



REGULAR MEETING

of the **California Horse Racing Board** will be held on, **Thursday, July 25, 2002**, commencing at **10:00 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 meeting of **June 6, 2002**.
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 30 through November 3, 2002, 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 Fairplex, commencing September 13 through September 29, 2002, inclusive.
4. Discussion and action by the Board on the **Application for License to Conduct a Horse Racing Meeting of Capitol Racing LLC, (H)** at Sacramento, commencing September 27, 2002 through February 23, 2003, inclusive.
5. Discussion and action by the Board on the **approval of the annual distribution of a portion of the unclaimed refund monies, adjusted for inflation, to the Jockeys' Guild Health and Welfare Trust**, pursuant to Business and Professions Code Section 19612.9.
6. 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 \$97,000 to 47 beneficiaries.
7. Discussion and action by the Board on the **request of the Pacific Racing Association to distribute charity racing day proceeds** in the amount of \$68,300 to 17 beneficiaries.
8. Staff report on the following **concluded race meetings**:
 - A. **Los Angeles Turf Club** at Santa Anita from December 26, 2001 through April 21, 2002.
 - B. **San Joaquin Fair** at Stockton from June 12 through June 23, 2002.

9. Staff update on the **Advance Deposit Wagering handle**.
10. Report on the implementation of **Advance Deposit Wagering**.
 - A. Report by **XpressBet**.
 - B. Report by **TVG**.
 - C. Report by **YouBet**.

Other Business

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

Additional information regarding this meeting may be obtained from Jacqueline Wagner, 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

CALIFORNIA HORSE RACING BOARD

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

CALIFORNIA HORSE RACING BOARD



Memorandum

Date : July 15, 2002

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

From : Sharyn S. Jolly
Administrative Hearings Unit

Subject : PROPOSED DECISIONS SCHEDULED FOR ACTION-EXECUTIVE SESSION

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

GARCIA, Matthew
SAC 02-011
Appellant

Appeal from Board of Stewards Ruling #144 and #145, Los Angeles Turf Club, dated February 18, 2002.

GLADNEY, Dihigi
SAC 01-058
Appellant

Appeal from Board of Stewards Ruling #202, Los Alamitos Quarter Horse Racing Association, dated November 29, 2001.

SAUER, Todd
SAC 02-055
Applicant

Fitness for licensure.

ADAIR, Billy Don
SAC 02-040
Applicant

Fitness for licensure.

1010 Hurley Way, Suite 300, Sacramento, CA 95825

Phone: (916) 263-6000 □ FAX: (916) 263-6042

BERGH, Robert
SAC 02-028
Petitioner

Hearing after exclusion or ejection.

GACH, Richard
SAC 98-068
Respondent

Accusation

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



PENDING LITIGATION
JULY 2002

<u>CASE</u>	<u>CASE NUMBER</u>
DAVIES, A. v. California Horse Racing Board	Contra Costa County Superior Court No. C 98-01694
STOKES, LANCE W. v. California Horse Racing Board	Los Angeles County Superior Court No. BS 064741
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
SIEDELMAN, GARY v. California Horse Racing Board	Sacramento County Superior Court No. AS 03388
BAFFERT, BOB v. California Horse Racing Board	U.S. District Court, Central District of California Case No. 01-07363 DT

PROCEEDINGS of the Regular Meeting of the **California Horse Racing Board** held at the **Bay Meadows Race Track, Long Champs Room, Turf Club, 2600 South Delaware Street, San Mateo, California, on June 6, 2002.**

Present: Alan W. Landsburg, Chairman
 Roger H. Licht, Vice-Chairman
 William A. Bianco, Member
 Sheryl L. Granzella, Member
 John C. Harris, Member
 Marie G. Moretti, Member
 John C. Sperry, Member
 Roy C. Wood, Jr., Executive Director
 Tom Blake, Deputy Attorney General

MINUTES

Chairman Landsburg asked for approval of the minutes of the Regular Board Meeting of March 28, 2002. Commissioner Moretti **motioned** to approve the minutes. Commissioner Sperry **seconded** the motion, which was **unanimously carried**.

MINUTES

Chairman Landsburg asked for approval of the minutes of the Regular Board Meeting of April 25, 2002. Commissioner Granzella **motioned** to approve the minutes. Commissioner Sperry **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 10 THROUGH JULY 21, 2002, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the Solano County Fair (SCF) proposed to run 11 days, one day less than in 2001, for a total of 118 races, 10 less than in 2001. Ms. Wagner stated

the first post time would be 12:15 p.m. She commented SCF would coordinate its post times with other California racing venues. The wagering program would be offered using CHRB regulations. Ms. Wagner said the application was missing the fire clearance as well as the names of the paddock judge, the placing judge and the starter. The Thoroughbred Owners of California horsemen's agreement had been received, however, the appaloosa horsemen's agreement was missing. Ms. Wagner stated staff recommended approval of the application contingent on receipt of items noted as missing in the analysis. Commissioner Harris said he noted the admission price had been increased. He asked if admission included the fair. Kim Merriman, General Manager of SCF, said the price of admission included access to the fair and the race meet. Vice-Chairman Licht stated the Pari-Mutuel Committee decided it would make it a priority in the near future for future license applications to affirm that off shore providers who received the signal would affirm they were not taking wagers from California residents. Vice-Chairman Licht **motioned** to approve the application for license to conduct a horse racing meeting of SCF conditioned on receipt of items noted as missing in the analysis. Commissioner Harris **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 24 THROUGH AUGUST 2, 2002, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the Sonoma County Fair (SCF) proposed to run 12 days, the same number as in 2001, for a total of 134 races, two more than in 2001. The first post time would be 12:45 p.m. Ms. Wagner commented SCF would coordinate its post times with other California racing venues. The wagering program would be offered using CHRB

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regulations. Ms. Wagner stated the application was missing the fire clearance and the name of the second placing judge. The Thoroughbred Owners of California horsemen's agreement had been received, however, the appaloosa horsemen's agreement was missing. Ms. Wagner said staff recommended approval of the application contingent on receipt of items noted as missing in the analysis. Commissioner Harris asked how the fairs contracted with out-of-state wagering systems. Mr. Korby said there were different mechanisms for contracting with out-of-state wagering systems. Some were individual contracts, other contracts used a third party. Commissioner Harris said that if the systems were operating as advance deposit wagering entities, and were taking wagers from California, there needed to be some oversight to make sure they were licensed. Vice-Chairman Licht commented that he and Mr. Korby had spoken about the issue to make sure there was compliance. Vice-Chairman Licht **motioned** to approve the application for license to conduct a horse racing meeting of SCF conditioned on receipt of items noted as missing in the analysis. 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 SAN MATEO COUNTY FAIR (F) AT BAY MEADOWS, COMMENCING AUGUST 7 THROUGH AUGUST 19, 2002, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the San Mateo County Fair (SMCF) proposed to run 12 days, the same number as in 2001, for a total of 143 races, 28 more than in 2001. The first post time would be 1:15 p.m. daily, and 3:15 p.m. on Fridays. The wagering program would be offered utilizing CHRB regulations. Ms. Wagner stated the fire clearance and the appaloosa horsemen's agreement were missing from the application. She said staff

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recommended approval of the application contingent on receipt of items notes as missing in the analysis. Commissioner Sperry **motioned** to approve the application for license to conduct a horse racing meeting of SMC conditioned on receipt of items noted as missing in the analysis. 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 8 THROUGH AUGUST 18, 2002, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the Humboldt County Fair (HCF) proposed to run 10 days, the same number as in 2001, for a total of 78 races, two more than in 2001. The first post time would be 1:55 p.m. Saturdays and Sundays; 2:25 p.m. Mondays, Wednesdays, and Thursdays; and 2:55 p.m. Fridays. The wagering program would be offered using CHRB regulations. Ms. Wagner stated the fire clearance and the appaloosa horsemen's agreement were missing from the application. She said staff recommended approval of the application contingent on receipt of items noted as missing in the analysis. Chairman Landsburg asked if there had been any movement on the initiative to film "Sea Biscuit, The American Legend" at HCF. Chris Korby of the California Authority of Racing Fairs said there had been discussion regarding the film. He stated Universal Films had also talked to the Humboldt County Film commission, and talks were ongoing. Commissioner Bianco **motioned** to approve the application for license to conduct a horse racing meeting of HCF conditioned on receipt of items noted as missing in the analysis. Commissioner Harris **seconded** the motion, which was **unanimously carried**.

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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 SACRAMENTO, COMMENCING AUGUST 21 THROUGH SEPTEMBER 2, 2002.

Jacqueline Wagner, CHRB staff, said the California Exposition and State Fair (CESF) proposed to run 12 days, the same number of days as in 2001, for a total of 132 races, one more than in 2001. The first post time would be 1:15 p.m. daily, and 2:45 p.m. Fridays. Ms. Wagner commented CESF would have a post time of 12:45 p.m. on Sunday, August 25, 2002, due to the Del Mar Pacific Classic. The fire clearance, the name of the fitness veterinarian, the timer and the entity that would provide the timing service were missing from the application. Ms. Wagner stated the appaloosa horsemen's agreement was also missing. She said staff recommended approval of the application contingent on receipt of items noted as missing in the analysis. Commissioner Granzella **motioned** to approve the application for license to conduct a horse racing meeting of SCFE conditioned on receipt of items noted as missing in the analysis. 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 DEL MAR THOROUGHBRED CLUB (T) AT DEL MAR, COMMENCING JULY 24 THROUGH SEPTEMBER 11, 2002, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the Del Mar Thoroughbred Club (DMTC) proposed to run 43 days, the same number of days as in 2001, for a total of 327 races. The first post time would be 2:00 p.m. daily. On August 25, 2002, the first post time would be 12:30 p.m. due to the Del Mar Pacific Classic. The fire clearance was missing from the application. Ms.

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Wagner stated staff recommended approval of the application contingent on receipt of items noted as missing in the analysis. Chairman Landsburg said the commissioners received a revised copy of the horsemen's Advance Deposit Wagering (ADW) agreement the morning of the Board meeting and had not had time to review it. Vice-Chairman Licht commented that dealing with the agreement at the next Board meeting could prove to be a problem as DMTC's meeting will have begun. Craig Fravel of DMTC said the agreement was the same one Hollywood Park was currently operating under. He stated the distributions would be the same and all parties had agreed to comply with the agreement. Chairman Landsburg said it was becoming almost routine for the Board to receive such agreements the day it had to rule on them. He stated he did not believe it was proper for the Board to have to make decisions under such circumstances, particularly when there could be questions regarding the content of the agreements and whether they conformed to the Board's rules. Vice-Chairman Licht said he believed the Board could approve the agreement based on Mr. Fravel's representations that it was identical to the one Hollywood Park was operating under. He stated the Board could reserve the right to revoke its approval. Executive Director Roy Wood said part of the application for DMTC included ADW with TVG. He said if the Board was going to approve the application with TVG as a simulcast provider it needed to be accomplished prior to the next regular Board meeting. Chairman Landsburg said he would agree with an approval. He stated, however, that in the future all documents would have to be received at least seven days in advance of a Board meeting or they would be rejected. Vice-Chairman Licht **motioned** to approve the application for license to conduct a horse racing meeting of DMTC conditioned on receipt of items noted as missing in the analysis and subject to the ADW agreement being in

full comport with the Hollywood Park - Thoroughbred Owners of California ADW agreement.

Commissioner Harris **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE REQUEST TO CHANGE THE SITE FOR THE ALLOCATED RACE DATES FOR THE LOS ANGELES COUNTY FAIR (LACF) FROM LACF'S FAIRPLEX PARK TO THE SANTA ANITA RACE TRACK.

John Reagan, CHRB staff, said the Los Angeles County Fair (LACF) proposed to change its racing venue. He stated LACF had reached an agreement with the Los Angeles Turf Club (LATF) at Santa Anita. Mr. Reagan said LACF would like to resolve the issue prior to the submission of its application for license to conduct a horse racing meeting. Jim Henwood of LACF said since 1995 various horse racing entities had stated Fairplex Park was inadequate due to the length of the track and the lack of a turf course. Fairplex Park's shortcomings eliminated Breeder's Cup horses from racing in Southern California during the 17 days of its meeting. Mr. Henwood recited a chronological listing of industry criticisms of Fairplex Park. He stated in 1999 and 2000, LACF examined every aspect of its operations with the goal of providing the highest quality facility. As part of the process LACF met with representatives of the industry in Southern California to discuss the future of the racing industry. During the course of the discussions other racing entities showed interest in hosting the LACF meet at their facilities. Mr. Henwood said an agreement was made with the Los Angeles Turf Club (LATC) to move the meeting to Santa Anita. He stated the proposal had generated comment from members of the industry, and he noted the enthusiasm for the LACF to run on a mile track with a turf course had somewhat disappeared. Mr. Henwood said LACF was confused about the change in the industry's attitude in light of the seven-year history of negative

comments regarding the Fairplex facility. He noted that when LACF was close to an agreement to race at Hollywood Park, other racing entities went on record in support of the concept, however, since LACF made an agreement with LATC, opinions had changed. Mr. Henwood said the issue was not the facility, as Santa Anita was first-class. He stated LACF expected attendance to increase as a result of the move. He also noted that the LACF/LATC lease was not precedent setting. Oak Tree Racing Association (OTRA) had a similar agreement with LATC, and the San Mateo County Fair (SMCF) leased Bay Meadows Racecourse. Mr. Henwood said LACF intended to remain in the horse racing business, and continue stabling and training horses at the Fairplex facility. He stated he would like to receive direction regarding LACF's request as there was only one week left to comply with the Board's regulations for the submission of an application for license to conduct a horse racing meeting. Vice-Chairman Licht said he was not aware that Thoroughbred Owners of California (TOC) or California Thoroughbred Trainers (CTT) were on record as being in favor of a move by LACF to Hollywood Park. Mr. Henwood stated TOC's and CTT's positions had been reported in industry media and news paper articles. Vice-Chairman Licht asked what the financial terms of the lease between LACF and Santa Anita were. Mr. Henwood said he was reluctant to speak about the financial terms of the lease in public. He stated LACF has requirements it needed to abide by, and LATC had issues regarding corporate policy. Vice-Chairman Licht said he understood LACF would have fair exhibits at Santa Anita. Mr. Henwood said that was correct. He stated LACF intended to cross-promote fair activities and horse racing at both facilities. Commissioner Harris asked how LACF's request worked procedurally with Board Rule 1430, Allocation of Racing Weeks and Dates. Bob Forgnone, representing LACF, said when the racing calendar for 2002 was adopted, no one knew there

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would be an agreement between LACF and LATC. Commissioner Harris said in the context of the regulation he would interpret "unforeseen" to mean a catastrophic event wherein the association was physically unable to hold its meeting. He would not interpret it to mean the association found a slightly better financial deal that was not foreseen and wished to change its venue. Deputy Attorney General Tom Blake said the Board allocated race dates under Business and Professions (B&P) Code Section 19530. The allocation was to the entity that applied, not to a location. He stated he was not sure the discussion regarding unforeseen circumstances was relevant. Commissioner Bianco asked if LACF would lay off Fairplex employees if it changed venues. Mr. Henwood said LACF would not lay off employees. Fairplex employees would work at Santa Anita, and would continue working as they had traditionally. He added the change in venue might require additional employees. Commissioner Moretti said the fairs historically represented themselves as a conduit for new racing fans. She stated she knew the lease arrangement was not without precedent, but she was concerned as it negated the claim. Commissioner Moretti said she was concerned when she learned LACF wished to sell its dates to Hollywood Park as she did not view the dates as something to be sold by any entity. They were allocated by the Board. Commissioner Moretti stated she was also concerned with a change of venue as the horsemen who typically ran at Fairplex were not necessarily those who would run at larger meetings. She said the dates allocation process was long and arduous and she did not believe the Board should change it for 2002. Commissioner Moretti stated she believed the fairs needed to develop a comprehensive strategy for horse racing rather than move dates or venues in a piecemeal fashion. Commissioner Moretti concluded by stating she also had questions regarding the financial aspects of the lease agreement, the protection of labor, and the benefits to horsemen and fans.

Mr. Forgnone said he wanted the Board to understand clearly that there had been no sale of dates. A long term lease transaction with typical provisions and conditions had been negotiated between LATC and LACF. He stated the dates were allocated to LACF and LATC had no property interests in them. Mr. Henwood said he wished he could claim LACF was successful in its efforts to develop a customer base. However, almost 90 percent of its business was not conducted at the track. Only ten percent of its business was on track. Statistical information and customer profiles for LACF showed most of its customers were more interested in farm animals, exhibits and entertainment packages, than in horse racing. Mr. Henwood said LACF shared Commissioner Moretti's concerns for the horsemen, However, he stated training and stabling fees at Fairplex Park had been reduced in 2002 – which seemed to be a clear message that its business was not a priority. Mr. Henwood said LACF had a high level of misunderstand regarding what the industry wanted it to do. There were arguments that said Fairplex was a fine minor league business in a market that needed a major league player. Yet, instead of support from the industry, valuable funds needed for training were taken away from the horsemen, and LACF was asked to find a solution. Mr. Henwood said LACF was experiencing a hard time existing in the market, and was trying to reinvent itself as part of a strategic planning process. Mr. Forgnone said the lease agreement between LACF and LATC was analogous to that of SMCF and Bay Meadows, yet it had not been suggested that SMCF wished to sell its race dates. Additionally, just as with SMCF and Bay Meadows, the agreement between LACF and LATC did not mean thoroughbred racing would get more dates than it was statutorily entitled to. He stated LACF was not interested in sharing its dates, or in giving them up. LACF was interested in conducting its meeting. The question was where the meeting would be held; at the Fairplex facility, or at Santa Anita. Vice-Chairman Licht said

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B&P Code Subsection 19440(c) provided that the Board should support the network of fairs, while 19440(d) stated the Board should provide for the maximum expansion of horse racing opportunities in the public interest. He asked Mr. Forgnone to comment on the two subsections. Mr. Forgnone said the network of fairs included all California fairs. If the Board supported LACF's request, the fair would enjoy greater returns from its racing product. Additionally, the state of California would also enjoy greater returns, as would the horsemen in the form of higher purses. The public would benefit due to greater satisfaction with the product. Mr. Forgnone stated expansion of horse racing opportunities in the public interest meant positioning horse racing where the public would want to buy the product. If the LACF meeting were moved to Santa Anita, the population of horse owners interested in racing at the meeting would increase as well as the number of patrons wishing to place wagers. Sherwood Chillingworth of Oak Tree Racing Association (OTRA) said his organization had been racing at Santa Anita over 30 years, yet OTRA had not been consulted regarding the proposal to move the LACF meeting. He stated if the proposal were to move the LACF meeting to Hollywood Park, OTRA would not oppose it - despite its potential to adversely affect its meeting. However, OTRA would oppose running the LACF meeting at Santa Anita. The LACF meeting would run for 17 days immediately before the opening of OTRA. Mr. Chillingworth said having the LACF meeting at Santa Anita was a entirely different problem. The fan base for Hollywood Park and Santa Anita was, in general, different as the same people did not attend both tracks. If LACF were to run at Santa Anita immediately prior to OTRA, the pocketbooks of those who would attend OTRA's meeting would be drained. Mr. Chillingworth said the turf course at Santa Anita was being renovated, and would be in service for the opening of OTRA, and the first week of September was important in the growing cycle

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of Bermuda grass. He stated Santa Anita had indicated it could accommodate LACF racing by moving the railings, but he felt that was illogical as horses bunching up at the head of the stretch would trample the course just when the Bermuda roots were growing. Mr. Chillingworth said OTRA had lost the Breeders Cup three previous times, and now Breeder's Cup officials were worried the turf course would be damaged by LACF racing. With regards to LACF, Mr. Chillingworth said the association had always defended itself against critics by stating it needed racing to support their fair. LACF also claimed it introduced neophyte fans to racing because Fairplex was where persons would walk in and become interested in racing. Mr. Chillingworth said if the venue was moved, those arguments were no longer valid. Commissioner Moretti asked if OTRA would be as opposed to LACF running 17 days immediately before its opening if it had been able to work out a deal with the parties. Mr. Chillingworth said he would still have objections. He stated he did not want to be critical without offering solutions, so he would suggest that if LACF could no longer make money racing at Fairplex, and was not attracting new fans to racing, perhaps the industry could use the opportunity to improve racing by reallocating some of the dates, and using others to create breaks between meetings. Chairman Landsburg said the historical reason California had pari-mutuel wagering was to help the fairs. The fairs still needed the income provided by pari-mutuel wagering, so taking dates away from fairs would damage the very genesis of racing in California. Chairman Landsburg said he had not made up his mind, but he felt it was wrong to suggest it did not matter if the fairs had the income from racing. He commented it was interesting that 90 percent of the handle came from off track. That indicated the argument the fairs were breeding new fans was somewhat specious. Chairman Landsburg said he did not understand OTRA's assertion that patrons would run out of money if LACF ran prior to its

meeting. If patrons did not run out of money during the other 320 days of racing in California, how would they run out of money 17 days prior to OTRA's opening? Mr. Chillingworth said he would rather have LACF running in Los Angeles County and preserve the entire fair system. The idea of county fairs was to bring horse racing to outlying areas. If it was only money that the fairs needed, why couldn't major tracks assume part of their dates and create a fund to pay the fairs and make them profitable? Vice-Chairman Licht said he understood Mr. Chillingworth's assertion that moving LACF to Santa Anita would have an adverse effect on OTRA. He asked why that was a concern of the Board and not a contractual matter between OTRA and LATC. Mr. Chillingworth said he believed the Board's philosophy was that it was trying to create gaps in racing so meetings would not hurt each other. He stated a larger gap was created between the opening of Hollywood Park and Santa Anita. The larger the gap, the better the opening would be for the next meeting. Mr. Chillingworth said one of OTRA's main concerns was the trend towards consolidation in ownership of horse racing venues nation-wide. He said he was concerned about the creation of enormous influence in California which would be further exacerbated by running LACF's meeting at Santa Anita. Chairman Landsburg said he too was concerned, but it was not within the Board's purview to tell the industry not to do business. Mr. Chillingworth said if the Board deemed that a concentration of ownership was not in the best interests of horse racing, it should not add to it by approving the request for LACF to run at Santa Anita. John Collins, representing OTRA, said his organization believed the proposed relocation of the LACF meeting would have a serious detrimental impact. Mr. Collins stated the May 31, 2002, letter written by Craig Fravel of Del Mar Thoroughbred Club (DMTC) addressed the legal issues involved with the request, so he would not revisit the arguments. He commented that Mr.

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Fravel's articulation of the legal issues established without dispute that the Board would violate the law if it approved the request. Mr. Collins said OTRA joined in Mr. Fravel's express position and adopted his arguments. Mr. Collins said OTRA would like the Board to deny the request, or to defer action and allow negotiations so the issue could be decided between the parties. Mr. Fravel stated DMTC had never taken the position that LACF's racing dates should be moved. He said his organization had always supported Fairplex Park as a racing venue and would continue in its support. He urged the Board to support Fairplex as well. Mr. Fravel said DMTC believed there were a number of serious legal questions as outlined in his letter of May 31, 2002. He commented that as the terms of the lease agreement were not known, the industry was unable to judge the assertion that it was a straight forward agreement. It was not known who received direct payments; who had a financial interest in the outcome of the meeting; or what kind of non-financial covenants there were in relation to who controlled the racing operation or was paying personnel. Mr. Fravel stated each of the issues were relevant to whether it was a true lease or a sale of racing dates. He said DMTC requested the Board refer action to the dates allocation process with the issues fully disclosed. Chairman Landsburg said the Board had approved an application for license to conduct a horse racing meeting of SMCF at Bay Meadows. He asked how the arrangement between SMCF and Bay Meadows compared to the request of LACF. Mr. Fravel said SMCF was next door to Bay Meadows, and SMCF did not have a race track while LACF did. He stated those distinctions alone demonstrated a huge difference in the venues. Mr. Fravel stated B&P Code 19549.14 specifically acknowledged that SMCF was authorized to run its meeting at another location. Additionally, pending legislation would authorize SMCF to operate a satellite facility and move its racing around Northern California if Bay Meadows were to close. Vice-Chairman Licht

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asked Mr. Blake to comment on B&P Code Section 19549.14. Mr. Blake said the provisions of Section 19549.14 did not necessarily govern LACF's request. He noted the Board would be called upon to approve an application for license to conduct a horse racing meeting of LACF at a future meeting. The final determination of whether the application fits the requirements of the law would be made at that time. Mr. Fravel stated he thought it was important for the Board to consider the long term ramifications of its decision. He stated he agreed there was a limitation on what the Board had to determine regarding LACF's request, however, the long-term implications were that the fairs - which enjoyed certain privileges within the racing community - also had certain restrictions to live by. One of the restrictions was that a fair's meeting occurred at the fair. If the Legislature intended the fairs to move their venues, it would have clearly indicated its intent. Mr. Fravel stated he did not see the Board's authority to authorize a change of venue for the fairs, and if a precedent was set, there would be nothing to prevent any fair from entering into transactions with any racing venue. John Van de Kamp of Thoroughbred Owners of California (TOC) said his organization had supported LACF over the years as it tried to improve the quality of its racing facility. He stated TOC supported LACF when it tried to raise bond money to build a larger track, as well as an earlier schedule for LACF in the summer that would pre-date DMTC's meeting. Mr. Van de Kamp said over the years TOC held discussions with LACF regarding a move of venue to Hollywood Park. He stated the issue was volatile as the industry operated on projections made prior to the opening of a meeting. In the current situation there were possible impacts on DMTC and OTRA, but, no one was sure of what they would be. Mr. Van de Kamp stated the TOC board felt any decision regarding LACF's request should be arrived at after careful deliberation, and suggested the Board schedule a separate meeting to address the issues that had been raised and

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come to a decision. Ed Halpern of California Thoroughbred Trainers (CTT) said there were many issues involved with LACF's request for a change of venue. He stated CTT had presented a letter that outlined the position its members to Board staff. Mr. Halpern said CTT polled as many trainers as it could reach and by a three-to-one margin they were against a change of venue. He stated in addition to the concerns of its members, his organization was worried about how LACF's proposal would effect OTRA and DMTC. Mr. Halpren commented that both associations were extremely generous to CTT backstretch causes, and if OTRA or DMTC were hurt by a change of venue for LACF, backstretch workers would suffer too. Rick Baedecker of Churchill Downs California Operating Company (Hollywood Park) said he believed it would be a positive thing if LACF could race on a large track and offer turf racing, but he objected to LACF's race meeting falling effectively under the control of Magna Entertainment. Mr. Baedecker said Hollywood Park did not object when the Board granted other licenses to Magna as at the time it might not have had a viable alternative. However, Hollywood Park believed further exceptions to the prohibition against multiple licenses and/or financial and operational interests in other tracks was not warranted. Mr. Baedecker stated he knew the rebuttal to his argument was the license would remain under the name of LACF, but in a practical manner Magna would control it. He said considering OTRA was a tenant of LATC, if the change of venue was granted LACF, Magna would own or operate five of the seven daytime licenses in California outside the California Authority of Racing Fairs. At the least Hollywood Park believed that would contradict the intent of the law. Richard Crane, representing DMTC, said his organization's position regarding the legality of a change of venue for LACF was outlined in the June 3, 2002 letter written by Mr. Fravel. He stated he believed the contents of the lease agreement were important as the details would reveal if there

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would be a violation of California law. Jack Leibau of LATC said with respect to Board Rule 1430, Allocation of Racing Dates and Weeks, the rule dealt with allocation of racing weeks and dates. He stated there was no request before the Board to change the dates of LACF. The request was to change the venue of the meeting. Mr. Liebau said an argument had been made that too many dates would be allocated to Santa Anita if LACF were allowed move. However, he stated there was precedent in that the Orange County Fair had been allocated dates in the past and ran at Los Alamitos. Neither Los Alamitos, nor Bay Meadows – which hosts SMCF – are fairs. Mr. Liebau said Section 19549.14 of the B&P Code was enacted in 2001 and would become operative only if Bay Meadows were to close. With regards to OTRA and its opposition to the request, Mr. Liebau said OTRA was a valued tenant of LATC. Yet, regardless of how the Board decided the issue, the LACF application would designate Santa Anita as an off-track facility, so wagering would occur. Mr. Leibau said Mr. Chillingworth had asked how LATC would react to a meeting running immediately before its opening. He stated he would not mind at all as he had a facility that he wanted to use as often as possible. The more he used his facility, the more money he would have for improvements, to make it user friendly and to attract fans for live racing. Mr. Liebau stated the idea that fans pockets would be drained was not true. He stated the fans always seemed to appear and they enjoyed wagering. Mr. Liebau said he did not think running 17 days in front of OTRA would impact that meeting, especially when the racing would be markedly different. The LACF had submitted a condition book for its proposed meeting which contained races that paralleled those they historically offered. It had also informed DMTC and OTRA it would work to eliminate their concerns over any race in the book. Mr. Liebau said he did not envision those who normally ran horses at OTRA deciding instead to run at the LACF meeting. The average

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purses offered by LACF did not attract the same quality horse. Mr. Liebau commented that the turf course at Santa Anita would not be harmed by the LACF meeting. If it were, OTRA would have contractual recourse against LATC. Chairman Landsburg said there had been comments regarding severe damage to the turf course. He asked if LACF had proposed many turf races. Mr. Liebau said LACF had 10 thoroughbred turf races in its book. He stated if it was thought the turf course could not handle that number of races they would not be run. Los Angeles Turf Club planned to erect up to five placings of the inside turf rail, so horses could be moved further out. Commissioner Moretti asked if there were any comments from labor. Ron Liccardo of the Pari-Mutuel Employees Guild said his organization was neutral regarding the issue. Viren Moret of the Service Employees International Union said his organization was also neutral regarding the change of venue for LACF. He stated his union's only concern might be a loss of jobs. Mr. Liebau said approving the request on a one-year trial basis would not do irreparable damage to the industry. He stated he thought racing needed to change and take risks. The industry could not live with the status quo and the only way it would improve itself was to try different ideas. Chairman Landsburg said it was not fair to the Board that so many documents relating to the request had arrived within the last four days. He stated by order of the Chair it would no longer be acceptable to receive documentation regarding licenses, or arguments in favor or against proposals before the Board, unless such items were in staff's possession seven days prior to the meeting at which such issues would be decided. Chairman Landsburg asked if there were any comments on the proposal to allow a one-year trial of the change in venue for LACF. Mr. Henwood of LACF said he would support the proposal. Mr. Liebau said he believed there would need to be a buy-in from all the parties regarding what type of trial would be the most productive. Mr. Fravel of DMTC said his

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organization would object to a one year trial. He remarked he would have the same opposition if LACF were attempting to move to Hollywood Park. Commissioner Harris said he thought it unfortunate the Board meeting was held in Northern California. He stated the Board was missing testimony from Southern California horsemen as well as the fans – who were an important part of the equation. Chairman Landsburg said that if the Board were to give a 10-day notice it could reconvene to consider the question. Commissioner Harris **motioned** that the approval for 2002 be denied, and the Board readdress the question when it considered the 2003 racing dates. Commissioner Sperry **seconded** the motion, which resulted in a **tie vote** of three in favor; three opposed; and one abstention. Vice-Chairman Licht asked if the Board could extend the deadline for LACF to file its application for license to conduct a horse racing meeting. Mr. Blake said the filing deadline could be waived. Vice-Chairman Licht **motioned** to notice a meeting of the Board to discuss the issue of a change in venue of LACF from Fairplex Park to Santa Anita, and to give LACF ten days after the meeting to file its application for license to conduct a horse racing meeting. Commissioner Granzella **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE REQUEST OF THE LOS ALAMITOS QUARTER HORSE RACING ASSOCIATION TO AMEND THEIR CURRENT LICENSE TO INCLUDE THE IMPORT OF OUT OF COUNTRY THOROUGHBRED RACES FROM AUSTRALIA PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTION 19596.2(B)(D).

Chairman Landsburg announced the item had been withdrawn from the agenda. Commissioner Harris asked if the item would be resubmitted. Executive Director Roy C. Wood said the item would be resubmitted at a future date.

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**DISCUSSION AND ACTION ON THE APPLICATION FOR LICENSE TO CONDUCT
ADVANCE DEPOSIT WAGERING BY YOUTBET.COM**

Chairman Landsburg announced he was recusing from discussion or voting on the item. John Reagan, CHRB staff, said YouBet.com (YouBet) was currently approved as an out-of-state hub. He stated YouBet wished to employ live operators at a hub in California. Mr. Reagan said he visited the facility where he discussed licensing options with YouBet. He stated one option was to work through the existing Oregon hub, however the Oregon regulators did not care to approve an amendment to that license. Mr. Reagan said YouBet decided to request a license as a live Advance Deposit Wagering (ADW) operator in California. He stated the California Youbet facility would accept wagers in California and forward them to the Oregon hub for processing with other YouBet wagers. The dates of operation of the California hub would be staggered due to the nature of YouBet's contracts with various horsemen's organizations. Mr. Reagan said YouBet was asking that its original \$500,000 financial security instrument be used to secure the second license. He noted the YouBet management team in California had received CHRB licenses. Vice-Chairman Licht said he was comfortable using the original security instrument for the California ADW license. He asked if there were any comments from labor. Ron Liccardo of the Pari-Mutuel Employees Guild said his organization was in favor of the license. Commissioner Harris said he supported the concept of live operators, and he was pleased they would be in California. He stated, however, he was concerned about the entity not having a horsemen's agreement in place during the term of the license. Joe Hasson of YouBet said his organization's application specified dates during which it would take in-state and out-of-state wagers. He stated the dates were listed according to the horsemen's agreements YouBet had obtained. Mr. Hasson said YouBet wished to receive a

two year license to make its investment in live operators viable. Commissioner Moretti **motioned** to approve the application for license to conduct ADW by YouBet. Commissioner Bianco **seconded** the motion, which was **carried** with Chairman Landsburg **recusing**.

STAFF UPDATE ON THE ADVANCE DEPOSIT WAGERING HANDLE.

John Reagan, CHRB staff, said the Advance Deposit Wagering (ADW) handle in California had grown to a little over five percent of the total California handle. He stated despite the growth in ADW handle, there had been no adverse effect in the live on-track, or off-track handle.

REPORT ON THE IMPLEMENTATION OF ADVANCE DEPOSIT WAGERING.

- A. REPORT BY XPRESSBET.**
 - B. REPORT BY TVG.**
 - C. REPORT BY YOUBET.**
-

Ed Hannah of XpressBet, Inc. (XpressBet) said that at the end of May 2002, 91 percent of the wagers placed through XpressBet were made by California residents. Of the 10,150 XpressBet accounts, 9,067 were opened on behalf of California residents. Since its launch on January 27, 2002, over 21.7 million dollars had been wagered through the XpressBet system. The majority of accounts continued to be opened through XpressBet's call center, while 16 percent were opened through the booth at Santa Anita, and five percent at the Golden Gate Fields and Bay Meadows booths. Regarding the handle, 40 percent of the wagers were placed on Santa Anita races, while 8 percent was wagered on Golden Gate Fields races and 9 percent on Bay Meadows events. The remainder of the handle was generated through wagers on races at other

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tracks. Ron Luniewski of XpressBet gave a brief over-view of the natural language-speech recognition technology employed by XpressBet, as well as improvements to XpressBet's Internet web site. Mr. Hannah spoke about XpressBet's television production efforts. He stated the television center was still in construction at Santa Anita; 12 new employees had been hired; and the center would be operational in July 2002. Mr. Hannah commented there would only be two channels available on the Racetrack Television Network (RTN), but XpressBet was in negotiations with multiple national cable carriers and one satellite carrier. Commissioner Harris said he was concerned that once the Bay Meadows race meeting was concluded, there would be no more racing for RTN subscribers until Bay Meadows resumed racing. He asked if XpressBet had made any contracts with the fairs. Mr. Hannah said XpressBet currently had contracts with three fairs, and was in negotiations with additional fairs. Two of the fairs could not be shown on RTN as they were under exclusive contract with TVG. Vice-Chairman Licht said XpressBet had mentioned AT&T Cable as a possible media outlet in Northern California. He asked if anything had come of the negotiations. Mr. Hannah said AT&T was being acquired by Comcast, so it was difficult to have new programming implemented. He stated that as soon as the acquisition was complete negotiations would resume. Mr. Hannah added that XpressBet also offered Capital Racing. Ron Liccardo of the Pari-mutuel Employees Guild asked if XpressBet had any interest in using live operators. Mr. Hannah said XpressBet had made a business decision not to use live operators at its California hub. He stated the approved top fee for XpressBet in California was four percent on certain wagers and four and a half percent on others. Its experience in Pennsylvania demonstrated that the operating costs with live operators was two percent of the handle, which did not leave much for XpressBet. Chairman Landsburg said he could not imagine the maintenance of live

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operators in California could be more expensive because if 91 percent of XpressBet's wagers were made by California residents, the 800 number would be half as expensive. He stated he would raise the issue with XpressBet until he was told live operators would be placed in California. Cliff Goodrich of the California Thoroughbred Horsemen's Foundation (CTHF) said his organization would receive a percentage of the interest from the ADW accounts. He stated the CTHF was about to write its budget but had no idea how much interest it would receive. He asked if there was any accountability regarding the average daily balance of the ADW accounts. Executive Director Roy Wood said there had been some accounting software problems in getting the number released and the money distributed to CHRIMS. He stated Board staff would shortly be able to release the figures to CTHF. John Hindman of TVG said the numbers he would present to the Board represented wagers placed by California residents only. Since the opening of Hollywood Park the average weekly handle for TVG increased 300 percent. He stated the handle was between 2.3 and 2.8 million dollars a week, while the total TVG handle to date was approximately 17 million dollars. Fifty five percent of TVG wagers were on in-state races and 45 percent were on out-of-state races. TVG had 11,600 California resident account holders. Mr. Hindman said he agreed with Mr. Hanna in that television distribution was difficult. He stated the industry had its own calendar and lived at its own pace. He stated the Fox Television Network was pleased with the reception the product was receiving, and TVG was ahead of its account subscriber penetration for Adelphia. Mr. Hindman commented he did not believe the recent turmoil at Adelphia would affect its operations. Vice-Chairman Licht asked how the Adelphia promotion - wherein free passes to the tracks were given to customers - turned out. Mr. Hindman stated he did not know. He said 1.6 million passes were distributed, but he had no idea how many were redeemed. Vice-

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Chairman Licht asked if cannibalization was a problem with Hollywood Park. Mr. Hindman said Hollywood Park's attendance was up about seven percent, and its overall business was up eight percent. Commissioner Harris said he recalled TVG was looking at interactive technology. Mr. Hindman said the platform for the interactive technology had been designed, however, most cable companies did not have a system that could take the platform. He commented most cable companies had not chosen their technology providers in that area. Until issues such as the Comcast-AT&T merger, and Adelphia's financial problems were over, implementation of interactive technology would be slow. Chairman Landsburg asked if TVG would provide cable television programming in Northern California. Mr. Hindman said TVG would not. He said his organization did have a corporate relationship with AT&T, however, its merger with Comcast was taking all its attention. Chairman Landsburg asked when TVG would have a California hub. Mr. Hindman said TVG had looked closely at the issue and had made some contingency plans. He stated the one year licensing issue was a roadblock, and TVG wanted to treat its personnel in Oregon fairly as their jobs were as important to them as position in California might be to others. Charles Champion of YouBet.com (YouBet) said there had been a number of changes at Youbet in the recent past. He stated there was an entirely new management as well as reorganized reporting relationships and corporate responsibilities. Joe Hasson of YouBet said the numbers he would report were specific to California. Since February 2002 YouBet handled approximately 9.4 million dollars in wagers. One million seven hundred sixty thousand dollars of the total represented California residents wagering on California races, and 3.52 million dollars represented California residents wagering on out-of-state tracks. Out-of-state residents wagered 4.12 million dollars on California races. California horsemen received an average of 20 percent takeout, or \$3.50 to

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\$6.44 of every \$100 wagered. Mr. Hasson spoke about its promotion of ADW through media outlets such as Wintercom, ESPN and MSN Network. He also talked about the number of visits to YouBet Internet sites. He explained YouBet had entered into an agreement with the fairs wherein it would promote fair racing through its interactive site, e-mail and personal messaging. The promotions would reach both in state and out-of-state residents. YouBet would also promote fair racing in its newsletter and on-site demonstration booths to promote the YouBet brand and fair racing.

PUBLIC HEARING ON THE ADOPTION OF THE PROPOSED REGULATORY AMENDMENT TO CHRB RULE 2049 - DESIGNATION AND APPROVAL OF HORSEMEN'S WELFARE FUND, TO INCREASE THE REQUIRED NUMBER OF BOARD MEMBERS AND TO INCREASE THE NUMBER OF BOARD MEMBERS WHO HAVE NO FINANCIAL INTEREST IN HORSE RACING.

Jacqueline Wagner, CHRB staff, said at the request of the California Thoroughbred Horsemen's Foundation (CTHF) Rule 2049, Designation and Approval Of Horsemen's Welfare Fund, was amended to change the required number of directors from five to a minimum of five and a maximum of nine. Additionally, the number of directors who would have no financial interest in horse racing was changed from two directors to 40 percent of the total number of directors. Pursuant to Assembly Bill (AB) 471, the rule was amended to require that at least one of the directors without financial interest in horse racing be appointed from a list of nominees jointly submitted by the Service Employees International Union, the Jockeys' Guild, and the California Teamsters Public Affairs Counsel. Ms. Wagner said the amendment had been noticed for the required 45-day public comment period. No comments had been received. She stated staff recommended the Board adopt the amendment as

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presented. Commissioner Moretti asked where the CTHF recruited its board members. Cliff Goodrich of the CTHF said there was a nominating committee. Candidates came from inside as well as outside the industry. One of the candidates must be selected in accordance with the provision of AB 471. Commissioner Moretti **motioned** to adopt the amendment to Board Rule 2049. Commissioner Granzella **seconded** the motion, which was **unanimously carried**.

PUBLIC HEARING ON THE ADOPTION OF THE PROPOSED REGULATORY AMENDMENT TO CHRB RULE 2050 – BENEFICIARIES, WELFARE PROGRAMS AND ACTIVITIES, TO REVISE THE DEFINITION OF THOSE ELIGIBLE FOR BENEFITS UNDER THIS RULE.

Jacqueline Wagner, CHRB staff, said the proposed amendment to Board Rule 2050 would extend the eligibility for California Thoroughbred Horsemen's Foundation (CTHF) benefits to persons who applied within 12 months of being laid off or leaving the industry. The amendment would also clarify the term "dependent" by specifying that a dependent would be the dependent spouse or child of the person who was eligible for benefits. Additionally, the amendment would increase the allowable administrative expense of the CTHF to fifteen percent from ten percent of the total expenditures for any fiscal year. Ms. Wagner stated the amendment had been noticed for the required 45-day public comment period. No comments were received. She said staff recommended the Board adopt the amendment as presented. Commissioner Granzella said there was a question regarding step-children at the committee meeting. Cliff Goodrich of the CTHF said eligibility of step-children would be determined by that child's status on the beneficiary's tax return. If the step-child was listed as a dependent, it would be so recognized by the CTHF. Commissioner Harris asked how long a person had to work in the industry before they would be eligible for benefits under the 12-month rule. Mr.

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Goodrich said the CTHF had a stepped program. Once a person had worked on the backstretch for a period of six months, they were eligible. Commissioner Moretti **motioned** to adopt the amendment to Board Rule 2050. Commissioner Granzella **seconded** the motion, which was **unanimously carried**.

**DISCUSSION AND ACTION ON A PROPOSED NEW REGULATION TO SPECIFY
"PROHIBITED VETERINARY PRACTICES."**

Jacqueline Wagner, CHRB staff, said the proposed addition of Rule 1867, Prohibited Veterinary Practices, would establish criteria and list those drugs, substances or medications whose use or possession of would constitute a prohibited veterinary practice. Ms. Wagner stated under the rule erythropoietin and darbepoietin would be the first two substances whose possession would constitute a prohibited practice. She said staff recommended the Board approve the proposal and instruct staff to initiate the 45-day public comment period. Dr. Ronald Jensen, CHRB Equine Medical Director, said establishment of the rule would allow the Board to better regulate certain practices or the possession of certain substances. Dr. Jensen explained why erythropoietin and darbepoietin were listed as prohibited substances in the proposed rule. Commissioner Harris said he thought the proposed rule was a sound addition and **motioned** to initiate the rule making process. Commissioner Moretti **seconded** the motion. Chairman Landsburg asked if the regulation would allow investigation of veterinarian's equipment brought onto the backstretch. Executive Director Wood said the Board's rules currently allowed such inspections. He stated the proposed rule would give the Board authority to take action if prohibited drugs were found. The motion was **unanimously carried**.

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DISCUSSION AND ACTION BY THE BOARD ON THE APPROVAL OF SERVICE, OFFICIAL VETERINARIAN AND STEWARD CONTRACTS FOR THE 2002/03 FISCAL YEAR.

Paige Noble, CHRB staff, said the Board annually entered into a number of service contracts. If the contracts exceeded \$5,000, the Board was required to provide a motion authorizing their execution. Mr. Noble stated a list of service contracts and contracts for stewards and official veterinarians had been forwarded. He stated the contracts were based on assignments for the 2002 racing calendar. Mr. Noble said staff recommended the Board approve the list of steward, official veterinarian, and service contracts for the 2002-2003 fiscal year. Commissioner Harris asked what would happen if another steward was contracted with. Would another name be added to the list, or would the contract have to be individually approved? Mr. Noble said if the contract were for a new steward and it exceeded \$5,000 staff would return to the Board and ask for approval. Commissioner Harris **motioned** to approve the service, official veterinarian and steward contracts for the 2002/03 fiscal year. Commissioner Granzella **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPROVAL OF THE PRIMARY DRUG TESTING CONTRACT FOR THE 2002/03 FISCAL YEAR.

Paige Noble, CHRB staff, said the CHRB drug testing program utilized a primary and complimentary testing laboratory. He stated the contract for the primary testing laboratory would end June 30, 2002. In March 2002 requests for proposals were sent to numerous testing companies. The bids were evaluated in May 2002 and Truesdail and Industrial Laboratories were judged as technically responsive. Mr. Noble said the two contracts were evaluated against specific criteria and were assigned pass/fail points. Truesdail Laboratories received the

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most points. Mr. Noble said staff recommended Truesdail Laboratories be approved as the primary drug testing contractor for the 2002/03 fiscal year. Commissioner Granzella **motioned** to approve Truesdail Laboratories as the primary drug testing contract. Commissioner Harris **seconded** the motion, which was **unanimously carried**.

REPORT FROM THE PARI-MUTUEL OPERATIONS COMMITTEE.

Vice-Chairman Licht said the committee was continuing an investigation into a wager on the first race of the first day at Hollywood Park. He stated staff and the committee had an extensive investigation going. The committee also reported that RGS, the largest provider of out-of-state wagering, had complied with all of the Board's requirements – primarily in that they were not taking wagers from California residents. A future discussion on technology was raised as an issue by the committee. Vice-Chairman Licht commented the technology used in horse racing seemed to be antiquated. It took 90 seconds to update a wager on the tote board while a stock trade would be instantaneous. He stated he thought out-dated technology gave a bad impression of the industry. Vice-Chairman Licht said the committee also discussed the National Thoroughbred Racing Association (NTRA) and the California Marketing Program. Chairman Landsburg said there currently was legislation that would extend the sunset provision of the law that provided the funds to the NTRA. He stated he would recommend the issue be referred to the Legislative Committee for review and action. There was a lot of vested interest and circular participation in that the NTRA was partially funded by TVG, and TVG had to negotiate with Thoroughbred Owners of California (TOC) The president of TOC was a member of the NTRA Board. Chairman Landsburg said that represented a potential conflict of

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interest in terms of negotiating on behalf of the horsemen with a group that had a rather deep association with the NTRA. He commented he did not know if it was valid to continue funding the NTRA. If the sunset was going to be extended, Chairman Landsburg said he thought the issue should be given a little more time. He stated that was the question to be put before the Legislative committee. Commissioner Harris said he personally supported the NTRA because he felt the industry needed to work together. The funding did not come from the Board. The tracks and the owners provided the money, and they were free to leave the NTRA if they wished. Commissioner Harris said the bill would extend the sunset provision, but it would not require the owners or the tracks to provide funds to the organization. Additionally, if NTRA funding was coming from California, those providing the funds would want representation on the board. Commissioner Moretti said the Legislative committee would be happy to take up the issue. Commissioner Harris said if the committee was looking at the overall promotion efforts, the California Marketing Committee (CMC), which received twice the money, ought to be looked at too. He stated he had been frustrated because there was no organized way to evaluate the program. He said the owners and the tracks needed to insist there be some sort of scorecard regarding the results and cost effectiveness of the program. Chairman Landsburg said the reason he did not include the CMC in his proposal was that its money was entirely spent in California. He stated he was always concerned when California money left the state and did not seemingly produce a return.

MEETING ADJOURNED AT 3:45 P.M.

STAFF ANALYSIS

July 25, 2002

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF BAY MEADOWS OPERATING COMPANY, LLC AT BAY MEADOWS, COMMENCING AUGUST 30, 2002 THROUGH NOVEMBER 3, 2002.

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

- August 30 through November 3, 2002, or 49 days, two less than 2001. The association proposes to race a total of 421 races, or 8.6 per day.
 - Request to increase the number of races if sufficient horses are available. This 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.

Aug - 2002						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Sept - 2002						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

Oct - 2002						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Nov - 2002						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

- Racing 5 days per week, Wednesday through Sunday with 8 races Wednesday, Thursday and Friday and 9 or 10 races Saturday, Sunday, holidays and days of special interest.
 - Racing Monday, September 2, 9 and October 14.
 - No racing Wednesday, September 4 and Thursday, September 12.
- First post:
 - 1:45 p.m. during overlap with Del Mar, August 30 through September 11.
 - 1:15 p.m. during overlap with Fairplex, September 13-29.
 - 12:45 p.m. during overlap with Oak Tree, October 2 through November 3.
 - 7:15 p.m. Friday, September 20 through November 1.
 - 3:15 p.m. Friday, August 30 and September 6.
 - 11:15 a.m. Saturday, October 26, Breeders' Cup.
 - 12:15 p.m. Saturday, November 2, California Cup.

- 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 25.
- Simulcasting conducted with out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.

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

1. Horsemen's agreement.
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 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 30 through November 3, 2002

B. Actual dates racing will be held: August 30-31, September 1-2, 5-8, 9,11,13-15, 18-22, 25-29
October 2-6, 9-13, 14, 16-20, 23-27, 30-31, November 1-3

C. Total number of days or nights of racing: 49

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

Wed - Sun Tues - Sat Other (specify)

1st Week-Friday through Sunday, 2nd Week-Monday, Thursday through Sunday, Racing on Monday, 10/14 (Columbus Day)

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

- A. Total number of races: 421
- 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 eleven 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) 8/30 - 9/11	Day Cards (During Fairplex) 9/13 - 9/29	Day Cards (During Oak Tree) 10/2 - 11/3	Friday Night 9/20 - 11/1
1	1:45	1:15	12:45	7:15
2	2:15	1:45	1:15	7:43
3	2:45	2:15	1:45	8:11
4	3:15	2:45	2:15	8:39
5	3:45	3:15	2:45	9:07
6	4:15	3:45	3:15	9:35
7	4:45	4:15	3:45	10:03
8	5:15	4:45	4:15	10:31
9	5:45	5:15	4:45	
10	6:15	5:45	5:15	

*Post time on Friday, August 30th, and Friday, September 6th will be 3:15

Exceptions:

- Breeders Cup Day, October 26, 2002 - 1st post 11:15 AM
- Cal Cup Day, November 2, 2002 - 1st post 12:15 PM

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).

August 30, 2002 – November 3, 2002
Saturday, August 31, 2002 – Overnight Handicap
MAE DE VOL HANDICAP - \$55,000 Added*
F&M Three Years Old and Upward Six Furlongs
Nominations close at Noon, Wednesday, August 28, 2002

Monday, September 2, 2002
CALIFORNIA TURF CHAMPIONSHIP - \$100,000 Guaranteed
(Includes \$20,000 from the California-Bred Race Fund)
Three-Year-Olds and Upward, bred in California One Mile (Longden Turf Course)
Nominations close Monday, August 26, 2002

Saturday, September 7, 2002 – Overnight Handicap
MONTEREY HANDICAP - \$55,000 Added*
Three-Year-Olds and Upward Six Furlongs
Nominations close at Noon, Wednesday, September 4, 2002

Sunday, September 8, 2002 – Overnight Stakes
SAN MATEO STAKES- \$55,000 Added*
Two-Year-Olds Six Furlongs
Nominations close at Noon, Thursday, September 5, 2002

Saturday, September 14, 2002 – Overnight Handicap
CARMEL HANDICAP - \$55,000 Added*
Fillies Three Years Old One Mile and One-Sixteenth (Longden Turf Course)
Nominations close at Noon, Wednesday, September 11, 2002

Saturday, September 21, 2002
BAY MEADOWS BREEDERS' CUP HANDICAP – GRADE III - \$200,000 Guaranteed
(Includes \$100,000 from the Breeders' Cup Fund)
Three-Year-Olds and Upward One Mile and One-Eighth (Longden Turf Course)
Nominations close Thursday, September 12, 2002

Saturday, September 28, 2002 – Overnight Handicap
HALF MOON BAY STAKES - \$55,000 Added*
Three-Year-Olds One Mile and One-Sixteenth (Longden Turf Course)
Nominations close at Noon, Wednesday, September 25, 2002

Saturday, October 5, 2002
CALIFORNIA SPRINT CHAMPIONSHIP - \$100,000 Guaranteed
(Includes \$20,000 from the California-Bred Race Fund)
Three-Year-Olds and Upward, bred in California Six Furlongs
Nominations close Thursday, September 26, 2002

Sunday, October 6, 2002 – Overnight Stakes

F&M Three Years Old and Upward One Mile and One-Sixteenth (Longden Turf Course)
Nominations close at Noon, Wednesday, October 9, 2002

Saturday, October 19, 2002 - Overnight Handicap
CHARLES H. RUSSELL HANDICAP - \$55,000 Added*
F&M Three Years Old and Upward Six Furlongs
Nominations close at Noon, Wednesday, October 16, 2002

Saturday, October 26, 2002 - Overnight Handicap
PACIFICA HANDICAP - \$55,000 Added*
Three-Year-Olds and Upward One Mile and One-Sixteenth (Longden Turf Course)
Nominations close at Noon, Wednesday, October 23, 2002

Saturday, November 2, 2002 - Overnight Stakes
DON B. STAKES - \$75,000 Added
(Includes \$20,000 from the California-Bred Race Fund)
Two-Year-Olds, bred in California Six Furlongs
Nominations close at Noon, Wednesday, October 30, 2002

Saturday, November 2, 2002 - Overnight Stakes
BAM'S PENNY STAKES - \$75,000 Added
(Includes \$20,000 from the California-Bred Race Fund)
Fillies Two Years Old, bred in California Six Furlongs
Nominations close at Noon, Wednesday, October 30, 2002

Sunday, November 3, 2002
BAY MEADOWS DERBY - GRADE III - \$100,000 Guaranteed
Three-Year-Olds One Mile and One-Eighth (Longden Turf Course)
Nominations close at Noon, Thursday, October 24, 2002

*Plus up to \$16,500 for California-Breds

Other (specify, and complete subsection E)

B. Complete the applicable subsection and attached Addendum, Background Information and Ownership.

C. CORPORATION

1. Registered name of the corporation:
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:

Michael A. Scalzo – Vice President Operations
Michael Ziegler – Vice President
Gary Cohn – Secretary
Frank J. DeMarco, Jr. – Assistant Secretary
Barbara Helm – 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. On file

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
Tony Calo – Track Announcer
Jim Fetter – Director of Video Operations
Salvador Ganzon – Director of Security
Dyan Grealish – Director of Group Sales

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: \$6,647,000
(Excludes listed stakes, overnight stakes, & overnight handicaps)
2. Overnight stakes: \$645,000 (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: \$1,145,000 - see A(2)
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: \$1,276,797

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)	\$106,864
Thoroughbred Owners of California	\$ 76,504
California Thoroughbred Trainers (Administration)	\$ 38,252
California Thoroughbred Trainers (Pension)	\$ 76,504
TOTAL	\$298,124

E. Total estimated amount from all sources to be distributed at the meeting in the form of purses or other benefits to horsemen: \$9,366,921

F. Estimated purse funds to be generated from on-track handle and intrastate off-track handle: \$6,413,259

G. Estimated purse funds to be generated from interstate handle: \$1,198,741

Bowen McBeth
10722 Arrow Route, Suite #110
Rancho Cucamonga, CA 91730

Phone #: (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: \$472,800
- H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse:

\$589,800

Stabling cost per day per stall - \$7.06; cost per day per stall including vanning - \$8.80

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

- 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 3, 2002 (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 25, 2002 for Breeders' Cup Day (Saturday, October 26, 2002)
Breeders' Cup "Future" wagering per ARCI rules 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: | September, 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

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
Balmoral Park, IL
Batavia Downs, NY
Bettor Racing OTB, SD
Beulah Park, OH
Birmingham Race Course, AL
Blue Ribbon Downs, OK
Bluff's Run, IA
Boyd Gaming d/b/a Delta Downs-LA
Buffalo Trotting Association, NY
Calder Race Course, FL
Canterbury Park, MN
Capital District OTB, NY
Catskill Off-Track Betting, NY
Charles Town Races, WV
Choctaw Racing Services, L.L.C., OK
Churchill Downs, KY
Churchill Downs Sports Spectrum, KY
Citizen Band Potawatomi Indians, IA
Coeur d'Lene Hotel & Casino, ID
Coeur d'Lene Hotel & Casino, ID
Colonial Downs, VA
Columbus Races, NE
Comanche Nation Games, 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, MD
Fair Grounds, LA
Fair Meadows, IL
Fairmount Park, IL
Finger Lakes Race Track, NY
Fire Lakes, OK
Fonner Park, NE
Foxwoods Casino, CT
Freehold Raceway, NJ
Garden State Park, NJ
Geneva Lakes Kennel Club, WI
Great Lakes Downs, MI
Greentrack, AL
Gulfstream Park, FL
Harrington Raceway & Simulcast Facility, DE
Hawthorne Race Course, IL
Hazel Park, MI
Hinsdale Greyhound Park, NH
Holiday Beach Hotel, NV
Hoosier Park, IN

Horsemen's Atokad Park, NE
Horsemen's Park, NE
Jackson Harness Raceway, MI
Juarez, TX
Keeneland, KY
Kentucky Downs, KY
Kentucky OTB, KY
Las Vegas Dissemination Services, NV
Lebanon Trotting Club, OH
Les Bois Park, ID
Lewiston OTB, ME
Lincoln Park, RI
Lincoln State Fair, NE
Lone Star Race Park, TX
Louisiana Downs, LA
Manor Downs, TX
Maryland Jockey Club, MD
Maywood Park, IL
Meskwaki Casino, NV
Mobile Greyhound Park, AL
Monmouth Park, NJ
Montana Simulcast Partners (IMS), MT
Monticello Raceway, NY
Mountaineer Park, WV
Mt. Pleasant Meadows, MI
Multnomah Greyhound Park, OR
Nassau Downs Regional OTB, NY
Nebraska State Fair Park, NE
Nevada Pari-Mutuel Association, NV
New Jersey Sports & Exposition, NJ
New Mexico State Fair, NM
New York City Off-Track Betting, NY
New York Racing Association, NY
Newport Jai Alai, RI
Northfield Park, OH
Northville Downs, MI
Northville Racing Corp., MI
Oaklawn Park, AR
Ocean Downs, MD
Penn National Race Course, PA
Philadelphia Park, PA
Plainridge Racecourse, MA
Playfair Race Course, WA
Pocono Downs, PA
Pojoaque Pueblo Gaming, Inc., OK
Portland Meadows, OR
Potawatomi Indian Tribe of OK
Prairie Meadows, IA
Raceway Park, OH
Racing & Gaming Services, W.I
Racing Services, Inc., ND
Randall Doc James
Remington Park, OK
Retama Park, TX
Rillito Park, AZ
River Downs, OH
Rockingham Park, NH
Rosecroft Raceway, NY
Ruidoso Downs, NM
Saginaw Harness, MI
Sam Houston Park, TX
Saratoga Raceway, NY

Scarborough Downs, ME
Schenectady OTB, NY
Scioto Downs, OH
Southland Greyhound Park-AR
Sports Creek Raceway, MI
Sportsman's Park, IL
St. Croix Greyhound Park, WI
Suffolk Downs, MA
Sunland Park Racetrack, NM
SunRay Park and Casino, NM
Tampa Bay Downs, FL
The Meadows, PA
The Racing Channel, OR
The Stables, OK
The Texas Hub, TX
Thistledown Racing Club, OH
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.com, PA

Separate Pools

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

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	8/30 – 11/03/02	Full or Partial Cards
Arlington Park	8/30 – 10/27/02	Full or Partial Cards
Calder	8/30 – 10/25/02	Full or Partial Cards
Churchill Downs	10/27 – 11/03/02	Full or Partial Cards
Keeneland	10/04 – 10/26/02	Full or Partial Cards
Remington Park	8/30 – 11/03/02	Full or Partial Cards
Thistledown	8/30 – 11/03/02	Full or Partial Cards
Turfway Park	9/05 – 10/03/02	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 "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

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

- J. For ALL racing associations, if any out-of-state or out-of-country races will commence outside of the time constraints set forth in B&P Code Section 19596.2(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:

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

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)	To be determined
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:

Director of Racing	Thomas S. Robbins
Director of Racing Operations	Richard Lewis
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	John Nommsen
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:

the service, and expiration date of the service contract:

Plusmic Corp USA, Bill O'Brien
P. O. Box 6379
Napa, CA 94581
Expiration Date: 11/02
Description of Equipment on file with CHRB

- 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 recorders, and nine 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:

Salvador Ganzon, Director of Security

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

Uniformed guards	12
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.

- 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
10015 Dunbar Road

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

Liberty International WC1-B71-072827-022

G. Attach a Certificate of Insurance for workers' compensation coverage. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of insurance which secures the liability of the association for payment of workers' compensation.

12. CONCESSIONAIRES AND SERVICE CONTRACTORS

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

Tip Sheets:

Evan Wasserman/Jack's Blue Card
Rocky Nator/U-Pick

127 Sun Avenue
30519 Carroll Ave.

Hayward, CA 94544
Hayward, CA 94544

Armored Car:

Loomis Armored Car

P. O. Box 44196

San Francisco, CA 94104

Program Printing:

Del Mar Printing, c/o Golden Gate Fields

1100 Eastshore

Albany, CA 94706

Track Photographer:

Vassar Photography

1167 Sapphire Drive

Livermore, CA 94550

Jockey's Laundry:

F. Lorene Dutton/Bailey's Mobile Laundry

3263 Vineyard Ave.

Pleasanton, CA 94566

Starting Gate:

Mike Costello/United/Puett Starting Gate Co.

P. O. Box 18

S. Salem, NY 10590

13. SCHEDULE OF CHARGES

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

Admission (general)	\$3.00
Admission (clubhouse)	\$6.00
Admission (turf club on weekdays)	\$10.00
Admission (turf club on weekends)	\$15.00
Reserved seating (general)	\$3.00
Reserved seating (clubhouse)	\$3.00
Parking (general)	\$4.00
Parking (preferred)	\$7.00
Parking (valet)	\$7.00
Programs (on-track)	\$2.00
(off-track)	\$2.00

10880 WILSHIRE BLVD. SUITE 700
 LOS ANGELES, CA 90024
 CONTACT: KHAN NGUYEN
 PHONE: (310) 234-6824

ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY A	ZURICH AMERICAN INSURANCE COMPANY
COMPANY B	WESTCHESTER FIRE INSURANCE COMPANY
COMPANY C	LIBERTY INTERNATIONAL
COMPANY D	ROYAL SURPLUS LINES INSURANCE COMPANY

INSURED

MAGNA ENTERTAINMENT CORPORATION
 BAY MEADOWS
 P.O. BOX 60014
 285 WEST HUNTINGTON DRIVE
 ARCADIA, CA 91066-6014

COVERAGES

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

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT	GL09302183-00	1/1/2002	1/1/2003	GENERAL AGGREGATE \$ 2,000,000.
					PRODUCTS - COM/PROP AGG \$ 2,000,000.
					PERSONAL & ADV INJURY \$ 1,000,000.
					EACH OCCURRENCE \$ 1,000,000.
					FIRE DAMAGE (Any one fire) \$ 1,000,000.
					MED EXP (Any one person) \$ 0.
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT \$
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$
					OTHER THAN AUTO ONLY:
					EACH ACCIDENT \$
B	EXCESS LIABILITY <input checked="" type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	CUA1508670	12/31/2001	1/1/2003	EACH OCCURRENCE \$ 30,000,000.
					AGGREGATE \$ 30,000,000.
					\$
C	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY <input checked="" type="checkbox"/> INCL <input type="checkbox"/> EXCL	WC1-B71-072827-022	1/1/2002	1/1/2003	EL EACH ACCIDENT \$ 1,000,000.
					EL DISEASE - POLICY LIMIT \$ 1,000,000.
					EL DISEASE - EA EMPLOYEE \$ 1,000,000.
D	OTHER EXCESS LIABILITY	KHA016921	12/31/2001	1/1/2003	\$20,000,000 EACH OCCURRENCE \$20,000,000 AGGREGATE

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

THE CERTIFICATE HOLDER IS INCLUDED AS ADDITIONAL INSURED AS THEIR INTERESTS MAY APPEAR ON ABOVE LIABILITY POLICIES.

CERTIFICATE HOLDER

CALIFORNIA HORSE RACING BOARD
 1010 HURLEY WAY, SUITE 300

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY

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.

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 room

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, 3 for women

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

5,290

 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): No exceptions
- 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

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

BY

Signature

ASST GENERAL MGR

Print Title

5/31/02

Date

STAFF ANALYSIS

July 25, 2002

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE LOS ANGELES COUNTY FAIR AT FAIRPLEX FROM SEPTEMBER 13, 2002 THROUGH SEPTEMBER 29, 2002.

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

- September 13 through September 29, 2002, or 17 days, the same as 2001. The fair proposes to race 204 races, 8 more than 2001. Racing 17 days straight with 12 races per day.

September - 2002						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

- First post 12:30 p.m. daily.
- 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.

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

- Horsemen's agreements.

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

Pomona, CA 91769

Phone: 909-865-4093

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. 13 – Sept. 29, 2002*

B. Actual dates racing will be held: *Sept. 13 – Sept. 29, 2002*

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: 204

B. Number of races by breed:

Thoroughbreds Quarter Horses Appaloosas
 Arabians Paints Mules

Application received: <i>7/15/02 MG</i>	CHRB CERTIFICATION	Hearing date: <i>7/25/02</i>
Reviewed: <i>PN</i>		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	2	2	2	2	2	2	2
Total	12	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:

<u>Race</u>	<u>Daily</u>
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.

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>James R. Kostoff, Chairman</i>	
<i>Robert W. Burwell</i>	<i>Stephen C. Morgan</i>
<i>Donald R. DesCombes</i>	<i>Thomas F. Nuss</i>
<i>Fred W. Freehling</i>	<i>Janet M. Paulson</i>
<i>Juan Gamboa</i>	<i>James H. Piatt</i>
<i>Richard P. Crean</i>	<i>Reggie Webb</i>

THOROUGHBRED STAKES SCHEDULE

DATE	EVENT	DISTANCE
Friday Sept. 13	FOOTHILL STAKES <i>Three Year Olds</i> <i>Nominations close Sat, Sept 7</i>	\$50,000 Guaranteed 6 ½ Furlongs
Saturday Sept. 14	PHIL D. SHEPHERD STAKES <i>Three Year Olds & Upward</i> <i>Nominations close Sat, Sept 7</i>	\$50,000 Guaranteed 1/16 miles
Sunday Sept. 15	E. B. JOHNSTON STAKES <i>Fillies and Mares,</i> <i>Nominations close Sat, Sept 7</i>	\$50,000 Guaranteed 1 1/16 miles
Monday Sept. 16	DERBY TRIAL STAKES <i>Three Year Olds</i> <i>Nominations close Sat, Sept 7</i>	\$50,000 Guaranteed 1 1/16 miles
Tuesday Sept. 17	BEAU BRUMMEL STAKES <i>Colts & Geldings, Two Year Olds</i> <i>Nominations close Fri, Sept 13</i>	\$50,000 Guaranteed 6 ½ Furlongs
Wednesday Sept. 18	APRISA HANDICAP <i>Three Year Olds & Upward</i> <i>Nominations close Fri, Sept 13</i>	\$50,000 Guaranteed 6 Furlongs
Thursday Sept. 19	BUSTLES AND BOWS STAKES <i>Fillies, Two Year Olds</i> <i>Nominations close Sat, Sept 14</i>	\$50,000 Guaranteed 6 ½ Furlongs
Friday Sept. 20	PIO PICO STAKES <i>Fillies & Mares,</i> <i>Three Year Olds & Upward</i> <i>Bred in California</i> <i>Nominations close Sun, Sept 15</i>	\$50,000 Guaranteed 6 ½ Furlongs
Saturday Sept. 21	BARRETT'S DEBUTANTE <i>Fillies, Two Year Olds</i>	\$100,000 Estimated 6 ½ Furlongs
Sunday Sept. 22	BARRETT'S JUVENILE <i>Colts & Geldings, Two Year Olds</i>	\$100,000 Estimated 6 ½ Furlongs
Monday Sept. 23	CTBA MARIAN STAKES <i>Fillies, Three Year Olds</i> <i>Bred in California</i> <i>Nominations close Wed., Sept 18</i>	\$50,000 Guaranteed 1 1/16 miles
Tuesday Sept. 24	BANGLES AND BEADS STAKES <i>Fillies and Mares,</i> <i>Three Year Olds & Upward</i> <i>Nominations close Fri, Sept 20</i>	\$50,000 Guaranteed 6 ½ Furlongs
Wednesday Sept. 25	BLACK SWAN STAKES <i>Fillies, Two Year Olds</i> <i>Nominations close Sat, Sept 21</i>	\$50,000 Guaranteed 1 1/16 miles
Thursday Sept. 26	GATEWAY TO GLORY STAKES <i>Two Year Olds</i> <i>Nominations close Sun, Sept 22</i>	\$50,000 Guaranteed 1 1/16 miles
Friday Sept. 27	LAS MADRINAS HANDICAP <i>Fillies & Mares,</i> <i>Three Year Olds & Upward</i> <i>Nominations close Sun, Sept 22</i>	\$100,000 Guaranteed 1 1/16 miles
Saturday Sept. 28	POMONA DERBY <i>Three Year Olds</i> <i>Nominations close Sun, Sept 22</i>	\$100,000 Guaranteed abt. 1 1/8 miles
Sunday Sept. 29	RALPH M HINDS POMONA INVITATIONAL HANDICAP <i>Request for Invitation by Tues. Sept 24</i>	\$100,000 Guaranteed abt. 1 1/8 miles
Sunday Sept. 29	GOVERNOR'S CUP <i>Three Year Olds & Upward</i> <i>Nominations close Tue, Sept 24</i>	\$50,000 Guaranteed 6 ½ Furlongs

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: *\$3,289,684*
2. Overnight stakes: *0*
3. Non-overnight stakes: *\$1,030,000*

B. Estimated purse distribution for all **stakes** races: *\$1,030,000*

C. Estimated funds to be generated for all California-bred incentive awards: *\$347,400*

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>\$29,738</i>
<i>CTT</i>	<i>14,647</i>
<i>CTHF Welfare</i>	<i>44,385</i>
<i>CTT Pension</i>	<i>44,385</i>
<i>NTRA</i>	<i>77,673</i>
<i>PCQHRA</i>	<i>2,266</i>
<i>CWA</i>	<i>6,294</i>
<i>TOTAL</i>	<i>\$219,388</i>

- E. Total estimated amount from **all sources** to be distributed at the meeting in the form of purses or other benefits to horsemen: \$4,886,472

- F. Estimated purse funds to be generated from on-track handle and intrastate off-track handle:
 \$3,755,684
- G. Estimated purse funds to be generated from interstate handle: \$564,000

- 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.
Contract 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 - \$102,040</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**:
\$359,040 - \$21 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
Example 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	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, \$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, \$1SF	CHRB #1958, #1959, #1979, #1977, #1954.1, #1978, #1979.1
Race #8	Thor. \$2Q, \$1E, \$1TRI, \$1PK-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, \$2DD, \$1SF	CHRB #1958, #1959, #1979, #1954.1, #1957, #1979.1
Race #12	Thor. \$2Q, \$1E, \$1TRI, \$1SF	CHRB #1958, #1959, #1979, #1979.1

- 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 29, 2002*
- 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:
(See attached Exhibit A)
- D. Out-of-state wagering systems the fair proposes to offer its live audiovisual signal:
(See attached Exhibit B)
- E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the fair:
(See attached 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":
(See attached 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).

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
Humbolt 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

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 & Simulcast Facility,
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
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
Witchita Greyhound Park, Kansas
Wonderland Greyhound Park,
Massachusetts
Woodlands, Kansas
Wyoming OTB, Wyoming
Yavapai Downs, Arizona
Yonkers Raceway, New York
Youbet, Pennsylvania

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 & Simulcast Facility,
Delaware
Hawthorne Race Course, Illinois
Hazel Park, Michigan
Hinsdale Greyhound Park, New Hampshire
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

Date	Location	Event	Grade	Purse	Distances
9/14/02	Turfway Park	Kentucky Cup Starter Stake		\$50,000	1 Mile
9/14/02	Turfway Park	Kentucky Cup Juvenile Fillies (Listed)		\$100,000	1 Mile
9/14/02	Turfway Park	Gallery Furniture KY Cup Juvenile	III	\$100,000	1 1/16 Miles
9/14/02	Turfway Park	Kentucky Cup Sprint	II	\$150,000	6 Furlongs
9/14/02	Turfway Park	Turfway Breeders' Cup	III	\$250,000	1 1/16 Miles
9/14/02	Turfway Park	Kentucky Cup Classic	II	\$500,000	1 1/8 Miles
9/14/02	Turfway Park	Kentucky Cup Turf		\$300,000	1 1/2 Miles (turf)
9/14/02	Turfway Park	Kentucky Cup Mile		\$200,000	1 Mile (turf)
9/14/02	Turfway Park	Kentucky Cup Ladies Turf		\$100,000	1 Mile (turf)
9/14/02	Turfway Park	Kentucky Cup Turf Dash		\$100,000	6 Furlongs (turf)
9/14/02	Belmont	Ruffian Handicap	I	\$250,000	1 1/16 Miles
9/14/02	Belmont	Belmont Breeders' Cup Handicap	I	\$200,000	1 1/8 Miles (turf)
9/14/02	Belmont	Jerome Handicap	II	\$150,000	1 Mile
9/14/02	Belmont	The Floral Park	III	\$100,000	6 Furlongs
9/14/02	Calder	The Needles Stakes		\$50,000	1 1/16 Miles (turf)
9/14/02	Woodbine	Col. R. S. McLaughlin Stakes	III	\$100,000	1 1/8 Miles
9/15/02	Belmont	Matron Stakes	I	\$200,000	1 Mile
9/15/02	Belmont	Futurity	I	\$200,000	1 Mile
9/21/02	Belmont	Vosburgh Stakes	I	\$300,000	7 Furlongs
9/21/02	Belmont	Noble Damsel Handicap	III	\$100,000	1 Mile (turf)
9/21/02	Belmont	The Noble Damsel	III	\$100,000	1 Mile (turf)
9/21/02	Belmont	The Ashley T. Cole		\$75,000	1 1/8 Miles (turf)
9/21/02	Calder	Brave Raj Stakes		\$100,000	1 Mile & 70 yds
9/21/02	Calder	Foolish Pleasure Stakes		\$100,000	1 Mile & 70 yds
9/21/02	Delaware Park	The Christina		\$100,000	1 1/8 Miles (turf)
9/21/02	Hastings	British Columbia Derby	II	\$200,000	9 Furlongs
9/21/02	Woodbine	Mazarine Breeders' Cup Stakes	II	\$250,000	1 1/16 Miles
9/21/02	Louisiana Downs	Super Derby XXI	I	\$500,000	1 1/8 Miles
9/21/02	Louisiana Downs	Marie P. DeBartolo		\$50,000	1 1/16 Miles (turf)
9/22/02	Louisiana Downs	Louisiana Downs Handicap		\$100,000	1 1/16 Miles (turf)
9/22/02	Belmont	The Jamaica	II	\$200,000	1 1/8 Miles (turf)
9/22/02	Belmont	The Schenectady		\$75,000	6 Furlongs
9/23/02	Arlington	Arlington-Washington Futurity Stakes	II	\$150,000	1 Mile
9/28/02	Belmont	The Flower Bowl Invitational	I	\$750,000	1 1/4 Miles (turf)
9/28/02	Belmont	The Jockey Club Gold Cup	I	\$1,000,000	1 1/4 Miles
9/28/02	Calder	Noble Royalty Handicap		\$50,000	1 1/16 Miles (turf)
9/29/02	Belmont	The Joseph A. Gimma		\$75,000	7 Furlongs
9/29/02	Belmont	The Turf Classic Invitational	I	\$750,000	1 1/2 Miles (turf)
9/29/02	Belmont	The Bertram F Bongard		\$75,000	7 Furlongs
9/29/02	Woodbine	Canadian International	I	\$1,500,000	1 Mile (turf)
9/29/02	Woodbine	E.P Taylor Stakes	I	\$750,000	1 Mile (turf)
9/29/02	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:
(See attached 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>Barry Hall</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>Timer</i>	<i>Marcus J. Murphy</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>Dick Schellpfeffer</i>
<i>Safety Manager</i>	<i>Dennis Fee</i>
<i>Announcer</i>	<i>Trevor Denman</i>
<i>Stable Superintendent</i>	<i>Gail Calva</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:

William D. O'Brien
Plusmic Corp USA
P. O. Box 6379
Napa California 94581 *Expiration Date of Contract: 1/1/03*

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:
Jim Porep
Pegasus Communication
16633 Ventura Blvd., #1010
Encino, California 91436 Expiration Date of Contract: 4/30/03

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:
TP-2500G Time Processor timing controller
Provided by Essential Data Control Systems
CARF, Larry Swartzlander
1776 Tribute Road, Suite 150
Sacramento, CA 95815 Expiration Date of Contract: 9/30/02

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.

Attached

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 - 02

Expiration Date: 7/1/03

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, CA 92807*

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

CERTIFICATE OF WORKERS' COMPENSATION INSURANCE

ISSUE DATE: 07-01-02

POLICY NUMBER: 1578604 - 02
CERTIFICATE EXPIRES: 07-01-03

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

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.

Kenneth C. Bollier
PRESIDENT

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

ENDORSEMENT #2065 ENTITLED CERTIFICATE HOLDERS' NOTICE EFFECTIVE 07/01/02 IS ATTACHED TO AND FORMS A PART OF THIS POLICY.

EMPLOYER

LEGAL NAME

LOS ANGELES COUNTY FAIR ASSOC
PO BOX 2250
POMONA CA 91769

LOS ANGELES COUNTY FAIR ASSOCIATION

PRINTED: 06-17-02 P0408
SCIF 10265 (REV. 2-01)

THIS DOCUMENT HAS A BLUE PATTERNED BACKGROUND

12. SCHEDULE OF CHARGES

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

<i>General Admission</i>	
<i>Adults</i>	<i>\$10.00 weekdays/\$12.00 weekends</i>
<i>Child</i>	<i>5.00</i>
<i>Seniors</i>	<i>7.00</i>
<i>Adult purchased through Group Sales</i>	<i>7.00</i>
<i>Child purchased through Group Sales</i>	<i>4.00</i>
<i>RaceFan ClubCard</i>	<i>6.00</i>
<i>Box Seats</i>	<i>3.00</i>
<i>General Parking</i>	<i>7.00</i>
<i>Preferred Parking</i>	<i>10.00</i>
<i>Valet Parking</i>	<i>15.00</i>
<i>Programs</i>	
<i>On-Track</i>	<i>2.00</i>
<i>Off-Track</i>	<i>2.00</i>

- 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:

<input checked="" type="checkbox"/>	Corners (lockers and cubicles)	How many	<input type="text" value="40"/>		
<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:

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.

- 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. *Attached*
- 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. *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

VICE PRESIDENT
Print Title


Signature

7/2/02
Date

STAFF ANALYSIS
July 25, 2002

ISSUE: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF CAPITOL RACING LLC AT CAL EXPO FROM SEPTEMBER 27, 2002 THROUGH FEBRUARY 23, 2003.

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

- September 27, 2002 through February 23, 2003. The association proposes to race 89 nights with 1110 races, or 12.5 races per night.

September - 2002						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3 H	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 - 2002						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8 H	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

November - 2002						
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 H	23	24
25	26	27	28	29	30	

December - 2002						
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 - 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 H	22	23	24	25	26
27	28	29	30	31		

February - 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 H	19	20	21	22	23
24	25	26	27	28		

- Racing 3 nights per week, Thursday-Saturday through October 12; 4 nights per week Wednesday-Saturday through December 21 and 5 nights per week Wednesday-Sunday through February 23, 2003.
 - Up to 15 live races per night for 3 night race weeks; 10-13 races Wednesday, Thursday and Sunday and 12-15 races Friday and Saturday.
 - 12 simulcast races on nights that do not overlap with Quarter Horse and 6 on overlap nights.

- 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, 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.
 - Request approval to add a \$1 select four if at least 13 races, \$1 superfecta on last race if 10 or more races; \$1 trifecta on all races, if sufficient horses are available and \$1 ARCI double starting the 8th race depending upon the number of races.
- Simulcasting conducted with out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.

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

1. 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 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
1600 Exposition Blvd.
Gate 12; Bldg T-2
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. 27, 2002 thru Feb. 23, 2003*

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

Number of days or nights of racing per week:

See attached Schedule I

CHRB CERTIFICATION

Application received: *6/27/02*
Deposit received: *6/27/02*
Reviewed: *A₂PN*

Hearing date: *7/25/02*
Approved date:
License number:

SEPTEMBER 2002				
Sun	Wed	Thur	Fri	Sat
1	4	5	6	7
8	11	12	13	14
15	18	19	20	21
22	25	26	Opening Night 27	28
29				

OCTOBER 2002				
Sun	Wed	Thur	Fri	Sat
	2	3	4	5
6	9	10	11	12
13	16	17	18	Breeder's Crown 19
20	23	24	25	26
27	30	31		

NOVEMBER 2002				
Sun	Wed	Thur	Fri	Sat
			1	2
3	6	7	8	9
10	13	14	15	16
17	20	21	22	23
24	27	28	29	30

DECEMBER 2002				
Sun	Wed	Thur	Fri	Sat
1	4	5	6	7
8	11	12	13	14
15	18	19	20	21
24	25	26	27	28
29				

JANUARY 2003				
Sun	Wed	Thur	Fri	Sat
	1	2	3	4
	New Year's Day No Racing			
5	8	9	10	11
12	15	16	17	18
19	22	23	24	25
26	29	30	31	

FEBRUARY 2003				
Sun	Wed	Thur	Fri	Sat
				1
2	5	6	7	8
9	12	13	14	15
16	19	20	21	22
Closing Night 23	26	27	28	

3. RACING PROGRAM

- A. Total number of races: 1110
- B. Number of races for each day or night: *Wed., Thur. & Sun. 10-13 races (if 3 night race week then up to 15 races); Fri. & Sat. 12-15 races.*
- C. Total number of stakes races: 50
- 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.
Forthcoming as 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

STAKES FOR CAL-BRED ELIGIBLES 2002-2003 FALL/WINTER HARNESS MEET

Three (3) rounds of Sire Stakes events and one (1) round of Gold Series events will be conducted during the race meet for three-year-old eligibles in 2002; Five (5) rounds of Sire Stakes events and one (1) round of Gold Series events will be conducted during the race meet for two-year-old eligibles in 2002; and one (1) round each of Sires Stakes and Gold Series events will be conducted for four-year-old eligibles in 2003 (all Sires Stakes events with purses of \$22,500; 2YO Gold event purses base \$12,500; 3YO Gold purses base \$15,000; and 4YO Gold purses base \$17,500). Note: If Elimination races are conducted, the the Final event will be conducted the following week on the same night as the Elimination race.

Schedule of Events for Two-Year-Olds in 2002

Calif. Sires Stakes:

Colt & Gelding Trot (Elims if necessary) - Wed., Oct. 16th.
Filly Trot (Elims if necessary) - Thur., Oct. 17th.
Filly Pace (Elims if necessary) - Fri., Oct. 18th.
Colt Pace (Elims if necessary) - Sat., Oct. 19th.

Colt & Gelding Trot (Elims if necessary) - Wed., Oct. 30th.
Filly Trot (Elims if necessary) - Thur., Oct. 31st.
Filly Pace (Elims if necessary) - Fri., Nov. 1st.
Colt Pace (Elims if necessary) - Sat., Nov. 2nd.

Colt & Gelding Trot (Elims if necessary) - Wed., Nov. 13th.
Filly Trot (Elims if necessary) - Thur., Nov. 14th.
Filly Pace (Elims if necessary) - Fri., Nov. 15th.
Colt Pace (Elims if necessary) - Sat., Nov. 16th.

Colt & Gelding Trot (Elims if necessary) - Wed., Nov. 27th.
Filly Trot (Elims if necessary) - Wed., Nov. 27th.
Filly Pace (Elims if necessary) - Fri., Nov. 29th.
Colt Pace (Elims if necessary) - Sat., Nov. 30th.

Colt & Gelding Trot (Elims if necessary) - Wed., Dec. 11th.
Filly Trot (Elims if necessary) - Thur., Dec. 12th.
Filly Pace (Elims if necessary) - Fri., Dec. 13th.
Colt Pace (Elims if necessary) - Sat., Dec. 14th.

Calif. Gold Series:

Colt & Gelding Trot (Elims if necessary) - Thur., Dec. 26th.
Filly Trot (Elims if necessary) - Thur., Dec. 26th.
Filly Pace (Elims if necessary) - Friday, Dec. 27th.
Colt Pace (Elims if necessary) - Sat., Dec. 28th.

Schedule of Events for Three-Year-Olds in 2002

Calif. Sires Stakes:

Colt & Gelding Trot (Elims if necessary) - Wed., Oct. 23rd.
Filly Trot (Elims if necessary) - Thur., Oct. 24th.
Filly Pace (Elims if necessary) - Fri., Oct. 25th.
Colt Pace (Elims if necessary) - Sat., Oct. 26th.

Colt & Gelding Trot (Elims if necessary) - Wed., Nov. 6th.
Filly Trot (Elims if necessary) - Thur., Nov. 7th.
Filly Pace (Elims if necessary) - Fri., Nov. 8th.
Colt Pace (Elims if necessary) - Sat., Nov. 9th.

Colt & Gelding Trot (Elims if necessary) - Wed., Nov. 27th.
Filly Trot (Elims if necessary) - Wed., Nov. 27th.
Filly Pace (Elims if necessary) - Fri., Nov. 29th.
Colt Pace (Elims if necessary) - Sat., Nov. 30th.

Calif. Gold Series:

Colt & Gelding Trot (Elims if necessary) - Wed., Dec. 4th.
Filly Trot (Elims if necessary) - Thur., Dec. 5th.
Filly Pace (Elims if necessary) - Friday, Dec. 6th.
Colt Pace (Elims if necessary) - Sat., Dec. 7th.

Schedule of Events for Four-Year-Olds in 2003

Calif. Sires Stakes:

Colt & Gelding Trot (Elims if necessary) - Wed., Jan. 29th.
Filly Trot (Elims if necessary) - Thur., Jan. 30th.
Filly Pace (Elims if necessary) - Fri., Jan. 31st.
Colt Pace (Elims if necessary) - Sat., Feb. 1st.

Calif. Gold Series:

Colt & Gelding Trot (Elims if necessary) - Wed., Feb. 12th.
Filly Trot (Elims if necessary) - Thur., Feb. 13th.
Filly Pace (Elims if necessary) - Friday, Feb. 14th.
Colt Pace (Elims if necessary) - Sat., Feb. 15th.



GOOD RACING!

**For More Information Contact
Fred Kuebler, Director of Racing
916-263-3617; Fax 916-263-6134
www.capitolracing.com**

Capitol Racing at Cal-Expo ■ P.O. Box 255069 ■ Sacramento, CA 95865

Schedule II

POST TIMES FOR PROPOSED DAILY RACING PROGRAM

	<u>Wednesday</u>	<u>Thursdays</u>	<u>Fridays</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.
<u>Race #2</u>	5:54	5:54	5:58	5:55	5:56
<u>Race #3</u>	6:13	6:13	6:22	6:18	6:17
<u>Race #4</u>	6:32	6:33	6:44	6:44	6:38
<u>Race #5</u>	6:52	6:58	7:06	7:09	6:59
<u>Race #6</u>	7:13	7:25	7:29	7:35	7:20
<u>Race #7</u>	7:34	7:51	7:54	8:00	7:41
<u>Race #8</u>	7:55	8:17	8:19	8:25	8:03
<u>Race #9</u>	8:16	8:42	8:44	8:50	8:25
<u>Race #10</u>	8:37	9:07	9:09	9:15	8:47
<u>Race #11</u>	8:58	9:32	9:34	9:40	9:09
<u>Race #12</u>	9:18	9:57	9:59	10:05	9:30
<u>Race #13</u>	9:38	10:18	10:24	10:30	9:50
<u>Race #14</u>	9:50	10:38	10:49	10:55	10:09
<u>Race #15</u>	10:18	10:58	11:12	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	9:07	9:09	6:30
<u>Import #6</u>	6:23	6:44	9:28	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	---	---	---	---

Note: Special 1st Post for live races, 7:00 p.m. on Saturday, October 19th, due to Breeder's Crown.

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
J.R. Williams..... Track Superintendent
Richard Colby..... Director of Media Relations
Marty Bridges..... Program Director

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

Alan Horowitz, General Manager

5. PURSE PROGRAM

A. Estimated purse distribution:

- 1. All races other than stakes: \$3,960,000.
- 2. Overnight stakes: \$180,000. *late closers*
- 3. Non-overnight stakes: \$780,000. *(Calif. Sire & Gold events)*

B. Stakes Races:

- 1. Estimated purse distribution for all stakes races: \$960,000.
- 2. Percentage of the estimated purse distribution for all stakes races that will be distributed for California-bred stakes races: 90%

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

\$90,000.

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

<u>Recognized Horsemen's Organization</u>	<u>Estimated Payment</u>
<i>California Harness Horsemen's Association</i>	<i>\$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: *\$5,260,000.*

F. Estimated purse funds to be generated from on-track handle and intrastate off-track handle:
\$800,000. On-track; \$3,710,000. Intrastate off-track

G. Estimated purse funds to be generated from interstate handle:
\$250,000.

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:
960 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 contractor 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.

- 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 Superfecta	CHRB 1959; 1979; 1979.1
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; \$1 Superfecta	CHRB 1959; 1979; 1979.1
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 \$1 DD (ARCI #VE), may start on this race depending upon actual number of races carded each specific night.

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

Add \$1 Superfecta (CHRB 1979.1) in last race if 10 or more races carded.

\$1 Tri on all races, if sufficient horses available.

Imported races from U.S. and Canadian harness 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 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 12/31/02
Autotote Systems, Inc.

8. SIMULCASTING WAGERING PROGRAM

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

Schedule III

OUT OF STATE SIMULCAST WAGERING LOCATIONS

America Tab, Oregon	Raceway Park, Ohio
Atlantic City, New Jersey	Racing & Gaming Services, St. Kitts
Capitol District OTB, New York	Racing Services Inc., North Dakota
Catskill Region OTB, New York	Red Mile, Kentucky
Connecticut OTB, Connecticut	Retama Park, Texas
Diaryland Greyhound, Wisconsin	Rosecroft Raceway, Maryland
Fraser Downs, B.C., CAN	Sam Houston Park, Texas
Hazel Park, Michigan	Scioto Downs, Ohio
Hoosier Park, Anderson, Indiana	Southland Greyhound, Arkansas
Illinois OTB, Illinois	Sports Creek Raceway, Swartz Creek, Michigan
Ladbroke at Meadows, Pennsylvania	Suffolk Region OTB, New York
Les Bois Park, Idaho	Sunland Park, New Mexico
Meadowlands Race Track, New Jersey	Thistledowns, Ohio
Nassau Region OTB, New York	Nevada Parimutuel Assoc., Nevada
New York OTB, New York	Western Region OTB, New York
Northfield Park, Ohio	Windsor Raceway, Ontario, CAN
Northville Downs, Michigan	Yonkers Raceway, New York
Philadelphia Park, Pennsylvania	YouBet, Oregon
Plainridge Racecourse, Massachusetts	
Pompano Park, Florida	

- 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
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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
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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 may also include selected events from tracks in other CHRB approved jurisdictions. In addition, on Saturday, October 19th, a full program of harness races conducted with the Breeder's Crown Stakes from the Woodbine Race Track in Ontario, CAN.

- 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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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:
*YMCA of Greater Sacramento
 1926 V Street
 Sacramento, CA 95818*
- 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. 31, 2002; Nov. 21, 2002; Dec. 11, 2002; Jan. 9 & 30, 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
Paddock Judge.....Nate Bower
Patrol Judges..... Bill Vallandingham
Placing Judges.....Ron Goldman
Starter..... Bill Vallandingham
Timer..... Ron Goldman

B. Management officials in the racing department:

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

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

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

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

<i>Post Time Productions</i>	<i>Additional Digital Systems provided by:</i>
<i>Mr. Mike Tepper</i>	<i>Sportsdata Systems (Mr. Jim Hisle)</i>
<i>Contract thru 12/2002</i>	<i>Contract thru 12/2002</i>

**STATE
COMPENSATION
INSURANCE
FUND**

P.O. BOX 807, SAN FRANCISCO, CA 94101-0807

CERTIFICATE OF WORKERS' COMPENSATION INSURANCE

POLICY NUMBER: 1488980 - 02
CERTIFICATE EXPIRES: 04-01-03

ISSUE DATE: 04-01-02

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

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.

Kenneth C. Bollier
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: 03-16-02

P0408

- 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 12/2002
- F. Type of electronic timing device to be used for the timing of all races, name of the person supplying the service, and expiration date of the service contract:
Sportsdata Systems (Mr. Jim Hisle)
Contract thru 12/2002

11. SECURITY CONTROLS AND EMERGENCY SERVICES

- A. Name and title of the person responsible for security controls on the premises:
Lt. Shultz, Calif. State Fair Police
- B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis. Describe the electronic security system:
 10 *Closed-Circuit TV Surveillance system throughout enclosure; Security alarm System on doors; motion sensors in corridors & stairwells.*
- C. Name, address and emergency telephone number of the ambulance service to be used during workouts and the running of the races:
American Medical Response
P.O. Box 3718
Modesto, CA 95352
(916) 565-2837
- D. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites: *N/A*
- E. Attach a fire clearance from the fire authority having jurisdiction over the premises.
Forthcoming.
- 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 # 1488980-02
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

12. CONCESSIONAIRES AND SERVICE CONTRACTORS

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

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

13. SCHEDULE OF CHARGES

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

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

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

N/A

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

N/A

14. JOCKEYS/DRIVERS' QUARTERS

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

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/drivers:

Cubicles, Shower, Food/beverage service & Lounge area.

15. BACKSTRETCH EMPLOYEE HOUSING

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

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

16. TRACK SAFETY

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

One mile

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

17. DECLARATIONS

- A. All labor and lease agreements and concession and service contracts necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state):
All contracts in place.
- B. Attach each horsemen's agreement pursuant to CHRB Rule 2044.
On file with Board.
- C. Attach a lease agreement permitting the association to occupy the racing facility during the entire term of the meeting. (In the absence of either a lease agreement or a horsemen's agreement, a request for an extension pursuant to CHRB Rule 1407 shall be made).
On file with Board Office

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)
12/20/2001

PRODUCER
Aon Enterprise Insurance Services Inc.
1000 Milwaukee Avenue

Glenview, IL 60025

INSURED Capitol Racing, LLC

P O Box 255069

Sacramento, CA 95865

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

INSURERS AFFORDING COVERAGE

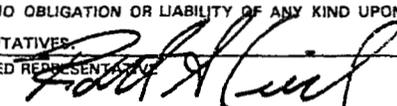
INSURER A: General Star Indemnity Company
INSURER B: General Accident Insurance Co of America
INSURER C:
INSURER D:
INSURER E:

COVERAGES

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

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	IYG360832C	10/19/2001	10/19/2002	EACH OCCURRENCE \$ 1,000,000 FIRE DAMAGE (Any one fire) \$ 50,000 MED EXP (Any one person) \$ excluded PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 1,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000
B	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	QDAX60103D	08/21/2001	08/21/2002	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
A	EXCESS LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$ 0	IXG360805C	10/19/2001	10/19/2002	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATUTORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS
 The State of California, California Horse Racing Board, California Exposition and State Fair, their agents, officers, servants & employees are named as additional insured with respects to insureds operations
 #Except 10 day notice for non-payment of premium

CERTIFICATE HOLDER	ADDITIONAL INSURED; INSURER LETTER:	CANCELLATION
The State of California & Its Officers, Employees, etal c/o Cal Expo 1600 Exposition Blvd. Sacramento, CA 95865		SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE: 

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.

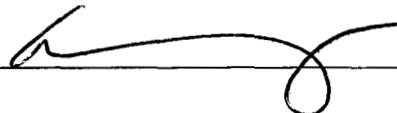
18. CERTIFICATION BY APPLICANT

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, 2002

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

**REGULAR BOARD MEETING
JULY 25, 2002**

Background:

Section 19612.9 of the Horse Racing Law provides for a health and welfare program for California jockeys and their dependents funded by uncashed refund tickets. The law provides that the funds be distributed by the racing associations holding the unclaimed refunds to the horsemen group responsible for negotiating contracts on behalf of the horsemen participating in the race meetings, i.e., the Thoroughbred Owners of California. In addition, the law requires the Board to certify a jockeys' organization to represent the California jockeys in these matters. The Jockeys' Guild was certified by the Board as that organization because it was determined that they represented the majority of the licensed California jockeys as required by the law. The TOC in turn negotiated a contract with the Jockeys' Guild to provide the health and welfare benefits (the current three-year agreement good through June 2003 is attached for your review).

The Jockeys' Guild established a trust account to administer the health and welfare funds pursuant to their agreement with the TOC. The Guild provides insurance coverage (health, life, dental, vision, etc) for the California jockeys and then is reimbursed from the trust after the expenditures are audited (audited financials for 2001 are attached for your review). The program began in 1997 with an initial transfer of \$450,000 in unclaimed refunds to the trust and has continued each year with an inflation-adjusted contribution to the program. In 2001, the Board approved a transfer of \$680,180 in uncashed refunds to the trust account. Currently, 110 jockeys and their dependents participate in the program.

As indicated above, the law allows the Board to determine if an inflation adjustment is appropriate with each year's transfer. Since the program's inception, the Board has used the State of California's CalPERS premiums increases as the benchmark for annual adjustment to the Jockey's health care costs. In 2002, CalPERS approved a 25.1% increase in healthcare premiums (prior years have seen increases of 6.5%, 9.5%, 12.5%, and 15% in that order). The Guild has experienced similar increases and is requesting an inflation adjustment of 30% this year to keep the program viable (see attached letter from the Guild). Given that the increase for the very large and stable group covered by CalPERS is 25.1%, the Guild's request for a 30% increase to cover the costs for the much smaller group of California jockeys who work a dangerous job does not appear to be unreasonable.

An increase of 30% over last year's allocation would mean that \$884,235 would be transferred to the Trust this year. If the Board approves this amount (or other amount deemed appropriate

by the Board), then staff will notify the racing associations to transfer their prorata share of the funds to the trust account.

Recommendation:

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



May 9, 2002

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

Dear Mr. Reagen:

As you know, health insurance and welfare benefits have been increasing dramatically. The amount expended by the Jockeys' Guild Inc. for the year 2001 for California participants is over \$815,000, and we expect it to increase even further in the year 2002.

We respectfully request that additional funds (an increase of 30%) be placed in the Trust to be available for the assistance to eligible California riders to help defray these rising health and welfare expenses.

We thank you in advance for your time and appreciate your consideration regarding this matter. Should you have any questions, please let us know.

Regards,

Alice Galstian

AGREEMENT

It is hereby agreed by and between the Jockeys' Guild, Inc (the "Guild") and the Thoroughbred Owners of California (the "TOC") on this Day of January, 2000 that subject to the approval of the California Horse Racing Board both parties enter into this agreement to extend the prior agreement implementing the provisions of California Business and Professions Code 19612.9 ("the Statute") and to provide health and welfare benefits to California licensed jockeys, former California licensed jockeys, and their dependents (the "California Jockeys").

1. The Guild represents that it was certified by the California Horse Racing Board on December 6, 1996 as the representative of a majority of the licensed California jockeys.

2. The TOC represents that it is the organization that is responsible for negotiating purse agreements, satellite wagering agreements and all other business agreements on behalf of the horsemen participating in California racing meetings.

3. The parties acknowledge that this agreement is expressly conditioned upon approval by the California Horse Racing Board pursuant to the Statute and will have no force or effect unless and until such approval is obtained.

4. The Guild has established a Trust known as the Jockeys' Guild Health and Welfare Trust (the "Trust") for the purpose of holding and expending all monies distributed pursuant to Section 19612.9 (2). The Trust shall continue to be maintained at all times as a tax exempt entity. The Trust shall appoint a Certified Public Accountant for the purpose of providing an annual audit to TOC and the California Horse Racing Board of all monies received and expended by the Trust. The TOC and the California Horse Racing Board shall have the right upon reasonable notice to the Trust to review the books and records of the Trust at any time.

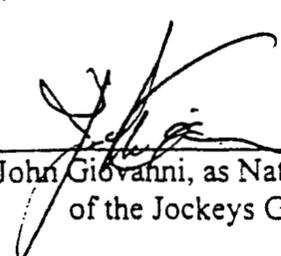
5. The eligible California jockeys shall participate in the plans the Guild has established for health benefits, aid to disabled jockeys, life insurance and related benefits. At least semiannually the Guild shall present to the Trust, the TOC and the California Horse Racing Board an audited statement of amounts expended to defray the cost of administration and the provision of health and welfare benefits to eligible California Jockeys. The Trust shall thereupon reimburse the Guild in an amount equal to the amounts expended to defray the cost of administration and the provision of health and welfare benefits to eligible California Jockeys. If in a given period the amounts expended by the Guild on behalf of eligible California Jockeys is less than the amounts received by the Trust pursuant to this agreement, said excess amount will be retained and reinvested by the Trust to be utilized in the event there are periods in which the amounts received by the Trust are less than the amounts expended by the Guild to provide such benefits to California eligible Jockeys. All of the monies paid to the Trust by the State of California pursuant to the statute will be spent solely to defray the cost of administration and the provision of health and welfare benefits paid to and for eligible California jockeys.

6. Attached to this Agreement are summaries of the terms of the health and welfare benefit plans which the Guild will make available to California jockeys pursuant to this agreement effective January 1, 2000. If the Guild adopts any material amendments to those benefits, the terms of said amendments shall be filed with the California Horse Racing Board and the TOC.

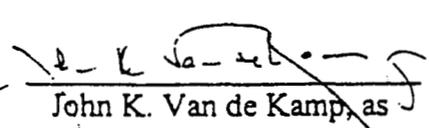
7. Pursuant to Section 19612.9(c) the Guild shall develop reasonable non-discriminatory criteria for eligibility for the health and welfare benefits to be paid for by the monies expended by the Trust. California jockeys who are not members of the Guild shall be entitled to become and remain eligible for said health and welfare benefits available for California jockeys who are members of the Guild. To be eligible for benefits under this program a California jockey must ride at least 100 mounts in legal parimutuel races per year and at least 50 of said mounts must be in the State of California. Non-Guild members must pay mount fees equivalent to California Guild members, said mount fees to be used to offset the cost of the Guild's health and welfare benefit plans. In January of each year of this agreement the Guild shall notify each California jockey eligible for benefits under this program of the opportunity to participate in this program by mailing a letter describing the program to the address maintained for such jockey by the California Horse Racing Board.

8. Upon approval of this agreement by the California Horse Racing Board, TOC assigns to the Trust its right, title and interest in \$525,740 (or such higher amount as the California Horse Racing Board may direct as an inflation adjustment) in unclaimed refunds effective July 1, 2000, and agrees to assign its interest in such refunds at that level subject to an inflation adjustment as determined by the California Horse Racing Board, on July 1, 2001, and July 1, 2002, upon assurance from the California Horse Racing Board that adequate funds exist for the assignment. Should the funds be insufficient to meet the requirement, the assignment will be limited to the funds available.

9. This agreement shall be in effect for three years from July 1, 2000 through June 30, 2003.



John Giovanni, as National Manager
of the Jockeys Guild Inc



John K. Van de Kamp, as
President and General
Counsel of the Thoroughbred
Owners of California, Inc

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

We have audited the accompanying schedule of California Jockeys' Health and Welfare Costs (as defined in the Agreement) dated January 2000 between the Jockeys' Guild, Inc. (the Guild) and the Thoroughbred Owners of California, Inc. (the TOC)) for the year ended December 31, 2001. This schedule is the responsibility of the Jockeys' Guild, Inc.'s management. Our responsibility is to express an opinion on this Schedule based on our audit.

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

In our opinion, the schedule of California Jockeys' Health and Welfare Costs referred to above presents fairly, in all material respects, the California Jockeys' Health and Welfare Costs for the year ended December 31, 2001 in accordance with the terms of the Agreement referred to above.

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



Torrance, California
March 31, 2002

JOCKEYS' GUILD, INC.
SCHEDULE OF CALIFORNIA JOCKEYS' HEALTH AND WELFARE COSTS
FOR THE YEAR ENDED DECEMBER 31, 2001

Health insurance costs	\$ 471,806
Life insurance costs	31,268
Dental insurance costs	113,780
Vision benefit costs	1,400
Disabled, injured and other health and welfare costs	109,438
Administrative costs	<u>87,323</u>
Total costs eligible for reimbursement to Jockeys' Guild, Inc.	815,015
Less net interim reimbursement at June 30, 2001	<u>378,697</u>
Reimbursement remaining at December 31, 2001	<u><u>\$ 436,318</u></u>

The accompanying notes are an integral part of this schedule.

JOCKEYS' GUILD, INC.
NOTES TO THE SCHEDULE OF CALIFORNIA JOCKEYS' HEALTH AND WELFARE COSTS
FOR THE YEAR ENDED DECEMBER 31, 2001

Note 1-Organization and General

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

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

The Guild has developed reasonable and nondiscriminatory criteria for eligibility for the health and welfare benefits. California Jockeys who are not members of the Guild shall become and remain eligible for health and welfare benefits available for California Jockeys who are members of the Guild. To be eligible (Eligible California Jockey) for benefits, a California Jockey must ride at least 100 mounts in legal pari-mutuel races per year and at least 50 of said mounts must be in the State of California. Non-Guild members are required to pay a premium to be eligible to participate in the Guild's health and welfare benefit plans, which is equivalent to the minimum required to be paid by California Guild members to participate in these plans. The premiums paid by non-Guild members are used by the Guild to offset the costs of providing health and welfare benefits. The Guild has determined that for the year ended December 31, 2001, there were 110 Eligible California Jockeys. This amount was used to calculate health and welfare costs for the year ended December 31, 2001.

Note 2-Summary of Significant Accounting Policies

Use of Estimates

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

JOCKEYS' GUILD, INC.
NOTES TO THE SCHEDULE OF CALIFORNIA JOCKEYS' HEALTH AND WELFARE COSTS
FOR THE YEAR ENDED DECEMBER 31, 2001

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

Basis of Accounting

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

Health Insurance Costs

These costs include the respective amounts of health insurance premiums and costs from the insurance policy in effect during the period from Union Labor Life Insurance Company. Additionally, third party administrative costs from Zenith Benefit Services have been included. The amount for health insurance costs has been computed for the Eligible California Jockeys.

Life Insurance Costs

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

Dental Insurance Costs

These costs include dental insurance premiums to Connecticut General Life Insurance Company for the Eligible California Jockeys.

Vision Benefit Costs

Each Eligible California Jockey and their family members are entitled to receive \$100 every two years for vision related benefits.

Disabled, Injured and Other Health and Welfare Costs

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

Administrative Costs

These costs include various direct and allocated overhead and administrative expenses of the health and welfare program costs incurred by the Guild. The allocations are based on the percentage of Eligible California Jockeys to total active Guild members and participating non-members, as well as specific fees and expenses, where applicable. The Guild's west coast manager's relevant costs have been allocated based on the estimates of time spent on California specific projects. The Guild has limited its request for reimbursement for administration costs to a maximum of 20% of the total amount of monies being reimbursed from the Trust.

**STAFF ANALYSIS
REQUEST FOR APPROVAL OF
CHARITY DISTRIBUTION**

**REGULAR BOARD MEETING
JULY 25, 2002**

Background:

The Oak Tree Charitable Foundation is requesting that the Board approve its proposed distribution of charity racing day proceeds of \$97,000. The list of 47 beneficiaries is attached for your review. Approximately 53% of the total dollars distributed will go to charities associated with the horse racing industry.

Recommendation:

Staff recommends that the Board approve this request.



June 15, 2002

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

Dear Roy:

The audited net proceeds from Charity Racing Days during the 2001 Oak Tree meet came to \$96,806.73, to which was added \$368.61 remaining from 2000 Charity Days. The resulting total is \$97,175.34.

Therefore, the Directors of the Oak Tree Charitable Foundation respectfully request CHRB approval at the July 25, 2002 regular meeting to disburse a total of \$97,000 to the attached schedule of eligible beneficiaries.

Contributions to thoroughbred industry charities total \$51,000, or 53% of the distribution.

Should you wish to review them, copies of grant applications from the selected organizations are available in this office.

Sincerely,

OAK TREE CHARITABLE FOUNDATION

Sherwood Chillingworth
Executive Vice President

Attachment

FYI: In addition to Charity Days, collectively Oak Tree Racing Association and the Oak Tree Foundation have donated over 80% of our contributions to the equine industry.

<u>Organization</u>	<u>Contribution</u>
American Cancer Fund for Children, Inc., Los Angeles	\$ 2,000.00
American Red Cross, Arcadia Chapter	1,000.00
Arcadia Child Health Council	1,000.00
Arcadia Community Coordinating Council	2,000.00
Arcadia Educational Foundation	1,000.00
Arcadia Presbyterian Lay Counseling Center	1,000.00
Arcadia Public Library Foundation	1,000.00
Big Brothers of Greater Los Angeles, Inc., L.A.	2,000.00
Bishop Gooden Home, Pasadena	1,000.00
Boys and Girls Clubs of Pasadena	1,000.00
*California Equine Retirement Foundation	5,000.00
California Rangers, Inc., La Canada	1,000.00
*California Thoroughbred Horsemen's Foundation, Inc.	20,000.00
Canine Companions, Oceanside	1,000.00
Don Bosco Technical Institute, Rosemead	1,000.00
*Don MacBeth Memorial Jockey Fund	2,000.00
Eaton Canyon Fdtn., Pasadena	1,000.00
Family Counseling Services of W. San Gabriel, San Gabriel	500.00
Five Acres, The Boys' & Girls' Aid Society, Altadena	2,000.00
Friends of Literacy & Libraries Fdtn.(ESL class for Backside	1,000.00
Grace Center, Pasadena	1,000.00
Hillsides Home for Children, Pasadena	1,000.00
Holy Angels School	1,000.00
I Have A Dream Foundation, Los Angeles	1,000.00
Kidspace; A Participatory Museum, Pasadena	500.00
Los Angeles Arboretum Foundation	1,000.00
Los Angeles Orphanage Guild, Rosemead	1,000.00
Make A Wish Foundation, Pasadena	1,000.00
Marianne Frostig Center, Pasadena	1,000.00
Methodist Hospital Foundation	2,000.00
Pasadena Day Nursery for Child Development	1,000.00
Pasadena Hospital Assn. dba Huntington Mem'l Hospital	1,000.00
Pasadena Humane Society, Pasadena	2,000.00
Pasadena Jr. Chamber of Commerce, Pasadena	1,000.00
Pasadena Mental Health Association, Pasadena	1,000.00
Pasadena Senior Center, Pasadena	1,000.00
*Racetrack Chaplaincy of America, So. Calif. Council	8,000.00
REINS Therapeutic Horsemanship Program, Bonsall	2,000.00
Rosemary Children's Services, Pasadena	1,000.00
Salvation Army, Los Angeles	1,000.00

San Gabriel Valley Learning Centers, Pasadena	\$ 1,000.00
San Gabriel Valley Special Olympics, Temple City	1,000.00
Santa Anita Family YMCA, Monrovia	1,000.00
*Shoemaker Foundation	5,000.00
Stone Soup Child Care Programs, Encino	1,000.00
*United Pegasus Foundation	1,000.00
Winners Foundation	10,000.00
TOTAL	\$ 97,000.00

*Thoroughbred Industry

**STAFF ANALYSIS
REQUEST FOR APPROVAL OF
CHARITY DISTRIBUTION**

**REGULAR BOARD MEETING
JULY 25, 2002**

Background:

The Pacific Racing Association is requesting that the Board approve its proposed distribution of charity racing day proceeds of \$68,300. The list of 17 beneficiaries is attached for your review. Approximately 68% of the total dollars distributed will go to charities associated with the horse racing industry.

Recommendation:

Staff recommends that the Board approve this request.

July 8, 2002

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

RE: Golden Gate Fields' Charity Days

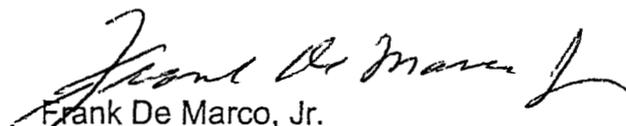
Dear Mr. Reagan:

Enclosed find the list of Charity Day distributions proposed to be made by Pacific Racing Association, doing business as Golden Gate Fields, which covers the proceeds from the 2001-2002 Winter Meet ending March 31, 2002, in the amount of \$63,800.00, all as more particularly set forth in Exhibit "A" attached hereto.

Distributions will be made upon approval of the Board. Please place this matter on the agenda for the next regular meeting of the Board.

Grants to horse racing related charities equal 68.9% of the total gifts.

Very truly yours,


Frank De Marco, Jr.
Vice President, Regulatory Affairs

FDM:mf

Enclosure

Pacific Racing Association
1100 Eastshore Highway, P.O.Box 6027, Albany, California 94706
A Magna Entertainment Corp. Facility

Exhibit A

Albany Community Foundation	\$ 2,500
Berkeley/Albany YMCA	2,500
California Council on Problem Gambling	1,000*
California Thoroughbred Horsemen's Foundation.....	10,000*
Clausen House	1,000
Community Learning Services	2,500
Edwin J. Gregson Foundation.....	5,000*
Friends of Albany Seniors	2,500
Friends of the Alameda County Library	2,500
Kids to the Cup (Breeders' Cup)	2,000*
Pacific Institute for Community Organization.....	2,500
Racetrack Chaplaincy	10,000*
San Mateo Expo	800
Schools & Citizens of Albany to Rescue Education.....	2,000
S.F. Enterprise High School Fund	1,000
University of California, Center for Equine Health.....	3,000*
Winners Foundation.....	<u>13,000*</u>
Total Contributions	\$63,800

*Funds payable to racing industry charities

STAFF ANALYSIS
STAFF REPORT ON END-OF-MEET RESULTS

REGULAR BOARD MEETING
JULY 25, 2002

Background:

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

Recommendation:

This item is for information and discussion.

END-OF-MEET OUTLINE SUMMARY

For the California Horse Racing Board meeting, July 25, 2002. This report includes a summary for the following racing meeting: LOS ANGELES TURF CLUB, and SAN JOAQUIN FAIR.

Los Angeles Turf Club

December 26, 2001-April 21, 2002

Race days: 85

AVERAGE DAILY STATISTICS

	PERCENTAGE CHANGE
Ave. daily handle	7.53%
Ave. On-track	2.03%
Ave. Off-track	4.83%
Ave. Interstate-exported	12.47%
Ave. daily attendance-Calif.	-1.56%
Ave. On-track	-5.48%
Ave. Off-track	1.89%

San Joaquin Fair

June 12-June 23, 2002

Race days: 10

AVERAGE DAILY STATISTICS

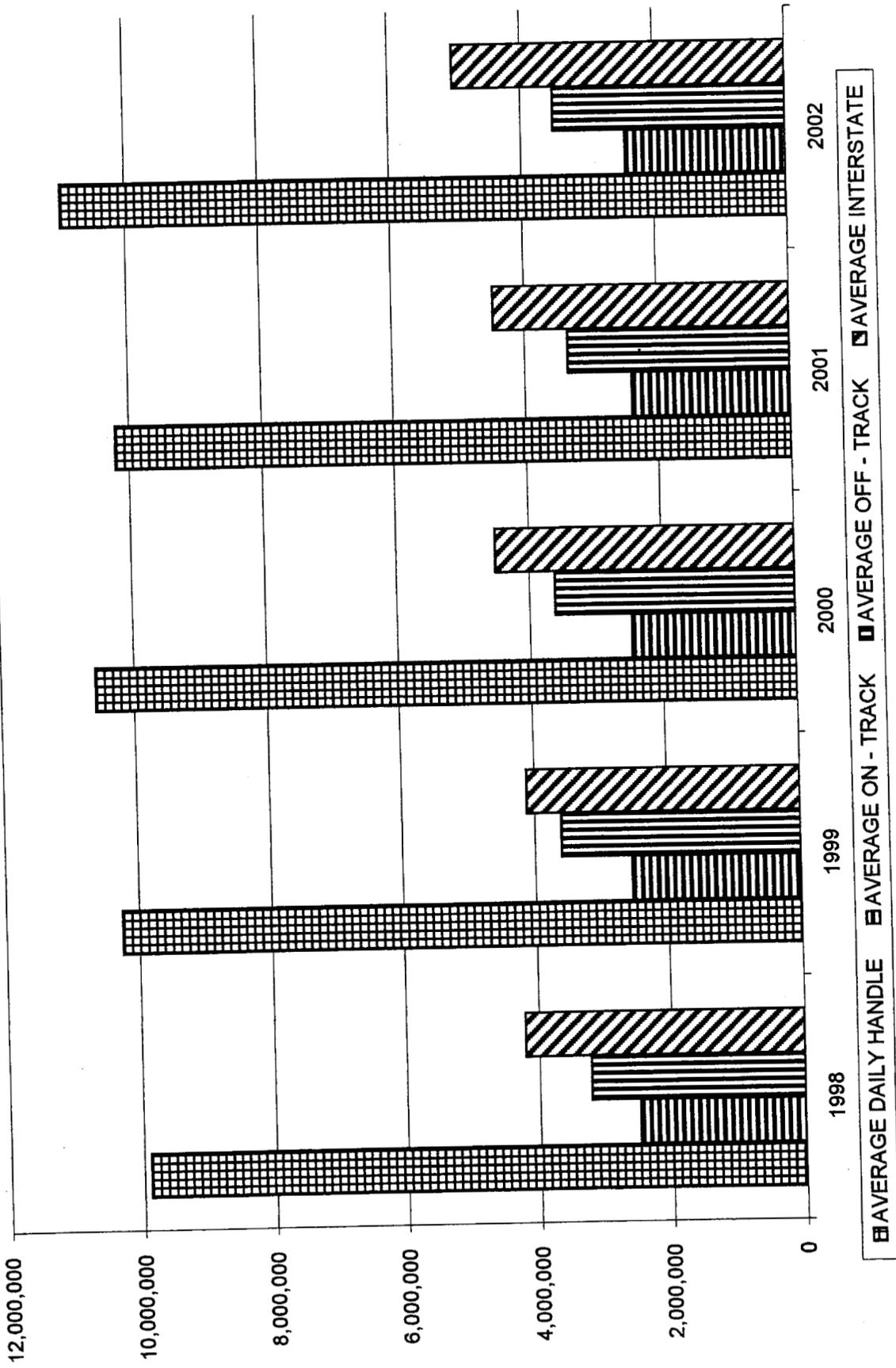
	PERCENTAGE CHANGE
Ave. daily handle	-3.09%
Ave. On-track	-2.48%
Ave. Off-track	-2.17%
Ave. Interstate-exported	-6.27%
Ave. daily attendance-Calif.	-1.54%
Ave. On-track	-1.05%
Ave. Off-track	-2.05%

LOS ANGELES TURF CLUB

<u>YEAR</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
TOTAL RACE DAYS	86	84	87	83	85
TOTAL HANDLE	850,883,281	860,478,540	920,082,921	846,343,089	931,973,246
ON-TRACK	213,502,508	213,134,731	213,948,808	197,752,634	206,637,514
OFF-TRACK	276,508,276	302,002,370	313,994,266	277,819,443	298,268,738
INTERSTATE	360,872,497	345,341,439	392,139,847	370,771,012	427,066,993
LIVE	704,950,612	677,561,460	715,471,798	658,125,746	738,182,632
INTRASTATE IMPORTED	114,716,639	110,595,804	111,427,100	95,910,012	101,840,506
INTERSTATE IMPORTED	12,223,674	71,137,507	92,958,310	92,152,914	91,819,892
INTERNATIONAL IMPORTED	18,992,356	1,183,769	225,712	154,418	130,215
AVERAGE DAILY HANDLE	9,893,992	10,243,792	10,575,666	10,196,905	10,964,391
AVERAGE ON - TRACK	2,482,587	2,537,318	2,459,182	2,382,562	2,431,030
AVERAGE OFF - TRACK	3,215,213	3,595,266	3,609,129	3,347,222	3,509,044
AVERAGE INTERSTATE	4,196,192	4,111,208	4,507,355	4,467,121	5,024,318
AVE. CALIFORNIA HANDLE	5,697,800	6,132,585	6,068,311	5,729,784	5,940,074
AVERAGE LIVE	8,197,100	8,066,208	8,223,814	7,929,226	8,684,502
AVERAGE INTRASTATE IMPORTED	1,333,914	1,316,617	1,280,771	1,155,542	1,198,124
AVERAGE INTERSTATE IMPORTED	142,136	846,875	1,068,486	1,110,276	1,080,234
AVERAGE INTERNATIONAL IMPORTED	220,841	14,092	2,594	1,860	1,532
TOTAL TAKEOUT	162,565,113	165,037,153	176,838,337	163,213,291	178,951,339
EFFECTIVE TAKEOUT	19.11%	19.18%	19.22%	19.28%	19.20%
STATE LICENSE FEES	20,449,263	12,187,040	11,883,456	10,697,456	11,453,766
STATE %	2.40%	1.42%	1.29%	1.26%	1.23%
TRACK COMMISSIONS	31,585,324	36,947,582	38,604,652	35,281,191	37,457,692
TRACK %	3.71%	4.29%	4.20%	4.17%	4.02%
HORSEMEN'S PURSES	30,468,347	36,109,067	37,752,106	34,594,232	36,636,311
HORSEMEN'S %	3.58%	4.20%	4.10%	4.09%	3.93%
CALIFORNIA ATTENDANCE	2,156,957	2,172,675	2,020,028	1,830,989	1,845,941
ON-TRACK	1,050,351	1,040,165	931,160	856,303	828,916
OFF-TRACK	1,106,606	1,132,510	1,088,868	974,686	1,017,025
AVE. DAILY ATTENDANCE	25,081	25,865	23,219	22,060	21,717
AVERAGE DAILY ON - TRACK	12,213	12,383	10,703	10,317	9,752
AVERAGE DAILY OFF - TRACK	12,868	13,482	12,516	11,743	11,965
TOTAL RACE EVENTS	736	723	749	713	733
STARTS	6,205	6,156	6,087	5,738	6,189
AVERAGE STARTS PER EVENT	8.4	8.5	8.1	8.0	8.4
AVE.HANDLE PER START	113,610	110,065	117,541	114,696	119,273

Chart1

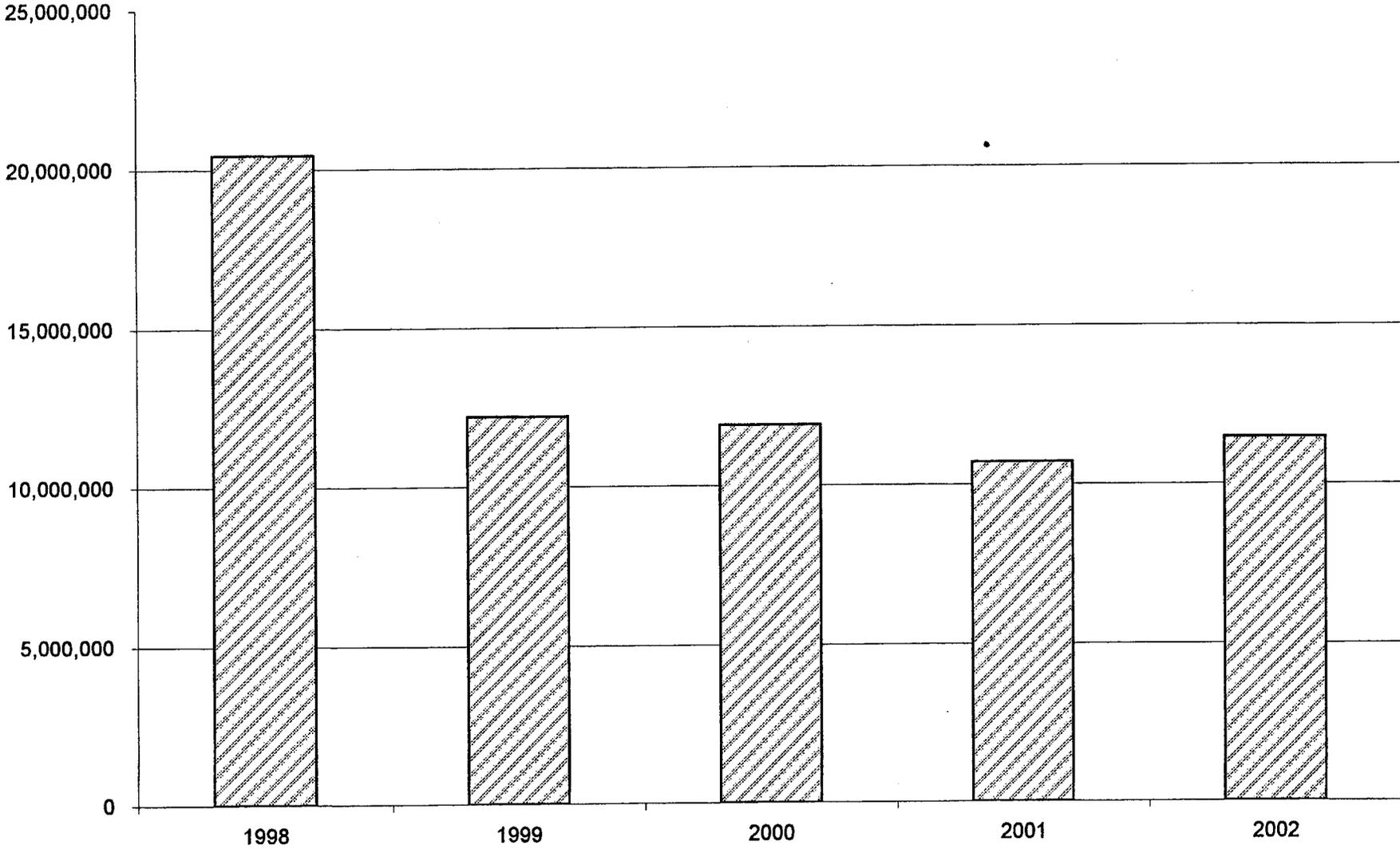
LOS ANGELES TURF CLUB



AVERAGE DAILY HANDLE

Chart2

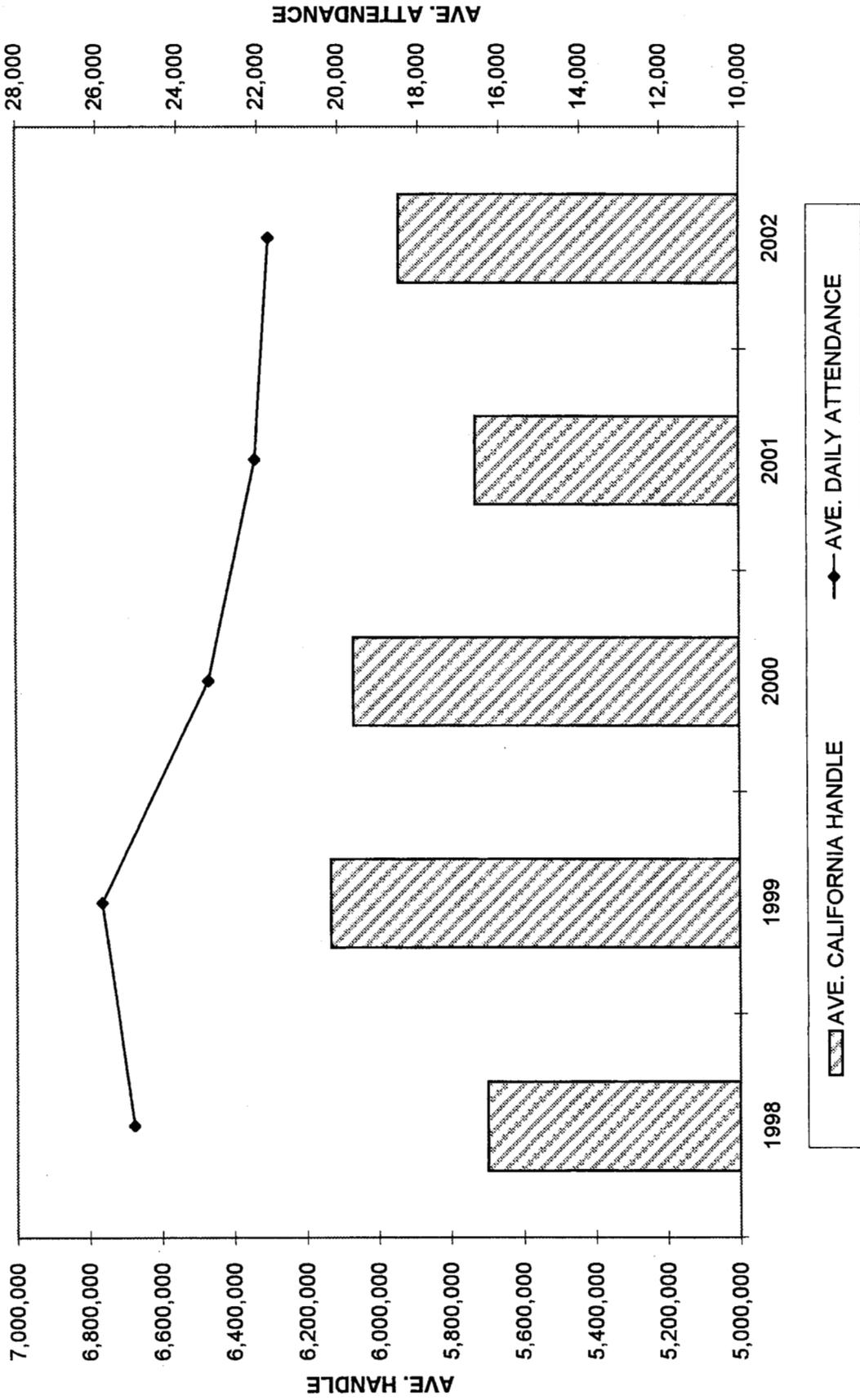
LOS ANGELES TURF CLUB



PARIMUTUEL LICENSING FEES

Chart3

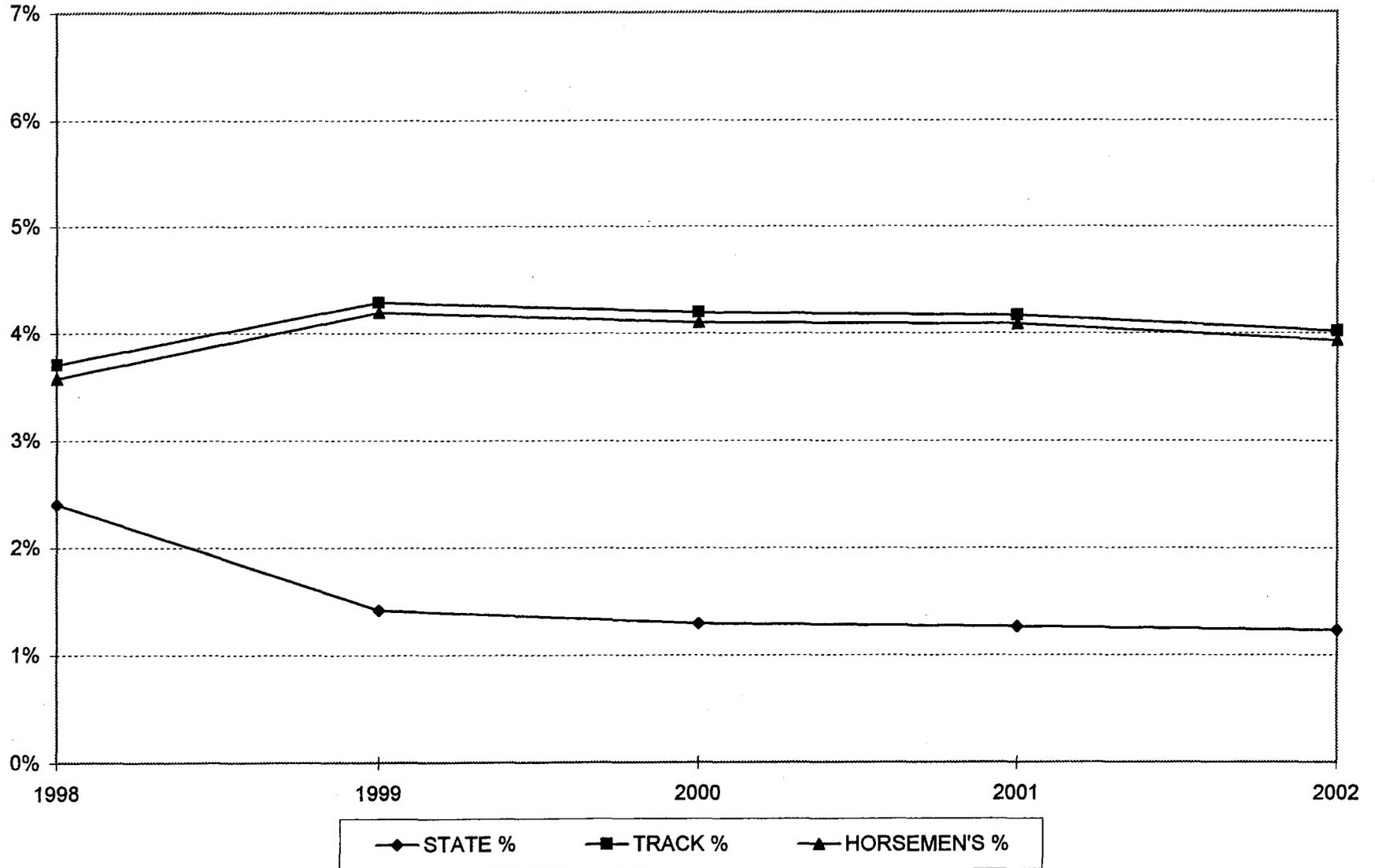
LOS ANGELES TURF CLUB



CALIFORNIA DAILY HANDLE VS. ATTENDANCE

Chart4

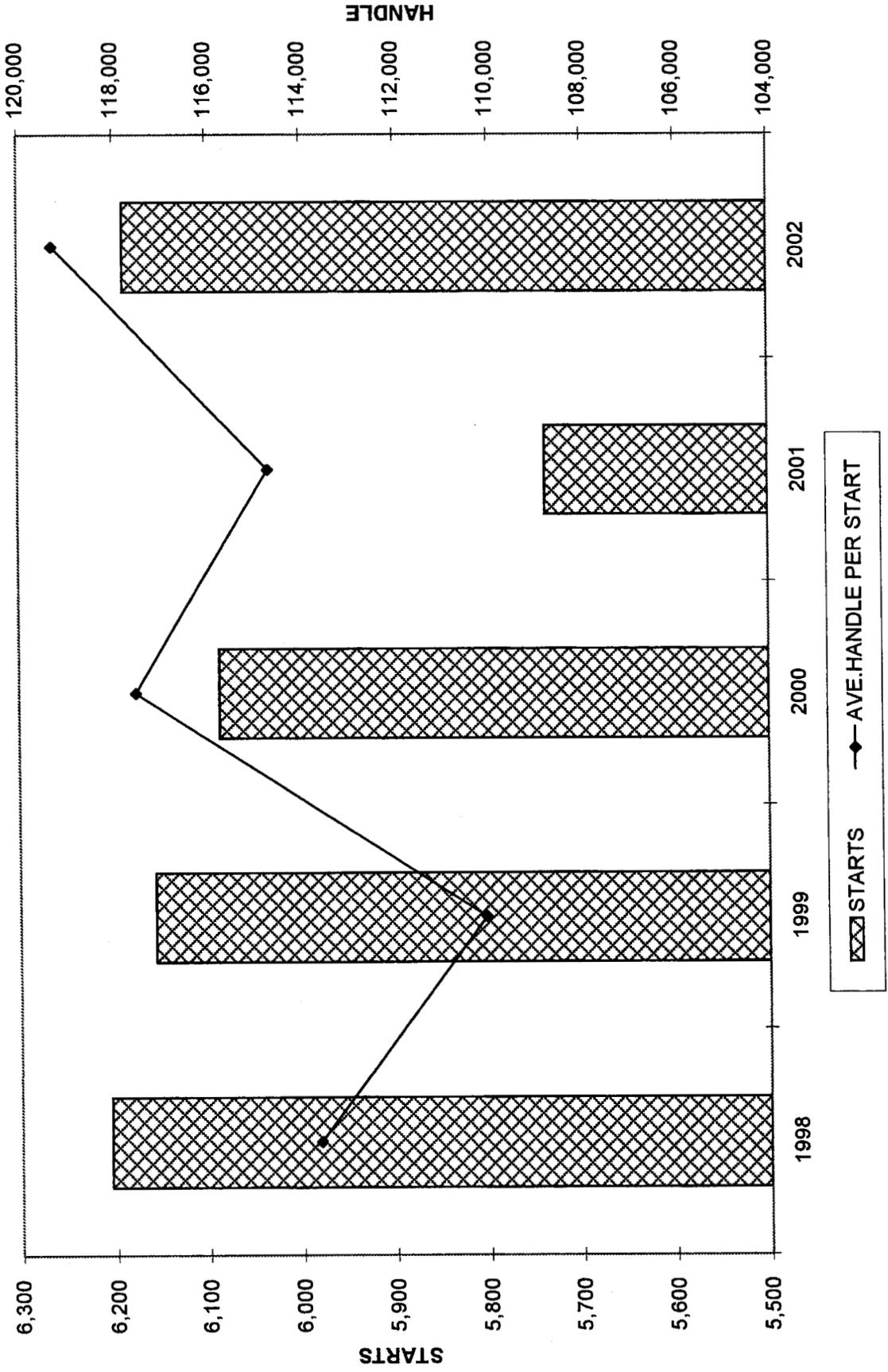
LOS ANGELES TURF CLUB



DISTRIBUTION OF HANDLE

Chart5

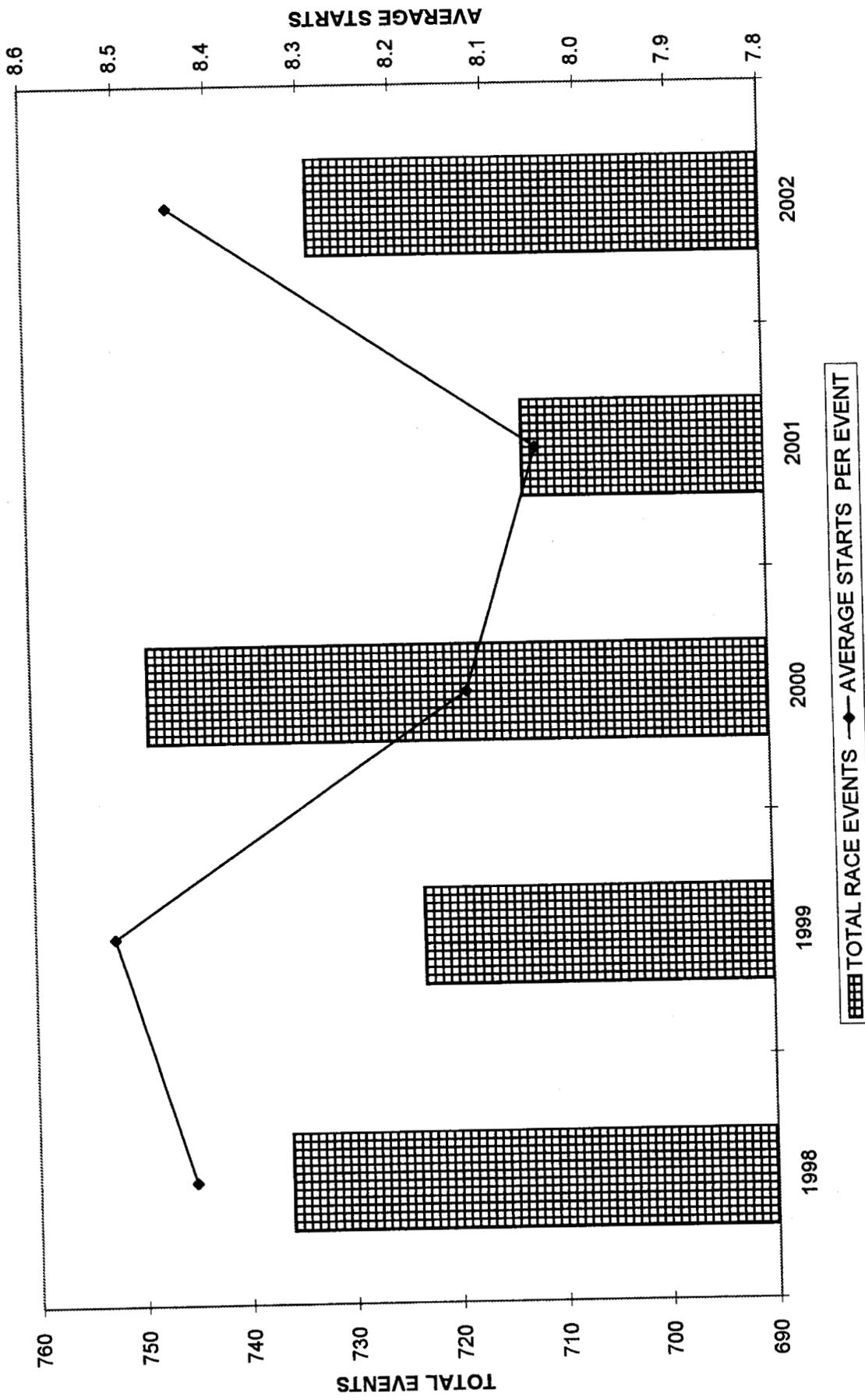
LOS ANGELES TURF CLUB



STARTS TO HANDLE

Chart 6

LOS ANGELES TURF CLUB



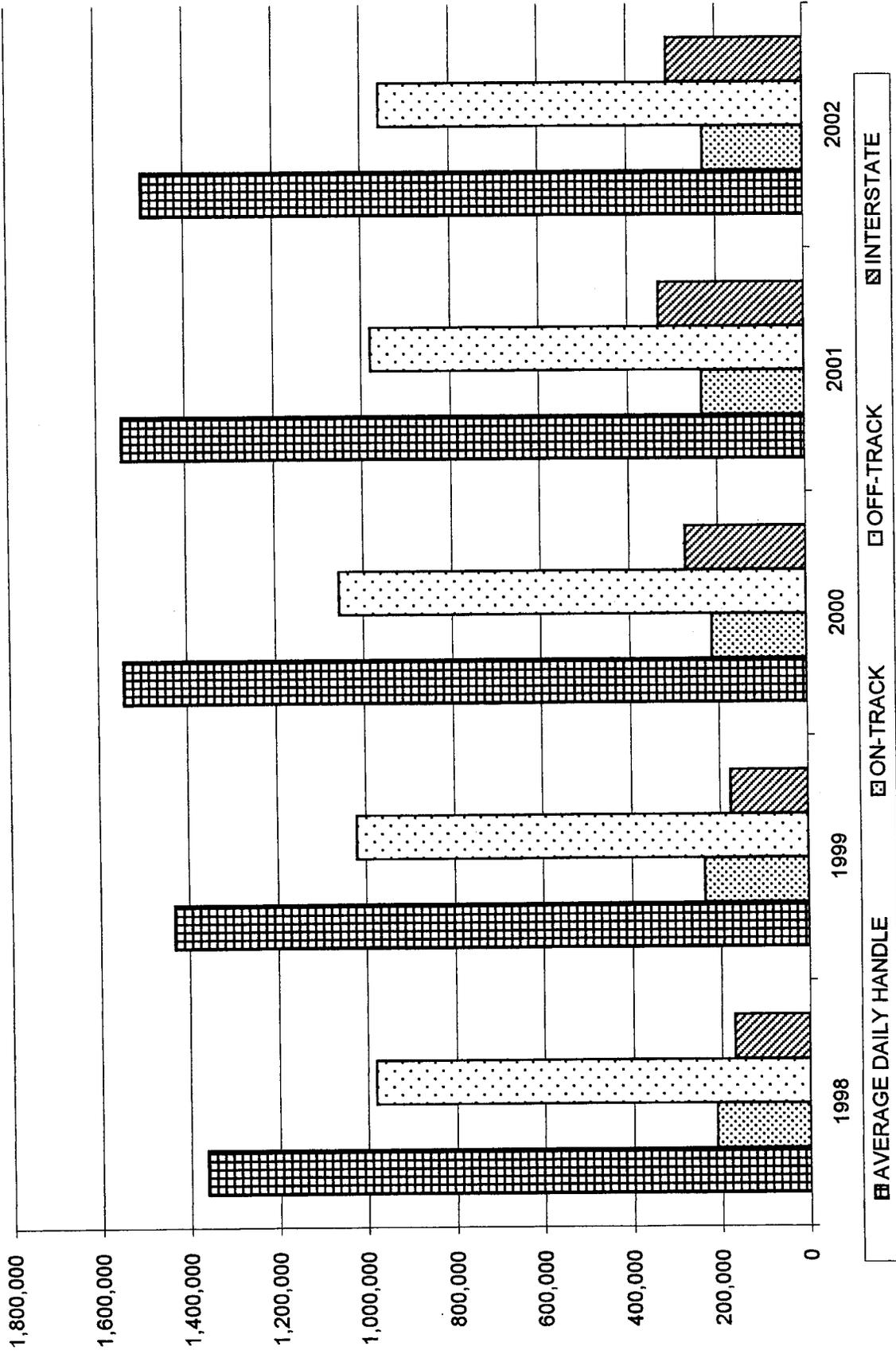
TOTAL EVENTS VS. AVERAGE START PER EVENT

SAN JOAQUIN FAIR

YEAR	1998	1999	2000	2001	2002
TOTAL RACE DAYS	10	10	10	10	10
TOTAL HANDLE	13,610,660	14,317,026	15,424,725	15,421,930	14,945,022
ON-TRACK	2,108,426	2,357,382	2,146,188	2,325,986	2,268,334
OFF-TRACK	9,803,439	10,203,168	10,545,266	9,794,127	9,581,951
INTERSTATE	1,698,795	1,756,476	2,733,271	3,301,817	3,094,738
LIVE	8,511,515	8,379,029	8,988,285	9,130,373	8,523,498
INTRASTATE IMPORTED	4,361,831	3,440,645	3,789,508	3,333,365	3,234,153
INTERSTATE IMPORTED	230,433	2,405,375	2,646,932	2,958,192	3,141,600
INTERNATIONAL IMPORTED	506,881	91,977	0	0	45,772
AVERAGE DAILY HANDLE	1,361,066	1,431,703	1,542,473	1,542,193	1,494,502
ON-TRACK	210,843	235,738	214,619	232,599	226,833
OFF-TRACK	980,344	1,020,317	1,054,527	979,413	958,195
INTERSTATE	169,879	175,648	273,327	330,182	309,474
AVERAGE LIVE	851,151	837,903	898,829	913,037	852,350
INTRASTATE IMPORTED	436,183	344,065	378,951	333,336	323,415
INTERSTATE IMPORTED	23,043	240,538	264,693	295,819	314,160
INTERNATIONAL IMPORTED	50,688	9,198	0	0	4,577
TOTAL TAKEOUT	2,714,106	2,849,157	3,083,320	3,088,624	2,989,150
EFFECTIVE TAKEOUT	19.94%	19.90%	19.99%	20.03%	20.00%
STATE LICENSE FEES	309,499	196,469	196,857	187,983	181,522
STATE %	2.27%	1.37%	1.28%	1.22%	1.21%
TRACK COMMISSIONS	532,085	605,777	612,793	597,322	582,883
TRACK %	3.91%	4.23%	3.97%	3.87%	3.90%
HORSEMEN'S PURSES	539,018	611,748	616,726	602,479	588,373
HORSEMEN'S %	3.96%	4.27%	4.00%	3.91%	3.94%
CALIFORNIA ATTENDANCE	88,748	90,518	88,805	89,263	87,889
ON-TRACK	35,078	39,982	39,464	45,323	44,849
OFF-TRACK	53,670	50,536	49,341	43,940	43,040
DAILY ATTENDANCE	8,875	9,052	8,881	8,926	8,789
AVERAGE DAILY ON - TRACK	3,508	3,998	3,946	4,532	4,485
AVERAGE DAILY OFF - TRACK	5,367	5,054	4,934	4,394	4,304
TOTAL RACE EVENTS	110	103	104	104	104
STARTS	832	885	836	816	775
AVERAGE STARTS PER EVENT	7.6	8.6	8.0	7.8	7.5
AVERAGE HANDLE PER START	10,230	9,468	10,752	11,189	10,998

Chart1

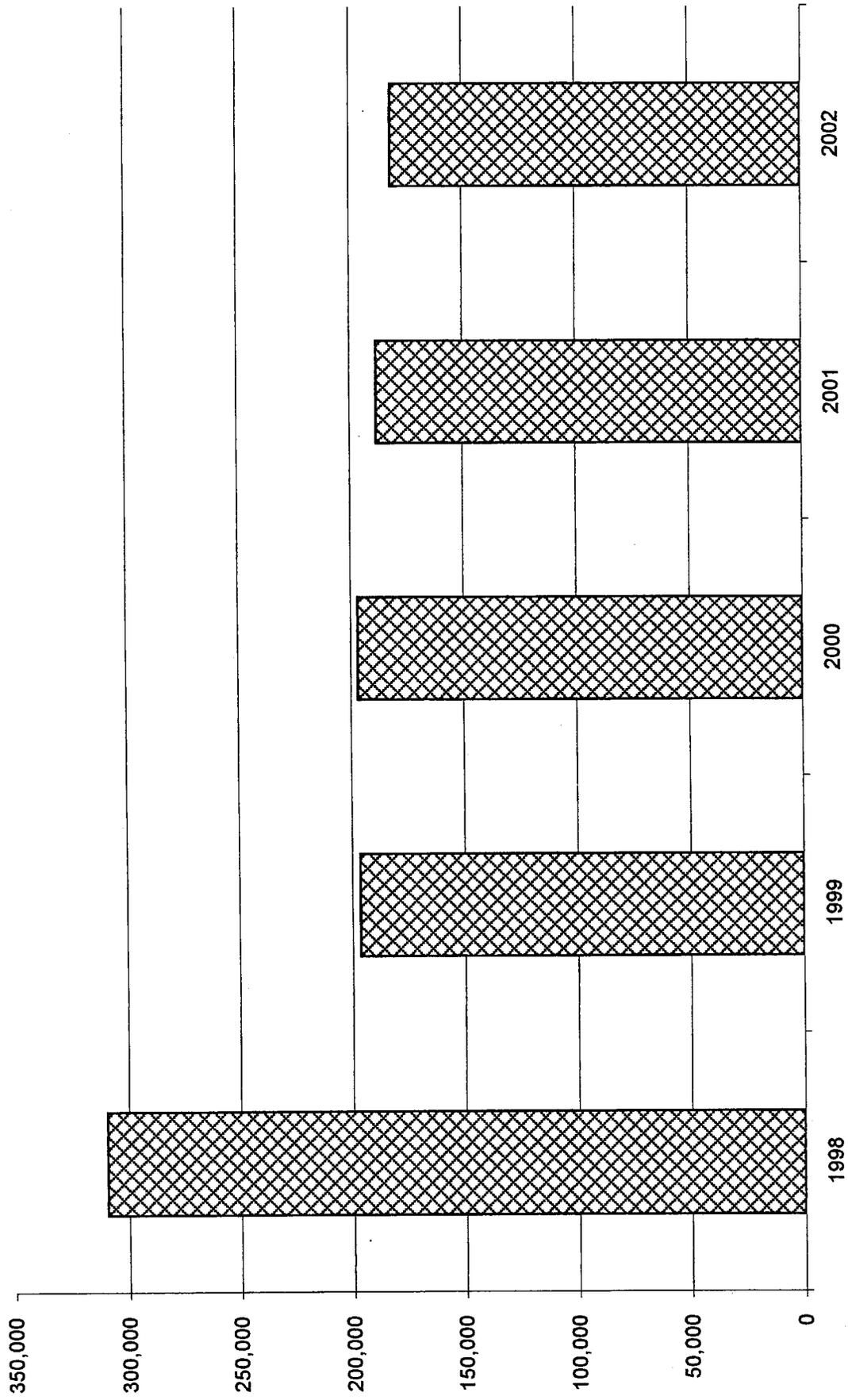
SAN JOAQUIN FAIR



AVERAGE DAILY HANDLE

Chart2

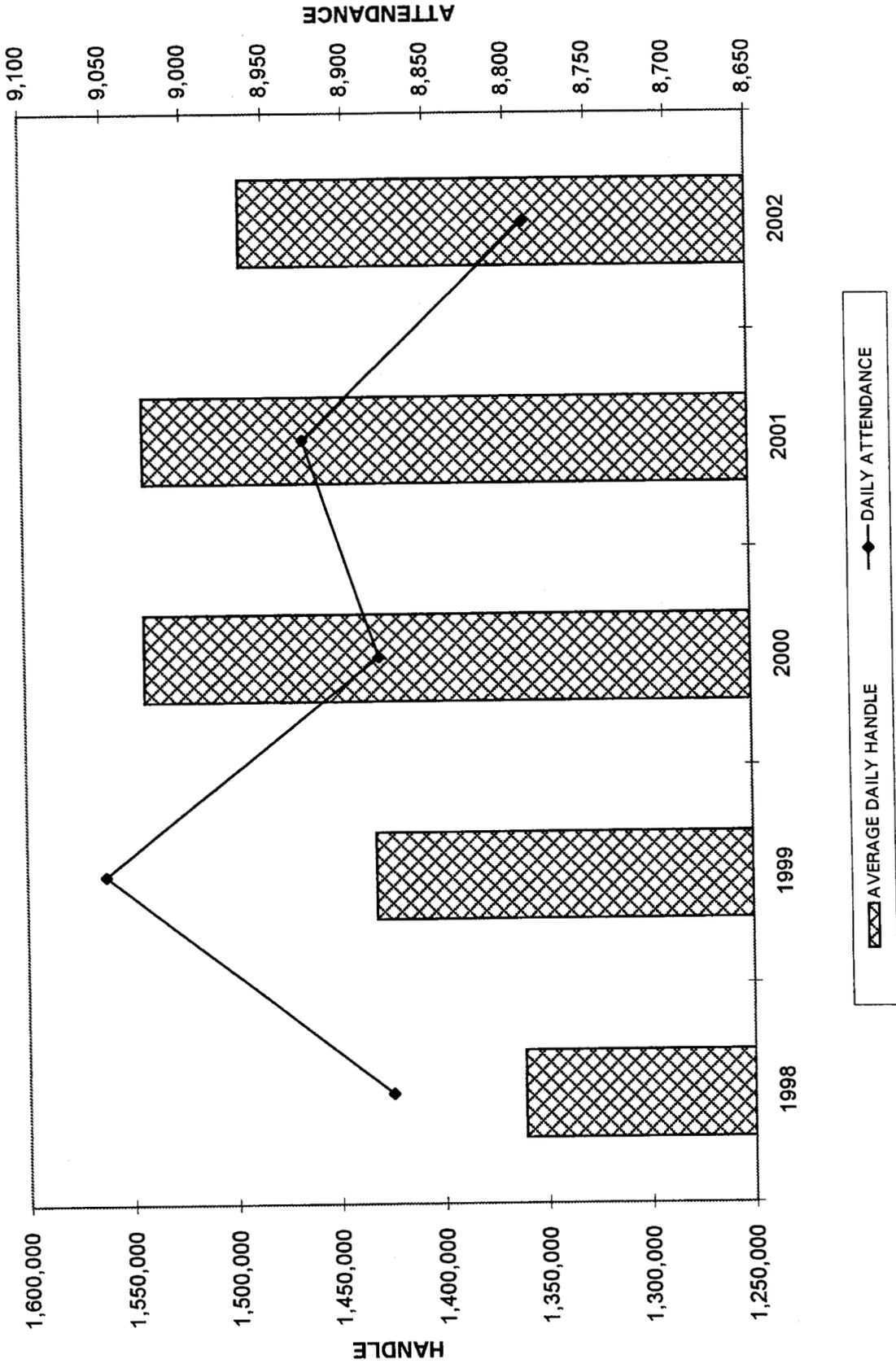
SAN JOAQUIN FAIR



PARIMUTUEL LICENSING FEES

Chart3

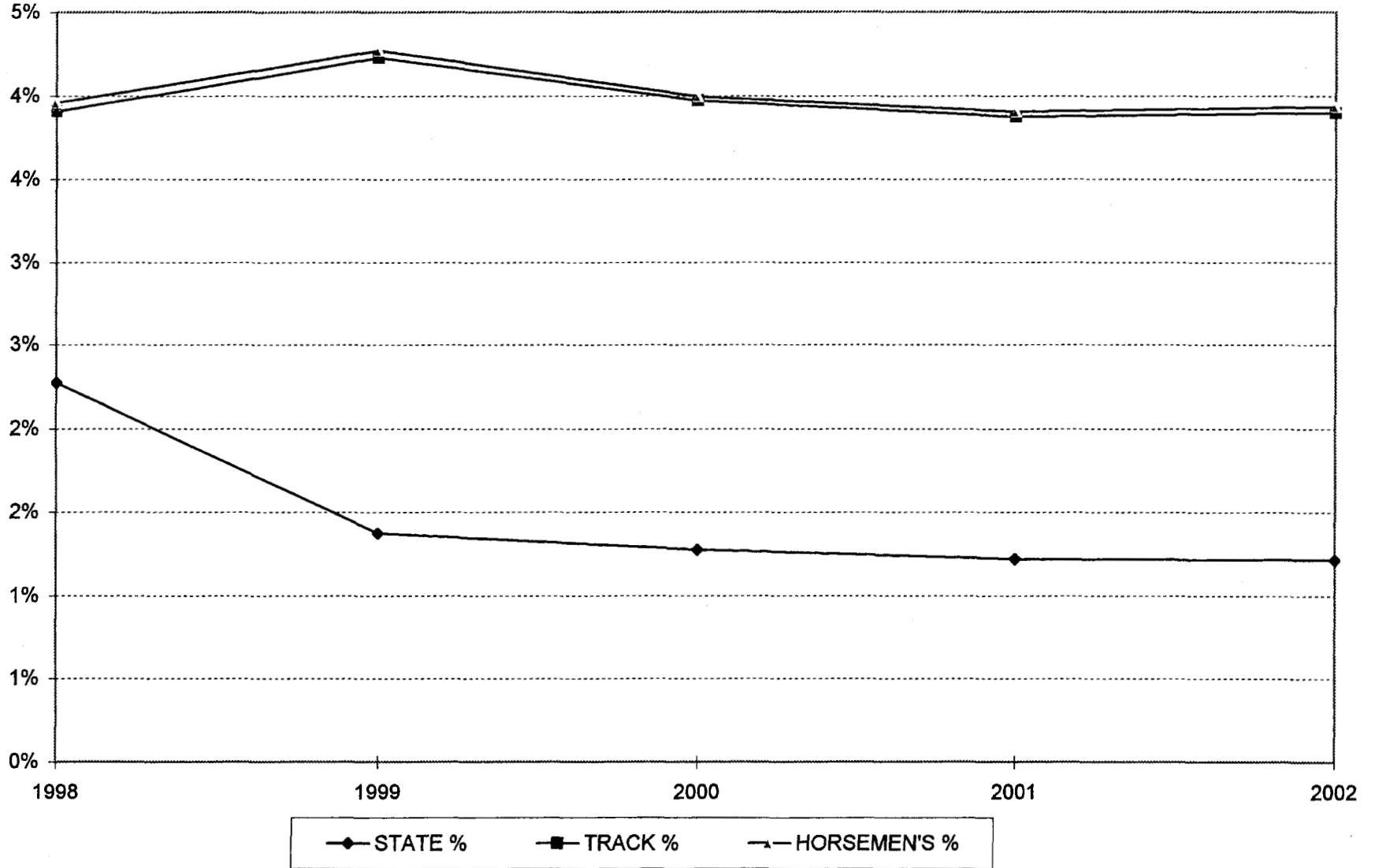
SAN JOAQUIN FAIR



HANDLE VS. ATTENDANCE

Chart 4

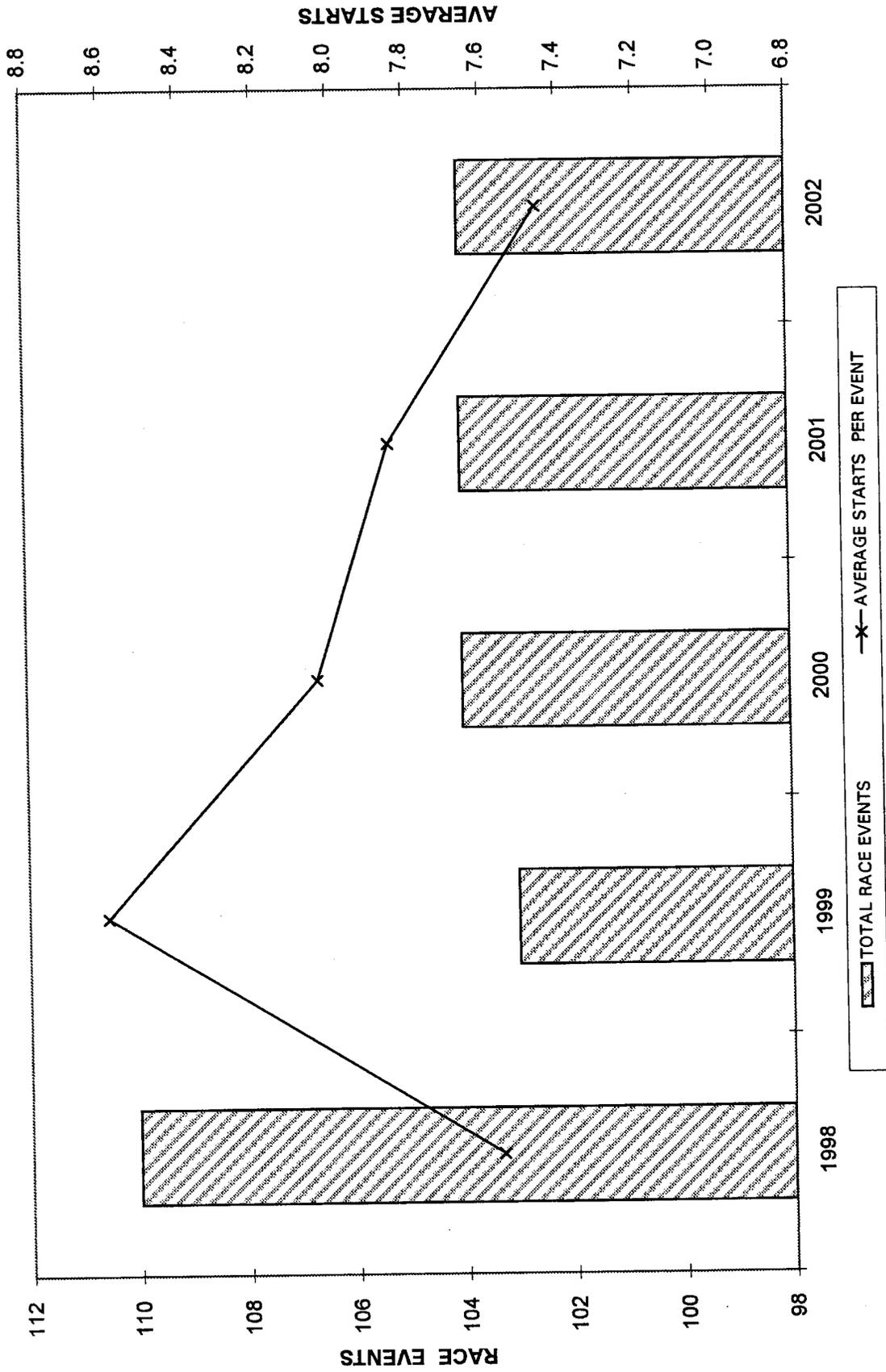
SAN JOAQUIN FAIR



DISTRIBUTION OF HANDLE

Chart5

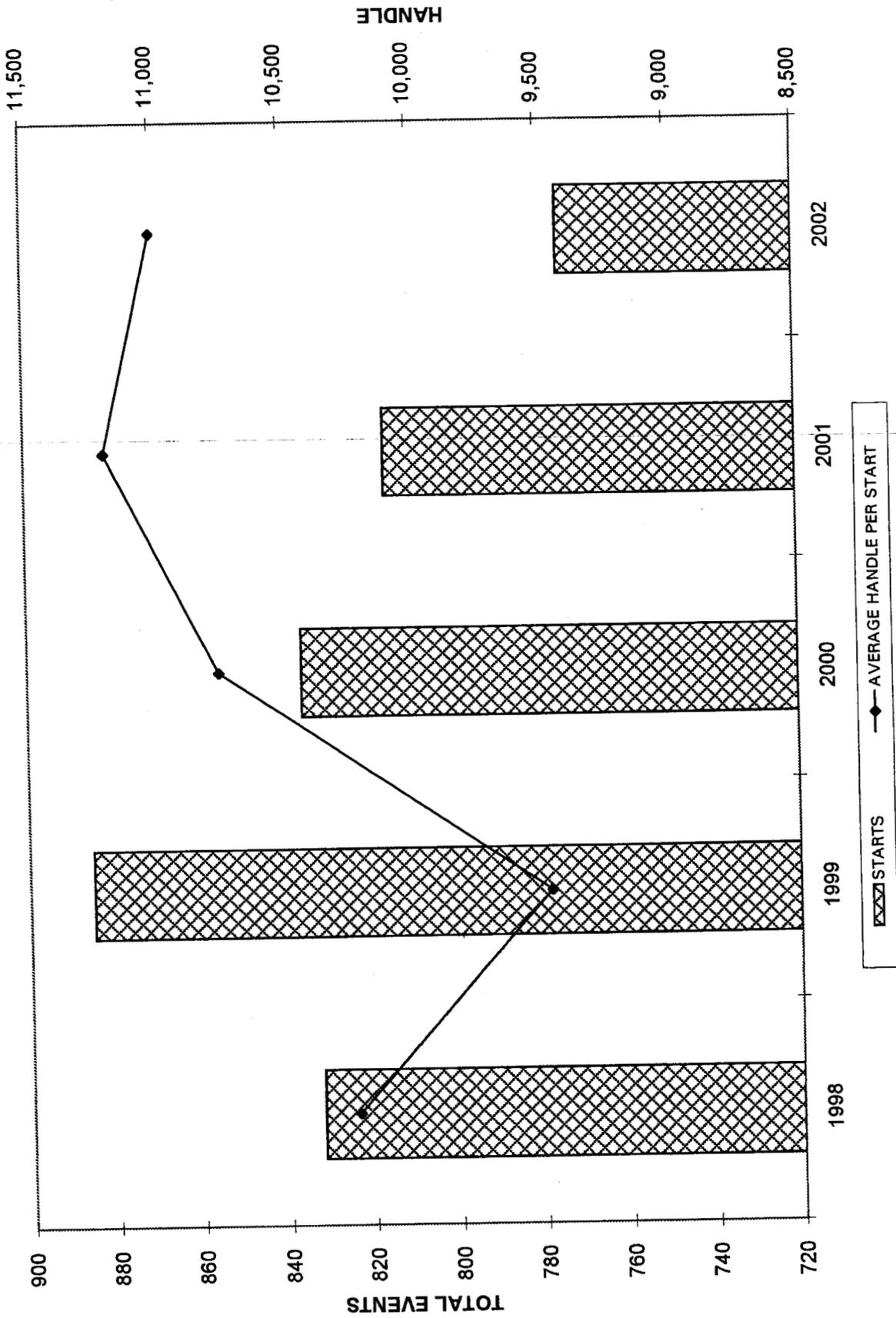
SAN JOAQUIN FAIR



TOTAL EVENTS VS. AVERAGE START PER EVENT

Chart 6

SAN JOAQUIN FAIR



STARTS TO HANDLE

**STAFF ANALYSIS
STAFF REPORT ON ADW HANDLE**

**REGULAR BOARD MEETING
JULY 25, 2002**

Background:

The total Advance Deposit Wagering (ADW) handle through July 6, 2002 is \$66.3 million. This represents approximately 5.7% of the \$1.1 Billion combined California ontrack, offtrack, and ADW handle accumulated since January 25. The attached report from CHRIMS shows the percentage breakdown of the ADW by hub and type of patron (in or out of California). In addition, a chart showing the handle for each of the three hubs from inception is included in this package.

Staff is prepared to answer any questions about the data presented.

Recommendation:

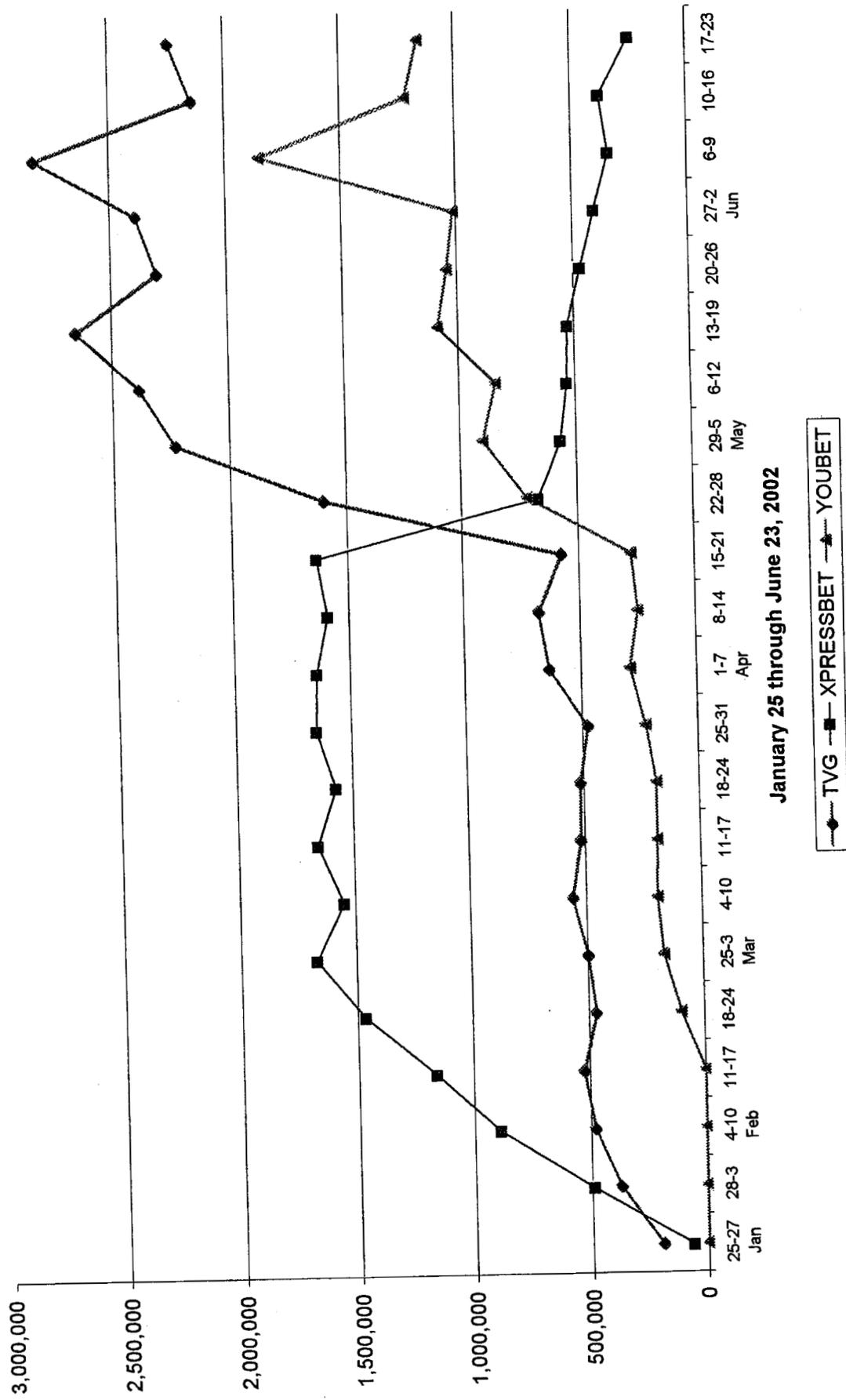
This item is for information and discussion.

Account Wagering - Handle Totals by Source

Date Range: 1/25/2002-7/6/2002
Track: all

	Total Handle	% of Total
California Residents		
TVG	\$28,275,248	42.66%
XpressBet	\$21,207,840	32.00%
You Bet!	\$9,415,596	14.21%
		<i>88.87%</i>
Out of State Residents		
TVG	\$3,575,637	5.39%
XpressBet	\$519,136	0.78%
You Bet!	\$3,288,613	4.96%
		<i>11.13%</i>
Totals:	\$66,282,070	100.00% <i>100.00%</i>

ADW WEEKLY HANDLE



January 25 through June 23, 2002

**THERE IS NO BOARD PACKAGE MATERIAL FOR
THIS ITEM**

**REPORT TO BE PRESENTED AT THE BOARD
MEETING**