Leg I - Purse \$4,500 (Entry Fee \$100); Nov. 21st.
Leg II - Purse \$5,000 (Entry Fee \$100); Nov. 28th.
Final - Purse \$12,500 Guaranteed
(Entry Fee \$200); Dec. 5th.

No. 6 - The Sutters Mill Pacing Series: For Colts & Geldings or Fillies & Mares, 5-year-olds & under, that participated in at least one (1) Leg of the Gold Rush or Mother Lode Series but did not finish "First" or "Second" in the Final.

Leg I - Purse \$4,500 (Entry Fee \$100); Dec. 20th.
Leg II - Purse \$5,000 (Entry Fee \$100); Dec. 27th.
Final - Purse \$12,500 Guaranteed
(Entry Fee \$200); Jan. 3rd.

No. 7 - The Lake Tahoe Pacing Series: For Colts & Geldings, 5-year-olds & under, N/W 6 (CB 12) ExPm races or \$30,000 (CB \$60,000) lifetime as of Jan. 1, 2004.

Leg I - Purse \$5,500 (Entry Fee \$200); Feb. 6th.
Leg II - Purse \$6,000 (Entry Fee \$200); Feb. 13th.
Final - Purse \$20,000 Guaranteed
(Entry Fee \$400); Feb. 20th.

No. 8 - The Yosemite Pacing Series: For Fillies & Mares, 5-year-olds & under, N/W 6 (CBFM 12) ExPm races or \$30,000 (CB & FM \$60,000) lifetime as of Jan. 1, 2004.

Leg I - Purse \$5,500 (Entry Fee \$200); Feb. 7th.
Leg II - Purse \$6,000 (Entry Fee \$200); Feb. 14th.
Final - Purse \$20,000 Guaranteed
(Entry Fee \$400); Feb. 21st.

No. 9 - The Delta Queen Trotting Series: For 5-year-olds & under, N/W 3 (CB & FM 6) ExPm races or \$15,000 (CB & FM \$30,000) lifetime as of Sept. 1, 2003.

Leg I - Purse \$4,500 (Entry Fee \$100); Oct. 9th.
Leg II - Purse \$5,000 (Entry Fee \$100); Oct. 16th.
Final - Purse \$12,500 Guaranteed
(Entry Fee \$200); Oct. 23rd.

No. 10 - The Sonoma Trotting Series: For 5-year-olds & under, N/W 8 (CB & FM 15) ExPm races or \$40,000 (CB & FM \$75,000) lifetime as of Dec. 1, 2003.

Leg I - Purse \$6,500 (Entry Fee \$200); Jan. 4th.
Leg II - Purse \$7,000 (Entry Fee \$200); Jan. 11th.
Final - Purse \$20,000 Guaranteed
(Entry Fee \$400); Jan. 18th.

Additional Events & Cal-Bred Stakes on Next Page . . .

Capitol Racing at Cal-Expo **Sept. 26, 2003 thru February 29, 2004**

No. 11 - The Golden Bear Pacing Series: Free For All for Cal-Breds.

Leg I - Purse \$7,000 (Entry Fee \$200); Jan. 17th.

Leg II - Purse \$7,500 (Entry Fee \$200); Jan. 24th.

**Final - Purse \$20,000 Guaranteed
(Entry Fee \$400); Jan. 31st.**

★ ★ ★

Conditions for Late Closing Events

- (1) Series 1 thru 10 for 5-Year-Olds & under in 2003.
- (2) Series 1 thru 10, eligibility for money earnings as of previously indicated date.
- (3) Series 1 thru 11 to be contested in two (2) Legs and a Final format.
- (4) Series 1 thru 11, all Legs and the Final events to be contested at one (1) mile.
- (5) Series 1 thru 11, Final events limited to the 10 highest money earners in the respective Legs. A draw by lot will break ties in earnings.
- (5) Series 4 thru 10, California Sires Stake and Gold Series wins not considered.

Schedule II
POST TIMES FOR PROPOSED DAILY RACING PROGRAM

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

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

D. LLC

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

E. OTHER

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

F. Management and Staff

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

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

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

Alan Horowitz, General Manager

5. PURSE PROGRAM

A. Estimated purse distribution:

1. All races other than stakes: *\$4,050,000.*
2. Overnight stakes: *\$150,000. late closers*
3. Non-overnight stakes: *\$600,000. (Calif. Sire & Gold events)*

B. Stakes Races:

1. Estimated purse distribution for all stakes races: *\$750,000.*
2. Percentage of the estimated purse distribution for all stakes races that will be distributed for California-bred stakes races: *90%*

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

\$100,000.

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

<u>Recognized Horsemen's Organization</u>	<u>Estimated Payment</u>
<i>California Harness Horsemen's Association</i>	<i>\$250,000.</i>

- E. Total estimated amount from all sources to be distributed at the meeting in the form of purses or other benefits to horsemen: *\$5,150,000.*

- F. Estimated purse funds to be generated from on-track handle and intrastate off-track handle:
\$850,000. On-track; \$4,000,000. Intrastate off-track

- G. Estimated purse funds to be generated from interstate handle:
\$300,000.

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

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

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

6. STABLE ACCOMMODATIONS

- A. Number of usable stalls available for racehorses at the track where the meeting is held:
990 stalls
- B. Minimum number of stalls believed necessary for the meeting:
990 stalls

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

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

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

7. PARI-MUTUEL WAGERING PROGRAM

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

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

	TYPE OF WAGERS	APPLICABLE RULES
Example Race:	\$1 E; \$2 Twin Trifecta	CHRB #1959; RCI #VP
Race #1	\$1 E; \$1 Tri; \$1 DD	CHRB 1959; 1979; ARCI #VE
Race #2	\$1 E; \$1 Tri; \$1 Pk 4; **	CHRB 1959; 1979; 1978
Race #3	\$1 E; \$1 Tri; \$1 Pk 3; **	CHRB 1959; 1979; 1977
Race #4	\$1 E; \$1 Tri; \$1 Pk 3; **	CHRB 1959; 1979; 1977
Race #5	\$1 E; \$1 Tri; \$1 Pk 3; **	CHRB 1959; 1979; 1977
Race #6	\$1 E; \$1 Tri; \$1 Pk 4; **	CHRB 1959; 1979; 1978
Race #7	\$1 E; \$1 Tri; \$1 Pk 3; **	CHRB 1959; 1979; 1977
Race #8	\$1 E; \$1 Tri; \$1 Pk 3; **	CHRB 1959; 1979; 1977
Race #9	\$1 E; \$1 Tri;	CHRB 1959; 1979;
Race #10	\$1 E; \$1 Tri; \$1 Pk 3 if 12 races; @@; **	CHRB 1959; 1979; 1977

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

Notes:

@@ Add Pk 4 (CHRB 1978) if at least 13 races carded.

****** Add \$1 Superfecta (CHRB 1979.1) in any race if requirements met, at Assoc. discretion.

Imported races from U.S. and Canadian harness & quarterhorse tracks will have co-mingled pools.

Bal-Cal Pick 4 conducted every Saturday night: 2 races from Balmoral Park, Ill. 2 from Cal-Expo.

- B. The maximum carryover pool to be allowed to accumulate before its distribution **OR** the date(s) designated for distribution of the carryover pool: *None*
- C. List any options requested with regard to exotic wagering:
See Note above Section 7A on Bal-Cal Pick 4.
- D. Will "advance" or "early bird" wagering be offered? Yes No
If yes, when will such wagering begin:
11:00 a.m. to 5:00 p.m. before each night of racing.
- E. Type(s) of pari-mutuel or totalizator equipment to be used by the association and the simulcast organization, name of the person(s) supplying equipment, and expiration date of the service contract:
Autotote 11 System 12/31/03
Autotote Systems, Inc.

8. SIMULCASTING WAGERING PROGRAM

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

Schedule III

OUT OF STATE SIMULCAST WAGERING LOCATIONS

America Tab, Oregon	Northville Downs, Michigan
Atlantic City, New Jersey	Philadelphia Park, Pennsylvania
Capitol District OTB, New York	Plainridge Racecourse, Massachusetts
Catskill Region OTB, New York	Pompano Park, Florida
Connecticut OTB, Connecticut	Racing Channel, Oregon
Diaryland Greyhound, Wisconsin	Raceway Park, Ohio
Express Bet, California	Racing & Gaming Services, St. Kitts
Fire Lake Casino, Oklahoma	Racing Services Inc. North Dakota
Foxwoods Casino, Connecticut	Rosecroft Raceway, Maryland
Fraser Downs, B.C. CAN	Sam Houston Park, Texas
Freehold Raceway, New Jersey	Scioto Downs, Ohio
Hazel Park, Michigan	Southland Greyhound, Arkansas
Hoosier Park, Indiana	Sports Creek Raceway, Michigan
Illinois OTB, Illinois	Suffolk Region OTB, New York
Indianapolis Downs, Indiana	Sunland Park, New Mexico
International Racing Group, Curacao	Television Games Network (TVG)
Ladbroke at Meadows, Pennsylvania	Thistledowns, Ohio
Les Boia Park, Idaho	Western Region OTB, New York
Meadowlands Race Track, New Jersey	Windsor Raceway, Ont. CAN
Mesquaki Casino, Iowa	Woodbine Ent. Grp., Toronto, Ont.,CAN
Nassau Region OTB, New York	Yonkers Raceway, New York
Nevada Parimutuel Association, Nevada	YouBet, Oregon
New York OTB, New York	
Northfield Park, Ohio	

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
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Examples:

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

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

QUARTER HORSE SIMULCAST RACES TO BE IMPORTED

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

Examples:

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

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

HARNESS SIMULCAST RACES TO BE IMPORTED

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

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

Six (6) out-of-state harness or quarterhorse races per live racing program on nights with QH overlap; twelve (12) out-of-state harness or quarterhorse races on nights without QH overlap, with races predominantly from harness tracks in Illinois and New Jersey, but also may include selected events from tracks in other CHRB approved jurisdictions. A full card of simulcast races to be imported from the Meadowlands on Nov. 29, 2003 as Breeder's Crown program.

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

OTHER BREED SIMULCAST RACES TO BE IMPORTED

Name of Host Track Breed of Horse Race Dates Number of Races to be Imported
On occasion, Quarterhorse races may be imported from CHRB approved jurisdictions.

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

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

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

9. CHARITY RACING DAYS

- A. Name and address of the distributing agent (charity foundation) for the net proceeds from charity racing days held by the association:
On file at Board Office
- B. Names and addresses of the trustees or directors of the distributing agent:
Information on file with Board Office
- C. Dates the association will conduct races as charity racing days OR:
Oct. 22 & 29, 2003; Nov. 5 & 19, 2003; Dec. 10, 2003
- D. Will the association pay the distributing agent an amount equal to the maximum required under B&P Code Section 19550(b)? Yes

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

10. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

A. Racing Officials nominated:

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

B. Management officials in the racing department:

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

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

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

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

<i>Post Time Productions</i>	<i>Additional Digital Systems provided by:</i>
<i>Mr. Mike Tepper</i>	<i>Sportsdata Systems (Mr. Jim Hisle)</i>
<i>Contract thru 12/31/03</i>	<i>Contract thru 12/31/03</i>

- E. Photopatrol video equipment to be used to record all races, name of the person supplying the service, and expiration date of the service contract:
Pegasus Communications (Mr. Jim Porup)
Contract thru 12/31/03
- 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:
To be determined.

11. SECURITY CONTROLS AND EMERGENCY SERVICES

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



Fire Safety Correction Notice

File No: _____ Page 1 of 1
Name: Cal-Expo (Horse Barns A-7)
Address: 1100 Exp Blvd, Sacramento

The California Health and Safety Code and the State Fire Marshal's regulations require the following fire safety deficiencies be corrected.

Inspection this date included visual inspection of newly installed sprinkler heads located below drop in ceilings @ tack rooms @ the North + South ends of each barn.

Tack rooms and barns are in compliance with applicable codes.

Any changes ~~is~~ @ tack rooms or barns shall first be approved by Cal-Expo staff and State Fire Marshal.

Quarterly testing of sprinkler + smoke detectors are completed.

Clearance granted for Harness Racing 2020B.

The above deficiencies are to be corrected within _____ days. When ALL deficiencies have been corrected, sign and return the certification on the opposite side of this form. If you have any questions, contact the Office of the State Fire Marshal at (916) 445-0550.

ISSUED BY (Deputy State Fire Marshal) <u>Elizabeth Shelton</u>	RECEIVED BY <u>Tim Tunnay</u>	DATE <u>23 Sept 2005</u>
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**STATE
COMPENSATION
INSURANCE
FUND**

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

CERTIFICATE OF WORKERS' COMPENSATION INSURANCE

ISSUE DATE: 04-01-2003

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

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

NF

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

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

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

This certificate of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policies listed herein. Notwithstanding any requirement, term, or condition of any contract or other document with respect to which this certificate of insurance may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.

Thomas Hansen

AUTHORIZED REPRESENTATIVE

Dianne C. Oki

PRESIDENT

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

EMPLOYER

CAPITOL RACING LLC
PO BOX 255069
SACRAMENTO CA 95865

LEGAL NAME

CAPITOL RACING ,
LLC

PRINTED: 03-17-2003 P0408

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

16. TRACK SAFETY

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

17. DECLARATIONS

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


Swett & Crawford

 License No. 0532269
 8365 N. Fresno St., Suite 210
 Fresno, CA 93720
 Phone: (559) 261-3300
 Fax: (559) 261-3301

TO	Beverly Hutton	DATE	October 24, 2002
AGENCY	Aon Risk Services-Dallas	FROM	Karen Goishi
CITY	Dallas	FAX #	214-989-2287
SUBJECT	Capitol Racing, LLC		

BINDING FACSIMILE

Per your instructions we have bound effective: 10/19/2002-03

Company: General Star Indemnity Company

Policy No.: IYG-360832D

Coverage: Commercial General Liability

Premium: \$ 93,600.00 Premium
 250.00 Broker Fee
 234.00 Stamping Fee
 2,808.00 Surplus Lines Tax

Conditions: Subject to Receipt within 5 days of binding: Report to Search Supervisor/Diligent Search Report

We have bound coverage subject to the terms and conditions outlined in our quote. This notice of confirmation will be terminated and superseded upon delivery of formal policy issued to replace it.

Our policy and invoice will follow shortly by mail. Please inspect the policy carefully as the coverages bound may deviate from those requested in your original application/submission.

If you have any questions about the policy and/or coverages, please feel free to contact our office. Please contact the team below:

Underwriter:
CARRIE TIENKEN
559-261-3322

Underwriter Assistant:
KAREN MARKARIAN
559-261-3317

Thank you for using Swett & Crawford.

- 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).

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

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

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

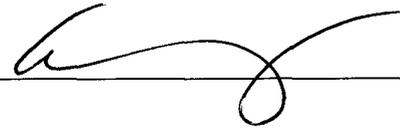
18. CERTIFICATION BY APPLICANT

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

Alan B. Horowitz

 Print Name

 Signature



General Manager

 Print Title

 Date

June 25, 2003

CHRISTO D. BARDIS

9848 Business Park Drive, Suite H
Sacramento, CA 95827
FAX (916)364-3570
(916)366-3665

May 21, 2003

Edward A. Phillips
Chairman of the Board
California Exposition & State Fair
1600 Exposition Blvd.
Sacramento, CA 95815

Dear Chairman Phillips:

I am in receipt of a letter sent to your attorney Jeremiah Blair from Mr. Dale Campbell, a copy of which is enclosed for your review. In short, his analysis of state law indicates that Cal Expo's action to rescind contract 1986 was appropriate, and concludes that Cal Expo has no exposure in the present litigation instituted by Capital Racing Association. The law on this issue is quite clear. As Mr. Dale Campbell states in his letter:

“One dealing with public officers is charged with the knowledge of, and is bound at his peril to ascertain, the extent of their powers to bind the state for which they seem to act and, if they exceed their authority, the state is not bound thereby to any extent. (*Mullan v. State of California* (1896) 114 Cal. 578, 587; see also *Bear River Sand and Gravel Corporation v. County of Placer, supra*, 118 Cal.App.2d at 690.) Therefore, not only should Capital Racing not prevail in its action, Capital Racing should be compelled to disgorge to Cal Expo all revenue it receives under any illegal [contract]. (*Id.* At 411-412; see also *Pac. Inter-Club Yacht Assn. v. Richards* (1961) 192 Cal.App.2d 616, 619-620.)”

It should also be noted that Capital Racing is presently operating under an illegal contract. Under the terms of the original RFP that awarded the contract to Capital Racing, the contract could not be extended beyond December 31, 2002. Consequently the extension to July 2003 may be void.

It would appear that a reasonable approach to this dilemma is to notify all known interested parties and request bids to conduct the meet for one (1) year to commence after the existing contract terminates in July. You could simplify the bidding process by using

the existing contract and simply having the interested parties enter the amount they will pay Cal Expo on a daily basis. In my opinion, that amount may very well reach Twenty Thousand Dollars (\$20,000.00) daily which is a Fourteen Thousand Dollar (\$14,000.00) daily increase over the existing agreement.

I would hope you would consider this suggestion.

Sincerely,

A handwritten signature in cursive script, appearing to read "Christo D. Bardis".

Christo D. Bardis

cc: Norb Bartosik, General Manager
Rex S. Hime
Gilbert A. Albiani
Stephen T. Beneto
Kirk Breed
Dr. Sonney Chong
John L. Growney
Larry Dave
Randy Paragary
Willie Pelote
Assembly Member Darrell Steinberg

Lloyd Arnold
50240 Woodmere
La Quinta, CA 92253
Phone: (760) 564-8788

July 11, 2003

Mr. Norb Bartosik
California Exposition & State Fair
1600 Exposition Blvd
Sacramento, CA 95815

Dear Norb:

I am aware of the problem you are having with the existing contract at Cal Expo, and the litigation filed by Capital Racing Association. I recently received a copy of an opinion letter from Mr. Campbell of the law firm of Weintraub Genshler Chideak Sproul regarding Cal Expo's contract with Capital Racing Association and I am enclosing a copy for your review. I also have been informed that Capital Racing request for a ex party Temporary Restraining Order was denied by the court.

You are very familiar with my background in harness racing, my qualifications as an operator, know I have successfully conducted harness race meets at Cal Expo and Los Alamitos, and that I was a part owner of Los Alamitos Race Course. In light of the multitude of problems, including those with the present operator, I believe that the best thing for Cal Expo and the harness industry is for Cal Expo to conduct the fall harness meet. Having said that, I would be willing to operate the harness racing meet on an interim basis, until Cal Expo can get into a position to put out a RFP or Cal Expo being able to conduct the race meet. I would donate my services for that short period of time. All profits generated would be made available to charitable institutions. It is my hope that you would also consider alternatives interm operators including Mr. Coffee, Mr. Kouretas, Magna Corporation, Los Alamitos Race Course, Rick Caine or anyone else who has exhibited an interest.

I do not think it appropriate to enter into a new lease with the existing operator simply because Cal Expo is being sued by Capital Racing. Let the court decide if their lawsuit as merit. Based on the enclosed opinion I do not think it has merit. If Cal Expo made an inadvertent mistake at a cost of millions of dollars, don't you think this should be investigated by the Little Hoover Commission, and if so, those responsible should be terminated by Cal Expo. If this happened in the business community, heads would be rolling.

If you decide to extend Capital Racing's contract, you should fight the litigation. If Capital Racing loses the lawsuit it will be required to return all profits to Cal Expo earned

I:\Christo Bardis\2003\LloydArnold.rc.doc

during the extension including any executive wages and monies paid to owners or family members.

If I can be of any assistance please do not hesitate to call me.

Very truly yours,



Lloyd Arnold

cc: Norb Bartosik, General Manager
Rex S. Hime
Gilbert A. Albiani
Stephen T. Beneto
Kirk Breed
Dr. Sonney Chong
John L. Growney
Larry Dave
Randy Paragary
Willie Pelote
Assembly Member Darrell Steinberg

JAMES L. KOURETAS

ATTORNEY AT LAW

TELEPHONE

(916) 441-4274

FAX (916) 441-2545

30TH & H BUILDING

725 30TH STREET

SUITE 101

SACRAMENTO, CALIFORNIA 95816-3841

July 10, 2003

Mr. Norb Bartosik
General Manager
CALIFORNIA EXPOSITION & STATE FAIR
1600 Exposition Boulevard
Sacramento, CA 95815

Dear Mr. Bartosik:

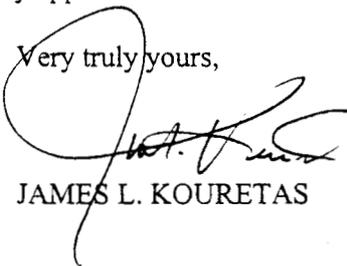
I have indicated to your Board that I am interested in conducting the harness racing meet at Cal Expo. I would be responsive to entering into a contract with the Board for the fall meet of 2003. The contract could be for just the Fall meet or for an extended period, at your discretion. There have been indications in the press that you are going to advertise, immediate, for the Request for Proposals for the 2004 meets. If that is the case, my organization would be willing to enter into a sole source contract with you to fill the void until a contract is awarded as a result of the Request for Proposals.

I am familiar with the Capital Racing Association lease and would be willing to operate under the same terms. If given the opportunity to operate under that lease, in addition to the rent, I would be willing to contribute One Million Five Hundred Thousand (\$1,500,000) Dollars to Cal Expo's homeless program. This would be computed on an annualized basis. I would be making that contribution through the association's charity fund that is mandated by statute.

I am reasonably comfortable that Cal Expo could receive an additional Five Hundred Thousand (\$500,000) Dollars based upon financial information that has been made available. If Cal Expo would make additional financial information available, I would be pleased to evaluate the information and make a definitive proposal resulting in additional monies to Cal Expo above the One Million Five Hundred Thousand (\$1,500,000) Dollars.

Your consideration of this proposal will be deeply appreciated.

Very truly yours,



JAMES L. KOURETAS

JLK:dlb

cc: Edward A. Phillips, Chair
Rex S. Hime, Vice Chair
Gilbert A. Albiani, Director
Kirk Breed, Director
Sonney L. Chong, Director

John L. Growner, Director
Steve Beneto, Director
Lawrence P. Davis, Director
Randy Paraguary, Director
Darrel Steinburg, Assemblyman

July 24, 2003 Regular Board Meeting

ITEM 5

There is no board package material for these two items.

Information to be presented at the board meeting.

STAFF ANALYSIS
ARTICLE 18. PARI-MUTUEL WAGERING
PROPOSED AMENDMENT OF
RULE 1979.1. SUPERFECTA

Regular Board Meeting
July 24, 2003

BACKGROUND

Business and Professions (B&P) Code Section 19440 provides that the responsibilities of the Board shall include adopting regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. B&P Code Section 19590 states the Board shall adopt rules governing, permitting, and regulating mutuel wagering on horse races under a system known as the pari-mutuel method of wagering.

At the April 23, 2003 Pari-Mutuel Operations Committee meeting, a proposal to amend Rule 1979.1, Superfecta, was heard. The industry requested that the Board delete the requirement that the entire Superfecta pool be refunded if less than five wagering interests finish the race. At the April 24, 2003, Regular Board Meeting, staff was directed to initiate a 45-day public comment period for the amendment of Rule 1979.1.

ANALYSIS

The amendment to Rule 1979.1 will eliminate the requirement that if less than five wagering interests finish the race, the entire Superfecta pool will be refunded. The industry requested this provision be eliminated as it has, on occasion, caused confusion and disappointment among horse racing fans. In cases where only four horses finish the race, persons holding tickets correctly selecting the four finishers may think they have won the wager, but find instead the wager has been canceled. In January of 2002 a similar requirement was deleted from Board Rule 1979, Trifecta. To date there have been no adverse incidents as a result of the change in the rule.

During the 45-day public comment period the Southern California Horse Racing Industry Fans Committee (SCHRIFC) endorsed the amendment to Rule 1979.1.

RECOMMENDATION

The proposal to amend Rule 1979.1 was presented and approved for notice at the April 23, 2003, Pari-Mutual Operations Committee Meeting. Comments were received from the SCHRIFC during the 45-day public comment period.

Staff recommends the Board adopt the amendment to Rule 1979.1 as presented.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 18. PARI-MUTUEL WAGERING
PROPOSED AMENDMENT OF
RULE 1979.1
SUPERFECTA

Regular Board Meeting
July 24, 2003

1979.1. Superfecta.

(a) The Superfecta is a separate pari-mutuel pool established on a single race. The pool consists of amounts wagered on horses to finish first, second, third, and fourth in that exact order. It is not a parlay and has no connection with other pools conducted by the association or to rules governing the distribution of other pools.

(b) A valid Superfecta ticket is evidence of a binding contract between the holder of the ticket and the association and constitutes acceptance of Superfecta provisions and rules contained in this article.

(c) No Superfecta pool shall be established for a race with less than eight wagering interests scheduled to start when the Superfecta pool opens for wagering in California. A wager on a coupled entry or field is considered a wager on the remaining part of the coupled entry or field if any part of the entry starts for pari-mutuel purposes under Rule 1974 of this division.

(d) After the stewards' official order of finish is posted, the association shall distribute the net pool to holders of valid tickets that select the first, second, third, and fourth finishers.

(e) In a dead heat for first, second, or third position, only tickets selecting the correct order of finish for the first four finishers shall be winning tickets; that is, two horses in a dead heat for first shall be first and second, in either position; two horses in a dead heat for second shall be second and third, in either position; and two horses in a dead heat for third shall be

third and fourth, in either position. In a dead heat for fourth, tickets with the correct first, second, and third selection and one of the two horses in the dead heat for fourth shall be winning tickets. In a triple dead heat for first, tickets selecting the three horses in the dead heat, regardless of the order of selection, and the horse finishing fourth shall be winning tickets. In a triple dead heat for second, tickets with the correct first selection and all three horses in the dead heat shall be winning tickets. In a triple dead heat for third, tickets with the correct first and second selection and two of the three horses in the dead heat shall be winning tickets. In a triple dead heat for fourth, tickets with the correct first, second, and third selection and one of the horses in the dead heat shall be winning tickets.

(f) If no ticket selects the first, second, third, and fourth position, the net pool shall be paid for tickets that select first, second, and third. If no ticket selects first, second, and third position, the net pool shall be paid for tickets that select first and second. If no ticket selects first and second, the net pool shall be paid for tickets that select first. The association shall refund the entire pool if no ticket selects first ~~or if less than five wagering interests finish the race.~~

(g) If the stewards scratch a horse before wagering is closed, the association may exchange any ticket that includes the scratched horse. After wagering is closed, tickets selecting a scratched horse or a horse the stewards declared a nonstarter shall be eliminated from the pool and the purchase price refunded.

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

Reference: Section 19590,
Business and Professions Code.

STAFF ANALYSIS
PROPOSED ADOPTION OF
ARTICLE 28, BACKSTRETCH WORKER HOUSING
Rule 2100, General Provisions
Rule 2101, Definitions
Rule 2102, Backstretch Worker Housing Inspection Required
Rule 2103, Habitable Room
Rule 2104, Sanitation Facilities
Rule 2105, Pest Control
AND
PROPOSED AMENDMENT OF
Rule 1928, Fire Regulations

Regular Board Meeting
July 24, 2003

BACKGROUND

Business and Professions (B&P) Code Section 19440 provides that the California Horse Racing Board (Board/CHRB) shall have all powers necessary and proper to enable it to carry out fully and effectually the purposes of the Horse Racing Law. Assembly Bill (AB) 471, Chapter 198, Statutes of 2001, became effective January 1, 2002. AB 471 amended B&P Code Section 19481.5 to provide that the Board adopt emergency backstretch worker housing regulations within 120 days of the effective date of the statute. In response to AB 471, the Board adopted as emergency regulations Article 28, Backstretch Worker Housing, and amended Rule 1928, Fire Regulations.

ANALYSIS

Article 28 and the amended Rule 1928 have been in effect since May 7, 2002. During that time staff has inspected California's backstretch housing with the emergency housing regulations as a guide. All racing facilities have been found to be in compliance with the provisions of the Article. AB 471 provided that the Board had 18 months following the implementation of emergency regulations in which to make such regulations permanent. In keeping with the statutory time frame, Article 28, and the amendment to Rule 1928, were noticed to the public for a 45-day comment period. During that time no comments were received.

RECOMMENDATION

Staff recommends that the Board adopt the proposed regulations as presented.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 28. BACKSTRETCH WORKER HOUSING

PROPOSED ADDITION OF
RULE 2100
GENERAL PROVISIONS

Regular Board Meeting
July 24, 2003

2100. General Provisions.

Backstretch worker housing that is provided by an association shall be maintained in accordance with this article and shall be kept free from debris, garbage, vermin and other matter that may be hazardous to the health and safety of backstretch workers.

Authority: Sections 19440 and 19481.5(b),
Business and Professions Code.

Reference: Section 19481.5,
Business and Professions Code, and
Section 17920.3, Health and Safety Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 28. BACKSTRETCH WORKER HOUSING

PROPOSED ADDITION OF
RULE 2101
DEFINITIONS

Regular Board Meeting
July 24, 2003

2101. Definitions

As used in this article:

- (a) “Backstretch worker” means a person required to be licensed under Rule 1481(c) of this division.
- (b) “Backstretch worker housing”, “habitable room” means any structure or portion of a structure whose primary purpose is for sleeping or living and is located within the restricted area of the inclosure as defined in Rule 1420(v) of this division.
- (c) “Damaged” means property in a condition in which its worth or usefulness is impaired. Damage includes, but is not limited to backstretch worker housing whose components are split, buckled, sagging, rotting, broken or defective.
- (d) “Substandard housing” means backstretch worker housing or a habitable room, or any portion thereof, which through lack of maintenance or repair there exists any of the following conditions to an extent that endangers the health, safety or welfare of the occupants.
- (1) Lack of toilet or privy structure, bathtub or shower, or hot and cold running water.
 - (2) Plumbing fixtures and piping which have become unsanitary or damaged.

- (3) Lack of exterior wall or roof covering adequate to protect the occupants from the elements.
- (4) Damaged exterior wall or roof coverings.
- (5) Damaged windows, exterior window coverings, or doors.
- (6) Lack of natural light and ventilation.
- (7) Damaged interior walls, ceilings or floors.
- (8) Lack of interior flooring adequate to protect occupants from the elements.
- (9) Dampness of habitable rooms.
- (10) Lack of garbage and rubbish removal as required under Rule 2105 of this article.
- (11) Infestation of insects, rodents or other vermin.
- (12) Lack of smoke detector in working order, or other fire alarm system as required under Rule 1927 of this division.
- (13) Lack of emergency evacuation plan as required under Rule 1928 of this division.

Authority: Sections 19440 and 19481.5(b),
Business and Professions Code.

Reference: Section 19481.5,
Business and Professions Code, and
Section 17920.3, Health and Safety Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 28. BACKSTRETCH WORKER HOUSING

PROPOSED ADDITION OF
RULE 2102
BACKSTRETCH WORKER HOUSING
INSPECTION REQUIRED

Regular Board Meeting
July 24, 2003

2102. Backstretch Worker Housing Inspection Required

(a) Associations and racing fairs that provide backstretch worker housing shall, at least annually, submit to an inspection of such housing. The inspection shall be conducted by a designated representative of the Board and/or a local housing authority for the jurisdiction in which the track is located. This subsection shall expire December 31, 2003.

(a) Associations and racing fairs that provide backstretch worker housing shall, at least annually, submit to an inspection of such housing. The inspection shall be conducted by a designated representative of the Board with assistance from the California Department of Housing and Community Development or a local housing authority for the jurisdiction in which the track is located. This subsection shall become operative January 1, 2004.

(b) Racing Fairs with race meetings of 19 days or less shall comply with this section contingent upon the provisions of Business and Professions Code Section 19481.5(b)(3).

(c) No license to conduct a horse racing meeting shall be issued unless the applicant association's backstretch worker housing is found to be in compliance with the standards established in this article. This subsection shall become operative January 1, 2004.

(d) The Board shall be reimbursed by the association or racing fair for the costs incurred to conduct the backstretch worker housing inspection. This subsection shall become operative January 1, 2004.

Authority: Sections 19440 and 19481.5(b),
Business and Professions Code.

Reference: Section 19481.5,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 28 BACKSTRETCH WORKER HOUSING

PROPOSED ADDITION OF
RULE 2103
HABITABLE ROOMS

Regular Board Meeting
July 24, 2003

2103. Habitable Rooms.

- (a) Habitable rooms used for sleeping shall have natural light by means of at least one exterior window that, if it can be opened, has screening with a tight fitting frame. Natural ventilation shall be provided by exterior openings that can be opened, or in lieu of exterior openings a mechanical ventilating system.
- (b) Habitable room exterior doors shall be tight fitting and outfitted with door sweeps.
- (c) Interior walls, ceilings and floors of habitable rooms may not be damaged or cause exposure to outside elements or exposed earth.
- (d) Habitable rooms shall be provided with electrical switches, outlets and at least one electric light. Electric components in a habitable room shall be installed to state or local building codes and maintained in a manner that does not endanger the health or safety of the occupants.
- (e) Habitable rooms used for sleeping shall be provided with a battery operated smoke detectors which shall be maintained in working order, or any other approved fire alarm system as provided under Rule 1927 of this division. Fire regulations and an emergency evacuation plan shall be posted in backstretch worker housing areas as provided under Rule 1928 of this division.

(f) The dimensions of a habitable room shall not be less than seven feet in any direction and shall provide not less than 50 square feet of space per person.

Authority: Sections 19440 and 19481.5(b),
Business and Professions Code.

Reference: Section 19485.1,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 28 BACKSTRETCH WORKER HOUSING

PROPOSED ADDITION OF
RULE 2104
SANITATION FACILITIES

Regular Board Meeting
July 24, 2003

2104. Sanitation Facilities.

Toilet rooms and bath and shower rooms shall be provided separately for each sex, shall be lighted, ventilated to the outside atmosphere, and shall have hot and cold running water under pressure. All such rooms, and the fixtures, equipment, and plumbing therein, shall be maintained in a state of working order and free from dirt, filth and corrosion.

Authority: Sections 19440 and 19481.5(b),
Business and Professions Code.

Reference: Section 19481.5,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 28. BACKSTRETCH WORKER HOUSING

PROPOSED ADDITION OF
RULE 2105
PEST CONTROL

Regular Board Meeting
July 24, 2003

2105. Pest Control.

(a) The association shall conduct a program of abatement to control the presence of rodents, flies, cockroaches, mosquitoes, and other vermin in and around backstretch worker housing. The methods of control shall include, but not be limited to:

(1) The daily removal of all materials that contribute to the breeding and harboring of vermin, such as horse excrement, garbage, refuse, or any other putrid or offensive animal or vegetable matter.

(2) A program of spraying or baiting for insects or rodents.

Authority: Sections 19440 and 19481.5(b),
Business and Professions Code.

Reference: Section 19481.5,
Business and Professions Code.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 17. FIRE PREVENTION AND SECURITY

PROPOSED AMENDMENT OF
RULE 1928
FIRE REGULATIONS

Regular Board Meeting
July 24, 2003

1928. Fire Regulations.

(a) Every association shall post in its stable and backstretch worker housing areas ~~area~~ the fire regulations applicable on its grounds. The ~~notice~~ association shall also ~~state~~ post:

(1) its emergency evacuation plan, which shall state the nearest exit in case of fire or other emergency,

(2) the location of the nearest fire alarm box, and

(3) the telephone number of the fire department or other pertinent instructions as to the method for reporting a fire in the area.

(b) ~~Such~~ The notices shall be in English and Spanish, and posted no more than 100 feet apart or as approved by the local fire authority.

(c) No person shall violate the posted fire regulations.

Authority: Section 19440,
Business and Professions Code.

Reference: Sections 19481(a) and 19481.5(b)(1),
Business and Professions Code.

STAFF ANALYSIS
PROPOSED WAIVER
OF
CHRB RULES
FOR THE
2003 BREEDERS' CUP

Regular Board Meeting
July 24, 2003

BACKGROUND

In 1993 and 1997 Breeders' Cup, Ltd. requested exceptions to or waivers of a variety of Board's rules and regulations. Over time, some of the Breeders' Cup concerns have been addressed by amending or repealing various rules, or by the Board authorizing staff to take administrative action. In anticipation of a request by the Breeders' Cup, staff recommends three rules be waived.

ANALYSIS

- A. Issue: **Rule 1481, Occupational Licenses and Fees.** In previous years, Breeders' Cup has requested that the Board authorize a special license of reduced duration and cost for the event. Since 1986 the Breeders' Cup has requested that any such license be effective for at least 30 days and cost no more than one-third of the normal license fee.

Rule and application: Rule 1481 establishes the duration and fees of occupational licenses for persons desiring to participate in California racing on an ongoing basis; however, it is silent on special events such as Breeders' Cup. Historically, the Board has approved a special Breeders' Cup license which is valid through December 31 of the event year, and costs one-third of the fee specified in Rule 1481. Due to its past experience in California, the Breeders' Cup has already indicated that an owner or trainer license, valid through December 31, 2003, would cost \$50.00.

RECOMMENDATION

Staff recommends the Board approve a waiver of Rule 1481 for the 2003 Breeders' Cup.

- B. Issue: **Rule 1554, Duties of Horse Identifier.** Breeders' Cup has previously requested that all horses shipped from Europe to participate in the Breeders' Cup event be allowed to race without an identifying tattoo.

Rule and application: Rule 1554 provides that any horse within the inclosure, which has not been identified in California, shall be properly identified prior to competing. The rule also states that the horse identifiers shall supervise the tattooing or branding of any horse

within the inclosure. In previous years the horse identifier has requested that, prior to racing, arrangements be made for a horse to be identified and photographed without bandages if it is permitted to race without being tattooed.

RECOMMENDATION

Staff recommends the Board approve a waiver of Rule 1554 for the 2003 Breeders' Cup.

- C. Issue: **Rule 1693, Control of Horses and Jockeys on Entering the Track**. Breeders' Cup has previously requested that human attendants escort horses onto the track until the finish of the post parade and, if requested, the attendants be allowed to be present at the starting gate.

Rule and application: Rule 1693 prohibits attendants once the horses are on the track. In previous years, racing secretaries and starters have agreed to allow human attendants to accompany horses until the close of the post parade, but have opposed any attendants being present at the starting gate. The main concern is safety. In California there are sufficient assistant starters who are trained to deal with horses in the starting gate.

RECOMMENDATION

Staff recommends the Board approve a waiver of Rule 1693 for the 2003 Breeders' Cup.

July 24, 2003 Regular Board Meeting

ITEM 9

There is no board package material for these two items.

Information to be presented at the board meeting.

STAFF ANALYSIS
DISCUSSION REGARDING THE
MERGER OF OUT-OF-STATE POOLS

REGULAR BOARD MEETING
JULY 24, 2003

Background:

In the recent past there have been several occasions when large, last minute wagers from some out-of-state simulcast sites have caused significant drops in the odds at California host tracks. One notable example was the first race on opening day at Hollywood Park in April 2002. A last minute wager of approximately \$110,000 on the winning runner from the Racing and Gaming Services (RGS) offshore simulcast site caused a sharp drop in the odds on the winning runner just as the race began. The drop in odds (from 5-1 to 2-5) became evident as the race progressed and was very sensational leading to an investigation of the matter. It was determined that the wager had been placed prior to the commencement of the race but had arrived "late" in the Hollywood Park pools due to the time required to process the wager through the interstate totalizator hub system. This technological built-in delay in processing last minute wagers via the tote hub system was the subject of a public service video recently produced by Commissioner Alan Landsburg and presented at the April 2003 Board meeting.

More recently, the Shoemaker Mile in May 2003 suffered some noticeable drops during the final odds cycle when large wagers from the Oregon wagering hub and RGS hit the California pools. Once again, a review of the matter showed that the wagers were made prior to the commencement of the race and were only "late" due to the processing time required. In between these two examples were other cases such as the one on December 19, 2002 when the odds on the winning runner in Race 6 went from 24-1 to 12-1 during the final odds cycle. The resulting review indicated that once again late money from out-of-state sites (mostly RGS) caused this late shift in the odds.

The perception that this issue creates among certain racing fans is that money is being wagered after the race commences. Numerous "solutions" to the problem have been suggested. From the extreme action of dropping some simulcast sites that regularly are involved in these incidents to requiring those and other selected sites to close their wagering on California pools early (one minute before post or when the first horse enters the gate, etc.) to doing nothing have all been suggested as courses of action with regard to this matter.

The Pari-mutuel Operations Committee has discussed this issue on several occasions. In fact, during those discussions, staff has proposed temporarily suspending the wagering at some sites and evaluating the results after an appropriate period of time has passed. The Board may wish to hear from the Committee as well as industry representatives with regard to this matter.

Recommendation:

This item is for information and discussion.

STAFF ANALYSIS
DISCUSSION OF
ELIGIBILITY REQUIREMENTS
ALLOWING HORSES CLAIMED IN CALIFORNIA
TO RACE IN ANY STATE
OTHER THAN CALIFORNIA

Regular Board Meeting
July 24, 2003

BACKGROUND

Board Rule 1663, Entry of Claimed Horse, Currently provides that a horse claimed out of a claiming race is eligible to race at any racing association in California immediately after being claimed. The rule also provides that a horse claimed out of a claiming race is not eligible to start in another claiming race for 25 days for less than 25% more than the amount for which it was claimed. No horse is eligible to race in any state other than California until the close of the meeting where it was claimed, except in a stakes race. Only standardbred horses are exempt from the 25-day, 25% provision.

In July 2000, the Security and Licensing Committee heard a proposal to amend Rule 1663. California's racing secretaries, with the support of Capitol Racing Association and the California Harness Horsemen's Association, requested that Rule 1663 be amended to provide that a horse claimed out of a claiming race is ineligible to race in any other state until 60 days after the close of the meeting at which it was claimed. The object of the proposed amendment was to keep claimed horses in California. The proponents of the amendment maintained that horses claimed in California were being shipped to other jurisdictions, which resulted in fewer horses and short fields in California.

At that time, the Thoroughbred Owners of California (TOC) opposed the amendment on the grounds that it would restrict an owners ability to use his property to his best advantage. The TOC representative stated that if an owner wished to claim a horse in California and send it out of state, he should be able to do so. Additionally, the 60-day "jail time" could be a violation of the interstate-commerce clause of the constitution. The industry continues to be concerned about claimed racehorses being shipped to other jurisdictions at the end of the meeting where they were claimed as the practice may contribute to a shortage of horses at subsequent race meetings.

RECOMMENDATION

This item is presented for Board discussion.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 7. CLAIMING RACES
DISCUSSION OF
RULE 1663
ENTRY OF CLAIMED HORSE

Regular Board Meeting
July 24, 2003

1663. Entry of Claimed Horse.

(a) A horse claimed out of a claiming race is eligible to race at any racing association in California immediately after being claimed. The horse is not eligible to start in a claiming race for 25 days after the date of the claim for less than 25 % more than the amount for which it was claimed; nor is it eligible to race in any State other than California until the close of the meeting where it was claimed except in a stakes race.

(b) A claimed horse may be removed from the grounds of the association where it was claimed for nonracing purposes.

(c) This rule does not apply to standardbred horses.

Authority: Sections 19420, 19440 and 19562,
Business and Professions Code.

Reference: Sections 19440 and 19562,
Business and Professions Code.

July 24, 2003 Regular Board Meeting

ITEM 12

There is no board package material for these two items.

Information to be presented at the board meeting.

STAFF ANALYSIS
DISCUSSION OF
MAXIMUM ALLOWABLE OVERWEIGHT
CARRIED BY A JOCKEY
PARTICIPATING IN A RACE

Regular Board Meeting
July 24, 2003

BACKGROUND

Board Rule 1682, Weighing Out, provides that a jockey shall be weighed out by the clerk of scales no more than one hour preceding the time fixed for the race. The jockey must declare any overweight in excess of one pound to the clerk of scales. Such information and any change to jockeys must be posted for public information and announced over the public address system. Board Rule 1683, Maximum Overweight, states that no horse shall carry more than two pounds overweight without consent of the owner, his agent, or representative. Nor shall a horse carry more than seven pounds overweight in any race. Board Rule 1684 provides that a jockey's weight includes riding clothing, saddle and pad. A jockey's weight shall not include safety helmet, safety vest, whip or the horse's bridle. Board Rule 1701 states that when a jockey weighs in after a race, he shall not weigh less than one pound of his proper weight, nor two pounds over; however, the stewards may take into account any excess weight caused by rain or mud.

Recent observation of jockeys weighing out and weighing in has raised questions regarding the accuracy of traditional scales. Unless one is familiar with the use of traditional scales they can be difficult to read and cumbersome when attempting to determine the weight of items such as safety vests. The issue was last discussed at the Regular Board Meeting of October 17, 2002. Board staff presented a report that included the results of a three week audit of jockey scales at Del Mar Race Track. Although the results of the audit showed compliance in the established and accepted procedures, staff recommended that all tracks consider the use of digital scales. Staff reported digital scales were easier to read than traditional scales, and were just as accurate. Staff cautioned, however, that no research had been completed regarding the adaptability in all types of weather of electronic digital scales on the track.

RECOMMENDATION

This item is presented for Board discussion.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 8. RUNNING THE RACE
RULE 1682
WEIGHING OUT

Regular Board Meeting
July 24, 2003

1682. Weighing Out.

All jockeys taking part in a race must be weighed out by the clerk of scales no more than one hour preceding the time fixed for the race. Any overweight in excess of one pound shall be declared by the jockey to the clerk of scales, who shall have such overweight and any change to jockeys posted immediately for public information and announced over the public address system.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 8. RUNNING THE RACE
RULE 1683
MAXIMUM OVERWEIGHT

Regular Board Meeting
July 24, 2003

1683. Maximum Overweight.

No horse shall carry more than two pounds overweight without consent of its owner, his agent, or his representative, but shall not carry more than seven pounds overweight in any race.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 8. RUNNING THE RACE
RULE 1684
ITEMS INCLUDED IN WEIGHT

Regular Board Meeting
July 24, 2003

1684. Items Included in Weight.

A jockey's weight includes his riding clothing, saddle and pad. It shall not include the jockey's safety helmet, safety vest, whip or the horse's bridle.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 8. RUNNING THE RACE
RULE 1701
WEIGHING IN

Regular Board Meeting
July 24, 2003

1701. Weighing In.

A jockey shall weigh in after the finish of the race and he shall not weigh less than one pound of his proper weight nor two pounds over his proper weight except that the stewards may take into account any excess weight caused by rain or mud. The stewards may disqualify any horse whose jockey weighs in at less than one pound of his proper weight, and shall discipline the persons responsible therefor.

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

**REGULAR BOARD MEETING
JULY 24, 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, July 24, 2003. This report includes a summary for the following racing meetings: LOS ANGELES TURF CLUB, SAN JOAQUIN FAIR, and the ALAMEDA COUNTY FAIR.

Los Angeles Turf Club

December 26, 2002-April 20, 2003

Race days: 85

AVERAGE DAILY STATISTICS

	PERCENTAGE CHANGE
Ave. daily handle	-4.88%
Ave. On-track	-7.73%
Ave. Off-track	-7.12%
Ave. Interstate-exported	-1.93%
Ave. daily attendance-Calif.	-9.63%
Ave. On-track	-11.10%
Ave. Off-track	-8.43%

San Joaquin Fair

June 11, 2003-June 22, 2003

Race days: 10

AVERAGE DAILY STATISTICS

	PERCENTAGE CHANGE
Ave. daily handle	2.72%
Ave. On-track	1.30%
Ave. Off-track	-2.82%
Ave. Interstate-exported	20.90%
Ave. daily attendance-Calif.	-1.70%
Ave. On-track	0.51%
Ave. Off-track	-4.01%

Alameda Country Fair

June 25, 2003-July 6, 2003

Race days: 11

AVERAGE DAILY STATISTICS

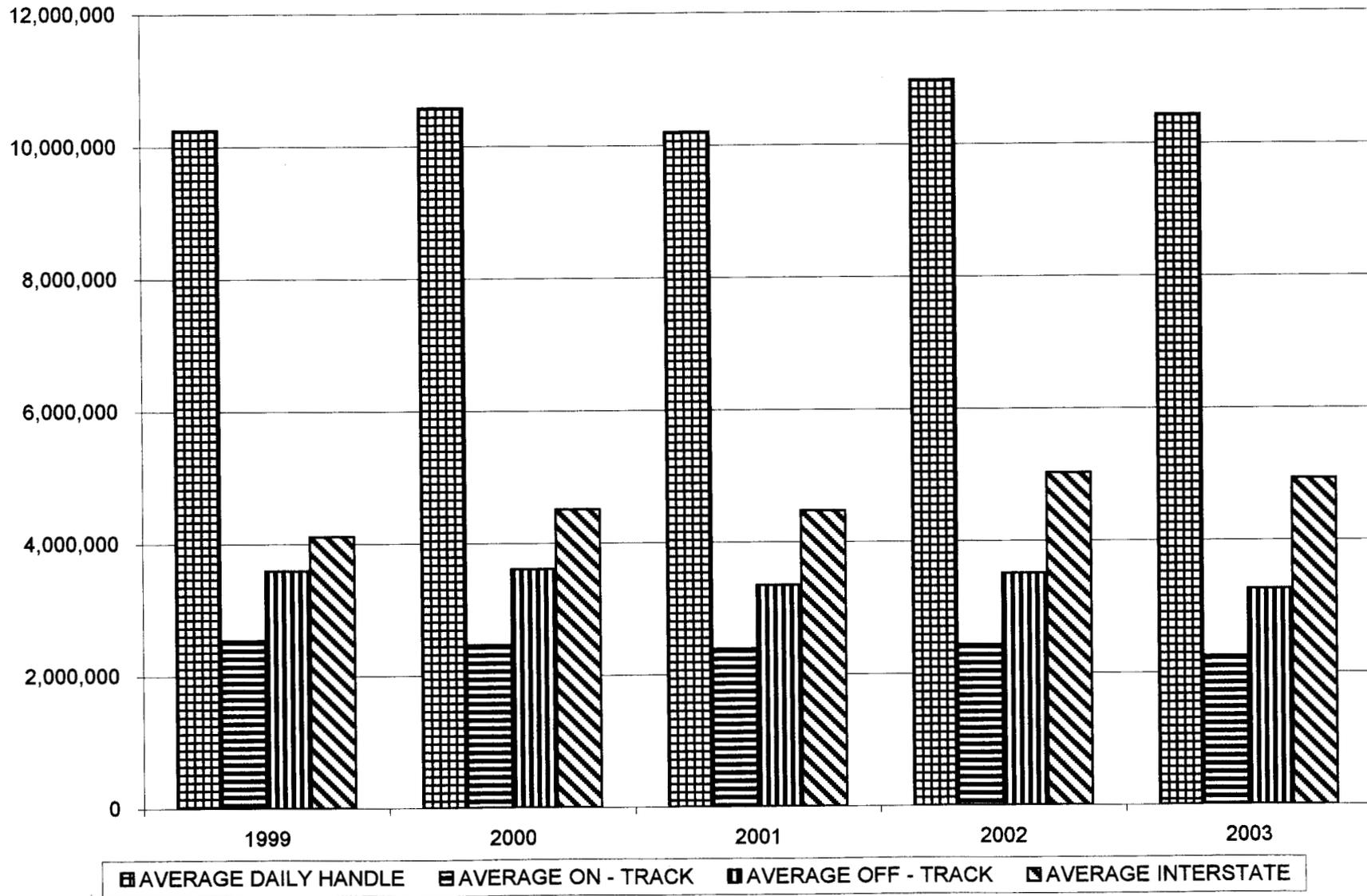
	PERCENTAGE CHANGE
Ave. daily handle	-1.66%
Ave. On-track	-9.81%
Ave. Off-track	-4.83%
Ave. Interstate-exported	13.59%
Ave. daily attendance-Calif.	-10.30%
Ave. On-track	-11.79%
Ave. Off-track	-9.26%

LOS ANGELES TURF CLUB

<u>YEAR</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
TOTAL RACE DAYS	84	87	83	85	85
TOTAL HANDLE	860,478,540	920,082,921	846,343,089	932,135,714	886,657,861
ON-TRACK	213,134,731	213,948,808	197,752,634	206,707,145	190,737,639
OFF-TRACK	302,002,370	313,994,266	277,819,443	298,361,575	277,104,148
INTERSTATE	345,341,439	392,139,847	370,771,012	427,066,993	418,816,075
LIVE	677,561,460	715,471,798	658,125,746	738,182,632	698,723,092
INTRASTATE IMPORTED	110,595,804	111,427,100	95,910,012	101,840,506	92,793,809
INTERSTATE IMPORTED	71,137,507	92,958,310	92,152,914	91,982,360	95,049,285
INTERNATIONAL IMPORTED	1,183,769	225,712	154,418	130,215	91,675
AVERAGE DAILY HANDLE	10,243,792	10,575,666	10,196,905	10,966,303	10,431,269
AVERAGE ON - TRACK	2,537,318	2,459,182	2,382,562	2,431,849	2,243,972
AVERAGE OFF - TRACK	3,595,266	3,609,129	3,347,222	3,510,136	3,260,049
AVERAGE INTERSTATE	4,111,208	4,507,355	4,467,121	5,024,318	4,927,248
AVE. CALIFORNIA HANDLE	6,132,585	6,068,311	5,729,784	5,941,985	5,504,021
AVERAGE LIVE	8,066,208	8,223,814	7,929,226	8,684,502	8,220,272
AVERAGE INTRASTATE IMPORTED	1,316,617	1,280,771	1,155,542	1,198,124	1,091,692
AVERAGE INTERSTATE IMPORTED	846,875	1,068,486	1,110,276	1,082,145	1,118,227
AVERAGE INTERNATIONAL IMPORTED	14,092	2,594	1,860	1,532	1,079
TOTAL TAKEOUT	165,037,153	176,838,337	163,213,291	178,978,094	169,975,447
EFFECTIVE TAKEOUT	19.18%	19.22%	19.28%	19.20%	19.17%
STATE LICENSE FEES	12,187,040	11,883,456	10,697,456	11,458,377	10,685,113
STATE %	1.42%	1.29%	1.26%	1.23%	1.21%
TRACK COMMISSIONS	36,947,582	38,604,652	35,281,191	37,469,303	34,661,671
TRACK %	4.29%	4.20%	4.17%	4.02%	3.91%
HORSEMEN'S PURSES	36,109,067	37,752,106	34,594,232	36,647,704	33,965,565
HORSEMEN'S %	4.20%	4.10%	4.09%	3.93%	3.83%
CALIFORNIA ATTENDANCE	2,172,675	2,020,028	1,830,989	1,845,941	1,668,123
ON-TRACK	1,040,165	931,160	856,303	828,916	736,873
OFF-TRACK	1,132,510	1,088,868	974,686	1,017,025	931,250
AVE. DAILY ATTENDANCE	25,865	23,219	22,060	21,717	19,625
AVERAGE DAILY ON - TRACK	12,383	10,703	10,317	9,752	8,669
AVERAGE DAILY OFF - TRACK	13,482	12,516	11,743	11,965	10,956
TOTAL RACE EVENTS	723	749	713	733	733
STARTS	6,156	6,087	5,738	6,189	5,935
AVERAGE STARTS PER EVENT	8.5	8.1	8.0	8.4	8.1
AVE.HANDLE PER START	110,065	117,541	114,696	119,273	117,729

Chart1

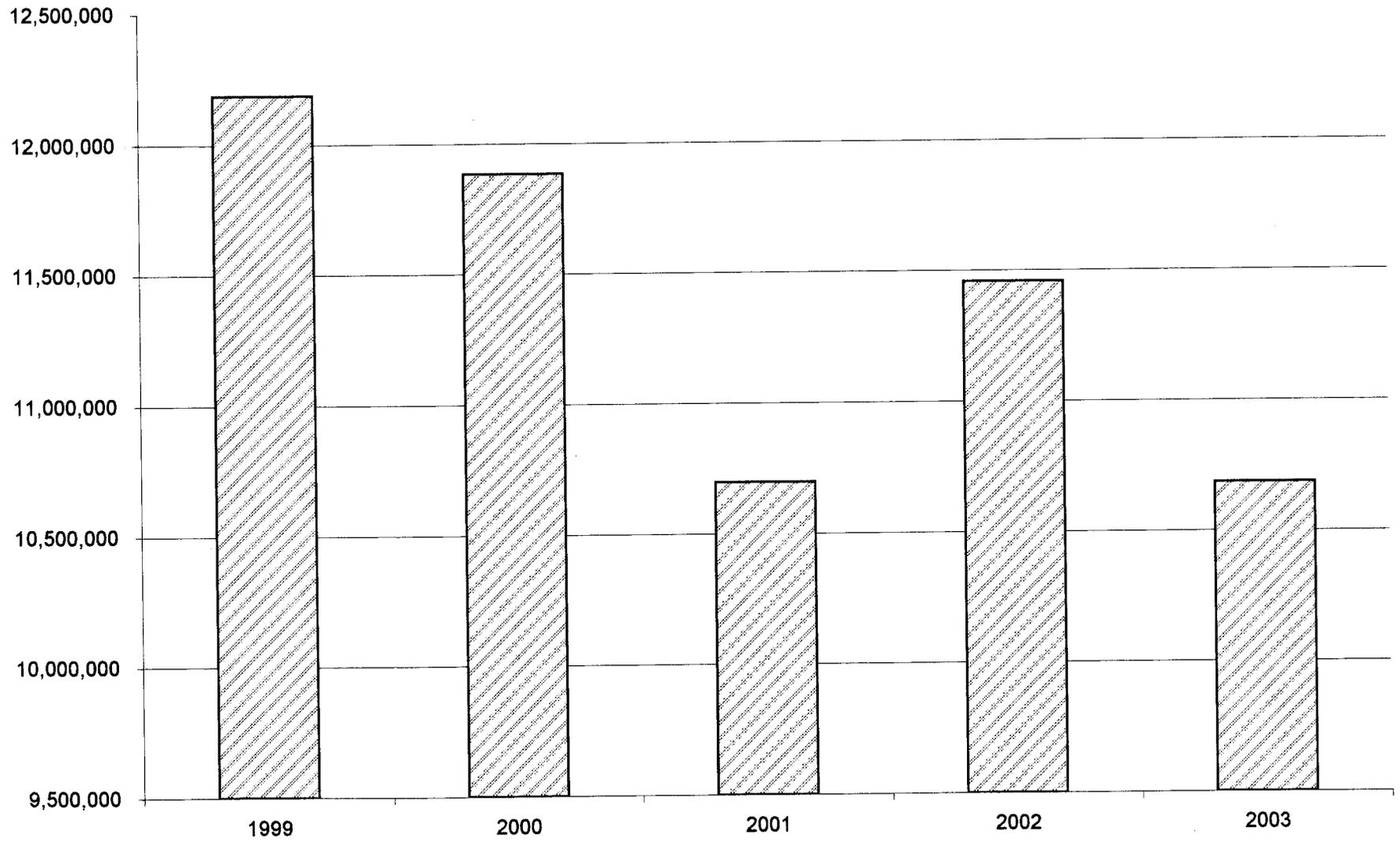
LOS ANGELES TURF CLUB



AVERAGE DAILY HANDLE

Chart2

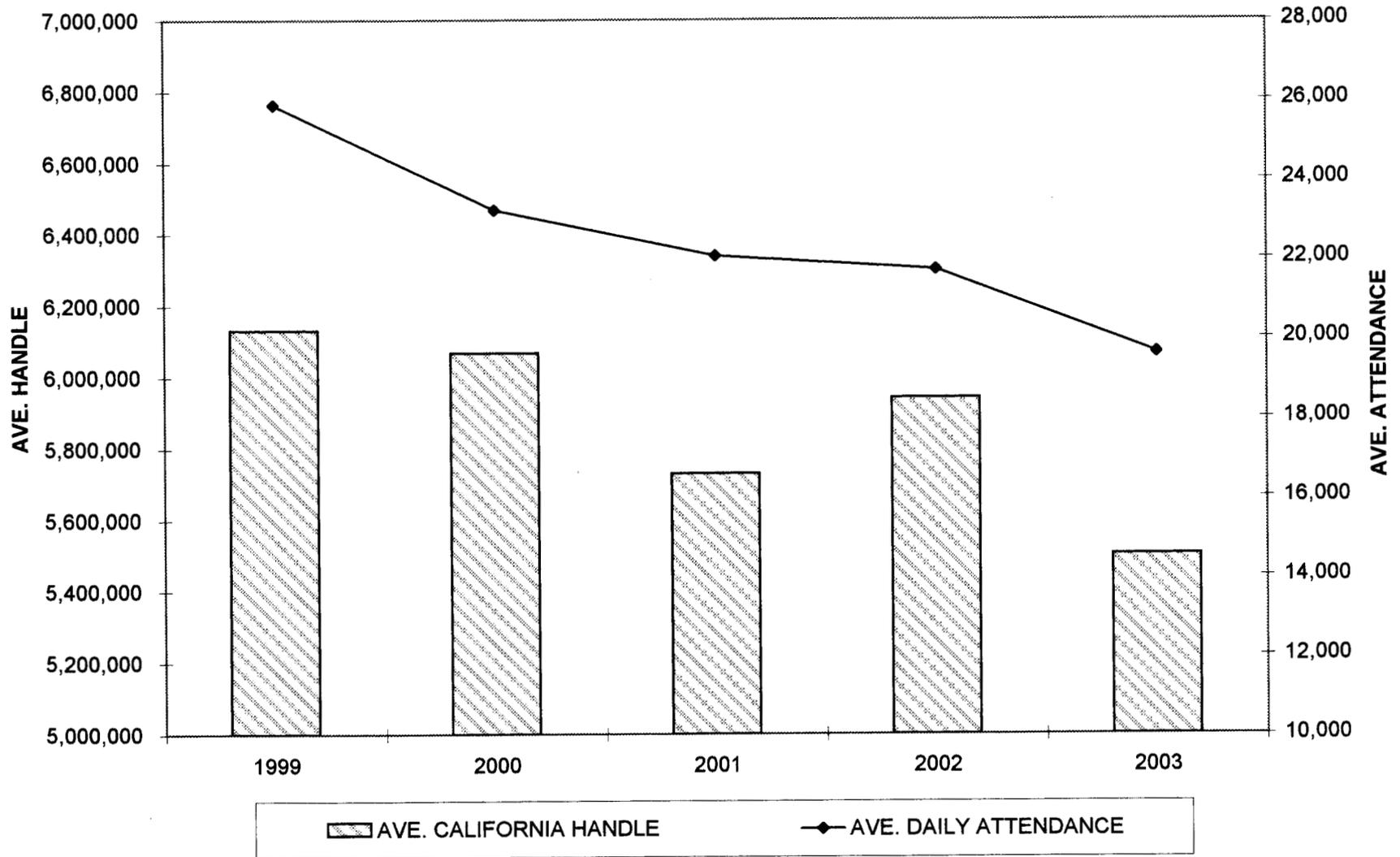
LOS ANGELES TURF CLUB



PARIMUTUEL LICENSING FEES

Chart3

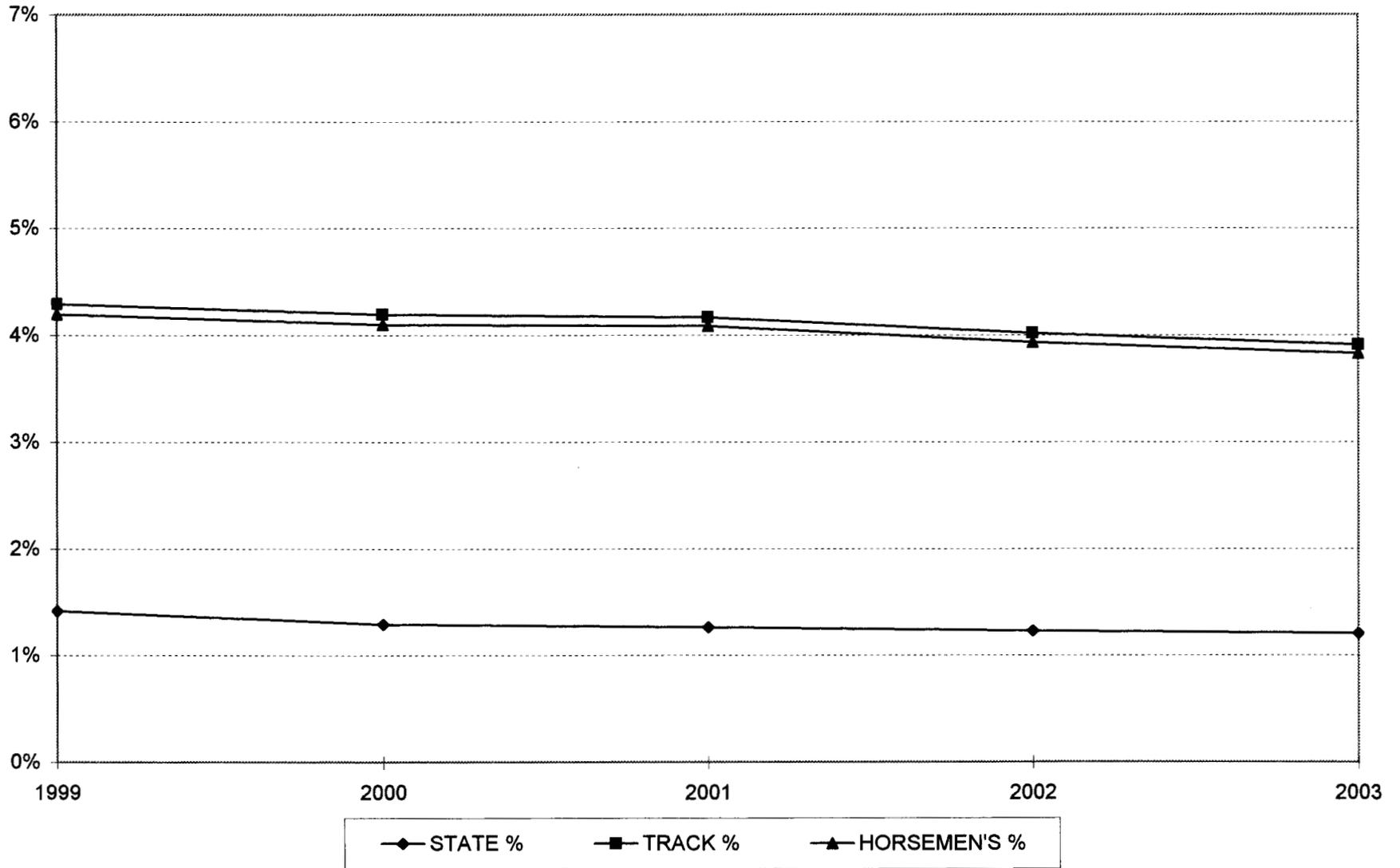
LOS ANGELES TURF CLUB



CALIFORNIA DAILY HANDLE VS. ATTENDANCE

Chart4

LOS ANGELES TURF CLUB



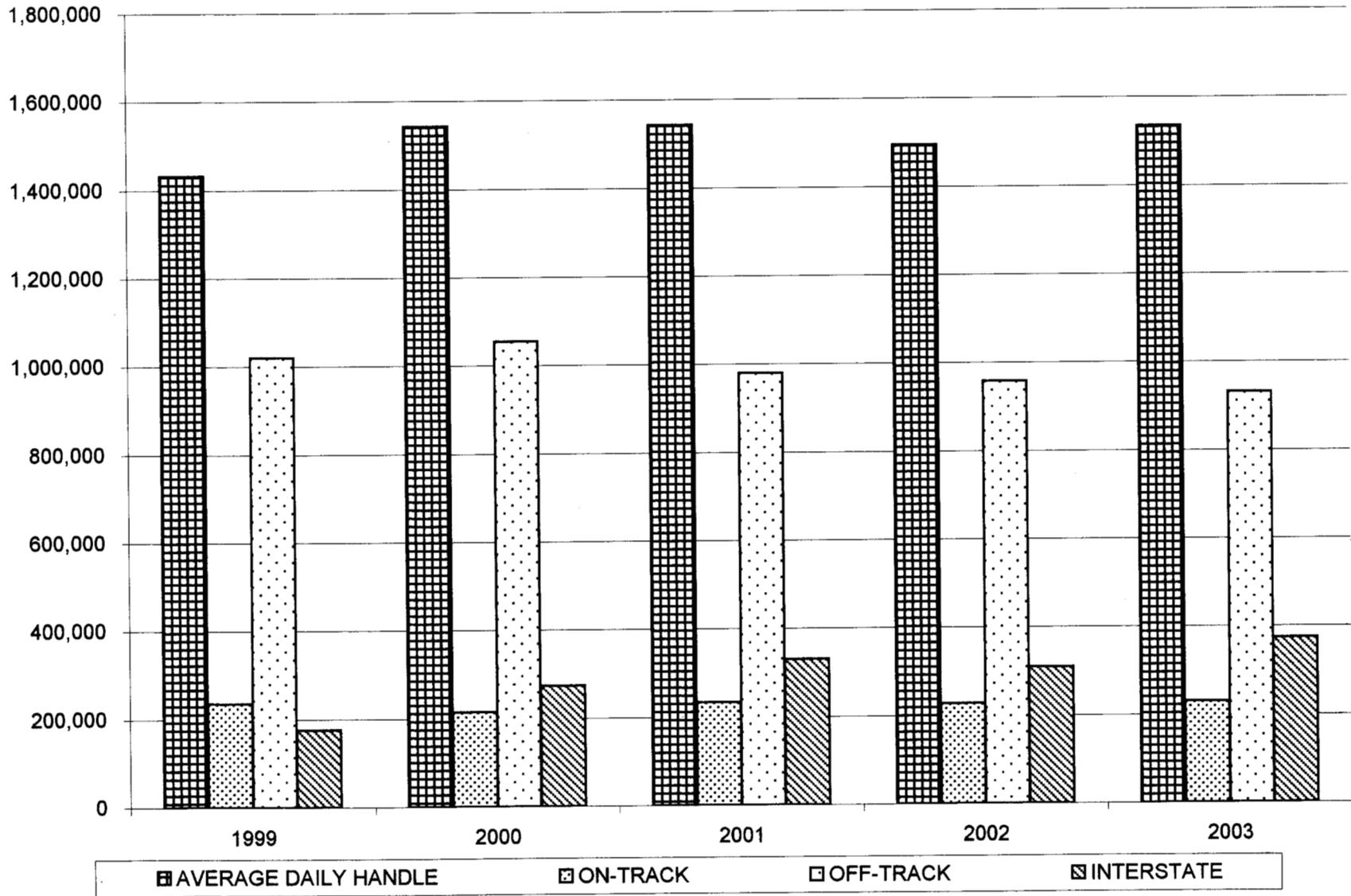
DISTRIBUTION OF HANDLE

SAN JOAQUIN FAIR

YEAR	1999	2000	2001	2002	2003
TOTAL RACE DAYS	10	10	10	10	10
TOTAL HANDLE	14,317,026	15,424,725	15,421,930	14,945,022	15,351,038
ON-TRACK	2,357,382	2,146,188	2,325,986	2,268,334	2,297,774
OFF-TRACK	10,203,168	10,545,266	9,794,127	9,581,951	9,311,621
INTERSTATE	1,756,476	2,733,271	3,301,817	3,094,738	3,741,643
LIVE	8,379,029	8,988,285	9,130,373	8,523,498	9,227,010
INTRASTATE IMPORTED	3,440,645	3,789,508	3,333,365	3,234,153	2,949,164
INTERSTATE IMPORTED	2,405,375	2,646,932	2,958,192	3,141,600	3,174,864
INTERNATIONAL IMPORTED	91,977	0	0	45,772	0
AVERAGE DAILY HANDLE	1,431,703	1,542,473	1,542,193	1,494,502	1,535,104
ON-TRACK	235,738	214,619	232,599	226,833	229,777
OFF-TRACK	1,020,317	1,054,527	979,413	958,195	931,162
INTERSTATE	175,648	273,327	330,182	309,474	374,164
AVERAGE LIVE	837,903	898,829	913,037	852,350	922,701
INTRASTATE IMPORTED	344,065	378,951	333,336	323,415	294,916
INTERSTATE IMPORTED	240,538	264,693	295,819	314,160	317,486
INTERNATIONAL IMPORTED	9,198	0	0	4,577	0
TOTAL TAKEOUT	2,849,157	3,083,320	3,088,624	2,989,150	3,078,325
EFFECTIVE TAKEOUT	19.90%	19.99%	20.03%	20.00%	20.05%
STATE LICENSE FEES	196,469	196,857	187,983	181,522	181,230
STATE %	1.37%	1.28%	1.22%	1.21%	1.18%
TRACK COMMISSIONS	605,777	612,793	597,322	582,883	569,601
TRACK %	4.23%	3.97%	3.87%	3.90%	3.71%
HORSEMEN'S PURSES	611,748	616,726	602,479	588,373	576,015
HORSEMEN'S %	4.27%	4.00%	3.91%	3.94%	3.75%
CALIFORNIA ATTENDANCE	90,518	88,805	89,263	87,889	86,393
ON-TRACK	39,982	39,464	45,323	44,849	45,079
OFF-TRACK	50,536	49,341	43,940	43,040	41,314
DAILY ATTENDANCE	9,052	8,881	8,926	8,789	8,639
AVERAGE DAILY ON - TRACK	3,998	3,946	4,532	4,485	4,508
AVERAGE DAILY OFF - TRACK	5,054	4,934	4,394	4,304	4,131
TOTAL RACE EVENTS	103	104	104	104	104
STARTS	885	836	816	775	846
AVERAGE STARTS PER EVENT	8.6	8.0	7.8	7.5	8.1
AVERAGE HANDLE PER START	9,468	10,752	11,189	10,998	10.907

Chart1

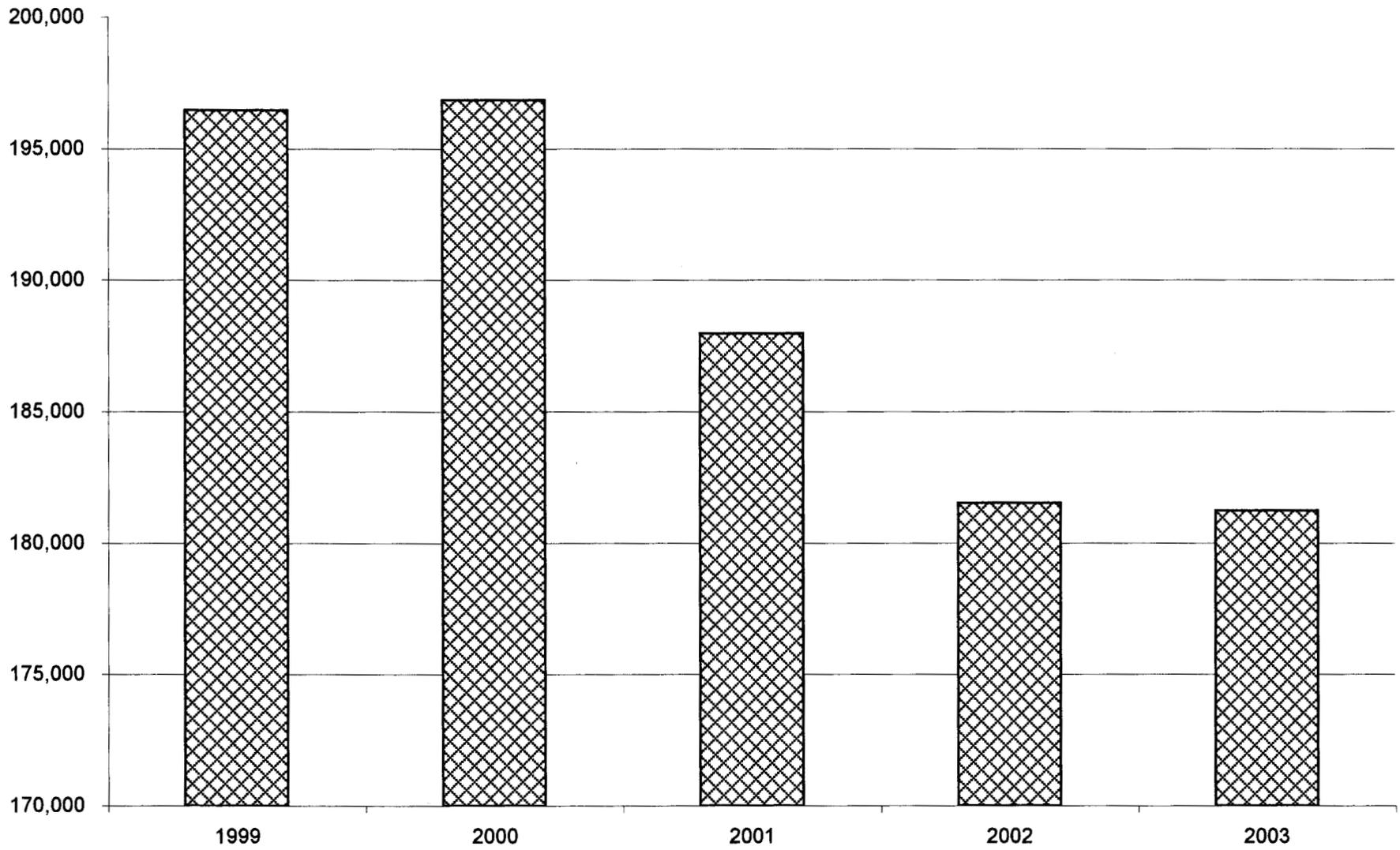
SAN JOAQUIN FAIR



AVERAGE DAILY HANDLE

Chart2

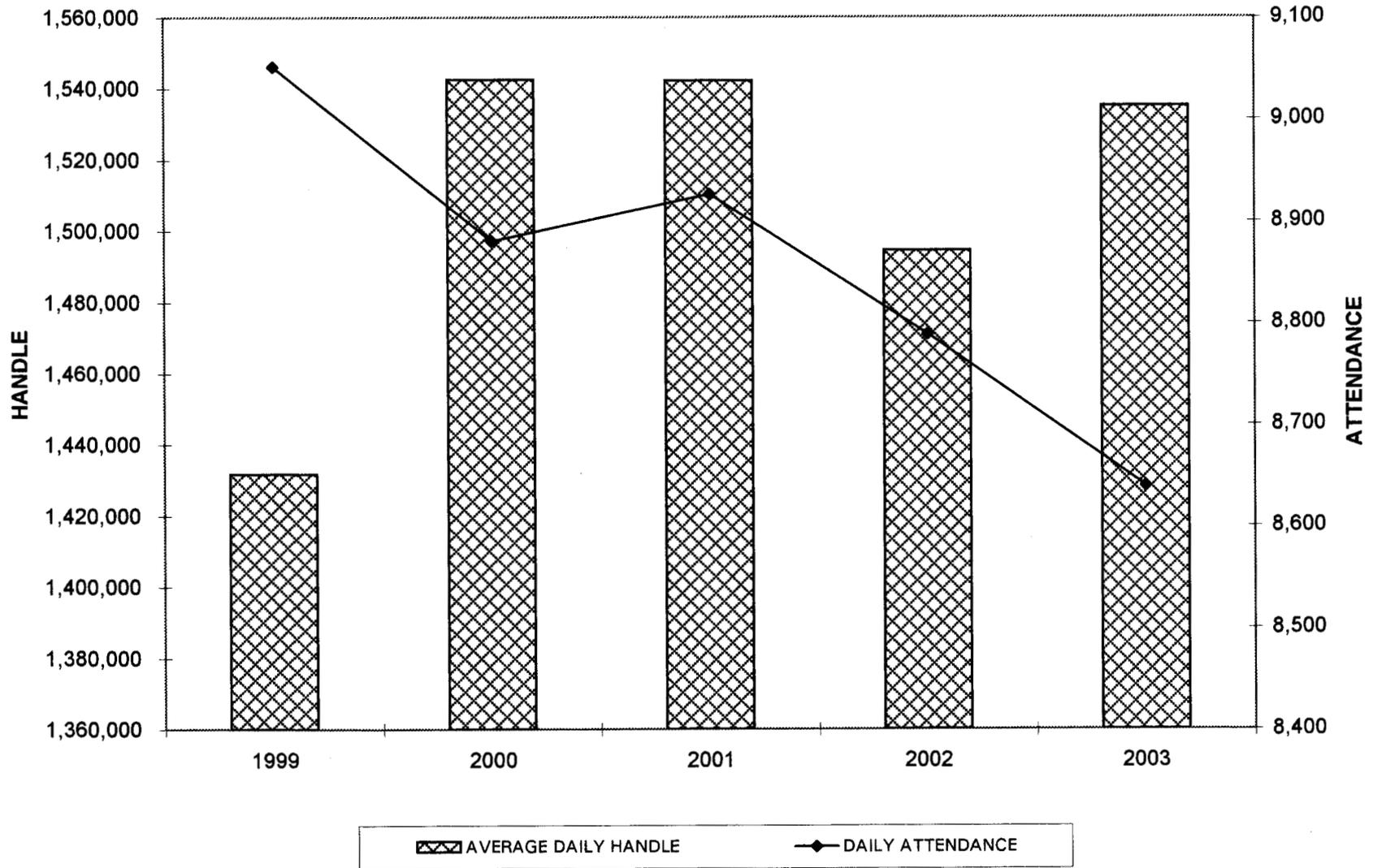
SAN JOAQUIN FAIR



PARIMUTUEL LICENSING FEES

Chart3

SAN JOAQUIN FAIR



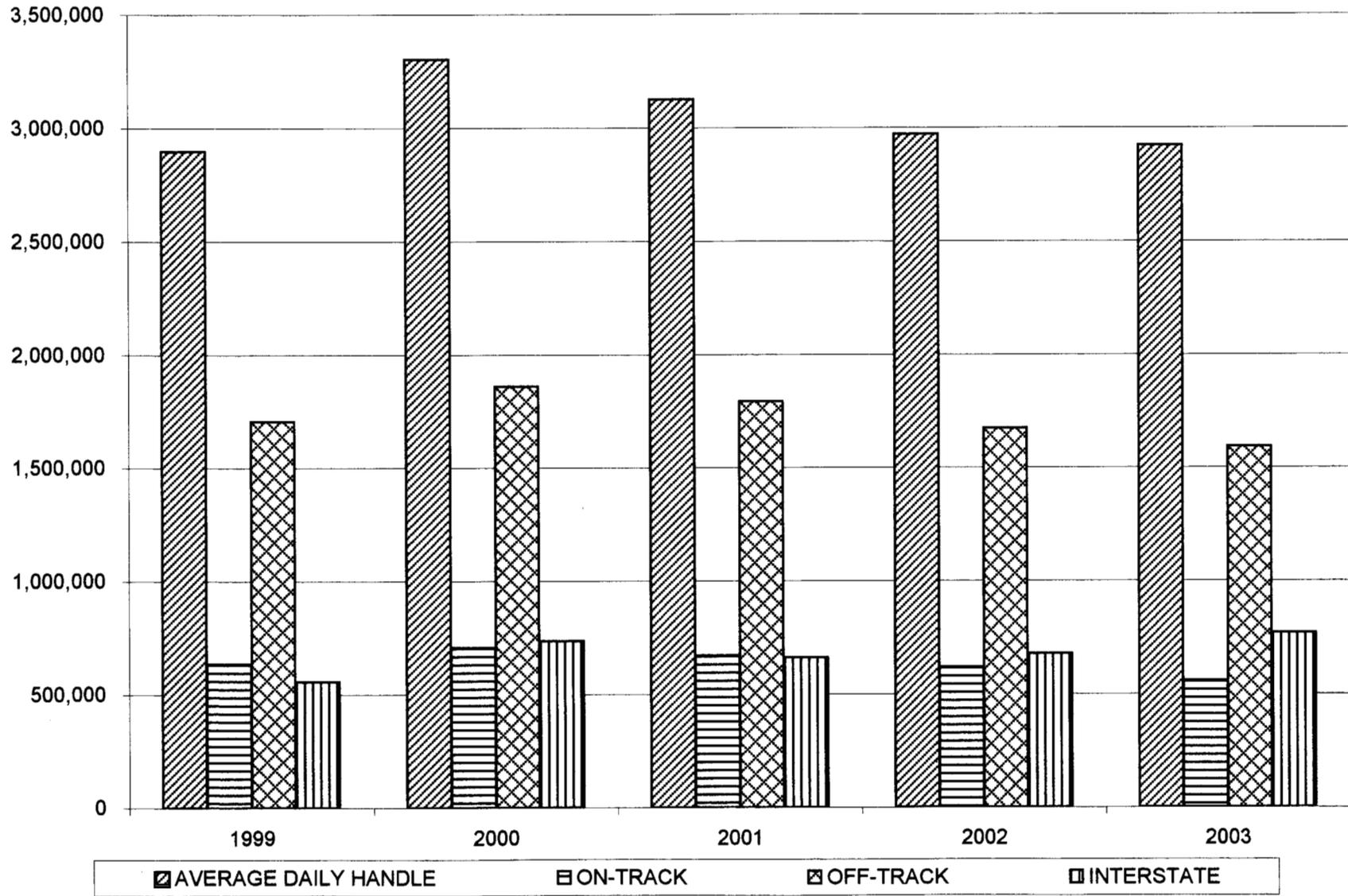
HANDLE VS. ATTENDANCE

ALAMEDA COUNTY FAIR

<u>YEAR</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
TOTAL RACE DAYS	11	11	11	11	11
TOTAL HANDLE	31,861,078	36,317,177	34,378,981	32,670,122	32,128,082
ON-TRACK	6,993,220	7,770,672	7,384,200	6,802,265	6,134,946
OFF-TRACK	18,749,753	20,462,553	19,717,534	18,407,768	17,519,030
INTERSTATE	6,118,105	8,083,953	7,277,248	7,460,089	8,474,107
LIVE	18,430,955	20,880,440	18,300,588	17,503,601	17,753,631
INTRASTATE IMPORTED	8,096,753	8,975,981	8,785,023	7,988,183	7,293,359
INTERSTATE IMPORTED	5,139,648	6,460,757	7,293,371	7,056,167	7,081,093
INTERNATIONAL IMPORTED	193,722	0	0	122,172	0
AVERAGE DAILY HANDLE	2,896,462	3,301,562	3,125,362	2,970,011	2,920,735
ON-TRACK	635,747	706,425	671,291	618,388	557,722
OFF-TRACK	1,704,523	1,860,232	1,792,503	1,673,433	1,592,639
INTERSTATE	556,191	734,905	661,568	678,190	770,373
AVERAGE LIVE	1,693,152	1,898,222	1,663,690	1,602,343	1,613,966
INTRASTATE IMPORTED	736,068	815,998	798,638	726,198	663,033
INTERSTATE IMPORTED	467,241	587,342	663,034	641,470	643,736
INTERNATIONAL IMPORTED	17,611	0	0	11,107	0
TOTAL TAKEOUT	6,408,063	7,242,171	6,879,911	6,515,611	6,409,654
EFFECTIVE TAKEOUT	20.11%	19.94%	20.01%	19.94%	19.95%
STATE LICENSE FEES	393,486	429,086	399,496	372,203	351,023
STATE %	1.24%	1.18%	1.16%	1.14%	1.09%
TRACK COMMISSIONS	1,347,756	1,436,109	1,366,938	1,265,780	1,166,137
TRACK %	4.23%	3.95%	3.98%	3.87%	3.63%
HORSEMEN'S PURSES	1,369,354	1,458,827	1,385,716	1,282,759	1,180,660
HORSEMEN'S %	4.30%	4.02%	4.03%	3.93%	3.67%
CALIFORNIA ATTENDANCE	104,793	106,383	96,201	93,482	83,850
ON-TRACK	41,718	42,619	38,474	38,462	33,926
OFF-TRACK	63,075	63,764	57,727	55,020	49,924
DAILY ATTENDANCE	9,527	9,671	8,746	8,498	7,623
AVERAGE DAILY ON - TRACK	3,793	3,874	3,498	3,497	3,084
AVERAGE DAILY OFF - TRACK	5,734	5,797	5,248	5,002	4,539
TOTAL RACE EVENTS	129	129	120	120	120
STARTS	1,079	1,057	928	880	927
AVERAGE STARTS PER EVENT	8.4	8.2	7.7	7.3	7.7
AVERAGE HANDLE PER START	17,082	19,754	19,720	19,890	19,152

Chart1

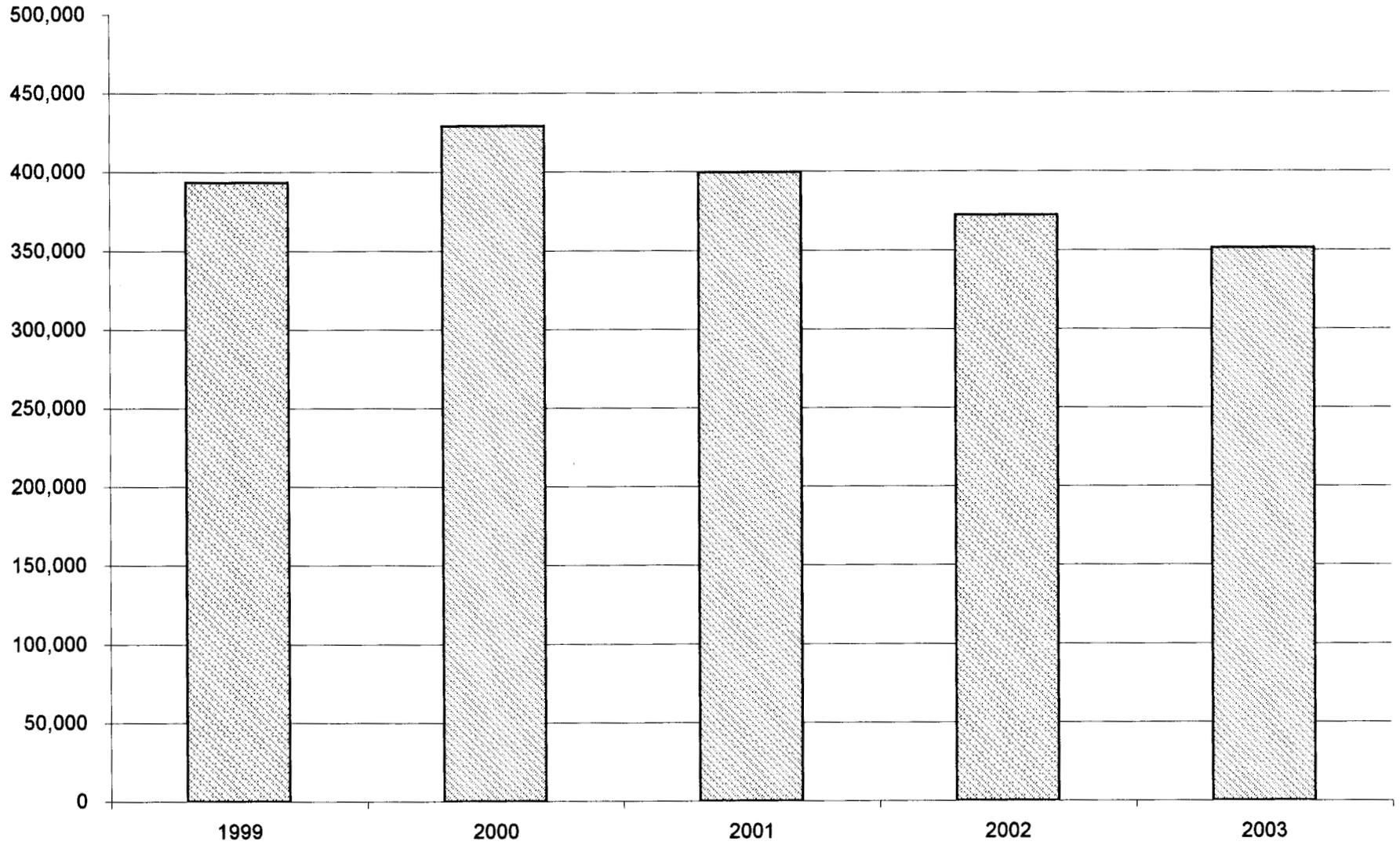
ALAMEDA COUNTY FAIR



AVERAGE DAILY HANDLE

Chart2

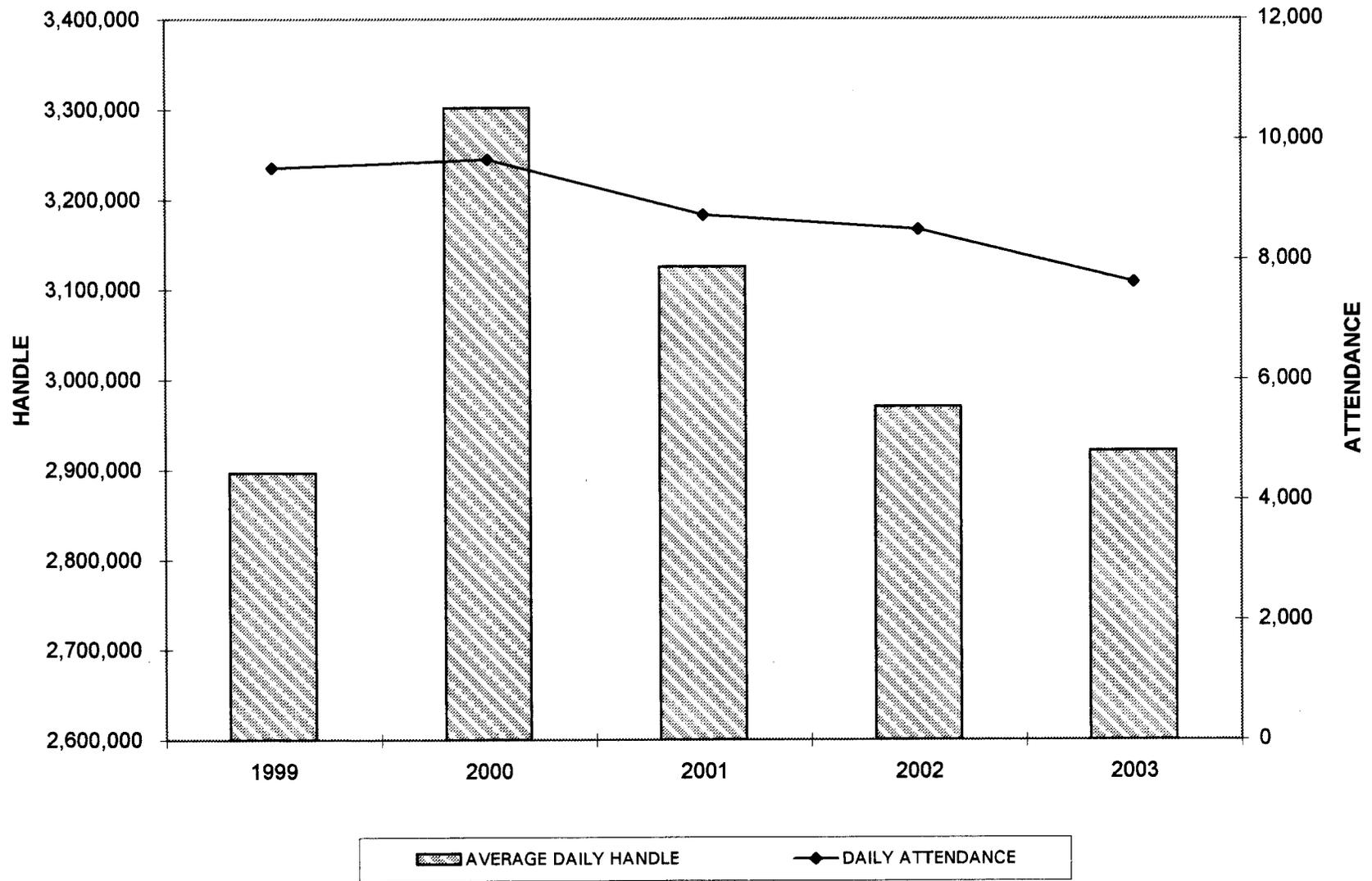
ALAMEDA COUNTY FAIR



PARIMUTUEL LICENSING FEES

Chart3

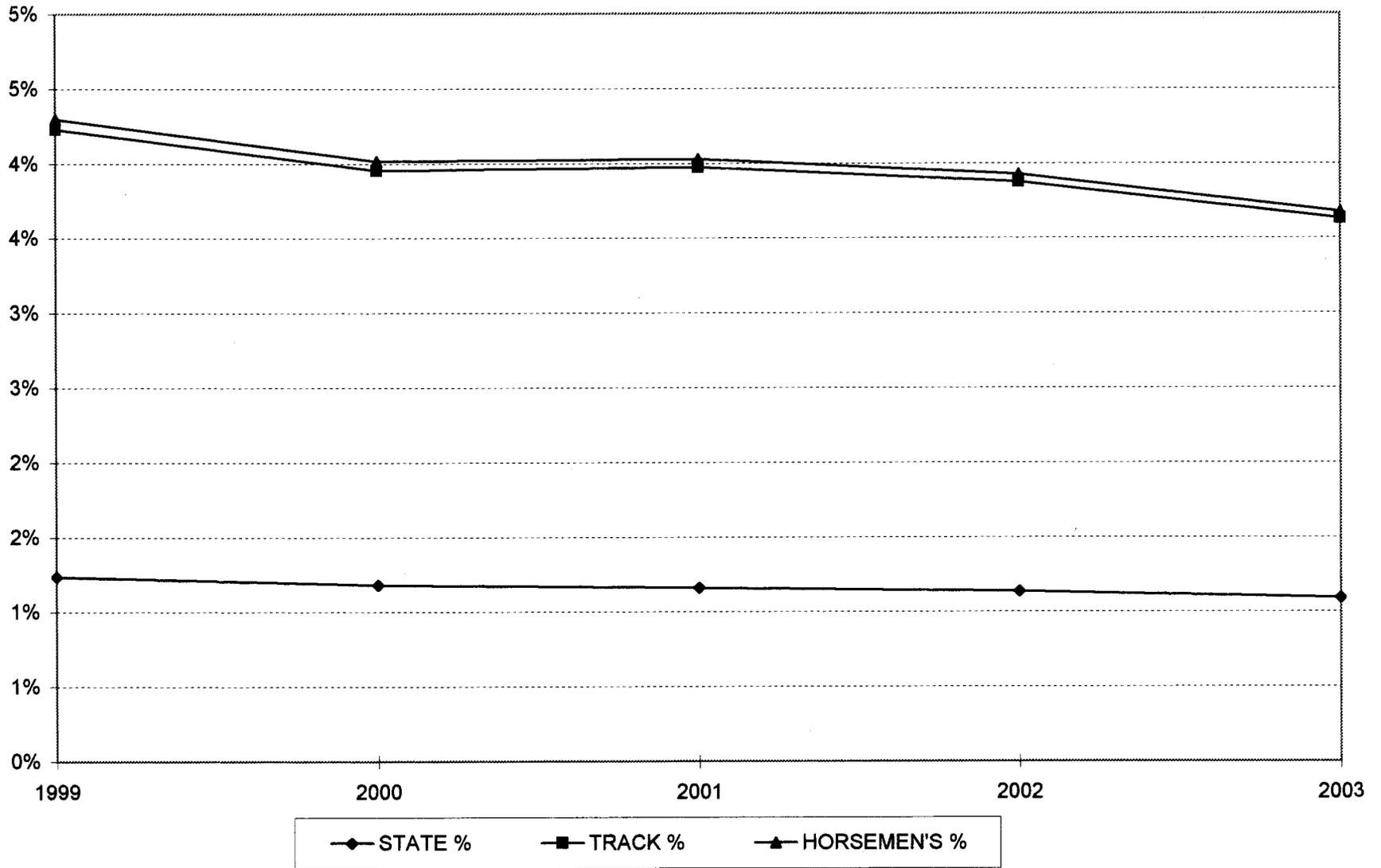
ALAMEDA COUNTY FAIR



HANDLE VS. ATTENDANCE

Chart 4

ALAMEDA COUNTY FAIR



DISTRIBUTION OF HANDLE