

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



REGULAR MEETING

of the **California Horse Racing Board** will be held on, **Thursday, October 23, 2003**, commencing at **10:00 a.m.**, at the **Arcadia City Hall**, 240 West Huntington Drive, **Arcadia**, California.

AGENDA

Action Items

1. Approval of the **minutes** of the regular meeting of **August 21, 2003**.
2. Approval of the **minutes** of the regular meeting of **September 18, 2003**.
3. Discussion and action by the Board on the **Application for License to Conduct a Horse Racing Meeting of the Los Angeles Turf Club (T)**, at Santa Anita, commencing December 26, 2003 through April 18, 2004, inclusive.
4. Discussion and action by the Board on the request of the **Los Alamitos Quarter Horse Racing Association to add one additional night of quarter horse racing to their 2004 allocation of race dates**.
5. Discussion and action by the Board on the **Application for License to Conduct a Horse Racing Meeting of the Los Alamitos Quarter Horse Racing Association (Q)** at Los Alamitos, commencing December 26, 2003 through December 19, 2004, inclusive.
6. Discussion and action by the Board on the **request from Hollywood Park to implement the 10-day veterinarian's list** for any horse scratched after scratch time (late scratches), except for horses scratched at the gate.
7. Report and activity update from the **National Thoroughbred Racing Association**.
8. Report and presentation on the **Del Mar security camera installation**.
9. Public hearing by the Board on the **adoption of the proposed regulatory addition of CHRB Rule 1979.5 – Beat The Odds**.
10. Staff report on the following **concluded race meetings**:
 - A. **Del Mar Thoroughbred Club** at Del Mar from July 23, 2003 to September 10, 2003.
 - B. **California Exposition and State Fair** at Sacramento from August 20, 2003 to September 1, 2003.
 - C. **Los Angeles County Fair** at Pomona from September 12, 2003 to September 28, 2003.

Committee Reports

11. Report from the **Pari-mutuel Operations Committee**
Commissioner Alan W. Landsburg, Chairman
Chairman Roger H. Licht, Member

Other Business

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

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

CALIFORNIA HORSE RACING BOARD

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

CALIFORNIA HORSE RACING BOARD

**M e m o r a n d u m**

Date : October 9, 2003

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

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:

VALENZUELA, Patrick SAC 03-055 Appellant	Appeal from Board of Stewards Ruling # 41, Del Mar Thoroughbred Club, dated August 18, 2003.
VALENZUELA, Patrick SAC 03-038 Appellant	Appeal from Board of Stewards Ruling # 3, Del Mar Thoroughbred Club, dated July 25, 2003.
VALENZUELA, Patrick SAC 03-031 Appellant	Appeal from Board of Stewards Ruling # 089, Churchill Downs California Operating Company, dated June 21, 2003.
VALENZUELA, Patrick SAC 03-028 Appellant	Appeal from Board of Stewards Ruling # 057, Churchill Downs California Operating Company, dated June 1, 2003.

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PENDING LITIGATION
OCTOBER 2003

CASE

CASE NUMBER

MARTIN, JOHN v.
California Horse Racing Board

Sacramento County Superior Court
No. 98 CS00952

PLANO, RICHARD v.
California Horse Racing Board

Sacramento County Superior Court
No. 98 CS00909

DELONG, GREGORY KENNETH v.
California Horse Racing Board

Los Angeles County Superior Court
No. BS 076967

BURNETT-NUTTER, LAURIE v.
California Horse Racing Board

Riverside County Superior Court
No. RIC 382077

DUFFY, NORMA v.
California Horse Racing Board
and Pacific Racing Association

Hayward Superior Court
No. VG 03079504

LONG, GREGORY ALLEN v.
California Horse Racing Board

Los Angeles County Superior Court
No. BS 082483

**CALIFORNIA HARNESS HORSEMEN'S
ASSOCIATION and CAPITOL RACING,
LLC, v.**
California Horse Racing Board

Sacramento County Superior Court
No. 03 CS01033

PROCEEDINGS of the Regular Meeting of the **California Horse Racing Board** held at the **Del Mar Satellite Wagering Facility**, 2260 Jimmy Durante Boulevard, Del Mar, California on **August 21, 2003**.

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

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE FRESNO DISTRICT FAIR (F) AT FRESNO, COMMENCING OCTOBER 1 THROUGH OCTOBER 13, 2003, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said the Fresno District Fair (FDF) proposed to run from October 1, through October 13, 2003, one day more than in 2002. The first post time would be 12:37 p.m. Saturday, 12:45 p.m. Sunday, and 1:37 p.m. Mondays, Wednesdays and Thursdays. Ms. Wagner stated staff recommended the Board adopt the application as presented. Chairman Licht said he questioned whether Racing Services should continue to receive the signal. T. Pat Stubbs of Del Mar Thoroughbred Club (DMTC) said Racing Services' handle went down dramatically as its customers turned to other sites. He stated Racing Services was current in its payments to DMTC. Chairman Licht said if Racing Services was current, there was no reason to cut off the signal. Vice-Chairman Harris **motioned** to approve the application for license to conduct a horse racing meeting of FDF. Commissioner Moretti **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE ALLOCATION OF ONE
ADDITIONAL RACE DAY, SEPTEMBER 28, 2003, TO SANTA ANITA RACE TRACK.

John Reagan, CHRB staff, said the additional race day was requested to allow the running of preparation races for Breeders' Cup at Oak Tree Racing Association (OTRA). Mr. Reagan stated after negotiations the industry agreed on one additional day of racing, September 28, 2003. The additional day required legislative action, which was accomplished through Assembly Bill 1128, Chapter 8 of the Statutes of 2003. Mr. Reagan said staff recommend the Board approve the additional day and allocate it to OTRA. Commissioner Landsburg asked if plans had been made for the types of races and purses to be offered on the additional race day. Sherwood Chillingworth of OTRA said four graded stakes would be offered. He added two of the races would be nationally televised, and OTRA was planning several promotional items it hoped would generate large crowds. Chairman Licht asked if there would be any labor problems. Mr. Chillingworth said OTRA was bringing in more self-service wagering terminals and was training upwards of 125 additional pari-mutuel clerks. Vice-Chairman Harris asked how the overlap with Fairplex Park Pomona (FPP) was resolved. Mr. Chillingworth said OTRA guaranteed FPP would receive what it earned in 2002. However, if FPP's first 16 days were down, the OTRA guarantee would be reduced by the same percentage. Commissioner Granzella **motioned** to approve the allocation of one additional race day to OTRA. Commissioner Landsburg **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE OAK TREE RACING ASSOCIATION (T), AT SANTA ANITA, COMMENCING SEPTEMBER 28 THROUGH NOVEMBER 9, 2003, INCLUSIVE.

Jacqueline Wagner, CHRB staff, said Oak Tree Racing Association (OTRA) proposed to race 32 days, six more days than in 2002, for a total of 273 races. The first post time would be 1:00 p.m. weekdays, 12:30 p.m. weekends and holidays, and 9:40 a.m. on Breeders' Cup Day. The wagering program would use CHRB regulations. Ms. Wagner said the fire clearance was the only item missing from the application. She stated staff recommended approval of the application conditioned on receipt of the item noted as missing. Chairman Licht asked if everything indicated in the application would apply to the Breeders' Cup event. Ms. Wagner said it would. Vice-Chairman Harris said the availability of pari-mutuel clerks in California for Breeders' Cup could be an issue. Mr. Chillingworth said OTRA knew it could be a concern. He stated OTRA sent application to potential clerks in other states and in Northern California, and had received approximately 180 responses. A training session would be held beginning September 15, 2003. The clerks would be trained not only for Breeders' Cup Day, but also for the September 28 overlap. Chairman Licht suggested the newer pari-mutuel clerks staff the win-place-and show, and voucher windows as inexperienced clerks might not be as knowledgeable regarding the more exotic wagers. Mr. Chillingworth said OTRA would place experienced pari-mutuel clerks at the more frequently used windows. He stated OTRA would also experiment with having windows with a minimum wager of \$500 so fans who made larger wagers would not be shut out. Mr. Chillingworth added he thought tracks, in general, needed to look at windows for fans who made large wagers. He commented he noticed long lines at Del Mar's window. Commissioner Landsburg asked if there would be any handicapping seminars for the regular on-track fans. Mr. Chillingworth said there would be two Breeders' Cup handicapping seminars for

out-of-town fans. Commissioner Sperry **motioned** to approve the application for license to conduct a horse racing meeting of OTRA. Commissioner Landsburg **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE 2004 RACE DATES.

Chairman Licht said the Race Dates Committee met twice to discuss the 2004 race dates. He stated the dates were in three segments: the Southern California race dates, the Northern California race dates, and the quarter horse/harness race dates. Chairman Licht said the committee recommended the Southern California race dates, as proposed by the industry, be approved. John Reagan, CHRB staff, said the proposed 2004 race dates for Southern California were: Los Angeles Turf Club at Santa Anita Park Race Track from December 26, 2003, through April 18, 2004, for 84 days; Churchill Downs California Operating Company at Hollywood Park (HP) from April 21, 2004, through July 18, 2004, for 65 days; Del Mar Thoroughbred Club at Del Mar Race Track from July 21, 2004, through September 8, 2004, for 43 days; Los Angeles County Fair at Fairplex Park Pomona from September 10, 2004, through September 26, 2004, for 17 days; Oak Tree Racing Association at Santa Anita Park Race Track from September 29, 2004, through October 31, 2004, for 26 days, with an additional day on September 28, 2004; Churchill Downs California Fall Operating Company at HP from November 3, 2004, through December 20, 2004, for 36 days. John Van de Kamp of Thoroughbred Owners of California (TOC) said for the past several years TOC requested a longer Christmas break. He stated his organization believed a longer break was good for the industry and made the opening of the meeting at Santa Anita Race Course more special. Mr. Van de Kamp said a couple years ago the industry had a good experience when there was a longer break.. He stated the Board had made a practice of

eliminating Monday closings, and he had not heard many complaints from the tracks. Mr. Van de Kamp said in 2004 the natural closing day for the meeting at HP would be Sunday, December 19. Closing on Sunday would give the industry an entire week's break. Mr. Van de Kamp said TOC objected to the Race Dates Committee's decision to revert back to a Monday closing. Chairman Licht commented every horseman would still have to work on Monday, December 20. Mr. Van de Kamp said the last time there was a week's Christmas break employees were able to take that afternoon off. He stated it was a much different situation than would occur on a normal race day. Ed Halpern of California Thoroughbred Trainers (CTT) said his organization agreed with TOC's position. Chairman Licht asked if employees would still have to work on the Monday. Mr. Halpern said clients would be billed and employees would have to work because horses had to eat and be exercised. However, when there was no racing, the pace was more relaxed and staff could be reduced. In the larger view, Mr. Halpern said it was the overall pressure to keep horses racing that did not benefit the industry. He stated it lead to horses breaking down, and ultimately shorter fields. Vice-Chairman Harris said probably three to four hundred thousand dollars in incremental purse money would probably be generated by racing. He stated he would not like to see the parties walk away from the potential income. Mr. Halpern said if there was no racing, no money would be made, however one would earn even less money if one's horses broke down. He stated the committee did allow for a five-day break, but the CTT believed a longer break would be better. Ron Liccardo of the Pari-Mutuel Employees' Guild (Guild) said a longer break would have an adverse effect on Guild members as well as other front side employees. Sherwood Chillingworth of Oak Tree Racing Association said the Thalheimer report would be issued in September. He stated the report could provide insight regarding the number of racing days in California and should be reviewed before any decisions

were made. He suggested the Board agree to the five-day break for 2004, then look at 2005 race dates after it had more data and empirical evidence. Rick Baedeker of HP said there was not much of a difference between a five or a six-day break. He stated HP intended to heavily promote the last day of its meeting and should be able to run a good field. If the last day fell short, there would be empirical data the Board could use in considering 2005 race dates. Lee Hall of Local 1877 said his organization was in favor of a five-day break. Commissioner Moretti **motioned** to adopt the 2004 Southern California race dates as proposed by the Race Dates Committee. Vice-Chairman Harris **seconded** the motion, which was **unanimously carried**.

Mr. Reagan said the proposed 2004 race dates for Northern California were: Pacific Racing Association at Golden Gate Fields Race Track from December 26, 2003, through April 4, 2004, for 74 days; Bay Meadows Operating Company (BMOC) at Bay Meadows Race Track from April 7, 2004, through June 20, 2004, for 55 days; Bay Meadows Operating Company at Bay Meadows Race Track from September 3, 2004, through November 7, 2004, for 49 days; Pacific Racing Association at Golden Gate Fields from November 10, 2004, through December 20, 2004, for 31 days. Mr. Reagan said the proposed 2004 race dates for the fairs were: San Joaquin Fair from June 16, 2004, through June 27, 2004 for ten days; Alameda County Fair (ACF) from June 30, 2004, through July 11, 2004, for 11 days; Solano County Fair from July 14, 2004, through July 25, 2004, for ten days; Sonoma County Fair from July 28, 2004, through August 9, 2004, for 12 days; San Mateo County Fair from August 11, 2004, through August 23, 2004, for 12 days; Humboldt County Fair from August 12, 2004, through August 22, 2004, for ten days; California Exposition and State Fair (CESF) from August 25, 2004, through September 6, 2004, for 12 days; Big Fresno Fair from October 6, 2004, through October 17, 2004 for 11 days. Chris

Korby of the California Authority of Racing Fairs (CARF) said ACF wished to race on Wednesday, July 7, 2003. He stated ACF would be able to take the signal from out-of-state and broadcast its signal to Southern California. ACF's signal would be sent free to Southern California, so it would generate incremental purses and commissions without running races. Mr. Van de Kamp said in the past the Board promoted concurrent racing. He stated July 7 was not a concurrent race day and would not be as strong. Mr. Van de Kamp said he recommended HP run concurrently with ACF, but its management concluded it did not wish to run a six-day week at that time. He recalled that ACF had an overpayment in 2003, which was mostly due to running on the same date. He stated he believed the Board was breaking its tradition of promoting concurrent racing. The result was management problems. When a track experienced overpayments, such as ACF's in 2003, the supplemental purse fund, which helped pay for some of the vanning and starter fees in Northern California, was affected. Mr. Baedeker said he would ordinarily appreciate a six-day week, however, HP would close on the July 4 weekend with a guaranteed Pick-6. He stated there would be full fields for the Pick-6. Filling the Pick-6 races, coupled with the approach of the Del Mar meeting, would be a struggle. Adding a sixth day to the week would impact HP's ability to put horses on the track for the balance of its meeting. Charles Dougherty of California Thoroughbred Trainers (CTT) said the general feeling among trainers was that if there was no racing in the south, it would be a weak day for handle. Commissioner Landsburg said he found the TOC position regarding HP unusual. If HP was closed on December 20, it would leave Bay Meadows open without concurrent racing in the south. Mr. Van de Kamp said TOC believed there should be concurrency. Mr. Korby said part of the reason for ACF's 2003 overpayment was its agreement with TOC to revise its purse schedule. The revision resulted in approximately half the overpayment. Mr. Korby added ACF

received no supplemental purse money, and the overpayment was paid out of its own account. Jack Liebau said overpayments were carried over to the next year. The ACF overpayment would come out of the 2004 purses, just as an underpayment would be added to the purses. Mr. Korby said CARF wanted to be on record as asking the Board to consider reducing or eliminating overlapping dates. Chairman Licht asked staff to read the proposed overlap dates and indicate which associations were overlapping. Mr. Reagan said from June 16 through June 20, 2004, BMOC would overlap with the San Joaquin Fair. And from September 3 through September 6, 2004, BMOC would overlap with CESF. Chairman Licht said the Race Dates Committee looked at four issues regarding overlap. The committee looked at the labor pool, field sizes, on-track attendance, income and how it was allocated between the overlapping tracks, and concluded income was the major issue overlap impacted. Commissioner Landsburg **motioned** to approve the Northern Thoroughbred and fair schedule as proposed. Commissioner Moretti **seconded** the motion, which was **unanimously carried**.

Mr. Reagan said the proposed race dates for quarter horses were: Los Alamitos Quarter Horse Racing Association (LAQHRA) at Los Alamitos Race Course from December 26, 2003, through December 19, 2004, for 203 days. The proposed race dates for standardbred horses were: Capitol Racing Association at Cal Expo from December 26, 2003, through July 31, 2004, for 133 days. Capitol Racing at San Joaquin Fair (SJF) from August 6, 2004, through October 2, 2004, for 26 days. Capitol Racing at Cal Expo from October 7, 2004, through December 24, 2004, for 45 days. Chairman Licht said the only issue was determining if Capitol Racing should receive the dates at SJF. He stated the estimated operational cost for the meeting was \$150,000 – or \$5,000 per day. Chairman Licht said the license fee would not off-set the cost of the meeting as

it was paid into the General Fund. Vice-Chairman Harris said even if the harness license fees could be used, he believed they were so low they would not generate enough revenue to cover costs. Alan Horowitz of CRA said his organization requested the Board approve the proposed dates for harness racing at Cal Expo and quarter horse racing at LAQHRA, and put over the dates for the SJF harness meeting. Commissioner Bianco motioned to approve the harness racing dates at Cal Expo and the quarter horse racing dates at LAQHRA as proposed. Commissioner Landsburg **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE RESOLUTION TO PARTICIPATE IN THE NATIONAL LICENSING COMPACT A.K.A. INTERSTATE COMPACT ON LICENSURE OF PARTICIPANTS IN LIVE RACING WITH PARI-MUTUEL WAGERING.

Jacqueline Wagner, CHRB staff, said the Association of Racing Commissioners International (RCI) National Licensing Compact (NLC) simplified the licensing process for persons who wished to be licensed in more than one racing jurisdiction. Ms. Wagner stated the NLC issued licenses to qualified owners, trainers and jockeys, and was recognized in 22 racing jurisdictions. She added California was a participating member of the NLC. Ms. Wagner said the Federal Bureau of Investigation ruled it would only share fingerprint information with official NLC members. To continue participating in the compact, California needed to change its affiliation by adopting the proposed resolution to become an official member of the NLC. Ms. Wagner stated staff recommended the Board adopt the resolution to enter into the NLC. Chairman Licht asked if the National Thoroughbred Racing Association (NTRA) had a position on the NLC, and if the compact would affect the state's revenues. Executive Director Roy Wood, Jr. said the RCI and NTRA supported the licensing compact. The state would continue to collect its licensing revenue as the legislation enabling California to enter into the NLC required that revenue remain

at the same level. Commissioner Granzella **motioned** to adopt the resolution to participate in the NLC. Commissioner Moretti **seconded** the motion, which was **unanimously carried**.

**REPORT BY THE CALIFORNIA ANIMAL HEALTH AND FOOD SAFETY LABORATORY
ON THE POST MORTEM PROGRAM.**

Dr. Alan Ardans of the California Animal Health and Food Safety Laboratory Systems gave a slide presentation and reviewed the current activities of the equine post mortem program. Chairman Licht asked if any horse that died at any Race Track in California was sent for a post mortem examination. Dr. Ardans said every horse that died on a facility under the jurisdiction of the Board was subject to a post mortem examination. The racing associations paid for the transportation of the dead horses to the laboratory, and the Board and the laboratory paid for the necropsy. Dr. Sue Stover gave a slide presentation and reviewed the accomplishments of the post mortem program.

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

Jack Liebau of the California Marketing Committee (CMC) said planning for the 2004 CMC marketing plan would commence in October or November, 2003. He stated the CMC would welcome input from all segments of the industry. Vice-Chairman Harris asked if the CMC enabling legislation had a sunset, and if so, did the committee plan to extend the program. Mr. Liebau said a decision on extending the program would be made in the near future. Commissioner Landsburg said marketing was not a science, however, there needed to be goals. He stated it seemed the industry's goal was to try to invigorate its fan base to bring back the somewhat lapsed fans, and to focus on new fans. He stated the three generators of any report

would deal with how much energy, effort and success the committee put in those areas. Mr. Liebau said he agreed with Commissioner Landsburg. He stated the CMC commissioned a study by a national advertising agency and used their recommendations. There were several things being tried to attract new fans. One item was "fair trials" wherein the fairs were seen as a venue for attracting new fans. Another method of attracting new fans was "supercharging" – were through marketing, the industry made its bigger days bigger at the track. The underlying assumption behind supercharging was it would be easier to generate new fans at on-track events than through off-track facilities. Mr. Liebau said the CMC also practiced "awareness." That meant making lapsed fans aware of racing in the hope they would be stimulated to visit an off-track facility. Mr. Liebau stated the CMC decided it needed a data base as it felt direct marketing would be more effective than print or broadcast/radio advertising. The database became the Golden State Rewards Program. Vice-Chairman Harris asked if there had been any independent studies to determine the effectiveness of the CMC. Mr. Liebau said there had been no studies. He stated if one looked at the decline in on-track attendance, one might conclude the marketing had not worked. However, due to the factors involved, and the number of alternatives available to the wagering public, it was difficult to tell. Vice-Chairman Harris said other industries looked at their marketing to attempt to understand if it was working. He stated it bothered him that there did not seem to be any assessment of the CMC's programs. Mr. Liebau said the tracks routinely evaluated their big-day advertising and compared it with a day that was not a big-day to determine if money expended in marketing resulted in incremental revenue over the promotional expenses. He stated the numbers spoke for themselves in regards to the Golden State Rewards Program. Under the program, the number of fans signing up, lapsed users, and other factors could be tracked. Commissioner Landsburg said he had been talking to people

outside racing who were familiar with marketing. He stated one of the comments from those in the general sports industry was the public recognized racing when special events occurred, but on normal race days, the industry had no personality. Commissioner Landsburg said he believed that was one of the issues the CMC might begin to look at in 2004.

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

Chairman Licht said Vice-Chairman Harris and Commissioner Landsburg were reviewing the license application to determine what could be done to improve the industry by holding licensees to a higher standard. Commissioner Landsburg said the purpose of the review was to examine what the industry and the Board could do as a condition of licensing that would foster improvements in the sport. He stated the committee discussed requiring associations to offer their signal to any licensed/approved advance deposit wagering (ADW) entity. Commissioner Landsburg said with the diminishing handle it was difficult to conclude ADW was incremental in any way. He stated the question was: were some ADW contracts keeping some fans from making wagers due to their exclusivity, and would it be a good idea to require licensees to make their signal available to any licensed/approved ADW provider? Commissioner Landsburg stated it was a radical step, but the industry did not seem to be progressing with its current situation. Vice-Chairman Harris said the committee also looked at backstretch security. He stated the committee would like to see those associations running more than 30-days a year have, in addition to their current security apparatus, a video surveillance system capable of long-term recording. He stated the committee would like to see monitoring of entrances and exits to the receiving barn, shed rows, and essentially all movement within those areas. Vice-Chairman

Harris said the industry needed to utilize up-to-date technology, such as video cameras, unless they wished to increase the number of security personnel. He stated he believed video cameras would enhance backstretch security. Vice-Chairman Harris said the associations also needed to provide sufficient pan shots to show all parts of a race so there would be no alleged blind spots, and provide direct head-on and rear shots of both the back and front stretch. The lack of such shots, including on turf courses, created problems for stewards in analyzing inquiries and dispelling controversy among fans. Vice-Chairman Harris said the tote boards needed to be updated to have sufficient space to list separately each wagering interest. Chairman Licht said the committee should hold a noticed public meeting in the near future to discuss all the issues it had brought forth.

STAFF REPORT ON THE FOLLOWING CONCLUDED RACE MEETINGS:

- A. CHURCHILL DOWNS CALIFORNIA OPERATING COMPANY AT HOLLYWOOD PARK FROM APRIL 23 TO JULY 20, 2003.**
 - B. SOLANO COUNTY FAIR AT VALLEJO FROM JULY 9 TO JULY 20, 2003.**
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John Reagan, CHRB staff, said Churchill Downs California Operating Company (CDCOC) saw large increases in advance deposit wagering (ADW), with decreases in on-track and satellite wager. He added when taken as a whole, the ADW figures tended to mask the decrease in other types of wagering. Mr. Reagan said the Solano County Fair (SCF) had a very good meeting. He stated, however, SCF went from an 11-day meeting in 2002 to a 10-day meeting in 2003, so staff expected to see an increase in the outcome. Mr. Reagan said the ADW handle was being included in the end of meeting reports. ADW represented approximately 10 percent of the handle, but was not causing increases in the overall handle. Chairman Licht said the CDCOC meeting had a lot of nice highlights, but also an inordinate amount of tote board and timer problems. He stated he hoped such problems would be corrected by the winter meeting. Rick

Baedeker of CDCOC agreed there were a number of problems with the tote board. He stated the industry had purchased new LED boards to supplement the tote boards. He stated the associations would be able to show up to twenty horses if needed. Mr. Baedeker said the boards would move from track to track without risk.

REPORT FROM THE PARI-MUTUEL OPERATIONS COMMITTEE.

Commissioner Landsburg said the Committee met on July 25, 2003. The committee heard a preliminary report on offshore wagering sites and venues in the continental United States. Commissioner Landsburg said a full report would be issued in the fall of 2003 by Thoroughbred Owners of California. He stated the nature of the report was, in part, confidential, and was subject to ongoing investigations. Commissioner Landsburg said the Committee revisited the proposed addition of Rule 1979.5, Beat the Odds. Based on support from racing associations, the Committee agreed to place the proposal back into consideration.

REPORT FROM THE RACE DATES COMMITTEE

Chairman Licht said the Committee made its report during the discussion of item 4 of the agenda.

MEETING ADJOURNED AT 1:25 P.M.

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

Chairman

Executive Director

PROCEEDINGS of the Regular meeting of the **California Horse Racing Board** held at the **Hinds Pavilion (Barrett's)**, Fairplex Park, Pomona, California on **September 18, 2003**.

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

MINUTES

Commissioner Landsburg said the last four lines attributed to him on page 1 of the minutes of July 24, 2003, were actually spoken by Vice-Chairman Harris. Chairman Licht asked for approval of the minutes of the Regular Board Meeting of July 24, 2003. Commissioner Sperry **motioned** to approve the minutes as amended by Commissioner Landsburg. Commissioner Landsburg **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE PACIFIC RACING ASSOCIATION (T) AT GOLDEN GATE FIELDS, COMMENCING NOVEMBER 5, 2003 THROUGH APRIL 4, 2004, INCLUSIVE.

Roy Minami, CHRB staff, said Pacific Racing Association (PRA) proposed to run 109 days, five more than in 2003. The first post time would be 12:45 p.m. daily, with an 11:00 a.m. post time on November 27. Mr. Minami stated the horsemen's agreement, the fire clearance, and worker's compensation insurance were missing from the application. He said staff recommended approval of the application conditioned upon receipt of the items the analysis noted were missing from the application. Jack Leibau of PRA said the horsemen's agreement

was completed except for the stakes schedule. He stated discussion regarding the stakes schedule was ongoing and an agreement should be reached within a week. Chairman Licht asked if PRA wished to continue its agreement with Racing Services. Mr. Liebau said Racing Services was listed on the application in the event PRA wished to conduct business with the organization. Vice-Chairman Harris asked if the out-of-state hubs were working on transmitting wagering information instantaneously. Mr. Liebau said he believed the timeliness of transmission of such data was a totalizator issue. He stated all of the tracks thought the system could be improved, and were pressuring Autotote in that regard. Vice-Chairman Harris said it was clear some wagering information was being transmitted in a timely manner, while some was not. He stated some of the venues needed to be made aware of the problems they were causing California. Mr. Liebau said he agreed, but there were also regulatory problems in some states. Chairman Licht stated the Board would be receiving a report from Thoroughbred Owners of California and others in the industry regarding out-of-state hubs and overseas venues. Commissioner Bianco asked about the equine hospital at Golden Gate Fields. Mr. Liebau said the hospital building was finished and was being equipped by the foundation that was taking over its operation. Commissioner Moretti **motioned** to approve the application for license to conduct a horse racing meeting of PRA conditioned on receipt of the horsemen's agreement not later than September 25, 2003. Commissioner Bianco **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 CHURCHILL DOWNS CALIFORNIA FALL OPERATING COMPANY (T), AT HOLLYWOOD PARK, COMMENCING NOVEMBER 11 THROUGH DECEMBER 21, 2003, INCLUSIVE.

Roy Minami, CHRB staff, said Churchill Downs California Fall Operating Company (CDCFOC) proposed to race thirty days, five days less than in 2002. The first post would be 12:30 p.m. daily and 11:00 a.m. on November 27. Mr. Minami said the application was missing the horsemen's agreement, fire clearance and stakes schedule. He stated staff recommended approval of the application conditioned on receipt of the items the analysis noted were missing. Chairman Licht asked if CDCFOC would continue its relationship with Racing Services. Eual Wyatt of CDCFOC said Racing Services was listed on the application because it wished to have the flexibility to send the signal to Racing Services if it wished. Commissioner Landsburg asked when the horsemen's agreement would be ready. Mr. Wyatt said some consensual language changes were made to the agreement, and as soon as the document was ready it would be signed. He stated the agreement would be ready within five business days. Commissioner Moretti **motioned** to approve the application for license to conduct a horse racing meeting of CDCFOC contingent on receipt of the horsemen's agreement not later than September 25, 2003. Commissioner Landsburg **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPROVAL OF THE NOMINATION OF TWO DIRECTORS TO THE GOVERNING BOARD OF THE CALIFORNIA THOROUGHBRED HORSEMAN'S FOUNDATION, PURSUANT TO CHRB RULE 2049(A).

John Reagan, CHRB staff, said the California Thoroughbred Horsemen's Foundation (CTHF), the welfare organization for thoroughbred racing, has re-nominated two of its board members: Noble Threewitt and Mike Ames. Mr. Reagan said staff recommended approval of the nominations. Commissioner Sperry **motioned** to approve the nominations. Commissioner Bianco **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE REQUEST OF THE OAK TREE RACING ASSOCIATION TO SUSPEND CHRB RULE 1606 - COUPLING OF HORSES, FOR THE FOUR OAK TREE RACES TO BE RUN AT SANTA ANITA ON BREEDERS' CUP DAY. THE BOARD HAS GIVEN PREVIOUS APPROVAL TO RUN THE BREEDERS' CUP UNCOUPLED.

John Reagan, CHRB staff, said the original request to waive Rule 1606, Coupling of Horses, was for Breeders' Cup races on October 25, 2003. He stated the additional four races to be run by Oak Tree Racing Association (OTRA) were not covered by the request. Mr. Reagan said there were certain racing jurisdictions whose tote systems would not accommodate mixing the rules. Such jurisdictions would drop the OTRA races in favor of the Breeders' Cup events. To achieve a consistent program, OTRA requested its races also be run with Board Rule 1606 waived. Vice-Chairman Harris asked how waiving the rule would work if there was an interference problem with an uncoupled horse with the same ownership. Would it reflect on the placing of the other horse? Mr. Reagan said that would be a matter for the stewards to decide. Vice-Chairman Harris said he did not understand what the out-of-state problem was as the wagers were only being placed on numbers. Mr. Reagan said there were a couple of out-

of-state locations that, once they set the parameters for the day, anything different would cause the races to be thrown out. Sherwood Chillingworth of OTRA said OTRA wanted to run a guaranteed pick-four during the last four races of the program. He stated OTRA wished to have large fields to encourage wagering, and one way to achieve the goal was with uncoupled entries. He stated he did not know why some jurisdictions were technically unable to handle eight races under one set of rules and four under another. Commissioner Sperry **motioned** to approve the request of OTRA to waive Rule 1606 for the four OTRA races to be run at Santa Anita on Breeders' Cup Day. Commissioner Bianco **seconded** the motion, which was **carried** with Commissioner Landsburg **abstaining**.

DISCUSSION AND ACTION BY THE BOARD ON THE REQUEST BY THE THOROUGHBRED OWNERS OF CALIFORNIA TO SUSPEND CHRB RULE 2040(A) – HORSEMEN'S ORGANIZATIONS FOR OWNERS OR TRAINERS, TO ALLOW TWO TOC DIRECTORS TO SERVE CONCURRENTLY ON THE BOARD OF A RACING ASSOCIATION.

John Reagan, CHRB staff, said two Thoroughbred Owners of California (TOC) board members were asked to join the Oak Tree Racing Association (OTRA) board. He stated such a move was contrary to subsection (a) of Board Rule 2040, Horsemen's Organizations for Owners or Trainers. Mr. Reagan said TOC was requesting a waiver of the rule. John Van de Kamp of TOC said at the September 5, 2003, TOC board meeting the acceptance of Robert Lewis and Trudy McCaffry to positions on the OTRA board was discussed. Mr. Van de Kamp said the TOC board was aware that CHRB Rule 2040(a) provided one could not be a TOC board member as well as member of OTRA's board. However, he stated Mr. Lewis and Ms. McCaffry were held in high esteem by the industry and, and after much discussion, the

TOC board voted unanimously to request a waiver under CHRB Rule 1406, Suspension of Rule. Mr. Van de Kamp said Mr. Lewis and Ms. McCaffry pledged to refrain from voting on issues that related to TOC while on OTRA's board, and OTRA while on TOC's board. Chairman Licht said he had three issues with regards to the request: 1). What is best for the industry? 2). Is it best to have Mr. Lewis and Ms. McCaffry on both boards? How much is diversity of value to the industry? and 3). The issue of conflict of interest. Mr. Van de Kamp in addressing the issue of conflict of interest, stated he did not think the issue would surface often. Regarding diversity – Mr. Van de Kamp said both individuals possessed a great deal of experience in the industry. He stated few had as much experience and he thought having Mr. Lewis and Ms. McCaffry serve on both boards would benefit the industry. The TOC board was composed of 15 members and diversity was encouraged. Mr. Van de Kamp said OTRA did a lot of charity work. Both individuals had a significant charity background, which was something that would not conflict with TOC's mission. The possibility of conflict of interest would surface with contracts between the two entities. In both instances, Mr. Van de Kamp said Mr. Lewis and Ms. McCaffry would recuse themselves from discussion and voting. Ed Friendly, a horse owner and ex-chairman and president of TOC, said he shared Mr. Van de Kamp's opinion of Mr. Lewis and Ms. McCaffry. He stated they were upstanding individuals who made great contributions to horse racing. Mr. Friendly stated, however, he did not believe Mr. Lewis and Ms. McCaffry's standing in the industry was the issue. He said he believed there was a serious issue of conflict of interest, and waiving Rule 2040 would set an improper precedent. Mr. Friendly stated though tracks and owners had the same interests, they were vying for the same dollars. He said by law, the only money owners received from

horse racing was from the handle. The wagering dollar was the only way purse money could be delivered. Mr. Friendly said owners could not boycott, strike, or negotiate for any form of compensation from programs, concessions, parking or sources. Mr. Friendly stated that was the conflict; owners wanted part of the tracks income, and the precedent of letting an owner serve on TOC's board and on a racing association's board was contrary to the reason TOC was founded. Sherwood Chillingworth of OTRA said he had been a director of OTRA for over 14 years. He said OTRA and TOC had always enjoyed an amicable relationship as they had common interests. Commissioner Landsburg asked if OTRA was expanding its board, or was filling vacancies. Mr. Chillingworth said OTRA's bylaws provided for a board of seven persons. The current board was composed of five persons, so OTRA was expanding its board from five to a full seven persons. Chairman Licht asked about diversity; the idea of having different people with different ideas. Mr. Chillingworth said Mr. Lewis and Ms. McCaffry had wide-ranging experience within the industry, and OTRA believed it could profit from their advice and knowledge. In addition, both persons had a history of being very involved. Mr. Chillingworth said there was always the possibility of getting board members who did not contribute. Commissioner Landsburg said he served on the TOC board with Mr. Lewis for a number of years, and no one had greater respect for his judgement and ability. Commissioner Landsburg reiterated his admiration for Mr. Lewis, but said if the Board continued to waive rules on behalf of those it admired, it would not be serving horse racing, the State, or itself. Commissioner Landsburg said he held Mr. Lewis and Mr. Van de Kamp in goodwill, but he could see no rational reason except "let's be nice guys" to waive the rule. He stated that was not what the Board was about, and he would urge the Board not to approve the request. Vice-

Chairman Harris said he agreed with Commissioner Landsburg. He stated there was no dispute regarding the credentials or the outstanding nature of those involved, but racing needed strong advocates from all segments of the industry. It was difficult to be an advocate when there was a conflict, or one could not participate in a discussion or had to abstain from voting. Vice-Chairman Harris asked if the rule had been researched. Executive Director Roy Wood, Jr. said staff researched the rule and found it had been in existence for quite some time, and was in effect when Thoroughbred Horsemen's Benevolent and Protective Association was active. The rule was amended to address the formation of TOC. Robert Lewis, a horse owner and member of the TOC board, spoke on behalf of himself and Ms. McCaffry. Mr. Lewis said he agreed with Vice-Chairman Harris that it was right and fair to give voice to as many facets of the industry as possible. However, he said it was difficult to find persons who would fulfill their duties. He stated over the past two years three TOC directors turned in their resignations due to an inability to keep their commitment. Mr. Lewis said it was his desire to serve the industry in every way possible, and neither he, nor Ms. McCaffry, intended to act inappropriately. If they did, he was sure TOC directors would be the first to inform them of their errors. Mr. Lewis said the TOC was a horsemen's organization. If one owned a race horse in California, one was automatically a member. There were owners who were on other commissions and boards. Commissioner Moretti said Mr. Lewis had made some good points, and she did not think there was anyone in the industry who did not hold him in high regard. Commissioner Moretti said Rule 2040 existed because the Board was charged with protecting the integrity of the industry, as well as the perception of integrity. She stated that was where she had difficulty approving a waiver. Commissioner Moretti said she would have to vote

“no.” Commissioner Bianco asked if it was possible to get an attorney general’s opinion. Deputy Attorney General Derry Knight said Rule 1406 provided for exemptions for good cause. He stated there had to be justification for an exemption, but there was no guideline for what “good” meant. Mr. Knight said within a government context such a waiver could not be granted as it would lead to direct conflicts of interest in at least a couple areas. However, as the issue did not involve public officials, he was not aware of anything in the law that prohibited a waiver, and the Board had authority to waive all or part of its existing regulations for just cause. Commissioner Sperry said he did not think OTRA was in danger of not being able to operate with only five board members. He stated he respected those involved, but he was not convinced there was a need to waive a rule. Vice-Chairman Harris **motioned** to waive Rule 2040(a) until the next TOC election. Chairman Licht asked for a second to the motion. Vice-Chairman Harris **withdrew** the motion for lack of a second. Chairman Licht said as there was no motion, the request was denied.

DISCUSSION BY THE BOARD ON A PROPOSED PROVISION THAT REQUIRED, AS A CONDITION OF LICENSING, EACH RACING ASSOCIATION TO PROVIDE THEIR SIMULCAST SIGNAL TO ANY ADW ORGANIZATION LICENSED BY THE CALIFORNIA HORSE RACING BOARD

John Reagan, CHRB staff, said if an advance deposit wagering (ADW) provider wished to provide services in California they must produce a contract with a licensed California horse racing association. Mr. Reagan said the question before the Board was whether the equation should be shifted to require that, as a condition of licensing, every racing association provide its signal to any licensed ADW provider. Commissioner Landsburg said fans who utilized ADW complained they had to reorganize their wagering every time a racing venue was

changed in California. He asked if California was limiting ADW alternatives and restricting the number of ADW providers under the current parameters. If there were more ADW providers with access to the signal, could more handle be realized? Commissioner Landsburg said the item was an examination of whether racing associations were doing the utmost under the current conditions, or should they, as part of their licensing agreement, be required to make their signal available to any licensed ADW provider. Chairman Licht said he saw two issues: 1). Whether it was legal for the Board to compel the tracks to provide their signal to any licensed ADW provider, and 2). Whether it would be proper policy to institute such a requirement. Deputy Attorney General Derry Knight said neither the enabling statute nor the Board's regulations address exclusivity, as there was nothing in either that suggested ADW providers would be limited to providing service for one or all tracks. Mr. Knight said there were currently three ADW providers. He stated XpressBet and TVG had exclusive contracts, while YouBet had arrangements with both providers. In addition, the fairs negotiated a non-exclusive arrangement with all providers. Mr. Knight said he reviewed the minutes of Board meetings where the ADW regulations were heard, and everything suggested the Board believed openness and availability of the signal to any ADW provider was to be encouraged. Mr. Knight stated the reality was that ADW providers negotiated exclusive contracts. He said he did not believe the Board was restrained from instituting a rule that would require non-exclusivity. Mr. Knight said horse racing was a heavily regulated industry and the ADW providers had to be aware there was a potential for rule changes when they entered into their contracts. He stated it was up to the Board to decide if it was in the best interest of horse racing to consider the changes it was discussing. The issue before the Board was not a

situation where the State was a party to a contract; instead, it was a matter of a regulatory body exercising its regulatory police powers. Chairman Licht said the issue was then how deeply did the Board wish to become involved in ADW business affairs. He stated it must be remembered the ADW providers had a large investment in the industry. John Van de Kamp of Thoroughbred Owners of California (TOC) said his organization was not a party to any of the foundation agreements. He stated TOC believed the best model for California was the racing fairs – where all three entities had contracts and were competing head to head. TOC believed that broader distribution of the signal was in the best interest of the industry. Mr. Van de Kamp said, however, the Board should remember contracts were in place that were negotiated many years ago, and large investments were made. The Board could limit what tracks could or could not do – but there was the potential for litigation – so the Board would have to assess the efficacy as well as the cost of any decisions. Mr. Van de Kamp said another issue was the price of the signal. He stated some ADW providers currently set extraordinarily high rates, and in some cases made it impossible for other ADW providers to enter the market. Commissioner Landsburg said the issue was accommodation to outside ADW providers. He stated he could not be concerned with contractual relationships that currently existed as the proposal for an open signal was in addition to such arrangements. Commissioner Landsburg added California currently had an open signal as its races were all broadcast somewhere, and allowing any licensed ADW providers to be involved could only increase handle. Craig Fravel of Del Mar Thoroughbred Club (DMTC) spoke in favor of the current ADW scenario. Ed Friendly of TOC said one issue that had not been raised was that the various signals were shown on different venues. One may be on a dish, and the other on direct television, and it

was difficult for fans to receive all three signals if they subscribed to only cable or satellite television. Mr. Friendly said the system needed fixing because fans had to subscribe to multiple services. He stated the wider the distribution, the more fans could watch. Mr. Friendly said he thought the Board should do everything in its power to see ADW had the widest circulation possible. He stated it was evident that one company wanted to monopolize as much television as possible. The entity did not want its signal used by another ADW provider because it did not want that provider to succeed. Mr. Friendly said he thought a previous Board made a mistake when it permitted one company to own three tracks in California as it put too much control with one entity. He stated TVG was not allowed to carry Golden Gate, Bay Meadows and Hollywood Park for individual corporate reasons, and he did not think the Board should allow one corporation's decisions to outweigh what was best for horse racing in California. Mr. Friendly stated the Board should find a way to let the tracks provide their signal to any ADW provider that wanted it, as the industry would grow and everyone would benefit. Chairman Licht asked how Mr. Friendly would differentiate between a political event, and baseball or a situation comedy on CBS. Why shouldn't ABC be able to show the situation comedy. Mr. Friendly said Federal Communication Commission rules stated any political event must be treated under the Fair Practices Rules. Baseball and situation comedies were not regulated by the government for the betterment of the public. Mr. Friendly said the Board was charged with protecting the interests of horse racing and the public. He stated the issue was the broadest possible circulation for horse racing's product, which was gambling. The industry should make it as easy as possible for fans at home to reach its signal and to be able to wager. Chairman Licht asked Mr. Friendly if he thought TVG would have

invested so many resources if it could not have an exclusive relationship with Santa Anita. Mr. Friendly said TVG would have done anything for Santa Anita, including sharing the signal. Drew Couto of TOC said the Board might look at the issue on two different levels. He stated there was the right to the signal and the right to wager. Mr. Couto said everyone understood TVG and HRTV's position regarding the value of exclusivity. However, the parties had not addressed the right to wager on each other's signal without the right to see the video. Mr. Couto stated allowing each of the ADWs to place wagers on the other's signals without video rights might be the best way to accomplish the Board's objectives. Commissioner Landsburg said when he and Chairman Licht were conducting informal discussions prior to presenting ADW licensing to the Board, XpressBet and TVG stated they would consider working with each other's signal. He stated the reality was that none was willing to negotiate a signal. Commissioner Landsburg said there were two valuable signals and two organizations that had two years to build an audience. He stated the audience had leveled off for both entities, and in the last six months there had been very little growth. There had to be another way to reach a broader expansion of the signal, and licensing the associations on the basis of providing the signal to licensed ADW providers would be one avenue. Mr. Couto said it was evident there were private wagering networks and other ADW providers that were thriving without a visual signal. He stated in the Caribbean such providers were doing well, and it might be appropriate to explore exchanging the right to wager without a visual signal. Mr. Friendly said if TVG could show Santa Anita's signal it would earn enough to make up for what it lost in exclusivity, and the same would be true for HRTV. Currently, fans generally subscribed to one service or the other and could get only one track. He stated he did

not think that was good for the industry. Mr. Friendly said the current system encouraged off-shore, or out-of-state wagering because fans could not get the signal or did not want to subscribe to more than one service. Chairman Licht said letting the public choose between the providers could be a benefit, but it seemed to be a business decision whether or not income would be recouped by giving up exclusivity. He stated he had not heard any evidence that it would result in better revenue for the State. Greg Badovinac, a horse racing fan, said there was not a single ADW provider that allowed access to every racetrack in the country. He stated the goal in California should be to give fans access to as many tracks as possible in a single account, and requiring racing associations to provide their signal to multiple ADW providers as a condition of licensing would only be beneficial. Rick Baedeker of Hollywood Park said TVG had shown growth in the last six months. He stated TVG added Direct TV with cable in Orange County and San Diego County. TVG was also in some parts of Northern California. Mr. Baedeker said when TVG entered into its exclusive agreements in 1996 the wagering platform was already available. TVG's agreements were based on a business plan that assumed exclusive content would translate to distribution. Mr. Baedeker stated TVG was in 7 million homes and there was every indication it would continue to grow. He said he hoped the Board would be reluctant to overturn contracts the associations had entered into. Commissioner Landsburg said when he referred to growth he meant numbers of subscribers, and the last numbers he saw were level. He stated the Board was grateful for the per capita growth in the amount of wagering – both at the track and through ADW. He stated, however, he was looking for a new customer base where ADW in California or around the country could exploit California's signal. Chairman Licht said the proper forum for further discussion of the

issue would be the Pari-Mutuel Committee. He asked Commissioner Landsburg, Chairman of the committee, to set a meeting for October 2003.

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

Commissioner Moretti said worker's compensation insurance (WCI) was one of the most important issue for California Business in 2003. The tremendous rise in costs caused innumerable problems for businesses of all sizes. She stated a conference committee of both political parties reached an agreement to control WCI costs, and the resulting legislation would soon be signed by Governor Davis. It was not known whether the legislation would lower WCI costs, but it was anticipated costs would be controlled by November 2003.

Commissioner Moretti said AB 900, the horse racing legislation sponsored by Assemblyman Horton, was designed to help the horse racing industry with its WCI dilemma. She stated the bill had a two-thirds requirement with an urgency measure in it, and Assembly Republicans refused to vote on it at the end of the current session – as they had with all such legislation. AB 900 did not pass out of the Assembly, so it would return in January 2004 for more committee hearings. Commissioner Moretti commented AB 900 was controversial because of its effect on takeout, which concerned a number of individuals. Chairman Licht said the industry would look at the legislation to add its input, and hopefully something would pass that would be workable for horse racing. Rod Blonien said attempts were made to convince the Republican leadership to relent and pass AB 900, but they were not successful. He said, however, it was possible that early in the next session the bill could be on the governor's desk

for signing. Vice-Chairman Harris said he would like to see a sunset attached to the bill. He stated the legislation involved a lot of money, and the Board would have no approval authority regarding how the money would be spent. Greg Badovinac, a horse racing fan, said he supported the concept, but saw benefits in the legislation for everyone in horse racing except those who would pay the bill; the fans. He stated if money was going to be taken out of horse player's pockets, they should be given something in return, such as full-card simulcasting. Chairman Licht said he agreed the wagering public would pay for the program. However, he stated as in any other business, when costs went up, the business was entitled to raise the price the public would pay. Chairman Licht said the fans would also benefit from the legislation with larger fields, more wagering opportunities and larger payoffs. Chris Korby of California Authority of Racing Fairs said his organization supported the legislation. He stated, however, the fairs were not mentioned in the body of the legislative language, and would like to be included.

REPORT BY THE STAFF ON THE IMPACT THAT THE FOUR-SECOND CANCELLATION DELAY THAT IS CURRENTLY USED IN THE CALIFORNIA THOROUGHBRED AND FAIR TOTALIZATOR NETWORK HAS ON FINAL ODDS CYCLES.

John Reagan, CHRB staff, said in the past few years the final cycles were the subject of scrutiny. Staff recently looked at the effect of the four-second cancellation delay available to pari-mutuel clerks. Mr. Reagan said after a survey of pari-mutuel managers it was determined there was little impact. He stated he conducted tests at the Del Mar Thoroughbred Club (DMTC) meeting and found the dollar amount, as well as the number of cancellations, was not significant. Mr. Reagan said staff would continue to monitor the four-second delay. Chairman

Licht said he would like the item to be discussed in depth at a Pari-Mutuel Operations Committee meeting. He stated he thought it was important that the public be made aware of the four-second delay. Many fans who initially thought wagering continued after the start of the race were now blaming the four-second delay for changes in the odds. Chairman Licht said he had in-depth statistics from RGS which negated any possibility of problems with last-second cancellations. In addition, he knew DMTC conducted studies with an auditor and their pari-mutuel department. Craig Fravel of DMTC said there was an incident at its meeting where the odds changed in the middle of a sprint race which created interest with the media and fans. He stated a report on the incident would be forthcoming. With regards to the four-second delay, Mr. Fravel said it was difficult to watch a monitor to see if a horse stumbled out of a gate and at the same time signal someone to cancel a wager. Mr. Fravel said DMTC reviewed the history of cancellations at its facility and found they occurred mainly on opening day and Pacific Classic Day when there were a lot of novice fans. He stated most cancellations were \$2 to \$6 wagers, which were not wagers that changed odds. Mr. Fravel also noted that it took 8 to 10 seconds for pools to be finalized because the tote system did not request out-of-state pools until the four-second delay expired. He stated the stop-betting button was hit, then after a four-second delay, a computer signal went out requesting the wagering pools to transmit.

STAFF REPORT ON THE FOLLOWING CONCLUDED RACE MEETINGS:

- A. **SONOMA COUNTY FAIR** AT SANTA ROSA FROM JULY 23 THROUGH AUGUST 4, 2003.
 - B. **SAN MATEO COUNTY FAIR** AT BAY MEADOWS FROM AUGUST 6 THROUGH AUGUST 18, 2003.
 - C. **HUMBOLDT COUNTY FAIR** AT FERNDALE FROM AUGUST 7 THROUGH AUGUST 17, 2003.
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John Reagan, CHRB staff, said the Humboldt County Fair (HCF) did not have a good meeting. He stated he looked at the five year average and found that in 2002 HCF had a very good meeting, then in 2003 it fell back to its five year average. Mr. Reagan said he did not know if there was a downward trend, or if it was a matter of having a good year followed by an average year.

GENERAL BUSINESS

Ed Friendly, a horse owner and past chairman of Thoroughbred Owners of California (TOC), said he gave staff a memorandum regarding ways to increase field sizes in California. Mr. Friendly said in the memorandum he suggested changing the also-eligible scratches from 24-hours before the day of the race, and secondly, he encouraged the racetracks not to run a mile race where they limit the field to only 10 entries. Mr. Friendly explained the rationale behind his suggestions. Chairman Licht thanked Mr. Friendly and said the issues would be discussed at a future committee meeting. Dr. Ron Jensen, CHRB Equine Medical Director, said the West Nile virus had been identified in Los Angeles, Imperial, and Riverside Counties. He stated the arrival of the disease had been anticipated for the past two or three years, and California was well prepared. Dr. Jensen said he believed most of the horses at the tracks had been vaccinated, but he suggested horsemen check with their veterinarians to be sure their

vaccination schedule was current. He stated staff encouraged tracks to do a good job of mosquito control. Mike Martin, CHRB staff, showed a three minute horse racing video that was produced in conjunction with a San Diego television station, and previously shown at the Del Mar meeting.

MEETING ADJOURNED AT 12:18 P.M.

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

Chairman

Executive Director

STAFF ANALYSIS
October 23, 2003

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE LOS ANGELES TURF CLUB AT SANTA ANITA DECEMBER 26, 2003 THROUGH APRIL 18, 2004.

Los Angeles Turf Club filed its application to conduct a thoroughbred horse racing meeting at Santa Anita:

- December 26, 2003 through April 18, 2004, or 84 days, one less than 2003. The association proposes to race a total of 726 races, or 8.6 races per day.
 - They meet the 10% requirement of stakes purses paid for Cal-bred stakes races.

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

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

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

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

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

- Racing 5 days per week, Wednesday through Sunday, with 8 races per day weekdays, 9 races opening day, weekends and holidays.
 - Request the option to program 10 races opening day, weekends and holidays.
 - Racing Monday, December 29, January 19 and February 16.
 - No racing Wednesday, January 21 and February 18.
- First post 1:00 p.m. weekdays and 12:30 p.m. weekends and holidays.
 - 12:00 p.m. December 26, 2003, February 7, March 6 and April 3, 2004.
 - 3:00 p.m. Friday, April 9 and 16.
 - Post to be determined for Saturday, January 24, 2004, Sunshine Millions.
- Specific changes from the 2003 license application include the following:
 - Zachary Soto replaces Dennis Flowers as patrol judge, Rick Hammerle replaces Michael Harlow as racing secretary and Richard Wheeler replaces Rick Hammerle as assistant racing secretary.
 - Off-track programs increased from \$2 to \$2.25.

- Request Dianne Piper be appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety requirements have been fulfilled.
- Wagering program will use all CHRB rules.
 - Early wagering will start at 8:30 a.m.
- Simulcasting conducted with out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- Inspection of backstretch worker housing completed.

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

1. Horsemen's agreement.
2. Fire clearance.
3. Post time for January 24, 2004, Sunshine Millions.

RECOMMENDATION:

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

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

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

1. APPLICANT ASSOCIATION

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

Los Angeles Turf Club, Incorporated
Santa Anita Park
285 W. Huntington Drive
Arcadia, CA 91007

Telephone: 626/574-7223
Fax Phone: 626/446-9565

B. Breed of horse: TB QH H

C. Racetrack name: Santa Anita Park

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

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: December 26, 2003 through April 18, 2004

B. Actual dates racing will be held: December 26, 27, 28, 29, 31; January 1, 2, 3, 4, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 22, 23, 24, 25, 28, 29, 30, 31; February 1, 4, 5, 6, 7, 8, 11, 12, 13, 14, 15, 16, 19, 20, 21, 22, 25, 26, 27, 28, 29; March 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, 17, 18, 19, 20, 21, 24, 25, 26, 27, 28, 31; April 1, 2, 3, 4, 7, 8, 9, 10, 11, 14, 15, 16, 17, and 18.

C. Total number of days or nights of racing: 84

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

Wed - Sun Tues - Sat Racing Monday, December 29, 2003;
Mondays, January 19 & February 16.
No racing Wednesdays, January 21
and February 18, 2004.

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

CHRB CERTIFICATION

Application received: 9/25/03
Deposit received: \$10,000 AG
Reviewed: PN

Hearing date: 10/23/03
Approved date:
License number:

3. RACING PROGRAM

- A. Total number of races: Estimate 726
- B. Number of races for each day or night: Eight races on weekdays
 *Nine races Opening Day, Weekends and holidays,
 (*)With the option to program ten races on such days.
- C. Total number of stakes races: 60
- 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.
 Proposed 2003-2004 Stakes Schedule Attached
- E. Will provisions be made for owners and trainers to use their own registered colors?
 Yes No If no, what racing colors are to be used:
- F. List all post times for the daily racing program:

	<u>Weekdays</u>	<u>Weekends & Holidays</u>
Race 1	1:00 p.m.	12:30 p.m.
Race 2	1:30 p.m.	1:00 p.m.
Race 3	2:00 p.m.	1:30 p.m.
Race 4	2:30 p.m.	2:00 p.m.
Race 5	3:00 p.m.	2:30 p.m.
Race 6	3:30 p.m.	3:00 p.m.
Race 7	4:00 p.m.	3:30 p.m.
Race 8	4:30 p.m.	4:00 p.m.
Race 9	5:00 p.m. (When applicable)	4:30 p.m. (When applicable)
Race 10	(None)	5:00 p.m. (When applicable)

Exceptions:	Friday, December 26, 2003	Opening Day	12:00 pm
	Saturday, January 24, 2004	Sunshine Millions	TBD
	Saturday, February 7, 2004,	Strub Stakes	12:00 pm
	Saturday, March 6, 2004,	Santa Anita Handicap	12:00 pm
	Saturday, April 3, 2004,	Santa Anita Derby	12:00 pm
	Fridays, April 9 and 16, 2004		3:00 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).

4. RACING ASSOCIATION

- A. Association is a: Corporation (complete subsection C)
 LLC (complete subsection D)
 Other (specify, and complete subsection E)

XX - 2003-04 S A STAKES - STATE COST

Stake #	Date	Race	Age	Distance	Purse	Cost
1	Fri Dec 26	Malibu Stakes (Grade I)	3 YO	7 F	\$250,000G	\$230,000
2	Fri Dec 26	California Breeders Champion Stakes	2 YO (CA Breds)	7 F	\$125,000G	\$110,000
3	Sat Dec 27	California Breeders Champion Stakes	F, 2 YO (CA Breds)	7 F	\$125,000G	\$110,000
4	Sat Dec 27	La Brea Stakes (Grade I)	F, 3 YO	7 F	\$250,000G	\$230,000
5	Sun Dec 28	San Gabriel Handicap (Grade II)	3 & UP	1 1/8 M (T)	\$150,000G	\$135,000
6	Mon Dec 29	Monrovia Handicap (Grade III)	F/M, 3 & UP	abt 6 1/2 F (T)	\$100,000A	\$100,000
7	Thu Jan 1	El Conejo Handicap (Grade III)	4 & UP	5 1/2 F	\$100,000A	\$100,000
8	Sat Jan 3	San Pasqual Handicap (Grade II)	4 & UP	1 1/16 M	\$150,000G	\$135,000
9	Sun Jan 4	Santa Ysabel Stakes (Grade III)	F, 3 YO	1 1/16 M	\$100,000A	\$100,000
10	Sat Jan 10	**San Fernando Breeders' Cup Stakes (Grade II)	4 YO	1 1/16 M	\$200,000A	\$100,000
11	Sat Jan 10	San Gorgonio Handicap (Grade II)	F/M, 4 & UP	1 1/8 M (T)	\$150,000G	\$135,000
12	Sun Jan 11	San Miguel Stakes (Grade III)	3 YO	6 F	\$100,000A	\$100,000
13	Sat Jan 17	Santa Catalina Stakes (Grade II)	3 YO	1 1/16 M	\$150,000G	\$135,000
14	Sun Jan 18	El Encino Stakes (Grade II)	F, 4 YO	1 1/16 M	\$150,000G	\$135,000
15	Mon Jan 19	San Marcos Stakes (Grade II)	4 & UP	1 1/4 M (T)	\$150,000G	\$135,000
16	Mon Jan 19	Santa Ynez Stakes (Grade II)	F, 3 YO	7 F	\$150,000G	\$135,000
X	Sat Jan 24	Sunshine Millions Classic	4 & UP (CA/FL Breds)	1 1/8 M	\$1,000,000G	\$1,000,000
X	Sat Jan 24	Sunshine Millions F/M Turf	F/M, 4 & UP (CA/FL Breds)	1 1/8 M (T)	\$500,000G	\$500,000
X	Sat Jan 24	Sunshine Millions F/M Sprint	F/M, 4 & UP (CA/FL Breds)	6 F	\$300,000G	\$300,000
X	Sat Jan 24	Sunshine Millions Dash	3 YO (CA/FL Breds)	6 F	\$250,000G	\$250,000
17	Sun Jan 25	Santa Monica Handicap (Grade I)	F/M, 4 & UP	7 F	\$250,000G	\$230,000
18	Sat Jan 31	San Bernardino Handicap (Grade III)	4 & UP	1 1/8 M	\$150,000G	\$135,000
19	Sun Feb 1	Palos Verdes Handicap (Grade II)	4 & UP	6 F	\$150,000G	\$135,000
20	Sat Feb 7	Strub Stakes (Grade II)	4 YO	1 1/8 M	\$300,000G	\$275,000
21	Sat Feb 7	San Vicente Stakes (Grade II)	3 YO	7 F	\$150,000G	\$135,000
A	Sun Feb 8	Sham Stakes (Restricted)	3 YO	1 1/8 M	\$75,000A	
22	Sat Feb 14	Sensational Star Handicap	4 & UP (CA Breds)	abt 6 1/2 F (T)	\$100,000A	\$100,000
23	Sat Feb 14	La Canada Stakes (Grade II)	F, 4 YO	1 1/8 M	\$200,000G	\$180,000
24	Sun Feb 15	Pro or Con Handicap	F/M, 4 & UP (CA Breds)	1 M (T)	\$100,000A	\$100,000
25	Sun Feb 15	Las Virgenes Stakes (Grade I)	F, 3 YO	1 M	\$250,000G	\$230,000
26	Mon Feb 16	San Luis Obispo Handicap (Grade II)	4 & UP	1 1/2 M (T)	\$200,000G	\$180,000
27	Mon Feb 16	Santa Maria Handicap (Grade I)	F/M, 4 & UP	1 1/16 M	\$250,000G	\$230,000
28	Sat Feb 21	Buena Vista Handicap (Grade II)	F/M, 4 & UP	1 M (T)	\$150,000G	\$135,000
29	Sun Feb 22	Las Flores Handicap (Grade III)	F/M, 4 & UP	6 F	\$125,000A	\$125,000
30	Sat Feb 28	Baldwin Stakes (Grade III)	3 YO	abt 6 1/2 F (T)	\$100,000A	\$100,000
31	Sun Feb 29	La Habra Stakes	F, 3 YO	abt 6 1/2 F (T)	\$100,000A	\$100,000
32	Sat Mar 6	Santa Anita Handicap (Grade I)	4 & UP	1 1/4 M	\$1,000,000G	\$900,000
33	Sat Mar 6	Frank E. Kilroe Mile (Grade II)	4 & UP	1 M (T)	\$400,000G	\$360,000
34	Sat Mar 6	San Rafael Stakes (Grade II)	3 YO	1 M	\$200,000G	\$180,000
35	Sun Mar 7	San Carlos Handicap (Grade I)	4 & UP	7 F	\$250,000G	\$230,000

XX - 2003-04 S A STAKES - STATE COST

36	Sat Mar 13	Santa Anita Oaks (Grade I)	F, 3 YO	1 1/16 M	\$300,000G	\$275,000
37	Sat Mar 13	Crystal Water Handicap	4 & UP (CA Breds)	1 M (T)	\$100,000A	\$100,000
38	Sun Mar 14	Santa Margarita Handicap (Grade I)	F/M, 4 & UP	1 1/8 M	\$300,000G	\$300,000
39	Wed Mar 17	Irish O'Brien Stakes	F/M, 4 & UP (CA Breds)	abt 6 1/2 F (T)	\$100,000A	\$100,000
40	Sat Mar 20	San Luis Rey Handicap (Grade II)	4 & UP	1 1/2 M (T)	\$250,000G	\$230,000
41	Sun Mar 21	San Felipe Stakes (Grade II)	3 YO	1 1/16 M	\$250,000G	\$230,000
42	Sat Mar 27	Santa Ana Handicap (Grade II)	F/M, 4 & UP	1 1/8 M (T)	\$150,000G	\$135,000
B	Sat Mar 27	San Pedro Stakes	3 YO	6 1/2 F	\$75,000A	
C	Sun Mar 28	Santa Paula Stakes	F, 3 YO	6 1/2 F	\$75,000A	
43	Sun Mar 28	**Potrero Grande Breeders' Cup Handicap (Grade II)	4 & UP	6 1/2 F	\$200,000A	\$100,000
44	Sat Apr 3	Arcadia Handicap (Grade II)	4 & UP	1 1/8 M (T)	\$150,000G	\$135,000
45	Sat Apr 3	San Antonio Handicap (Grade II)	4 & UP	1 1/8 M	\$250,000G	\$230,000
46	Sat Apr 3	Santa Anita Derby (Grade I)	3 YO	1 1/8 M	\$750,000G	\$650,000
D	Sun Apr 4	Santa Lucia Handicap (Restricted)	F/M, 4 & UP	1 1/16 M	\$75,000A	
47	Sun Apr 4	Las Cienegas Handicap (Grade III)	F/M, 4 & UP	abt 6 1/2 F (T)	\$100,000A	\$100,000
48	Sat Apr 10	La Puente Stakes	3 YO	1 M (T)	\$150,000G	\$135,000
49	Sun Apr 11	Providencia Stakes	F, 3 YO	1 M (T)	\$150,000G	\$135,000
50	Sat Apr 17	Santa Barbara Handicap (Grade II)	F/M, 4 & UP	1 1/4 M (T)	\$250,000G	\$230,000
51	Sun Apr 18	San Simeon Handicap (Grade III)	4 & UP	abt 6 1/2 F (T)	\$125,000A	\$125,000
52	Sun Apr 18	San Juan Capistrano Handicap (Grade I)	4 & UP	abt 1 3/4 M (T)	\$400,000G	\$400,000

\$11,845,000

**Includes Breeders' Cup Fund Money

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

Addendum A on file with the Board.

C. CORPORATION

1. Registered name of the corporation: Los Angeles Turf Club, Incorporated
2. State where incorporated: California
3. Registry or file number for the corporation: 481360
4. Names of all officers & directors, titles, & the number of shares of the corporation held by each:
 - Frank Stronach, Chairman, Director
 - Jim McAlpine, Chief Executive Officer, Director
 - F. Jack Liebau, President
 - Roman Doroniuk, Chief Operating Officer, Director
 - Blake Tohana, Executive Vice-President & Chief Financial Officer
 - Donald M. Amos, Executive Vice-President, Human Resources
 - Chris McCarron, Vice-President & General Manager
 - Gary M. Cohn, Vice-President and Secretary
 - George Haines II, Vice-President & Assistant General Manager-Operations
 - James Bromby, Vice-President
 - Douglas R. Tatters, Vice President
 - Frank De Marco, Jr., Vice-President Regulatory Affairs and Assistant Secretary
 - Barbara Helm, Controller
 - John C. Cushman, III, Director
 - J. Terrence Lanni, Director
 - Gino Roncelli, Director

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:

Los Angeles Turf Club, Incorporated is a wholly owned subsidiary of The Santa Anita Companies, Inc., a Delaware Corporation, which is a wholly owned subsidiary of Magna Entertainment Corp., a Delaware Corporation.

6. Number of outstanding shares in the corporation:
 - Los Angeles Turf Club, Incorporated: 25 shares (Not publicly traded.)
 - The Santa Anita Companies, Inc.: 100 shares (Not publicly traded.)
 - Magna Entertainment Corp.: 46,800,310 Class A Subordinate Voting Shares
58,466,056 Class B Shares
As of August 31, 2003

7. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:

The MEC shares are traded on the NASDAQ Exchange.

8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation: N/A
9. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity:

Magna Entertainment Corp.

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.

Magna Entertainment Corp. recent quarterly report attached.

- | | |
|----------|-----|
| D. LLC | N/A |
| E. OTHER | N/A |

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:

Jack Liebau, President
 Chris McCarron, Vice-President & General Manager
 George Haines, Vice-President & Assistant General Manager-Operations
 Mike Ziegler, Vice-President & Assistant General Manager-Administration
 Frank DeMarco, Jr., Vice-President, Assistant Secretary and General Counsel
 Candace Coder-Chew, Director of Print & Graphics
 Mary Forney, Co-Simulcast Coordinator
 Alex Furer, Plant Superintendent
 Dyan Grealish, Director of Group Sales
 Randy Hartzell, Manager of Mutuels
 Barbara Helm, Controller
 Dick Honaker, Chief of Security
 Dick Hughes, Industrial Relations
 Richard Price, Director of Operations and Guest Services
 Mary Saenz, Manager of Office Operations
 Pete Siberell, Director of Community Service & Special Events
 Stuart Zanville, Director of Marketing, Publicity & Public Relations
 Amy Zimmerman, Director of Broadcasting
 Nina Zukin, Director of Information Services
 Trevor Denman, Public Address Commentator/Announcer
 Steve Wood, Track Superintendent
 Jay Cohen, Hornblower

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:

Frank DeMarco, General Counsel & Assistant Secretary
 Los Angeles Turf Club, Incorporated
 285 W. Huntington Drive
 Arcadia, CA 91007

5. PURSE PROGRAM (TBD)

A. Estimated purse distribution:

1. All races other than stakes: \$25,640,000
2. Overnight stakes: \$300,000
3. Non-overnight stakes: \$11,845,000

B. Stakes Races:

1. Estimated purse distribution for all stakes races: \$ 12,145,000
2. Percentage of the estimated purse distribution for all stakes races that will be distributed for California-bred stakes races: 15%

C. Estimated funds to be generated for all California-bred incentive awards: \$2,200,000

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

Recognized Horsemen's Organization	Estimated Payment
NTRA	\$ 446,000
Thoroughbred Owners of California	\$ 384,000
California Thoroughbred Trainers, Inc.	\$ 576,000 (*)
	(*)\$432,000 Pension Fund + \$144,000 Administration

E. Total estimated amount from all sources to be distributed at the meeting in the form of purses or other benefits to horsemen: \$41,391,000

F. Estimated purse funds to be generated from on-track handle and intrastate off-track handle: \$26,682,000

G. Estimated purse funds to be generated from interstate handle: \$8,208,000

H. Bank or depository for the Paymaster of Purses' purse account and the account number:
 Wells Fargo Regional Commercial Bank, West Covina Office and paid through the
 Paymaster of Purses account #4761-070465

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

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

6. STABLE ACCOMMODATIONS

- A. Number of usable stalls available for racehorses at the track where the meeting is held: 1,950
- B. Minimum number of stalls believed necessary for the meeting: 1,853
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: 2,500 (Estimated)
- D. Name or location of each off-site stabling area and the number of stalls to be maintained at each site:
 - Hollywood Park 1,500
 - San Luis Rey Downs, 500
 - Fairplex, 500
- E. Attach each contract or agreement between the association and the person(s) furnishing off-site stabling accommodations for eligible racehorses which cannot be provided stabling on-site.
(on file with the board)

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: 1,950
- G. Estimated cost to provide off-site stalls for this meeting: \$ 1,600,000
- H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse: \$350,000
 - \$160 RT for Hollywood and Pomona
 - \$290 RT for San Luis Rey Downs
- I. Estimated cost for off-site stabling and vanning for this meeting. Show cost per-day per-stall: \$1,950,000 (Approximately \$9 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	\$1E	\$2Q	\$2DD	\$1PK 3	\$1PPN	CHRB #1959, 1958, 1957, 1977, 1976.8
Race #2	\$1E	\$2Q	\$2DD	\$1PK 3		CHRB #1959, 1958, 1957, 1977
Race #3	\$1E	\$2Q	\$2DD	\$1PK 3		CHRB #1959, 1958, 1957, 1977
Race #4	\$1E	\$2Q	\$2DD	\$1PK 3	\$1PNP	CHRB #1959, 1958, 1957, 1977, 1976.9
Race #5	\$1E	\$2Q	\$2DD	\$1PK 3	\$1PK4	CHRB #1959, 1958, 1957, 1977, 1978
Race #6	\$1E	\$2Q	\$2DD	\$1PK 3	\$1PK4	CHRB #1959, 1958, 1957, 1977, 1978
Race #7	\$1E	\$2Q	\$2DD	\$1PK 3	\$1PK4	CHRB #1959, 1958, 1957, 1977, 1978
Race #8	\$1E	\$2Q	\$2DD	\$1PK 3		CHRB #1959, 1958, 1957, 1977
Race #9	\$1E	\$2Q	\$2DD			CHRB #1959, 1958, 1957
Race #10	\$1E	\$2Q	\$2DD			CHRB #1959, 1958, 1957

- Rolling Daily Doubles beginning with Race #1. (CHRB #1957)
- \$1 Trifecta on all eligible Races. (CHRB #1979)
- \$1 Superfecta wagering as follows: All qualifying races. (CHRB #1979.1)
- Incoming simulcasts will follow host track format.
- Place PK-8 on 8-race program; Place PK-9 on 9-race program, Place PK-10 on 10-race program. Alternate runner provision. (CHRB 1976.8)
- PK-6 Last six live races 70% Carryover, 30% Minor. Closing Line Favorite evidenced by the amounts wagered in the win pool. (CHRB #1976.9)
- PK-4 Last four live Races. (CHRB #1978)
- Parlay Wagering Races 1-10 (CHRB #1954.1)
- Additional deduction provided by subdivision (a) of Section 19611.5 will be made.

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

C. List any options requested with regard to exotic wagering: **N/A**

D. Will "advance" or "early bird" wagering be offered? Yes No
 If yes, when will such wagering begin:
8:30 AM each day.

- 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 Expires: September 2004
 One-hundred Bellevue Road, PO Box 6009, Newark, DE 19714-8009

8. SIMULCASTING WAGERING PROGRAM

- A. Simulcast organization engaged by the association to conduct simulcast wagering:
 Southern California Off-Track Wagering, Inc.
- B. Attach the agreement between the association and simulcast organization permitting the organization to use the association's live audiovisual signal for wagering purposes and providing access to its totalizator for the purpose of combining on-track and off-track pari-mutuel pools.
 Agreement on file with the Board.
- C. California simulcast facilities the association proposes to offer its live audiovisual signal:
 Antelope Valley Fair, Lancaster
 Barona Casino, Lakeside
 Bay Meadows and Northern California Simulcast Locations
 California Mid-State Fair, Paso Robles
 Del Mar Fair, Del Mar
 Derby Club at Seaside Park, Ventura
 Earl Warren Showgrounds, Santa Barbara
 Fairplex, Pomona
 Golden Gate Fields and Northern California Simulcast Locations
 Hollywood Park, Inglewood
 Indian Fantasy Springs Casino, Indio
 Los Alamitos Race Track, Los Alamitos
 National Orange Show, San Bernardino
 Santa Barbara County Fair, Santa Maria
 Shalimar Sports Center, Indio
 Sports Pavilion, Lake Perris
 Sports Pavilion, Victorville
 Sycuan Casino, El Cajon
 Viejas Casino, Alpine
- D. Out-of-state wagering systems the association proposes to offer its live audiovisual signal:
 See attached exhibits for Common Pool Sites and Separate Pool/Flat Fee Sites.
- E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the association:
 See attached.
- F. For **THOROUGHBRED** racing associations, list the host track from which the association proposes to import out-of-state and/or out-of-country thoroughbred races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races":
 Proposed Import Exhibit attached.

LATC 2003-04 Proposed Imports*

Track	Race(s)
Aqueduct	Full / Partial Card
Turfway Park	Partial Card or Stakes
Calder	Full / Partial Card or Stakes
Gulfstream	Full / Partial Card
Fair Grounds	Full / Partial Card or Stakes
Oaklawn	Full / Partial Card or Stakes
Sportsman's	Full / Partial Card or Stakes
Thistledown	Full / Partial Card or Stakes
Keeneland	Full / Partial Card or Stakes
Turf Paradise	Full / Partial Card or Stakes
Hawthorne	Full / Partial Card or Stakes
Laurel	Full / Partial Card or Stakes
Remington	Full/Partial Card or Stakes

*Schedule to be determined monthly

Santa Anita 2003-04 Proposed Common Pool Sites

<u>Guest Site</u>	<u>State</u>
America Tab	OH
Arapahoe Park	CO
Arlington International Racecourse	IL
Atlantic City Casino Assn.	NJ
Atlantic City Race Course	NJ
Atokad Downs	NE
Attheraces, Plc	UK
Balmoral Park/Maywood	IL
Bettor Racing OTB	SD
Beulah Park	OH
Birmingham Race Course	AL
Blue Ribbon Downs	OK
Bluffs Run Greyhound Park & Casino	IA
Boyd Gaming, dba Delta Downs	LA
Buffalo Trotting Association	NY
Calder Race Course	FL
Canterbury Park	MN
Capital District OTB	NY
Catskill OTB	NY
Charles Town Races	WV
Choctaw Racing Services, LLC	OK
Churchill Downs	KY
Churchill Downs Sports Spectrum	KY
Coeur d' Alene Casino	ID
Colonial Downs	VA
Columbus Races	NE
Connecticut OTB	CT
Corpus Christi Greyhound Race Track	TX
Dairyland Greyhound Park	WI
Delaware Park	DE
Dover Downs	DE
Downs at Albuquerque	NM
Ellis Park	KY
Emerald Downs	WA

Santa Anita 2003-04 Proposed Common Pool Sites

<u>Guest Site</u>	<u>State</u>
Evangeline Downs	LA
Fair Meadows at Tulsa	OK
Fairgrounds Race Course	LA
Fairmount Park	IL
Finger Lakes Race Track	NY
Fonner Park	NE
Freehold Raceway	NJ
Geneva Lakes Kennel Club	WI
Gillespie County Fair Race Meet	TX
Great Lakes Downs	MI
Gulfstream Park	FL
Hawthorne National LLC	IL
Hawthorne Race Course	IL
Hazel Park	MI
Hinsdale Greyhound Park	NH
Hoosier Park	IN
Horsemen's Park	NE
Indiana Downs	IN
International All Sports Limited	MD
Jackson Harness Raceway	MI
Keeneland Association	KY
Kentucky OTB	KY
Las Vegas Dissemination Co.	NV
Lebanon Raceway	OH
Les Bois Park Simulcast Network	ID
Lewiston Raceways, Inc.	ME
Lincoln Park	RI
Lone Star Race Park Ltd.	TX
Louisiana Downs	LA
LVDC / Holiday Beach Hotel & Casino	NV
LVDC / Tonkawa Bingo	OK
LVDC / Tribal Locations	NV
Manor Downs	TX
Maryland Jockey Club	MD
Midway Slots & Simulcast	DE

Santa Anita 2003-04 Proposed Common Pool Sites

<u>Guest Site</u>	<u>State</u>
Monmouth Park	NJ
Montana Simulcast Partners	MT
Monticello Raceway	NY
Mount Pleasant Meadows	MI
Mountaineer Park	WV
Multnomah Greyhound Park	OR
Nassau/Suffolk OTB	NY
Nevada Pari-Mutuel Association	NV
New Jersey Sports & Exposition Authority	NJ
New York City Off-Track Betting	NY
New York Racing Association	NY
Newport Jai-Alai	RI
Northfield Park	OH
Northville Downs Partnership	MI
Northville Racing Corp.	MI
Oaklawn Park	AR
Ocean Downs	MD
Penn National Race Course	PA
Philadelphia Park	PA
Plainridge Race Course	MA
Playfair Race Course	WA
Pocatello Downs	ID
Portland Meadows	OR
Prairie Meadows	IA
Raceway Park	OH
Racing & Gaming Services, Inc.	British
Racing Channel dba oneclickbetting.com	PA
Racing Services, Inc.	ND
Remington Park	OK
Retama Park	TX
River Downs	OH
Rockingham Park	NH
Ruidoso Downs	NM
Saginaw Harness Raceway	MI
Sam Houston Race Park, LTD	TX

Santa Anita 2003-04 Proposed Common Pool Sites

<u>Guest Site</u>	<u>State</u>
Saratoga Raceway	NY
Scarborough Downs	ME
Scioto Downs	OH
Southland Greyhound Park	AR
Sports Creek Raceway	MI
Sportsman's Park	IL
State Fair Park	NE
Stevenson & Associates, Inc. (Common)	MD
Suffolk Downs	MA
Sunland Park	NM
Sunray Park	NM
Tampa Bay Downs	FL
The Green Track	AL
The Greyhound Park at Post Falls	ID
The Meadows	PA
The Texas Hub at Gulf Greyhound	TX
Thistledown Racing	OH
Tri-State Racetrack & Gaming Center	WV
TRN International	PA
Turf Paradise	AZ
Turfway Park	KY
U.S. Off Track, LLC	FL
Vernon Downs	NY
Western Regional OTB	NY
Wheeling Downs	WV
Wichita Greyhound Park	KS
Wonderland Greyhound Park	MA
Woodlands	KS
Wyoming OTB	WY
XpressBet, Inc.	CA
Yonkers Raceway	NY
Youbet	CA

Santa Anita 2003-04 Proposed Separate Pool Sites

Guest Site	State
Caliente (Stevenson & Associates)	CA
Caymanas Park	Jamaica
Stevenson & Associates, Inc.	Caribbean Sites
Woodbine Entertainment Group	Canada

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

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

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

- G. For **QUARTER HORSE** racing associations, list the host track from which the association proposes to import out-of-state and/or out-of-country quarter horse races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races": N/A
- H. For **STANDARD BRED** racing associations, list the host tracks from which the association proposes to import out-of-state and/or out-of-country harness races. Include the dates imported races will be held, and whether or not a full card will be accepted. If the full card will not be imported, state "selected feature and/or stakes races": N/A
- I. For **ALL** racing associations, list imported simulcast races the association plans to receive which use breeds other than the breed of the majority of horses racing at its live horse racing meeting. Include the name of the host track, the dates imported races will be held, and how many races will be imported: N/A
- 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). N/A

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

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:
 Board of Directors, Los Angeles Turf Club, Incorporated
 285 W. Huntington Drive, Arcadia, CA 91007

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

Jim McAlpine
 John C. Cushman, III
 Graham J. Orr
 Gino Roncelli
 Frank Stronach

Los Angeles Turf Club, Incorporated, c/o Frank De Marco, Assistant Secretary
 285 W. Huntington Drive, Arcadia, CA 91007

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

D. Will the association pay the distributing agent an amount equal to the maximum required under B&P Code Section 19550(b)? Yes

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

10. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

A. Racing Officials nominated:

Associate Judges	N/A
Association Veterinarian(s)	Dr. Ray Baran
Clerk of Scales	Kevin Colosi
Clerk of the Course	Melanie Stubblefield
Horse Identifier	Dianne Piper
Horseshoe Inspector	Harry Toston
Paddock Judge	Ken Goldberg
Patrol Judges	Ken Goldberg, Zachary Soto, Lisa Jones
Placing Judges	Bob Moreno, David Samuel, Dino Perez
Starter	Jay Slender
Timer	Jeff Tufts

B. Management officials in the racing department:

Director of Racing	Michael J. Harlow
Racing Secretary	Rick Hammerle
Assistant Racing Secretary	Richard Wheeler
Paymaster of Purses	Cece Connor
Others (identify by name and title)	
Assistant Horse Identifier	Jennifer Paige
Assistant Clerk of Scales	Charles McCaul

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

Ms. Barbara Weinstein
 9582 Hamilton Avenue, Suite 265, Huntington Beach CA 92646, 714/964-7102

- D. Photographic device to be used for photographing the finish of all races, name of the person supplying the service, and expiration date of the service contract:
 Plusmic USA, Bill O'Brien Expires: May 1, 2004
 PO Box 6379, Napa, CA 94581-1379
- 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: In-house Video System as follows:

MAJOR VIDEO EQUIPMENT LISTING

Cameras:

All cameras, except ENG cameras, are BTS LDK 91 or BTS LDK 100 broadcast color cameras. All cameras are equip camera Support Equipment. All cameras (except the 2 wireless) are on triax camera control systems. ENG cameras are Enclosed saddling stall cameras are high-8 lock-down cameras.

Camera Positions:

- 1) 3/8 tower on grass 55:1 lens
- 2) 3/8 tower on dirt 55:1 lens
- 3) hillside/square box on hill grass (remote) 18:1 lens
- 4) 1/4 tower on both grass and dirt 24:1 lens
- 5) tight pan camera on both grass and dirt 70:1 lens
- 6) loose pan camera on both grass and dirt 36:1 lens
- 7) 7/8 tower on grass 55:1 lens
- 8) 7/8 tower on dirt 55:1 lens
- 9) winner's circle 24:1 lens
- 10) wireless starting gate and saddling barn 18:1 lens
- 11) wireless lower finish line and interviews 14:1 lens
- 12) walking ring 14:1 lens
- 13) east saddling barn (remote) 7:1 lens
- 14) west saddling barn (remote) 7:1 lens
- 15) studio 18:1 lens
- 16) infield speaker pole (remote) 18:1 lens
- 17) ENG camera 20:1 lens
- 18) ENG camera 15:1 lens
- 19) East saddling barn enclosed saddling stall (lock-down)
- 20) West saddling barn enclosed saddling stall (lock-down)

Control Room Equipment

- 1-Tektronix 4-channel digital profile file server.
- 1-Digital Betacam VTP
- 2-Composite Digital Video Tape recorders
- 6-Betacam record/play VCRs with slo-mo
- 2-Betacam record/play VCRs
- 1-3/4" Umatic record/play VCR
- 1-3/4" Umatic VCR
- 5 Digital Beta cam VCR's
- 1-GVG IPS-110 Editor
- 4-Hi 8 record/play VCR
- 8-VHS record/play VCR
- 1-BTS 128x128 video router with 64x64 stereo audio follow

- 1-GVG 3000 composite digital switcher w/dual MEs, PVW/PGM
- 2-Dual channel GVG DPM 700 digital effects system
 - GVG video DAs
- 1-GVG GF-40 character generator/paint system
- 1-GVG DSS-4 stillstore
- 1-Quanta character generator
 - Sony video monitors
- 5-Tektronix WFM and V-scopes
- 2-GVG 100 video switchers
- 2-Soundcraft Delta audio mixers
- 1-GVG 251 Editor
- 30-Jerold TV Modulators
- 2-Chyron MAX! Graphics Generators
- 2-Chyron Maxine! Graphics Generators

Public

- 2 40" Mitsubishi
- over 600 9" Sony receivers
- over 500 27" Sony receivers
- over 350 32" Sony receivers
- over 75 13" Sony receivers
- over 150 10" Sony receivers
- 150 20" Sony receivers
- 1 Barco 8100 Video Projectors
- 1 40'x53' Display Ad Large screen LED video board

- 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:

Electronic timing systems on both dirt and turf courses, maintained and operated by Santa Anita personnel. Systems backed by hand timing.

11. SECURITY CONTROLS AND EMERGENCY SERVICES

- A. Name and title of the person responsible for security controls on the premises:
Dick Honaker, Chief of Security
- B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis. Describe the electronic security system:
- 7, Investigators
 - 1, Dispatcher/Child Care
 - 40, Security Guards
 - 1, Secretary
 - 2, Fire Marshall's
 - 13, Gatemen
 - 1, Secretary-Stable Credentials

Video cameras strategically located throughout the facility.

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

Huntington Ambulance Service, PO Box 145, Sunset Beach, CA 90742, (562) 904-1550

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

Hollywood Park: Huntington Ambulance Service (same as above)
 Fairplex: E.M.S., 10765 Noel St., Los Alamitos, CA 90720 (562) 493-2070
 San Luis Rey Downs: Emergency procedures plan on file with the Board.

- E. Attach a fire clearance from the fire authority having jurisdiction over the premises.

Fire clearances for the stabling area at Santa Anita Park will be submitted after inspections of the facilities by the respective Fire Agencies and will be made within the requires 45 days and submitted to the Board.

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

Liberty Mutual, Aon/Albert G. Ruben Insurance Services, Inc.
 10880 Wilshire Blvd., Suite 700, Los Angeles, CA 90024
 Policy #WC1-B71-072827-023 Expires: January 1, 2004

- 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.
 Attached.

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:

HANDICAPPERS

Bob's Card Incorporated (CHRB-25A and CHRB-87 on file with CHRB.)
 Tiffany Bohland, 420 S. Rolling Hills Place, Anaheim, CA 92807

Mr. Toby Turrell (Winners) (CHRB-25A and CHRB-87 on file with CHRB.)
 14112 Enfield Circle, Westminster, CA 92683

Baedeker's Incorporated (CHRB-25A and CHRB-87 on file with CHRB.)
 Mr. Robert Baedeker, 130 W. El Portal, San Clemente, CA 92672

Duke Racing Selections (CHRB-25A and CHRB-87 on file with CHRB.)
 c/o Harry Acquarelli, 6632 West 87th Street, Los Angeles, CA 90045

Today's Racing Digest, Inc. (Exempt from CHRB-25A and CHRB-87)
 Tony Dubreville, General Manager, 5411 Avenida Encinas, Suite #270, Carlsbad, CA 92008



Aon Reed Stenhouse Inc.

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

Memorandum of Insurance

RECEIVED
No. M94 / 03-04
CHRD

2003 SEP 22 AM 11:37

To: California Horse Racing Board
Attn: Insurance Department
1010 Hurley Way, Suite 300
Sacramento, California 95825

Re: For Evidence of Coverage

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

Insured: **Magna Entertainment Corporation a/o The Los Angeles Turf Club, Inc. a/o MI Developments Inc.**
285 W Huntington Drive
Arcadia, CA 91007

Coverage:

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

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

Aon Reed Stenhouse Inc.

Mary M. Smith, Supervisor
Technical Services Department

Issued by: Magda Chmielinska
Direct Line: 416-868-5863

Dated September 19, 2003, at Toronto, Ontario

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

Triangle Turf Publications (CHRB-25A and CHRB-87 on file with CHRB.)
 William R. & Karen S. Archer, PO Box 871, Del Mar, CA 92014

13. SCHEDULE OF CHARGES

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

Admission (general)	\$ 5.00
Admission (clubhouse)	\$ 8.50
Admission (turf club)	\$15.00
Reserved seating (general)	Free
Reserved seating (clubhouse)	\$ 7.50 Box Seat
	\$ 5.00 CH Reserved Seat (Sold on premium days only)
Parking (general)	\$ 4.00
Parking (preferred)	\$ 6.00
Parking (valet)	\$10.00
Programs (on-track)	\$ 2.00
(off-track)	\$ 2.25 (from \$2.00)

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

Season Box Seats:	\$ 380 per seat
Season Turf Club:	\$ 750 (Single)
	\$1,175 (Double)

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

14. JOCKEYS 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="40+"/> 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/drivers:

Amenities as above including sofas, but in separate quarters. Four corners.
 They share the food and beverage service 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. Inspection by CHRB completed.

B. Number of rooms used for housing on the backstretch of the racetrack: 445+

C. Number of restrooms available on the backstretch of the racetrack:
 29 Restrooms (116 Toilets, 99 Lavatories, 45 Urinals, 64 Showers)

D. Estimated ratio of restroom facilities to the number of backstretch personnel: 47

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:

5.280

 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.
Metal gooseneck with sheet metal covering. Total rail height ranges from 38 to 42 inches.
- C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474: Alex Furer, Plant Superintendent
- 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.
N/A

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. Pending.
- 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 the Board.
- 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.

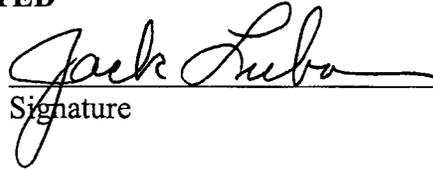
NOTICE TO APPLICANT Pursuant to CHRB Rules 1870 and 1871, the CHRB shall be given 15 days' notice in writing of any intention to terminate a horse racing meeting or the engagements or services of any licensee, approved concessionaire, or approved service contractor.

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.

LOS ANGELES TURF CLUB, INCORPORATED

Jack Liebau
Print Name


Signature

President
Print Title

Date

STAFF ANALYSIS
REQUEST FOR EXTRA NIGHT OF RACING

REGULAR BOARD MEETING
OCTOBER 23, 2003

Background:

In the course of the recent dates allocation process for 2004, Los Alamitos requested 203 nights of racing for their 2004 meet (original request letter is included in this package). When their application for license was forwarded to the CHRB, it contained 204 nights of racing. Staff inquired as to the disparity and was told that an error had been made in the original request for dates. A letter from Los Alamitos requesting an additional night of racing was then sent to the CHRB and is included in this package.

Recommendation:

Staff recommends that the Board hear from representatives of Los Alamitos and other interested parties regarding this request.



QUARTER HORSE RACING ASSOCIATION

October 8, 2003

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

Dear Mr. Wood,

Due to an error on our previous submission, we are respectfully requesting to amend our racing days from 203 to 204.

As always, if you have any questions, please feel free to call.

Truly yours,

Edward C. Allred
Chairman



July 14th

Roy Wood
CHRB
1010 Hurley Way, Suite 300
Sacramento, CA 95825

Dear Mr. Wood:

Pursuant to your request, we submit the following summary of our proposed 2004 racing dates request. We will submit the formal application as directed by your office.

2004 Dates

Los Alamitos plans to open its 2004 season on Friday, December 26th 2003. We will run three days per week for the first two weeks and resume our four-day per week schedule on Thursday, January 8th. We plan to operate four days per week, Thursday through Sunday, throughout the year with the exceptions as follows; we will not conduct live racing on

Sunday, January 25 th	(Super Bowl Sunday)
Thursday September 9 th	(No daytime racing conducted)
Thursday, November 25 th	(Thanksgiving Day)

Additionally, in order to capitalize on American Quarter Horse racing's biggest national day, we will request a daytime race card for Quarter Horse racing on Monday, September 6th, 2004. The All American Futurity is run that day at Ruidoso Downs and is an important link in the national pattern of Quarter Horse racing. That proposal would be made contingent upon receiving the cooperation from the then-operating tracks, fairs, and labor groups. We would withdraw the proposal in absence of that approval.

Our closing day will be December 19th, 2004. The above racing calendar results in 203 racing night during the 2004 season. Our post timers will remain at 7:15 PM on Thursdays and Fridays, 6:30 pm on Saturdays, 5:30 pm on Sundays. The post time for the Monday, September 6th card would be at a mutually agreeable time, preferable at 15 minutes prior to Del Mar's First post that day. Thank you in advance for yours and the board's consideration of our proposal.

Best regards,

Jeff True
General Manager
Los Alamitos race Course

STAFF ANALYSIS
 October 23, 2003

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF LOS ALAMITOS QUARTER HORSE RACING ASSOCIATION AT LOS ALAMITOS DECEMBER 26, 2003 THROUGH DECEMBER 19, 2004.

Los Alamitos Quarter Horse Racing Association filed its application to conduct a quarter horse racing meeting at Los Alamitos.

- December 26, 2003 through December 19, 2004, or 204 days.
- The association proposes to race a total of 2,048 races.
 - They meet the 10% requirement of stakes purses paid for Cal-bred stakes races.

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

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

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

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

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

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

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

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

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

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

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

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

- Racing 4 nights per week, Thursday through Sunday. Seven to 15 live races per night and 6 to 12 simulcast races.
 - Thursday and Friday programs begin with simulcast races and Saturday and Sunday programs the simulcast races will be blended into the live races.
 - No racing Thursday, January 1, September 9, November 25 or Sunday, January 25.
 - Racing Monday, September 6.
- First live post will be 7:15 p.m. Thursday and Friday, 6:30 Saturday and 5:30 Sunday.
- Specific changes from the 2003 license application include the following:
 - Glen Walker replaces Ed Reese as paddock and patrol judge, Ed Reese replaces Pete Wood as placing judge and assistant racing secretary.
 - Discontinued offering Vessels presidential and Vessels club single admissions offer.
- Request Michele Lauck be appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety requirements have been fulfilled.
- The wagering program will use all CHRB rules.
 - Early wagering will start at 8:30 a.m. Thursday, Friday and Saturday.
 - Late daily double on the last two races, late pick four on the last four races, rolling pick three begins in the second race and continues through the third to last race of the card.
 - If insufficient horses are available a \$1 quinella will be substituted for the trifecta.
- Simulcasting conducted with out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- Inspection of backstretch worker housing completed.

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

1. Horsemen's agreement.
2. Fire clearance.

RECOMMENDATION:

Staff recommends the Board approve the application conditioned upon receiving the horsemen's agreement.

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

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

1. APPLICANT ASSOCIATION

A. Name, mailing address, telephone and fax numbers of association:
LOS ALAMITOS QUARTER HORSE RACING ASSOCIATION
4961 Katella Ave., Los Alamitos, CA 90720
714-820-2800 714-995-6276

B. Breed of horse: TB QH H

C. Racetrack name: LOS ALAMITOS 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: December 26, 2003 through December 19, 2004

B. Actual dates racing will be held:

December 26-28, 2003	July 1-4, 8-11, 15-18, 22-25, 29-31
January 2-4, 8-11, 15-18, 22-24, 29-31	August 1, 5-8, 12-15, 19-22, 26-29
February 1, 5-8, 12-15, 19-22, 26-29	September 2-6, 10-12, 16-19, 23-26 & 30
March 4-7, 11-14, 18-21, 25-28	October 1-3, 7-10, 14-17, 21-24, 28-31
April 1-4, 8-11, 15-18, 22-25, 29 & 30	November 4-7, 11-14, 18-21, 26-28
May 1 & 2, 6-9, 13-16, 20-23, 27-30	December 2-5, 9-12, 16-19
June 3-6, 10-13, 17-20, 24-27	

C. Total number of days or nights of racing: 203

D. Days or nights of the week races will be held:
 Wed - Sun Tues - Sat Other (specify) Thursday through Sunday

E. Number of days or nights of racing per week: 4 nights - except January 1, January 25, September 9 and Thanksgiving November 25, 2004.

CHRB CERTIFICATION

Application received: 9/30/03
Deposit received: \$10,000 PN
Reviewed: PN

Hearing date: 10/23/03
Approved date:
License number:

3. RACING PROGRAM

- A. Total number of races: 2,048 live and 1,638 simulcast = 3,686
- B. Number of races for each day or night: 7-15 live, 6-12 incoming simulcast
- C. Total number of stakes races: 69
- 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: **All post times PST**

<u>Race</u>	<u>Thursday/Friday</u>	<u>Saturday</u>	<u>Sunday</u>
1	7:15	6:30	5:30
2	7:40	6:55	5:55
3	8:05	7:20	6:20
4	8:30	7:45	6:45
5	8:55	8:10	7:10
6	9:20	8:35	7:35
7	9:45	9:00	8:00
8	10:10	9:25	8:25
9	10:35	9:50	8:50
10	11:00	10:15	9:15
11	11:25	10:40	9:40
12		11:05	10:05
13		11:30	10:30
14			10:55
15			11:20

First live race Thursday and Friday scheduled for 7:15pm, Saturday 6:30pm and Sunday 5:30pm.

EXCEPTIONS: During Del Mar our Sunday first live post will be determined by the number of races run at Del Mar. It is the intention of LAQHRA to conduct simulcast wagering on no more than six to twelve out of state races per racing program, and to adjust our post times to avoid "triple overlap" situations.

At present LAQHRA proposes to begin its Thursday and Friday programs with simulcast races, while the Saturday and Sunday programs would be a blend of live and simulcast racing dependent on thoroughbred association scheduling throughout the year.

LAQHRA will attempt to schedule post times at least 10 minutes apart from any overlapping thoroughbred races conducted by California racing associations whenever possible.

Friday evenings when Hollywood Park is racing, LAQHRA will conduct its races between the Hollywood Park races until the conclusion of that program.

Incoming simulcast races will be scheduled before and during our live racing program.

**LOS ALAMITOS QUARTER HORSE RACING ASSOCIATION
PROPOSED 2004 STAKES SCHEDULE**

To Be Run	EVENT	Added Money Distance	Estimated Purse
FRIDAY DECEMBER 26, 2003	(1) HOLIDAY HANDICAP THREE YEAR OLDS AND UPWARD	\$25,000 Added 350 YARDS	
SATURDAY JANUARY 3 2004	(2) CYPRESS SOPHOMORE HANDICAP THREE YEAR OLDS	\$25,000 Added 350 YARDS	
FRIDAY JANUARY 9, 2004	(3) DENIM N DIAMONDS HANDICAP FILLIES, THREE YEARS OLD BRED IN CALIFORNIA	\$25,000 Added 350 YARDS	
SATURDAY JANUARY 10, 2004	(4) CHARGER BAR HANDICAP MARES, FOUR YEARS OLD AND UPWARD	\$125,000 Added 400 YARDS	
SATURDAY JANUARY 24, 2004	(5) SUPER BOWL HANDICAP THREE YEAR OLDS	\$25,000 Added 550 YARDS	
SATURDAY JANUARY 31, 2004	(6) MOONSHINER HANDICAP FOUR YEAR OLDS AND UPWARD	\$25,000 Added 870 YARDS	
FRIDAY FEBRUARY 27, 2004	(7) LOS ALAMITOS WINTER DERBY THREE YEAR OLDS TRIALS TO BE RUN, FRIDAY, FEBRUARY 6, 2004	\$100,000 Added 400 YARDS	\$200,000 Guaranteed
SATURDAY FEBRUARY 28, 2004	(8) LOS ALAMITOS WINTER CHAMPIONSHIP FOUR YEAR OLDS AND UPWARD TRIALS TO BE RUN, SATURDAY, FEBRUARY 7, 2004	\$150,000 Added 400 YARDS	\$200,000 Guaranteed
FRIDAY MARCH 5, 2004	(9) LOS ALAMITOS MAIDEN STAKES THREE YEAR OLDS TRIALS TO BE RUN, SATURDAY, FEBRUARY 14, 2004	\$25,000 Added 350 YARDS	\$50,000 Guaranteed
SATURDAY MARCH 6, 2004	(10) CATALINA DERBY QUARTER HORSE, THOROUGHBRED & PAINT THREE YEAR OLDS TRIALS TO BE RUN, THURSDAY, FEBRUARY 19, 2004	\$25,000 Added 870 YARDS	\$70,000 Estimated
SATURDAY MARCH 13, 2004	(11) IVAN ASHMENT HANDICAP MARES, FOUR YEARS OLD AND UPWARD BRED IN CALIFORNIA	\$25,000 Added 400 YARDS	
FRIDAY MARCH 19, 2004	(12) LA PACIFICA HANDICAP FILLIES, THREE YEARS OLD	\$25,000 Added 350 YARDS	
SATURDAY MARCH 20, 2004	(13) DILLINGHAM HANDICAP THREE YEAR OLDS	\$25,000 Added 400 YARDS	
SATURDAY APRIL 3, 2004	(14) NEWPORT BEACH HANDICAP FOUR YEAR OLDS AND UPWARD	\$25,000 Added 870 YARDS	
FRIDAY APRIL 9, 2004	(15) KAWEAH BAR HANDICAP THREE YEAR OLDS AND UPWARD	\$25,000 Added 350 YARDS	
SATURDAY APRIL 10, 2004	(16) MISS PRINCESS HANDICAP FILLIES AND MARES, THREE YEARS OLD AND UPWARD	\$25,000 Added 350 YARDS	
FRIDAY APRIL 16, 2004	(17) EL PRIMERO DEL ANO DERBY COLTS AND GELDINGS, THREE YEARS OLD TRIALS TO BE RUN, FRIDAY, MARCH 26, 2004	\$25,000 Added 400 YARDS	\$150,000 Estimated

To Be Run	EVENT	Added Money Distance	Estimated Purse
SATURDAY APRIL 17, 2004	(18) LA PRIMERA DEL ANO DERBY FILLIES, THREE YEARS OLD TRIALS TO BE RUN, SATURDAY, MARCH 27, 2004	\$25,000 Added 400 YARDS	\$150,000 Estimated
FRIDAY APRIL 30, 2004	(19) GOLD RUSH DERBY QUARTER HORSE, THOROUGHBRED & PAINT THREE YEAR OLDS TRIALS TO BE RUN, THURSDAY, APRIL 15, 2004	\$25,000 Added 870 YARDS	\$90,000 Estimated
SATURDAY MAY 15, 2004	(20) KINDERGARTEN FUTURITY TWO YEAR OLDS TRIALS TO BE RUN, SATURDAY, MAY 1, 2004	\$50,000 Added 300 YARDS	\$400,000 Estimated
SATURDAY MAY 22, 2004	(21) JAMES S SMITH MEMORIAL HANDICAP THREE YEAR OLDS AND UPWARD	\$30,000 Added 870 YARDS	
FRIDAY MAY 28, 2004	(22) TOWN POLICY HANDICAP THREE YEAR OLDS	\$25,000 Added 350 YARDS	
SATURDAY MAY 29, 2004	(23) MBNA AMERICA CALIFORNIA CHALLENGE THREE YEAR OLDS AND UPWARD TRIALS TO BE RUN, FRIDAY, MAY 7, 2004	\$15,000 Added 440 YARDS	
SATURDAY JUNE 19, 2004	(24) GOVERNOR'S CUP FUTURITY TWO YEAR OLDS, BRED IN CALIFORNIA TRIALS TO BE RUN, FRIDAY, JUNE 4, 2004	\$100,000 Added 350 YARDS	\$350,000 Estimated
SATURDAY JUNE 19, 2004	(25) GOVERNOR'S CUP DERBY THREE YEAR OLDS, BRED IN CALIFORNIA TRIALS TO BE RUN, SATURDAY, JUNE 5, 2004	\$50,000 Added 400 YARDS	\$135,000 Estimated
SATURDAY JUNE 19, 2004	(26) SPENCER L CHILDERS CALIFORNIA BREEDERS CHAMPIONSHIP HANDICAP THREE YEAR OLDS AND UPWARD, BRED IN CALIFORNIA	\$150,000 Added 400 YARDS	
SATURDAY JUNE 19, 2004	(27) CALIFORNIA BREEDERS MATRON STAKES FILLIES AND MARES, THREE YEARS OLD AND UPWARD, BRED IN CALIFORNIA	\$50,000 Added 400 YARDS	
SATURDAY JUNE 19, 2004	(28) CALIFORNIA BREEDERS MARATHON STAKES THREE YEAR OLDS AND UPWARD, BRED IN CALIFORNIA	\$25,000 Added 870 YARDS	
SATURDAY JUNE 19, 2004	(29) JENS L LIST JR MEMORIAL CALIFORNIA BREEDERS STAKES THREE YEAR OLDS, BRED IN CALIFORNIA	\$25,000 Added 400 YARDS	
SATURDAY JUNE 19, 2004	(30) CALIFORNIA BREEDERS 550 SOPHOMORE STAKES THREE YEAR OLDS, BRED IN CALIFORNIA	\$25,000 Added 550 YARDS	
SATURDAY JUNE 19, 2004	(31) CALIFORNIA BREEDERS FRESHMAN STAKES TWO YEAR OLDS, BRED IN CALIFORNIA	\$25,000 Added 350 YARDS	
SATURDAY JUNE 19, 2004	(32) CALIFORNIA BREEDERS SPRINT STAKES THREE YEAR OLDS AND UPWARD, BRED IN CALIFORNIA	\$25,000 Added 350 YARDS	

To Be Run	EVENT	Added Money Distance	Estimated Purse
SATURDAY JUNE 19, 2004	(33) \$10,000 SENIOR CLAIMING STAKES THREE YEAR OLDS AND UPWARD, BRED IN CALIFORNIA CLAIMING PRICE \$10,000	\$17,500 Added 400 YARDS	
SATURDAY JUNE 19, 2004	(34) \$5,000 SENIOR CLAIMING STAKES THREE YEAR OLDS AND UPWARD, BRED IN CALIFORNIA CLAIMING PRICE \$5,000	\$15,000 Added 400 YARDS	
SATURDAY JUNE 19, 2004	(35) \$10,000 SENIOR DISTANCE CLAIMING STAKES THREE YEAR OLDS AND UPWARD, BRED IN CALIFORNIA CLAIMING PRICE \$10,000	\$17,500 Added 870 YARDS	
SATURDAY JUNE 19, 2004	(36) \$5,000 SENIOR DISTANCE CLAIMING STAKES THREE YEAR OLDS AND UPWARD, BRED IN CALIFORNIA CLAIMING PRICE \$5,000	\$15,000 Added 870 YARDS	
SATURDAY JUNE 19, 2004	(37) \$10,000 SOPHOMORE CLAIMING STAKES THREE YEAR OLDS, BRED IN CALIFORNIA CLAIMING PRICE \$10,000	\$17,500 Added 350 YARDS	
SATURDAY JUNE 19, 2004	(38) \$5,000 SOPHOMORE CLAIMING STAKES THREE YEAR OLDS, BRED IN CALIFORNIA CLAIMING PRICE \$5,000	\$15,000 Added 350 YARDS	
SATURDAY JULY 3, 2004	(39) INDEPENDENCE DAY HANDICAP THREE YEAR OLDS AND UPWARD	\$25,000 Added 300 YARDS	
SATURDAY JULY 10, 2004	(40) VANDYS FLASH HANDICAP THREE YEAR OLDS	\$25,000 Added 400 YARDS	
SATURDAY JULY 31, 2004	(41) ED BURKE MEMORIAL FUTURITY TWO YEAR OLDS TRIALS TO BE RUN, SATURDAY, JULY 17, 2004	\$50,000 Added 350 YARDS	\$450,000 Estimated
FRIDAY AUGUST 6, 2004	(42) JOHN DEERE CALIFORNIA CHALLENGE THREE YEAR OLDS AND UPWARD TRIALS TO BE RUN, THURSDAY, JULY 22, 2004	\$5,000 Added 870 YARDS	
SATURDAY AUGUST 7, 2004	(43) VESSELS MATURITY FOUR YEAR OLDS AND UPWARD TRIALS TO BE RUN, FRIDAY, JULY 16, 2004	\$75,000 Added 400 YARDS	\$150,000 Estimated
SATURDAY AUGUST 14, 2004	(44) GOLDEN STATE DERBY THREE YEAR OLDS TRIALS TO BE RUN, SATURDAY, JULY 24, 2004	\$25,000 Added 400 YARDS	\$200,000 Estimated
SATURDAY AUGUST 21, 2004	(45) FORD CALIFORNIA DISTAFF CHALLENGE FILLIES AND MARES, THREE YEAR OLDS AND UPWARD TRIALS TO BE RUN, SUNDAY, AUGUST 8, 2004	\$7,500 Added 400 YARDS	
SATURDAY AUGUST 28, 2004	(46) AMERICAN AIRLINES CALIFORNIA CHALLENGE TWO YEAR OLDS TRIALS TO BE RUN, FRIDAY, AUGUST 13, 2004	\$7,500 Added 350 YARDS	

To Be Run	EVENT	Added Money Distance	Estimated Purse
FRIDAY SEPTEMBER 3, 2004	(47) BULL RASTUS HANDICAP THREE YEAR OLDS AND UPWARD	\$25,000 Added 870 YARDS	
SATURDAY SEPTEMBER 11, 2004	(48) GO MAN GO HANDICAP THREE YEAR OLDS AND UPWARD	\$100,000 Added 400 YARDS	
FRIDAY SEPTEMBER 17, 2004	(49) PROFESSIONAL'S CHOICE CALIFORNIA CHALLENGE THREE YEAR OLDS AND UPWARD TRIALS TO BE RUN, FRIDAY, SEPTEMBER 3, 2004	\$5,000 Added 350 YARDS	
SATURDAY SEPTEMBER 18, 2004	(50) BAYER LEGEND CALIFORNIA CHALLENGE THREE YEAR OLDS TRIALS TO BE RUN, SATURDAY, SEPTEMBER 4, 2004	\$7,500 Added 400 YARDS	
FRIDAY SEPTEMBER 24, 2004	(51) SGT PEPPER FEATURE HANDICAP THREE YEAR OLDS	\$30,000 Added 350 YARDS	
SATURDAY SEPTEMBER 25, 2004	(52) MILDRED N VESSELS MEMORIAL HANDICAP FILLIES AND MARES, THREE YEARS OLD AND UPWARD	\$100,000 Added 400 YARDS	
FRIDAY OCTOBER 1, 2004	(53) PCQHRA BREEDERS DERBY THREE YEAR OLDS TRIALS TO BE RUN, SATURDAY, SEPTEMBER 18, 2004	\$25,000 Added 400 YARDS	\$125,000 Estimated
SATURDAY OCTOBER 2, 2004	(54) PCQHRA BREEDERS FUTURITY TWO YEAR OLDS TRIALS TO BE RUN, FRIDAY, SEPTEMBER 17, 2004	\$25,000 Added 350 YARDS	\$330,000 Estimated
FRIDAY OCTOBER 8, 2004	(55) AUTUMN HANDICAP TWO YEAR OLDS	\$25,000 Added 350 YARDS	
SATURDAY OCTOBER 9, 2004	(56) PAT HYLAND MEMORIAL HANDICAP THREE YEAR OLDS AND UPWARD	\$35,000 Added 870 YARDS	
SATURDAY OCTOBER 16, 2004	(57) LOS ALAMITOS INVITATIONAL CHAMPIONSHIP THREE YEAR OLDS AND UPWARD	\$200,000 440 YARDS	
FRIDAY OCTOBER 29, 2004	(58) FIRST DOWN DASH HANDICAP THREE YEAR OLDS AND UPWARD	\$35,000 Added 400 YARDS	
SATURDAY OCTOBER 30, 2004	(59) LAS DAMAS HANDICAP FILLIES AND MARES, THREE YEARS OLD AND UPWARD	\$50,000 Added 400 YARDS	
FRIDAY NOVEMBER 5, 2004	(60) LOS ALAMITOS DERBY THREE YEAR OLDS TRIALS TO BE RUN, SATURDAY, OCTOBER 23, 2004	\$200,000 Added 400 YARDS	\$750,000 Estimated
SATURDAY NOVEMBER 6, 2004	(61) GOLDEN STATE FUTURITY TWO YEAR OLDS TRIALS TO BE RUN, FRIDAY, OCTOBER 22, 2004	\$50,000 Added 400 YARDS	\$1,000,000 Guaranteed
SATURDAY NOVEMBER 13, 2004	(62) CORONA CHICK HANDICAP TWO YEAR OLDS	\$35,000 Added 400 YARDS	
FRIDAY NOVEMBER 19, 2004	(63) Z WAYNE GRIFFIN DIRECTORS TRIALS THREE YEAR OLDS AND UPWARD TRIALS FOR THE CHAMPION OF CHAMPIONS	\$20,000 per trial 400 YARDS	
FRIDAY DECEMBER 10, 2004	(64) LOS ALAMITOS MILLION FUTURITY TWO YEAR OLDS TRIALS TO BE RUN, FRIDAY, NOVEMBER 26, 2004	\$250,000 Added 400 YARDS	\$1,400,000 Estimated

To Be Run	EVENT	Added Money Distance	Estimated Purse
FRIDAY DECEMBER 10, 2004	(65) LOS ALAMITOS MILLION FUTURITY CONSOLATION STAKES TWO YEAR OLDS	\$25,000 400 YARDS	
SATURDAY DECEMBER 11, 2004	(66) CHAMPION OF CHAMPIONS THREE YEAR OLDS AND UPWARD TRIALS TO BE RUN, FRIDAY, NOVEMBER 19, 2004 (Z WAYNE GRIFFIN DIRECTORS TRIALS - 400 YARDS)	\$500,000 Guaranteed 440 YARDS	
SUNDAY DECEMBER 12, 2004	(67) MARATHON NATIONAL THREE YEAR OLDS AND UPWARD TRIALS TO BE RUN, SATURDAY, NOVEMBER 20, 2004	\$100,000 Added 870 YARDS	\$175,000 Guaranteed
SUNDAY DECEMBER 12, 2004	(68) SOUTHERN CALIFORNIA DERBY THREE YEAR OLDS TRIALS TO BE RUN, SATURDAY, NOVEMBER 27, 2004	\$25,000 Added 400 YARDS	\$150,000 Estimated
SATURDAY DECEMBER 18, 2004	(69) PAUL B FORD MEMORIAL HANDICAP THREE YEAR OLDS	\$25,000 Added 550 YARDS	

Total Added Money

\$3,600,000

Cal Bred

\$622,500 = 17.5 %

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

4. RACING ASSOCIATION

- A. Association is a: Corporation (complete subsection C)
 LLC (complete subsection D)
 Other (specify, and complete subsection E)
- B. Complete the applicable subsection and attached Addendum, Background Information and Ownership. On file.
- C. CORPORATION
1. Registered name of the corporation: Horsemen's Quarter Horse Racing Association
 2. State where incorporated: California
 3. Registry or file number for the corporation: 3019242
 4. Names of all officers & directors, titles, & the number of shares of the corporation held by each:

Ed Allred	Chairman & Chief Executive Officer
Robert Passero	Chief Financial Officer
G. Michael Lyon	Secretary
Kathy Chavez	Treasurer
Spencer Childers	Chairman Emeritus
Bob Boniface	Director Emeritus
Virginia Hyland	Director Emeritus
Daniel Castronova	Director
Patrick Ford	Director
R. D. Hubbard	Director
John Seibly	Director
Anthony Zidich	Director
 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:

Quarter Horse Racing, Inc.,	100%
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 6. Number of outstanding shares in the corporation: 0
 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: Wagner, Kirkman and Blaine

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

E. OTHER

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

F. Management and Staff

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

Michael Monji	Assistant General Manager
Frank Sherren	Plant Superintendent
Kathy Chavez	Controller

Al Cruz	Director of Security
Howard Knuchell	Director of Operations
Robert DiGiovanni	Director of Mutuels
Ed Burgart	Track Announcer
Melodie Knuchell	Director Simulcasting/Nominations
Sarah Varley	Paymaster of Purses
Richard Hughes	Director of Labor Relations
Orlando Gutierrez	Director of Marketing & Publicity
Rick Hughes	Track Surface Superintendent
Dennis Moore	Track Surface Consultant

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:
Edward C. Allred

5. PURSE PROGRAM

- A. Estimated purse distribution:
 1. All races other than stakes: \$12,582,500
 2. Overnight stakes: N/A
 3. Non-overnight stakes: \$3,600,000
- B. Stakes Races:
 1. Estimated purse distribution for all stakes races: \$3,600,000
 2. Percentage of the estimated purse distribution for all stakes races that will be distributed for California-bred stakes races: 17.5% = \$622,500
- C. Estimated funds to be generated for all California-bred incentive awards:

\$700,000 Breeder's
\$100,000 Owner's
- 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
PCQHRA	\$500,000
- E. Total estimated amount from all sources to be distributed at the meeting in the form of purses or other benefits to horsemen: \$17,482,500
- F. Estimated purse funds to be generated from on-track handle and intrastate off-track handle: \$9,000,000
- G. Estimated purse funds to be generated from interstate handle: \$8,000,000
- H. Bank or depository for the Paymaster of Purses' purse account and the account number:
United California Bank 1065-09906

- I. Name, address and telephone number of the pari-mutuel audit firm engaged for the meeting:
Ed Roland, 201 South Lewis 309, Orange, CA 92868 714-978-7868

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: 1428
- B. Minimum number of stalls believed necessary for the meeting: 1428
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: 0
- D. Name or location of each off-site stabling area and the number of stalls to be maintained at each site:
- E. Attach each contract or agreement between the association and the person(s) furnishing off-site stabling accommodations for eligible racehorses that cannot be provided on-site stabling. 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: N/A
- G. Estimated cost to provide off-site stalls for this meeting: N/A
- H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse: N/A
- I. Estimated cost for off-site stabling and vanning for this meeting. Show cost per-day per-stall: N/A

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; \$2PK6	CHRB #1959, 1976.9
Race #1	\$1E, \$1DD, \$1PK4, \$1 TRI, \$1SF \$1 PPN	CHRB 1959, 1957, 1978, 1979, 1979.1, 1976.9
Race #2	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #3	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #4	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #5	\$1E, \$1PK3, \$1TRI, \$1SF, \$2PK6	CHRB 1959, 1977, 1979, 1979.1, 1976.9
Race #6	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #7	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #8	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #9	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #10	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #11	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #12	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #13	\$1E, \$1PK3, \$1TRI, \$1SF	CHRB 1959, 1977, 1979, 1979.1
Race #14	\$1E, \$1TRI, \$1SF, \$1DD	CHRB 1959, 1979, 1979.1, 1957
Race #15	\$1E, \$1TRI, \$1SF	CHRB 1959, 1979, 1979.1

1. Late daily double will always occur in the last two races of the race card.
2. If not enough horses carded in a race to offer a trifecta, we will offer a \$1 quinella, CHRB 1958.
3. Late pick four will always be offered on the last four races of the race card.
4. Rolling pick three begins in the second race of each card and continues though the 3rd to last race of the card.

B. The maximum carryover pool to be allowed to accumulate before its distribution **OR** the date(s) designated for distribution of the carryover pool: December 19, 2004

C. List any options requested with regard to exotic wagering: N/A

D. Will "advance" or "early bird" wagering be offered? Yes No
 If yes, when will such wagering begin: Thursday, Friday, Saturday, Sunday at 8:30 am

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, contact person: David Payton, contract expires December 2004.

8. SIMULCASTING WAGERING PROGRAM

A. Simulcast organization engaged by the association to conduct simulcast wagering:

Southern California Off-Track Wagering, Inc.

- B. Attach the agreement between the association and simulcast organization permitting the organization to use the association's live audiovisual signal for wagering purposes and providing access to its totalizator for the purpose of combining on-track and off-track pari-mutuel pools. On file
- 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 \$ Expo, 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 Expo Centre, Indio
 The Farmers Fair, Perris
 Antelope Valley Fair, Lancaster
 Santa Barbara County Fair, Santa Maria
 Mid-State Fair, Paso Robles
 National Orange Show, San Bernardino
 Fairplex Park, Pomona
 Santa Anita, Arcadia
 Viejas Casino & Turf Club, Alpine
 Earl Warren Showgrounds, Santa Barbara
 Sycuan Gaming Center, El Cajon
 Ventura County Fair, Ventura
 San Bernardino County Fair, Victorville

- D. Out-of-state wagering systems the association proposes to offer its live audiovisual signal:
 Included in E
- E. Out-of-state wagering systems that will combine their pari-mutuel pools with those of the association:
 We anticipate simulcasts to locations outside of the United States including: The Caribbean Basin (Las Caymanas Park and various books on St. Marten, Jamaica, Barbados, and Trinidad); Mexico (including Agua Caliente and related books, Juarez and related books, and Hipodromo de las Americas and related books); Panama (Hipodromo Presidente Remon); Dominican Republic (Hipodromo V. Centenario); Canada (Assiniboia Downs, Barrie Downs, Cloverdale Raceway, Dawartja Downs. Elmira Raceway, Flamboro Downs, Kawartha Dwons, Marquis Downs, Queensbury Downs, Rideau Carlton, Hippodromo l'Hippodrome de Montreal, Calgary Stampede, Hastings Park, Northland Park, Ontario Jockey Club, Stampede Park, Western Fair, Windsor Raceway, and others); Argentina (La Plata, San Ysidro, Pallermo, and related books); Brazil (Jockey Club and related books); Venezuela (La Rinconada and related books); U.S. Virgin Islands (books); Puerto Rico (El Commandante), and South Korea.

Arapahoe Park, CO	Arlington Park, IL
Atlantic City Casinos, NJ	Atlantic City Race Course, NJ
Balmoral, IL	Batavia Downs, NY
Beulah Park, OH	Blue Ribbon Downs, OK
Calder, FL	Canterbury Park, MN
Connecticut OTB, CT	Capitol District OTB, NY
Catskill OTB, NY	Charles Town, WV
Churchill Downs, KY	

Colonial Downs, VA	Columbus Races, NE
Corpus Christi Greyhound, TX	Dakota Teletrack, SD
Dairyland Greyhound Park, WI	Delaware Racing Assoc, DE
Delta Downs, LA	Dover Downs, DE
Downs at Albuquerque, NM	Ellis Park, KY
Emerald Racing, WA	
Evangeline Downs, LA	Fair Grounds, LA
Fairmount Park, IL	Finger Lakes, NY
Fire Lake Entertainment Center	Fonner Park, NE
Foxwoods Casino, CT	Freehold Raceway, NJ
Great Lakes Downs, MI	Geneva Lakes Greyhound, WI
Gulf Greyhound, TX	Harrington Raceway, DE
Hawthorne, IL	Hazel Park, MI
Hinsdale Grehound Park, NH	Hoosier Park, IN
Keeneland, KY	Las Vegas Dissemination, NV
Lewiston OTB, ME	Lebanon Raceway, OH
Les Bois, ID	Lone Star Race Park, TX
Louisiana Downs, LA	Manor Downs, TX
Maryland Jockey Club, MD	Maywood , IL
Meskwaki Bingo and Casino, ID	Mobile Greyhound Park, AL
Montana Simulcast Partners, MT	Monticello Raceway, NY
Mountaineer Park, WV	Multnomah Kennel Club, OR
Nassau/Suffolk OTB, NY	New Jersey Sports & Expo Authority, NJ
New Mexico State Fair, NM	Newport RI OTB, NJ
Northfield Park, OH	Northville Downs, MI
NYRA, NY	NY OTB, NY
Pocatello Downs, ID	Portland Meadows, OR
Prairie Meadows, IA	Raceway Park, OH
Remington Park, OK	Red Mile, KY
Retama Park, TX	Rillito Park, AZ
River Downs, OH	
Rockingham Park, NH	Rosecroft Raceway, NY
Ruidoso Downs, NM	Sam Houston Park, TX
Sandy Downs, ID	Santa Fe Downs, NM
Saratoga Harness, NY	Scioto Downs, OH
Southland Greyhound, AK	Sports Media Network
Suffolk Downs, MA	Sunland Park, NM
SunRay Park, NM	The Stables, LVDC, KS
The Texas Hub, TX	Thistledowns, OH
Tri-State Greyhound Park, WV	Turf Paradise, AZ
Turfway Park, KY	TVG, OR
Valley Race Park, TX	Vernon Downs, NY
Western Region OTB, NY	Wichita Greyhound, KS
Wonderland Greyhound, MA	Woodlands, KS
Wyoming OTB, WY	Yavapai Downs, AZ
Youbet.com, CA	

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

“selected feature and/or stakes races”:

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

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

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

- F. 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

6 out of state quarter horse races per live program on night with Harness overlap; 12 out of state quarter horse races on nights without harness overlap, with races predominately from quarter horse tracks in Louisiana, Texas, Oklahoma, New Mexico, and Iowa.

Name of Host Track	Race Dates	Full Card or Selected Feature and/or Stakes Races
Delta Downs	April –July	Selected races
Sam Houston	April- November	Selected races
Prairie Meadows	July-August	Selected races
Remington Park	March-May	Selected races
Ruidoso Downs	May-September	Selected races
Fair Meadows/Tulsa	August	Selected races
Hoosier Park	September	Selected races
Red Mile	July	Selected 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
Balmoral	January-December	Selected races
Maywood	January-December	Selected races
Meadowlands	January 2 - August 2; November 14 - December 19	Selected races
Red Mile	September	Selected Stakes
Scioto Downs	August	Selected Stakes
Pompano Downs	October	Selected Stakes

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

OTHER BREED SIMULCAST RACES TO BE IMPORTED

Name of Host Track	Breed of Horse	Race Dates	Number of Races to be Imported
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- J. For ALL racing associations, if any out-of-state or out-of-country races will commence outside of the time constraints set forth in B&P Code Section 19596.2(d), attach a copy showing the agreement by the appropriate racing association(s). Agreements forwarded as needed.

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:
 Los Alamitos Quarter Horse Charity Foundation, 4961 Katella Ave., Los Alamitos, CA 90720
- B. Names and addresses of the trustees or directors of the distributing agent:
 Robert Main 4961 Katella Ave., Los Alamitos, CA 90720
 Althea Miller 4961 Katella Ave., Los Alamitos, CA 90720
 Charles Brain 4961 Katella Ave., Los Alamitos, CA 90720
- C. Dates the association will conduct races as charity racing days OR:
 September 23, September 30, October 7, October 14, October 21, 2004
- D. Will the association pay the distributing agent an amount equal to the maximum required under B&P Code Section 19550(b)? Yes

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

10. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

- A. Racing Officials nominated:

Associate Judges	N/A
Association Veterinarian(s)	Thomas A. Hackathorn, DVM
Clerk of Scales	Alex Fernandez
Clerk of the Course	Linda Sherren
Horse Identifier	Michelle Lauck
Horseshoe Inspector	Harry Trosin
Paddock Judge	Glen Walker
Patrol Judges	Glen Walker
Placing Judges	Sheila Hart, Ed Reese
Starter	Bryan Brookfield

B. Management officials in the racing department:

Director of Racing	Ron Church
Racing Secretary	Ron Church
Assistant Racing Secretary	Ed Reese
Paymaster of Purses	Sarah Varley
Others (identify by name and title)	

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

Barbara Weinstein, 9582 Hamilton Ave, STE 265, Huntington Beach, CA 92646 714 964-7102

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

Plusmic Corporation USA – Bill O’Brien 12/31/05

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

Pegasus Communications - Jim Porep 12/31/05

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:

Pegasus Communications - Jim Porep 12/31/05

11. SECURITY CONTROLS AND EMERGENCY SERVICES

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

Al Cruz-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:

2 security guards Video cameras strategically located throughout the facility.

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

Huntington Ambulance, PO Box 145, Sunset Beach, CA 90742 562-904-1550

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.
- F. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details):
 Combined Specialty Insurance Company – Policy #025-00000624
- 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 that 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:

JM Concessions-Food/Liquor, 4961 Katella Ave., Los Alamitos, CA 90720
 Centaur Hot Walkers, Inc., 5761 Ridgeview Ave., Mira Loma, CA 91752

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)	5.00/10.00 (Vessels club)
Reserved seating (general)	N/A
Reserved seating (clubhouse)	N/A
Parking (general)	free
Parking (preferred)	3.00/8.00 (premium)
Parking (valet)	N/A
Programs (on-track)	3.00
(off-track)	3.50

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

<input checked="" type="checkbox"/>	Corners (lockers and cubicles)	How many	<input type="text" value="45/8"/>		
<input checked="" type="checkbox"/>	Showers	<input checked="" type="checkbox"/>	Steam room, sauna or steam cabinets	<input checked="" type="checkbox"/>	Lounge area
<input checked="" type="checkbox"/>	Masseur	<input checked="" type="checkbox"/>	Food/beverage service	<input checked="" type="checkbox"/>	Certified platform scale

- B. Describe the quarters to be used for female jockeys/drivers:
 Separate quarters with cubicles, showers, steam box.

Inset D

COMBINED SPECIALTY INSURANCE COMPANY
A STOCK COMPANY
1000 MILWAUKEE AVENUE
GLENVIEW, ILLINOIS 60025

WC-00-00-01A

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

INFORMATION PAGE

NCCI No. 19879
New No. _____

Policy No. 025-00000624
Renewal of Policy Number 025-00000519

State Unemployment I.D. No. or Identifying Number as Required:

FEIN: 330403433

1. Insured: **Los Alamitos Race Course, etal**
Mailing **4961 Katella Avenue**
Address **Los Alamitos, CA 90720**

Producer: **AU Insurance Services**
Mailing **PO Box 281900**
Address **San Francisco, CA 94128**

Individual Partnership Corporation or

Other workplaces not shown above:
See A I/L Additional Named Insured and/or Locations

2. Policy Period: The Policy is from 07/01/03 to 07/01/04 12:01 A.M. Standard Time, at the insured's mailing address.

3. A. Workers Compensation Insurance: Part One of the policy applies to the Workers Compansation Law of the states listed here:
CA

B. Employers Liability Insurance: Part Two of the policy applies to work in each state listed in item 3.A.
The limits of our liability under Part Two are:

Bodily Injury by Accident 1,000,000 each accident
Bodily Injury by Disease 1,000,000 policy limit
Bodily Injury by Disease 1,000,000 each employee

C. Other States Insurance: Part Three of the policy applies to the state, if any, listed here:
ALL STATES EXCEPT ND OH WA WV WY

D. This policy includes these endorsements and schedules:
WC174, WC000414, WC000420, WC040301A, WC040360A, WC040402, WC040407, WC040601A, WC890600B

4. The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.

Classifications	Code No.	Premium Basis Total Estimated Annual Remuneration	Rate Per \$100 of Remuneration	Estimated Annual Premium
SEE WC 174(4-84) EXTENSION OF INFORMATION PAGE				

Experience Modification
Other Premium Charges
Premium Discount
Expense Constant
MINIMUM PREMIUM 1,000.00

TOTAL ESTIMATED ANNUAL PREMIUM \$ 521,110.06
TAXES & ASSESSMENTS

IF INDICATED BELOW, INTERIM ADJUSTMENTS OF PREMIUM SHALL BE MADE:

Semi-Annually Quarterly Monthly Deposit Premium \$ _____

Issuing Office: **AU Insurance Services**

Countersigned by: _____

Policy Number: 025-00000624

COMBINED SPECIALTY INSURANCE COMPANY

A STOCK COMPANY

Additional Named Insured and/or Locations

Item (1) Insured of the Information page is amended to include the following:

**Quarter Horse Racing, Inc.
4961 Katella Avenue
Los Alamitos, CA 90720
Effective Date: 1/15/2003**

FEIN: 330403433

**Los Alamitos Racing Association
4961 Katella Avenue
Los Alamitos, CA 90720
Effective Date: 1/15/2003**

FEIN: 330403433

This endorsement is part of your policy and takes effect on the effective date of your policy, unless another effective date is shown below.

— Must be completed —			Complete only when Endorsement is not prepared with the policy or is not to be effective with the policy.
ENDT No.	Policy No.	Issued To	Effective Date of Endorsement

Countersigned by _____
Authorized Representative

All other terms and conditions of this policy remain unchanged.
A 1/L 5/90

Quarter Horse Membership Information
(These Prices restricted to CHRB licensed horsemen)

- ***Vessels Exclusive - Quarter Horse \$3,000.00***

Membership includes one exclusive table for each night of the 2003 - 2004 Quarter Horse meet, four membership cards - each valid for one admission during the 2003 - 2004 Quarter Horse meet, and two *premier* parking stickers.

Certain Limitations & Restrictions apply to the above membership.

Los Alamitos Race Course has the right to use your reserved table if you have not contacted the Maitre d' by the running of the 2nd race. It is the responsibility of the Vessels Club member to contact the Maitre d' @ 714-820-2681. LARC also reserves the right to utilize any tables for special events. LARC will provide you with written notice one week prior to the special event.

- ***Vessels Private Box - Quarter Horse \$1,500.00***

Membership includes one private four seat box, four membership cards - each valid for one admission during the 2003- 2004 Quarter Horse meet, and two *preferred* parking stickers.

- ***Vessels Annual – Quarter Horse \$300.00***

Membership includes one membership card valid for one admission daily or nightly during the 2003 - 2004 Quarter Horse Meet.

THE VESSELS CLUB at LOS ALAMITOS RACE COURSE

Insert F

Invitation and Acceptance to Membership

Live Racing: Quarter Horse – December 26th, 2003 - December 19th, 2004

Satellite Racing: Year Round

Membership in the Vessels Club includes all live and satellite racing conducted at Los Alamitos from December 26th, 2003 through December 19th, 2004, depending on the specific membership you choose. No outside food or beverages will be allowed in the Vessels Club. Rude, loud, unseemly behavior or profanity is not acceptable in the Vessels Club. Your signature below acknowledges that you have read, understood, and will abide by the rules of the Club including **dress code guidelines**.

Signature of Member _____ Date _____

Please issue membership card(s) as follows: (PLEASE PRINT OR TYPE)

	<u>Relationship to me</u>
1. <u>My name</u> _____	_____
2. _____	_____
3. _____	_____
4. _____	_____

THIS SPACE FOR OFFICE USE ONLY	
Parking Sticker Number	Membership Card Number
_____	_____
_____	_____
_____	_____
_____	_____
Box # _____	

Residence _____
Street City State, Zip

Business _____
Street City State, Zip

Residence telephone _____ Business telephone _____

Mail credentials to: Res. _____ Bus. _____

*MEMBERSHIP FEES:

- A. Vessels Exclusive - Quarter Horse***** \$3,000.00**
 One exclusive four seat table, four membership cards - each valid for One admission during the 2003 - 2004 Quarter Horse meet, and two Premium Parking passes.
Certain Limitations & Restrictions apply to this membership.
LARC has the right to use your reserved table if you have not contacted the Maitre d' by the running of the 2nd live race. It is the responsibility of the Vessels Club member to contact the Maitre d' @ 714-820-2681. LARC also reserves the right to utilize any tables for special events. LARC will provide you with written notice one week prior to the special event.
- B. Vessels Private Box - Quarter Horse*****\$1,500.00**
 One private four seat box, four membership cards - each valid for one admission during the 2003 - 2004 Quarter Horse meet; and two preferred Parking stickers.
- C. Vessels Annual Horsemen***** \$300.00**
 One membership card valid for one admission to the Vessels Club during the 2003 - 2004 Quarter Horse Meet.
- *Must have valid CHRB license for all memberships.**

Membership Selection (circle one): **A B C** **MAKE CHECKS PAYABLE TO LOS ALAMITOS RACE COURSE**
THIS SPACE FOR OFFICE USE ONLY

VESSELS PARKING	PAYMENT RECEIVED	CREDENTIALS ISSUED
Date _____	Date _____	Date _____
Amount _____	CHECK _____ CASH _____	MAIL _____
Card # _____	Amount _____ Rec. On _____	By _____

For more information regarding The Vessels Club memberships please call (714) 820-2680.

15. BACKSTRETCH EMPLOYEE HOUSING

- A. Attach written certification that an inspection of the backstretch employee housing has been conducted by a lead agency designated by the CHRB and the applicant is not aware of any known violations of the local housing ordinances.
Inspection completed.
- B. Number of rooms used for housing on the backstretch of the racetrack: 220 out of 344
- C. Number of restrooms available on the backstretch of the racetrack: 13
- D. Estimated ratio of restroom facilities to the number of backstretch personnel: 18/1

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:

3,300

 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 slant rail with metal safety cover, 40" in height from track to top of rail. Outer rail is a metal gooseneck with 6" X 4" metal tubing.
- C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474: Rick Hughes/Dennis Moore
- D. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474.
- E. If the association is requesting approval to implement alternate methodologies to the provisions of Article 3.5, Track Safety Standards, pursuant to CHRB Rule 1471, attach a Certificate of Insurance for liability insurance which will be in force for the duration of the meeting specified in Section 2. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of liability insurance. Additionally, the CHRB must be listed as additionally insured on the liability policy at a minimum amount of \$3 million per incident. The liability insurance certificate must be on file in the CHRB headquarters office prior to the conduct of any racing.

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

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

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

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

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.

Edward C. Allred
 Print Name

Edward C. Allred
 Signature

C. E. O.
 Print Title

9/25/03
 Date



HOLLYWOOD PARK
A Churchill Downs Company

EUAL G. WYATT, JR.
GENERAL MANAGER

October 10, 2003

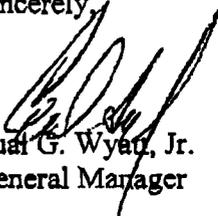
Roy C. Wood
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 95825

Dear Roy:

This is to respectfully request that policy regarding the Veterinarian list that has been in effect during our last two race meetings be continued for our upcoming fall meeting. The policy is that horses scratched for veterinary reasons after the announced scratch time are placed on the vets list for ten days, the exception being that the veterinarian representing the California Horse Racing Board has discretion as to the number of days for which a horse scratched during the post parade is placed on the vets list.

Thank you for your consideration.

Sincerely,



Eual G. Wyatt, Jr.
General Manager

Cc: Rick Baedeker
Martin Panza

ITEM 7

ITEM 8

CALIFORNIA HORSE RACING BOARD

October 23, 2003 Regular Board Meeting

There is no board package material for these two items.

Information to be presented at the board meeting.

STAFF ANALYSIS
PROPOSED ADDITION
OF
RULE 1979.5
BEAT THE ODDS

1979.5 - 9

Regular Board Meeting
October 23, 2003

BACKGROUND

Business and Professions (B&P) Code Section 19440 provides that the responsibilities of the Board shall include adopting rules and regulations for the protection of the public and the control of horse racing and pari-mutuel wagering. B&P Code Section 19590 states the Board shall adopt rules governing, permitting, and regulating wagering on horse races under the system known as the pari-mutuel method of wagering. The proposal for a Beat The Odds (BTO) wager, which was developed by Mr. James Quinn, a Southern California horse player, was presented at the January 23, 2003, Pari-Mutuel Operations Committee meeting. The proposed regulation was heard again at the February 20, 2003, Pari-Mutuel Operations Committee Meeting, and subsequently approved for notice. Rule 1979.5 was heard at the June 26, 2003 Regular Board Meeting where it was not adopted. The rule was referred back to the Pari-Mutuel Operations Committee where it was heard on July 25, 2003. After modifications, the proposed regulation was put out for the 45-day public notice period.

ANALYSIS

The BTO wager requires selection of first-place finishers that are non-favorites in three or more races on the card for a single performance. If a favorite wins a race on a card, all tickets that selected the race are losing wagers. The BTO pool is calculated by identifying tickets that selected non-favorite winners in at least three races on the card and totaling the two-dollar win price of the winning runner for each race. Tickets having the highest total win price are winning tickets. If no ticket selects non-favorite winners in at least three races on a card, the entire net BTO pool is carried over to the next day's race card and added to the net BTO pool.

During the 45-day public comment period the Southern California Horse Racing Industry Fans Committee (SCHRIFC) endorsed the addition of Rule 1979.5. Attached is a copy of the SCHRIFC letter expressing support for the proposal.

RECOMMENDATION

The proposed addition of Rule 1979.5 was presented and approved for notice at the July 25, 2003, Pari-Mutuel Operations Committee Meeting, where it was endorsed by the Los Angeles Turf Club. Comments were received from the SCHRIFC during the 45-day public comment period.

Staff recommends the Board adopt Rule 1979.5 as presented.

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 18. PARI-MUTUEL WAGERING
ADDITION OF RULE 1979.5
BEAT THE ODDS

Regular Board Meeting
October 23, 2003

1979.5 Beat the Odds

(a) The Beat the Odds pool is a separate pool consisting of amounts wagered on first place finishers that are non-favorites in three or more races for a single performance.

(1) For the purposes of this rule "favorite" means the wagering interest with the highest dollar amount wagered on it to win at the time the win pool is closed and final.

(2) "Non-favorite" means any wagering interest that is not a favorite when the win pool is closed and final.

(b) There shall be only one Beat the Odds pool for each performance, and it shall encompass every race on the card for that performance. The pool shall be closed when there are only three races left on the card .

(c) A Beat the Odds pari-mutuel ticket is evidence of a binding contract between the holder of the ticket and the association. The ticket constitutes an acceptance of the Beat the Odds provisions and rules contained in this article.

(d) The object of a Beat the Odds wager is to select runners that are non-favorites in three or more races on the card for a single performance. A basic wager is one in which one runner is selected in at least three of the races. Such races may be consecutive or non-consecutive. A selection of more than one runner in a race shall constitute multiple combinations of the wager.

(e) If the favorite wins in any of the designated races, all wagers that selected the races are losing wagers.

(f) Horses constituting an entry of coupled horses or those horses coupled to constitute the field shall be considered a single wagering interest for the purposes of the Beat the Odds wager.

(g) The net Beat the Odds pool shall be distributed equally to holders of winning wagers.

The Beat the Odds pool is calculated by:

(1) identifying wagers that correctly select non-favorite winning runners in three or more races on the card for a single performance, and

(2) totaling the two-dollar win price of the non-favorite winning runners.

(3) Wagers having the highest two-dollar win price total are winners.

(h) If there are no winning wagers for a Beat the Odds pool, the entire net pool shall be carried over to the next performance and added to that day's net Beat the Odds pool. In the case of the last performance of the meet, if there are no winning wagers pursuant to subsection (g) of this rule, wagers that correctly select non-favorite winning runners in fewer than three races shall be considered and the net pool, including any carryover, shall be distributed equally to holders of wagers with the highest two-dollar win price. If there are no wagers selecting the non-favorite winner, the net pool, including any carryover, shall be placed in an interest bearing account and carried over until the first performance of the next race meet at that same location.

(i) If a selected runner is scratched, combinations with the scratched runner shall be refunded. A scratch of a runner that is part of an entry or field will not result in a refund if any part of the entry or field is a valid starter for pari-mutuel purposes.

(j) In the case of a dead heat for win between two or more non-favorite runners, wagers selecting one of the runners will receive a score equal to the win price of the selected winning runner.

(k) In the case of a dead heat for win in which one of the runners is a favorite, wagers selecting the favorite are losing wagers; however, wagers selecting the non-favorite shall receive a score equal to the win price of the winning non-favorite runner.

(l) If fewer than three races constituting the Beat the Odds wager have been run and the remainder of the card is cancelled, the entire Beat the Odds pool, less any carryover, shall be refunded.

(m) If at least three races have been run before the remainder of the card is cancelled, wagers selecting any of the completed races shall be paid according to subsection (g) of this rule, but shall only be paid for that performance's net pool. If the application of subsection (g) of this rule does not result in any winning wagers, then all wagers, including wagers not selecting any completed races, shall be refunded.

(n) The Beat the Odds wager may be given a distinctive name by the association conducting the meeting, subject to Board approval.

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

Reference: Section 19590,
Business and Professions Code.

SOUTHERN CALIFORNIA HORSE RACING INDUSTRY FANS COMMITTEE

- BY FAX -

MAILING ADDRESS

637 N. CAHUENGA BLVD.
LOS ANGELES, CA 90004

June 9, 2003

MEMBERS

GREG BADOVINAC
LARRY CASSIDY
AL CRISTOFANO
DUKE FREYERMUTH
STEPHEN KAGAWA
TERRI KOMER
BOB MALCONIAN
TRACY NEGRIN
DAVID PASCALE
MICHAEL PETERSON
CRISTOPHER RAHTZ
STEPHEN SCHMIDT
JEFF SISSUNG
VICKI VINSON

Mr. Harold Coburn, Regulations Analyst
California Horse Racing Board
1010 Hurley Way, Ste 300
Sacramento, California 95825

RE: RULE 1979.5. BEAT THE ODDS

Dear Mr. Coburn:

The Southern California Horse Racing Industry Fans Committee (Committee) has worked for more than ten years with organizations and government agencies that make up the racing industry, on various matters facing the industry. Its purpose is to provide input from the point of view of the racing public. Committee members volunteer their time and energy because of their love of the sport.

The Committee encourages the California Horse Racing Board (Board) to adopt the regulation which will add "Beat the Odds" to the wagering menu in California.

EX OFFICIO

BIFF LOWRY

At its December 2002 meeting, the Committee met with Mr. James Quinn, the architect of the proposed wager. After thoroughly discussing the proposal, the Committee voted unanimously to endorse the new wager. We believe it will appeal to the public in the following ways:

CHAIR

DAVID PASCALE
Phone: (323) 469-9699
Fax: (323) 469-2217
E-Mail: DPascaleSr@aol.com

1. With respect to the experienced fan, they know when favorites are vulnerable; this bet will test that skill. It will add interest to their day at the races.
2. The cost can be as low as \$1 with the potential for a large to a very large return.

Mr. Harold Coburn, Regulations Analyst
California Horse Racing Board
Page 2.

3. As large payoffs occur, the novice or entry-level fan will be attracted to the wager.
4. As a new product, it can create new interest in the sport.
5. The suspense re payoffs will grow as the day's races unfold, thus patrons (both on and off-track) will remain for more races through the day.

Committee member, Mr. Steven Schmidt, appeared before the Board and its Pari-Mutuel Operations Committee in January 2003 to present and discuss the Committee's position on the proposed wager. He will attend the Board's June 26, 2003 meeting, and will be available for any questions concerning the Committee's position.

California leads the nation in multi-race wagering. Pool amounts generated by wagers placed throughout North America provide convincing testimony to that fact. The proposal represents an opportunity for California to continue its tradition of being the trendsetter in introducing new forms of wagering. The new wager promises growth in handle that could lead to increases in purses to horsemen, tax revenues for government and income for the associations.

Sincerely,



David Pascale
Chair

STAFF ANALYSIS
STAFF REPORT ON END-OF-MEET RESULTS

REGULAR BOARD MEETING
OCTOBER 23, 2003

Background:

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

Recommendation:

This item is for information and discussion.

END-OF-MEET OUTLINE SUMMARY

For the California Horse Racing Board meeting, October 23, 2003. This report includes a summary for the following racing meetings: DEL MAR THOROUGHBRED CLUB, CALIFORNIA STATE FAIR AT CAL EXPO and LOS ANGELES COUNTY FAIR

Del Mar Thoroughbred Club

July 23 – September 10, 2003

Race days: 43

AVERAGE DAILY STATISTICS

	PERCENTAGE CHANGE
Ave. Daily handle	9.05%
Ave. On-track	4.01%
Ave. Off-track	-1.82%
Ave. Interstate-exported	12.65%
Ave. ADW	49.71%
Ave. Daily attendance-Calif.	3.21%
Ave. On-track	8.08%
Ave. Off-track	-3.30%

California State Fair at Cal Expo, Sacramento

August 20 – September 1, 2003

Race days: 11

AVERAGE DAILY STATISTICS

	PERCENTAGE CHANGE
Ave. daily handle	5.03%
Ave. On-track	5.53%
Ave. Off-track	-1.20%
Ave. Interstate-exported	12.54%
Ave. ADW	37.62%
Ave. daily attendance-Calif.	6.52%
Ave. On-track	9.97%
Ave. Off-track	1.73%

Los Angeles County Fair at Fairplex Park, Pomona

September 12 – September 28, 2003

Race days: 17

AVERAGE DAILY STATISTICS

	PERCENTAGE CHANGE
Ave. daily handle	7.63%
Ave. On-track	0.12%
Ave. Off-track	4.03%
Ave. Interstate-exported	9.27%
Ave. ADW	38.42%
Ave. daily attendance-Calif.	-2.80%
Ave. On-track	-3.00%
Ave. Off-track	-2.63%

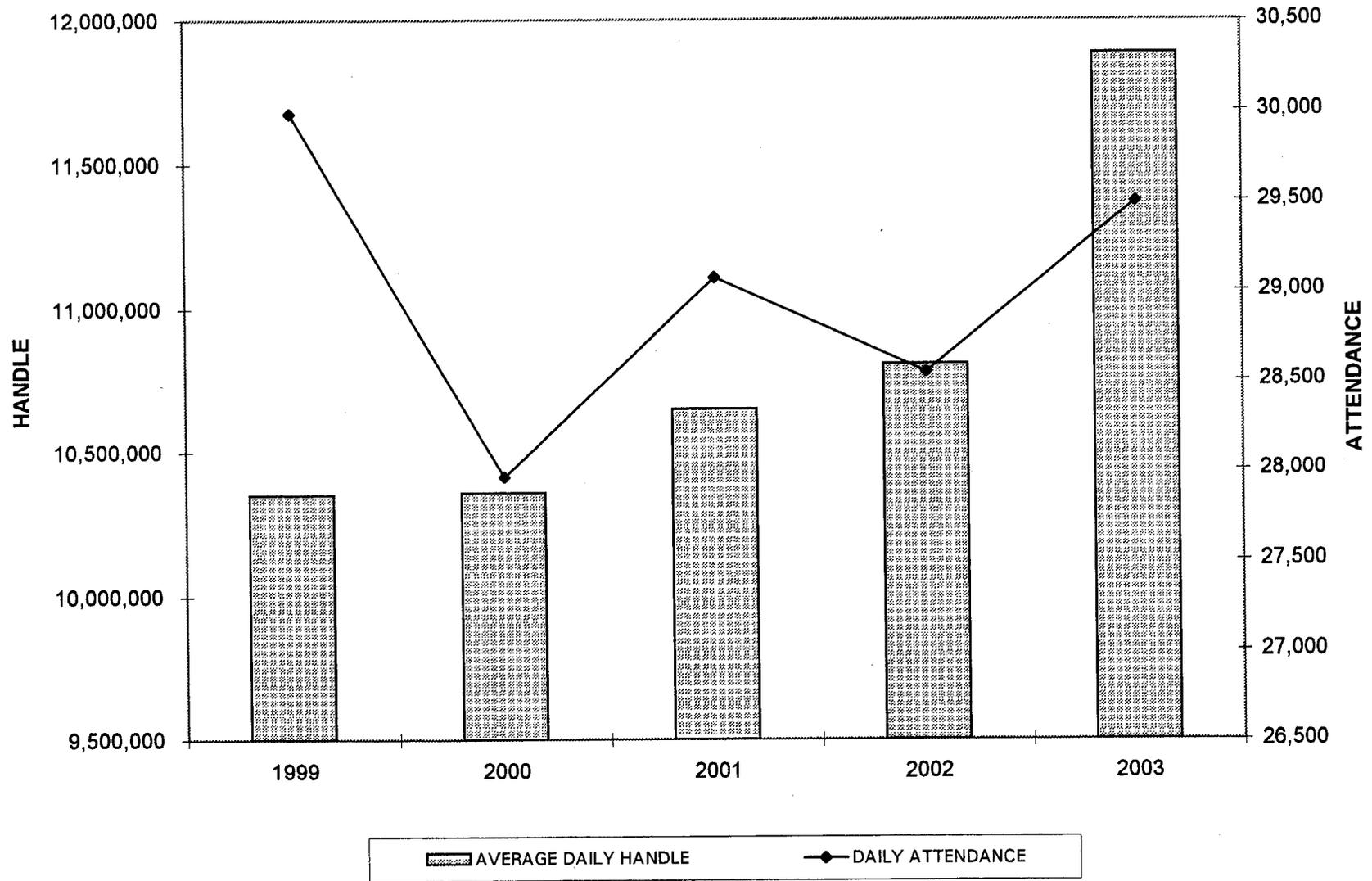
DEL MAR THOROUGHBRED CLUB

YEAR	1999	2000	2001	2002	2003
TOTAL RACE DAYS	42	43	43	43	43
TOTAL HANDLE	\$434,596,962	\$445,273,389	\$457,895,051	\$464,707,784	\$510,968,915
ON-TRACK	101,571,961	99,346,745	99,740,719	98,830,070	102,961,640
OFF-TRACK	173,567,736	174,881,604	178,834,540	166,274,621	163,303,386
INTERSTATE	159,457,266	171,045,040	179,319,792	180,417,144	206,549,861
ADW				19,185,950	38,154,028
LIVE	354,930,887	360,600,704	369,948,385	379,324,724	425,274,411
INTRASTATE IMPORTED	45,897,770	46,165,706	43,392,527	36,844,860	37,152,703
INTERSTATE IMPORTED	33,755,314	38,267,142	44,424,850	48,245,564	48,223,773
INTERNATIONAL IMPORTED	12,991	239,837	129,289	292,636	318,027
AVERAGE DAILY HANDLE	10,347,547	10,355,195	10,648,722	10,807,158	11,882,998
ON-TRACK	2,418,380	2,310,389	2,319,552	2,298,374	2,394,457
OFF-TRACK	4,132,565	4,067,014	4,158,943	3,866,852	3,797,753
INTERSTATE	3,796,602	3,977,792	4,170,228	4,195,748	4,803,485
AVE. ADW				446,185	887,303
AVERAGE LIVE	8,451,045	8,391,640	8,606,458	8,828,311	9,897,499
INTRASTATE IMPORTED	1,092,804	1,073,621	1,009,129	856,857	864,016
INTERSTATE IMPORTED	803,698	889,934	1,033,136	1,121,990	1,121,483
INTERNATIONAL IMPORTED	309	5,578	3,007	6,805	7,396
COMMINGLED TAKEOUT	83,695,067	85,856,497	87,705,576	85,813,773	91,071,019
ADW TAKEOUT	0	0	0	4,123,679	5,828,371
TOTAL TAKEOUT	83,695,067	85,856,497	87,705,576	89,937,452	96,899,391
EFFECTIVE TAKEOUT	19.26%	19.28%	19.15%	19.35%	18.96%
STATE LICENSE FEES	6,404,370	6,371,693	6,481,199	6,139,301	6,284,789
STATE %	1.47%	1.43%	1.42%	1.32%	1.23%
TRACK COMMISSIONS	19,501,068	19,618,903	19,684,844	19,074,174	19,395,550
ADW COMMISSIONS	0	0	0	1,082,820	1,639,819
TOTAL COMMISSIONS	19,501,068	19,618,903	19,684,844	20,156,994	21,035,369
TRACK %	4.49%	4.41%	4.30%	4.34%	4.12%
HORSEMEN'S PURSES	19,196,466	19,308,586	19,324,760	18,743,217	19,099,761
ADW PURSES	0	0	0	1,061,175	1,609,388
TOTAL PURSES	19,196,466	19,308,586	19,324,760	19,804,392	20,709,150
HORSEMEN'S %	4.42%	4.34%	4.22%	4.26%	4.05%

DEL MAR THOROUGHBRED CLUB

YEAR	1999	2000	2001	2002	2003
CALIFORNIA ATTENDANCE	1,259,315	1,202,232	1,250,100	1,227,464	1,268,228
ON-TRACK	628,348	612,788	664,594	667,280	725,922
OFF-TRACK	630,967	589,444	585,506	560,184	542,306
DAILY ATTENDANCE	29,984	27,959	29,072	28,546	29,494
AVERAGE DAILY ON - TRACK	14,961	14,251	15,456	15,518	16,882
AVERAGE DAILY OFF - TRACK	15,023	13,708	13,616	13,028	12,612
TOTAL RACE EVENTS	363	371	370	371	372
STARTS	3,039	3,096	3,141	3,034	3,048
AVERAGE STARTS PER EVENT	8.4	8.3	8.5	8.2	8.2
AVERAGE HANDLE PER START	116,792	116,473	117,780	125,025	139,526

DEL MAR THOROUGHBRED CLUB



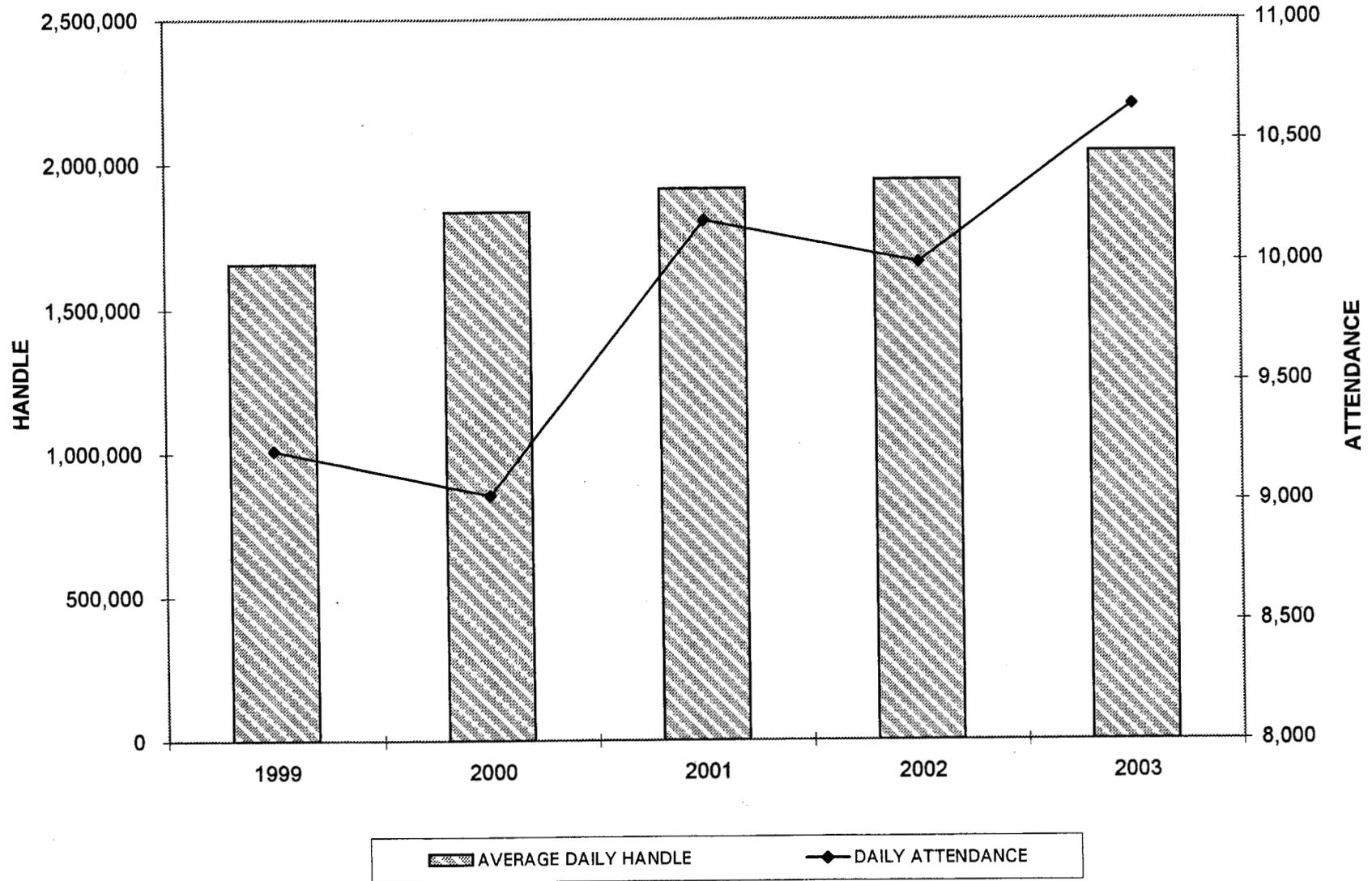
CALIFORNIA EXPOSITION & STATE FAIR

YEAR	1999	2000	2001	2002	2003
TOTAL RACE DAYS	12	12	12	12	11
TOTAL HANDLE	19,892,296	22,027,636	22,977,408	23,311,794	22,443,696
ON-TRACK	3,685,659	3,462,383	3,953,458	3,578,627	3,461,701
OFF-TRACK	12,487,825	12,944,674	13,737,470	13,515,160	12,240,426
INTERSTATE	3,718,813	5,620,579	5,286,480	4,796,266	4,948,061
ADW	0	0	0	1,421,741	1,793,508
LIVE	11,263,830	13,053,984	13,256,788	13,482,232	13,101,841
INTRASTATE IMPORTED	5,584,263	5,343,275	5,694,268	5,483,105	4,775,143
INTERSTATE IMPORTED	3,044,203	3,594,213	4,026,352	4,346,457	4,566,712
INTERNATIONAL IMPORTED	0	36,163	0	0	0
AVERAGE DAILY HANDLE	1,657,691	1,835,636	1,914,784	1,942,649	2,040,336
ON-TRACK	307,138	288,532	329,455	298,219	314,700
OFF-TRACK	1,040,652	1,078,723	1,144,789	1,126,263	1,112,766
INTERSTATE	309,901	468,382	440,540	399,689	449,824
AVERAGE ADW	0	0	0	118,478	163,046
AVERAGE LIVE	938,652	1,087,832	1,104,732	1,123,519	1,191,076
INTRASTATE IMPORTED	465,355	445,273	474,522	456,925	434,104
INTERSTATE IMPORTED	253,684	299,518	335,529	362,205	415,156
INTERNATIONAL IMPORTED	0	3,014	0	0	0
COMMINGLED TAKEOUT	3,992,443	4,448,810	4,627,217	4,409,780	4,177,602
ADW TAKEOUT	0	0	0	255,186	344,461
TOTAL TAKEOUT	3,992,443	4,448,810	4,627,217	4,664,966	4,522,063
EFFECTIVE TAKEOUT	20.07%	20.20%	20.14%	20.01%	20.15%
STATE LICENSE FEES	246,911	252,622	270,607	256,867	234,780
STATE %	1.24%	1.15%	1.18%	1.10%	1.05%
TRACK COMMISSIONS	822,259	852,165	903,094	865,032	790,764
ADW COMMISSIONS	0	0	0	64,405	81,947
TOTAL COMMISSIONS	822,259	852,165	903,094	929,437	872,711
TRACK %	4.13%	3.87%	3.93%	3.99%	3.89%
HORSEMEN'S PURSES	830,756	859,102	911,566	872,477	798,522
ADW PURSES	0	0	0	66,822	81,258
TOTAL PURSES	830,756	859,102	911,566	939,299	879,780
HORSEMEN'S %	4.18%	3.90%	3.97%	4.03%	3.92%

CALIFORNIA EXPOSITION & STATE FAIR

YEAR	1999	2000	2001	2002	2003
CALIFORNIA ATTENDANCE	110,529	108,294	122,005	119,930	117,101
ON-TRACK	53,445	54,991	69,322	69,701	70,263
OFF-TRACK	57,084	53,303	52,683	50,229	46,838
DAILY ATTENDANCE	9,211	9,025	10,167	9,994	10,646
AVERAGE DAILY ON - TRACK	4,454	4,583	5,777	5,808	6,388
AVERAGE DAILY OFF - TRACK	4,757	4,442	4,390	4,186	4,258
TOTAL RACE EVENTS	134	132	131	132	122
STARTS	1,023	965	1,042	999	943
AVERAGE STARTS PER EVENT	7.6	7.3	8.0	7.6	7.7
AVERAGE HANDLE PER START	11,011	13,527	12,722	13,496	13,894

CALIFORNIA STATE FAIR & EXPOSITION



LOS ANGELES COUNTY FAIR

<u>YEAR</u>	1999	2000	2001	2002	2003
TOTAL RACE DAYS	18	18	17	17	17
TOTAL HANDLE	\$94,596,081	\$96,442,147	\$95,186,637	\$92,828,630	\$99,915,178
ON-TRACK	12,962,862	12,834,187	12,444,542	11,239,788	11,253,410
OFF-TRACK	45,468,972	46,523,475	44,243,195	42,161,572	43,861,731
INTERSTATE	36,164,247	37,084,485	38,498,900	33,527,741	36,634,196
ADW				5,899,529	8,165,841
LIVE	72,391,696	71,979,575	71,789,447	68,908,826	75,287,217
INTRASTATE IMPORTED	10,351,999	11,207,430	10,528,149	8,994,784	9,219,108
INTERSTATE IMPORTED	11,696,458	13,152,834	12,754,737	14,697,399	15,408,853
INTERNATIONAL IMPORTED	155,928	102,308	114,304	227,620	0
AVERAGE DAILY HANDLE	5,255,338	5,357,897	5,599,214	5,460,508	5,877,363
ON-TRACK	720,159	713,010	732,032	661,164	661,965
OFF-TRACK	2,526,054	2,584,637	2,602,541	2,480,092	2,580,102
INTERSTATE	2,009,125	2,060,249	2,264,641	1,972,220	2,154,953
AVE. ADW				347,031	480,344
AVERAGE CALIFORNIA HANDLE	3,246,213	3,297,648	3,334,573	3,141,256	3,242,067
AVERAGE LIVE	4,030,424	4,004,549	4,229,632	4,066,850	4,428,660
INTRASTATE IMPORTED	575,111	622,635	619,303	529,105	542,300
INTERSTATE IMPORTED	649,803	730,713	750,279	864,553	906,403
INTERNATIONAL IMPORTED	8,663	5,684	6,724	13,389	0
COMMINGLED TAKEOUT	19,222,247	19,573,299	19,407,579	17,675,454	18,504,823
ADW TAKEOUT	0	0	0	1,078,388	1,378,547
TOTAL TAKEOUT	19,222,247	19,573,299	19,407,579	18,753,842	19,883,369
EFFECTIVE TAKEOUT	20.32%	20.30%	20.39%	20.20%	19.90%
STATE LICENSE FEES	1,079,114	1,081,421	1,036,828	948,852	991,746
STATE %	1.14%	1.12%	1.09%	1.02%	0.99%
TRACK COMMISSIONS	3,277,261	3,329,746	3,236,292	2,918,445	2,903,231
ADW COMMISSIONS	-	-	-	271,456	369,531
TOTAL COMMISSIONS	3,277,261	3,329,746	3,236,292	3,189,901	3,272,762
TRACK %	3.46%	3.45%	3.40%	3.44%	3.28%
HORSEMEN'S PURSES	3,323,341	3,372,315	3,278,475	2,954,357	2,938,180
ADW PURSES	-	-	-	275,711	374,640
TOTAL PURSES	3,323,341	3,372,315	3,278,475	3,230,068	3,312,820
HORSEMEN'S %	3.51%	3.50%	3.44%	3.48%	3.32%

LOS ANGELES COUNTY FAIR

<u>YEAR</u>	1999	2000	2001	2002	2003
CAIFORNIA ATTENDANCE	317,337	276,801	280,647	265,963	258,527
ON-TRACK	149,283	123,599	125,457	118,199	114,648
OFF-TRACK	168,054	153,202	155,190	147,764	143,879
DAILY ATTENDANCE	17,630	15,378	16,509	15,645	15,207
AVERAGE DAILY ON - TRACK	8,294	6,867	7,380	6,953	6,744
AVERAGE DAILY OFF - TRACK	9,336	8,511	9,129	8,692	8,463
TOTAL RACE EVENTS	217	214	196	194	197
STARTS	1,673	1,629	1,498	1,416	1,549
AVERAGE STARTS PER EVENT	7.7	7.6	7.6	7.3	7.9
AVERAGE HANDLE PER START	43,271	44,186	47,924	48,664	48,604

LOS ANGELES COUNTY FAIR

