

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, Wednesday September 15, 2004, commencing at 9:30 a.m., at the Hinds Pavilion (Barrett's), Fairplex Park (enter White Avenue, Gate 12), Pomona, California.

AGENDA

Action Items

1. Discussion and action by the Board on the approval of the **minutes of the regular meeting of July 22, 2004.**
2. Discussion and action by the Board on the **Application for License to Conduct a Horse Racing Meeting of the Pacific Racing Association (T), from November 10, 2004, through January 30, 2005, inclusive.**
3. Discussion and action by the Board on the **Application for License to Conduct a Horse Racing Meeting of the Churchill Downs California Fall Operating Company (T), from November 3 through December 20, 2004, inclusive.**
4. Discussion and action by the Board on the approval of the **Race Dates calendar for 2005 for Central and Southern Thoroughbred meets and Fair.**
5. Discussion and action by the Board for the 45-day notice on the **proposed regulatory addition of CHRB Rule 1843.6 – Total Carbon Dioxide Testing.**
6. Report by representatives of the California Animal Health and Food Safety Laboratory on the **Postmortem Program.**
7. Discussion and action by the Board on the **request of XpressBet to amend their ADW application to allow for the operation of the new Simplified Wagering Machines** that will commence operation at Golden Gate Fields on November 10, 2004.
8. Discussion and action by the Board on the **request of the California Thoroughbred Horsemen's Foundation, Inc., to approve four persons to its Board of Directors pursuant to CHRB Rule 2049.**

9. Presentation by the San Mateo County Fair of their **intention to file an application for license to conduct satellite wagering** pursuant to Business and Professions Code section 19605.45.
10. Discussion and action by the Board on the **request by Capitol Racing, LLC, concerning the location and availability of the harness satellite signal at the Los Alamitos.**
11. Staff report on the following concluded race meetings:
 - A. **Sonoma County Fair** at Santa Rosa from July 28 through August 9, 2004.
 - B. **San Mateo County Fair** at Bay Meadows from August 11 through August 23, 2004.
 - C. **Humboldt County Fair** at Ferndale from August 12 through August 22, 2004.
 - D. **Capitol Racing, LLC**, at Cal Expo from March 5 through July 31.

Committee Reports

12. Report of the **Ad Hoc Security Committee**
Vice Chairman Roger Licht, Chairman
Commissioner William Bianco, Member

Other Business

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

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

CALIFORNIA HORSE RACING BOARD

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

Date : September 3, 2004

To : **California Horse Racing Board**
John C. Harris, Chairman
Roger H. Licht, Vice Chairman
William A. Bianco, Member
Sheryl L. Granzella, Member
Marie G. Moretti, Member
Jerry Moss, 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:

NAKATANI, Cory
SAC 04-018
Appellant

Appeal from Board of Stewards Ruling
69, Los Angeles Turf Club, dated
March 11, 2004.

BAZE, Tyler
SAC 04-048
Appellant

Appeal from Board of Stewards Ruling
9, Del Mar Thoroughbred Club, dated
July 29, 2004.

1010 Hurley Way, Suite 300, Sacramento, CA 95825

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

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



PENDING LITIGATION
SEPTEMBER 2004

CASE

CASE NUMBER

MARTIN, JOHN v.
California Horse Racing Board

Sacramento County Superior Court
No. 98CS00952

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

Hayward Superior Court
No. VG03079504

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

Sacramento County Superior Court
No. 03CS01033

PROCEEDINGS of the Regular Meeting of the **California Horse Racing Board** held at the **Del Mar Satellite Wagering Facility**, 2260 Jimmy Durante Boulevard, Del Mar, California, on **July 22, 2004**.

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

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE BAY MEADOWS OPERATING COMPANY (T), FROM SEPTEMBER 3 THROUGH NOVEMBER 7, 2004, INCLUSIVE.

Roy Minami, CHRB staff, said Bay Meadows Operating Company (BMOC) proposed to run 49 days, one day less than in 2003, for a total of 421 races. Mr. Minami stated the first post time would be 1:45 p.m. during the Del Mar overlap and 1:15 p.m. during the Fairplex overlap. The horsemen's agreement, fire clearance and post times of the Breeders' Cup Day were missing from the application. Mr. Minami said staff recommended approval of the application conditioned on receipt of any missing items noted in the analysis. Chairman Harris said the Board had a financial statement from Magna Entertainment Corporation (MEC) but it did not have one from BMOC. He stated the insurance certificate also stated MEC was the insured party, but there was nothing stating BMOC was covered. Peter Tunney of BMOC said the fire clearance would be available within the week. BMOC was named an additional insured and was no longer under the umbrella of MEC. Mr. Tunney said BMOC would comply with any requests for financial statements. Drew Couto of Thoroughbred Owners of California (TOC) said he believed the horsemen's agreement was ready for signature.

Chairman Harris said he understood the purses at BMOC and Golden Gate Fields (GGF) were pooled. He asked how MEC would handle the purses when it no longer ran GGF. Mr. Couto said the common pooling of purses would continue while the meetings were run under MEC. Once two operating companies ran the meetings, the parties would try to balance the purses based on the allocation of dates. Chairman Harris asked if there was an underpayment or overpayment that would affect the BMOC fall meeting. Mr. Tunney said there would be an overpayment going into the fall meeting. He stated there would be some adjustments to the fall stakes and overnight stakes; however, the allocation of future dates should equalize the differences. Commissioner Moretti **motioned** to approve the application for license to conduct a horse racing meeting of BMOC. Commissioner Sperry **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF THE LOS ANGELES COUNTY FAIR (F), FROM SEPTEMBER 10 THROUGH SEPTEMBER 26, 2004, INCLUSIVE.

Roy Minami, CHRB staff, said Los Angeles County Fair (LACF) proposed to run 17 days for a total of 210 races, 13 more than in 2003. The first post time would be 12:30 p.m. Monday through Friday and 12:00 noon Saturday and Sunday. Mr. Minami said staff recommended approval of the application conditioned on the receipt of any missing items noted in the analysis. Commissioner Sperry **motioned** to approve the application for license to conduct a horse racing meeting of LACF. Commissioner Moretti **seconded** the motion, which was **unanimously carried**.

DISCUSSION AND ACTION BY THE BOARD ON THE RECONSIDERATION OF THE LICENSE OF CAPITOL RACING, LLC.

John Reagan, CHRB staff, said at the June 3, 2004, Regular Board Meeting, the Capitol Racing, LLC (CR) application for license to conduct a horse racing meeting was approved conditioned on the receipt of additional information. Mr. Reagan said the two items of most importance were the financial statements and a review of the purse account. He stated staff and the CR controller were examining the purse accounts. The accounts were in excellent condition and were in factual agreement with outside sources such as bank statements. However, the purse accounts did reflect an overpayment of two and a half million dollars, which ultimately would have to be settled. Mr. Reagan said staff received a reviewed financial statement. CR agreed to provide an audited financial statement, but had indicated such a document would take some time to compile. Chairman Harris said he was more concerned with the quality of CR's assets versus the purse account and loans to horsemen. If the assets were removed, the net worth of the operating company was thin. Mr. Reagan stated in the years he worked with CR there was never a financial problem, or complaints about unpaid bills. However, the audited statement might show differences in the final product. Steve Bieri of CR said the Board wanted a full audit of CR, and one would be provided. Chairman Harris asked if the amounts owed Los Alamitos (LA) were reflected in the materials provided to staff. Mr. Bieri said the \$500,000 cash payment to LA was reflected in the current materials. Other financial transactions concerning LA were made after December 31, 2003, and would be picked up in the 2004 statements. Executive Director Roy C. Wood asked if the reviewed financial statement indicated a contingent liability for the amount of money in litigation with LA. James Shaw, certified public accountant for CR, said the liability and the amount of the

potential liability were disclosed in a footnote. He stated the amount disclosed was 3.5 million dollars. Chairman Harris said CR could be undercapitalized if the liabilities had to be paid. How would CR guarantee its commitments if it lost the litigation? Mr. Bieri stated he had the ability to pay the liability if the amounts of money exceeded the escrow account held by the Board. Dan Schiffer of Pacific Coast Quarter Horse Racing Association (PCQHRA) said under California law a personal guarantee must be in writing to be enforceable. He stated Mr. Bieri should provide such a document. Mr. Schiffer said PCQHRA requested that CR's bond be increased to 3.5 million dollars. Additionally, all monies received from the harness simulcast to LA should be paid to the escrow account overseen by the Board. PCQHRA also requested that CR be barred from receiving capitol distributions without Board approval, and that the management of CR sign personal guaranties to all indebtedness to LA. Finally, within 30-days, CR should submit to the Board a plan to eliminate the overpayment of purses to its horsemen. Chairman Harris said the horsemen would receive purse monies if LA prevailed in the litigation. Mr. Schiffer said the horsemen would receive half the impact fee that was in controversy. The total amount of money at issue was 3.5 million dollars. The money continued to accrue as the issues were being decided in court. The Board in an escrow account held half of the money at issue, while CR received the remainder. Vice-Chairman Licht asked if PCQHRA would not be better served by obtaining a prejudgment attachment instead of asking the Board for action. Mr. Schiffer said that was an action LA would have to take, as it was the payee; PCQHRA was a subpayee. Rod Blonien, representing LA, stated LA previously asked the Board for such relief. He said LA was concerned with CR's loans to horsemen and overpayment of purses. The payments to horsemen were on CR's balance

sheets for the past three years with no indication that payments had been made, so there were no notes to evidence the debts. Mr. Blonien said CR's lease would expire within 12 months. CR was a limited liability company, which currently did not have assets available to satisfy the order of the Board if it was upheld by the courts. Mr. Blonien stated Mr. Bierie's intention to pay the debt was admirable, but it needed to be formalized. He added CR obtained an option to purchase an interest in a New York racetrack. LA questioned whether CR intended to stay in California. All LA wanted was to be protected. Mr. Blonien suggested the parties be given an opportunity to determine what could be done to make sure everyone was made whole. Mr. Bieri said the reason CR had an overpayment was that LA was withholding horsemen's funds. CR made overpayments because it was responsible to the horsemen and wanted to build the industry. Mr. Bieri said an agreement was made and all the parties needed to live by it. Chairman Harris said he sympathized with CR's dilemma, and was aware it had maintained horse racing at Cal-Expo. However, the Board had a duty to ensure operating companies were financially stable. CR's financial statement indicated a potential for essentially no net worth without an infusion of additional capital. Chairman Harris stated he would like to see a guarantee that would ensure CR's financial stability going forward. Mr. Bieri said CR would stand by the agreement between the parties and the audit requested by the Board. David Neumeister of California Harness Horsemen's Association (CHHA) said the harness horsemen needed to know if CR would open on September 24, 2004. The current meeting would soon end and any delay in approving CR's application would be a source of stress and anxiety. Chairman Harris stated CR's license was conditionally approved at the June 2004 meeting. He said the conditions were subsequently met, and that was why the Board was revisiting the item.

If the Board were to consider revoking CR's license it would be a separate issue. Executive Director Wood asked if CR had a timeframe in which an audited financial statement would be available to the Board. Mr. Bieri said CR needed to retain the services of an independent auditor. He stated it would be unrealistic to claim an audit would be available within two months, but an audit firm would be engaged within a short period of time.

REPORT BY REPRESENTATIVES OF THE TOC AND CTT ON THE IMPACT ON THE HORSE RACING INDUSTRY, OF THE WORKERS COMPENSATION INSURANCE SUBSIDY (AB 701) FOR OWNERS AND TRAINERS.

Drew Couto of Thoroughbred Owners of California (TOC) said two organizations were created to address the worker's compensation issue. The first organization was created by TOC and California Thoroughbred Trainers (CTT) to help reduce premiums by monitoring programs, conducting periodic premium audits and creating safety programs for backstretch workers. The program would also review all claims and conduct case follow-ups to ensure cases were closed in a timely manner and costs were kept down. The second organization was named "California Thoroughbred Business League" (CTBL). The CTBL administered the AB 701 funds. Mr. Couto said the funds would be used in three ways: they would be paid as a subsidy directly to the insurer to supplement the trainers' payments; the money would also be used to pay a starter fee to every thoroughbred that started in a thoroughbred race in California; and the third component was a jockey race subsidy. Mr. Couto said the thoroughbred starter fee for every horse that finished fifth or lower in a race would be \$400 in southern California, \$300 in the north and \$175 at the fairs. If a fair ran an overlap they received the same as a major meeting. The Jockey subsidy rate paid \$50 per start, which

would bring the jockey's insurance rate of \$116 per start down to \$66 per start. Mr. Couto stated all the dollar amounts he quoted were base rates. The numbers would be affected by the trainer's premium and the individual trainer's experience modifications. The more accidents a trainer had, the higher their rates. Mr. Couto added the policy began July 1, 2004. Vice-Chairman Licht asked if TOC was going to look at the impact of the increased take out on the handle. Mr. Couto said TOC would look at the handle. He added the overall handle at Del Mar was up despite lower on-track attendance. Vice-Chairman Licht asked if TOC was aware of trainers lowering their rates to pass savings on to owners. Mr. Couto said TOC was not involved in monitoring trainers. TCO was, however, advising owners to discuss savings with their trainers. If owners were not seeing reductions, they should determine why. Mr. Couto added rate reductions did not go into effect until July 1, 2004, so it was a little early for owners to see changes in their bills. He stated TOC was learning as it went. It was identifying problem areas in the program and would continue to improve. Vice-Chairman Licht asked what the benefit on a daily basis would be per horse. Mr. Couto said if the funds were divided amongst all the horses in training in California, the savings would be approximately \$3 per day, per horse. Ed Halpern of CTT said one should take a broader view of the program. The overall effect was to keep horses in California and to bring other trainers back. He stated he was already seeing changes on the backstretch and he had received inquiries from owners in Kentucky and the east coast. Chairman Harris asked what percentage of trainers was with American Insurance Group (AIG) versus State Fund. Mr. Halpern said there were currently 365 trainers insured with AIG representing a total premium of 11.6 million dollars. Trainers insured by State Fund were required to register with the program in

advance to receive a subsidy. There were currently 65 trainers insured by State Fund in the program. Mr. Halpern said the CTBL sent letters to every trainer and advertised in The Daily Racing Form to inform trainers of the need to register with the program. Chairman Harris asked if other breeds had their own program. Mr. Halpern said the program was only for thoroughbreds as thoroughbred racing generated the funding. Mr. Couto commented no matter where a trainer was insured they could participate in the program if they ran thoroughbreds. Under the State legislation there was a mechanism set up for other breeds. He added, however, he could not comment on what other breeds decided.

REPORT BY A REPRESENTATIVE OF A NEWLY FORMED SACRAMENTO HARNESS BENEVOLENT ASSOCIATION.

Ralph Scurfield of the Sacramento Harness Association (SHA), a not for profit organization, said SHA was formed in response to problems associated with the Sacramento harness meet. He stated the backstretch at Cal-Expo was in need of improvements, and there were legal problems involving impact fees and the environment. In addition, there were overpayments of purses and cut purses. Mr. Scurfield said the SHA was organized as a not for profit entity with a board of directors that had expertise in areas of racing, governmental oversight and community leadership. The SHA appeared before the Cal-Expo board and requested to compete for the selection of the harness-meeting operator when the present contract expired in September 2005. Cal-Expo agreed on a competitive approach and was preparing a Request For Quote. Mr. Scurfield stated SHA intended to operate on the model of Del Mar and use its entire profit for facility improvement, purse increases and other community activities that would contribute to the overall benefit of Cal-Expo harness racing. Commissioner Moretti

asked if SHA was interested in operating a year-round harness meeting. Mr. Scurfield said SHA would act in accordance with the wishes of Cal-Expo and the harness horsemen.

**REPORT ON THE PROCESS AND STATUS ON THE REGULATORY AMENDMENT FOR
JOCKEY WEIGHT ALLOWANCES.**

Roy Minami, CHRB staff, said at the June 2004 Regular Board Meeting staff was directed to initiate a 45-day public comment period on a proposal to amend Rule 1615, Scale of Weights For Age. Mr. Minami stated the notice was published on July 2, 2004. The 45-day public comment period would end August 16, 2004. He said no comments had been received. At the August 2004 Regular Board Meeting the proposed amendment could be adopted. If the amendment was adopted it would be delivered to the Office of Administrative Law (OAL) by September 8, 2004, for review. OAL would have 30-working days to review the file. If approved, the file would be submitted to the Secretary of State and would become effective within 30 days, or approximately November 19, 2004. Chairman Harris asked if the Board could incorporate changes to the regulation based on any comments. Mr. Minami said if the changes were not material, the projected time frame would hold. If the changes were substantial, the process would begin again with a new 45-day public comment period. Drew Couto of Thoroughbred Owners of California (TOC) said his organization was not opposed to a reasonable increase in jockey weights; however, it would like the increase to be implemented in a way that did not put California at a disadvantage. Mr. Couto said TOC and other industry representatives met with the Jockeys' Guild (Guild) to discuss the issue. He stated the industry consensus was that a national plan was the best solution. An August 2004 meeting of industry representatives, Magna Entertainment Corporation (MEC), Churchill Downs, Inc. (CD) and

New York Racing Authority (NYRA) was planned. The purpose of the meeting was to see if there were an alternative that could be implemented by the four jurisdictions simultaneously, which would provide relief for riders. Chairman Harris said it would be difficult to achieve a quick national consensus. He stated California could take the lead, but if there were issues they needed to be aired. Chris McCarron of Los Angeles Turf Club said he had talked to NYRA and a representative of CD. A conference call between the parties was being scheduled. Mr. McCarron said MEC believed the scale of weights should be changed, but on a national scale. He stated the parties believed significant national progress could be achieved by January 2005. Commissioner Moretti asked if other jurisdictions had raised weights, or were they waiting to see what California did? Mr. McCarron said he did not believe other jurisdictions were waiting for California to act. He stated, however, he believed they were willing to move in a cooperative fashion. Albert Fiss of the Guild said his organization had difficulty with the concept of a national policy. He stated that whenever the industry tried to do something on a national level, and on a non-regulatory basis, it never achieved its goals. Mr. Fiss said it took ten years to arrive at a commonality of the color of saddlecloths. He stated the jockeys could not wait ten years for a 5 percent increase in body fat. Mr. Fiss said the Guild had received many positive comments regarding its proposals. The Board should not bend to the pressure of a few trainers and owners, and should go forward with the proposal. Vice-Chairman Licht asked if the Guild would be satisfied with a rule that only addressed the 5 percent body fat requirement. Mr. Fiss said he did not believe that would work. The weight of the equipment needed to be separated. Improvements in safety equipment could not be addressed because they affected weight, so the equipment needed to be separate from the

weight of the jockey. Ed Halpern of California Thoroughbred Trainers (CTT) said his organization supported the concept of a national policy. He stated CTT had not commented on the proposal as it had commissioned a review of scientific literature regarding weight and horses. Chris McCarron reiterated MEC's support for a national policy. He said if California unilaterally raised the scale of weights it could have a serious impact on field size. Mr. McCarron said if one wanted look at the effects of more weight on horses, one could look at past performances. As recently as 1984 horses carried 130 pounds. In steeplechase racing horses routinely carried 160 pounds over two and a half miles of jumps. Such horses raced until they were 10 and 11 years old. Mr. McCarron said one could look at as many scientific studies as one wished, but the facts were that horses were capable of sustaining an increase in the scale of weights.

REPORT AND UPDATE BY THE CHRB EQUINE MEDICAL DIRECTOR ON WEST NILE VIRUS.

Dr. Ron Jensen, CHRB Equine Medical Director, said West Nile Virus activity was being detected in California in birds, horses and humans. He stated the activity was primarily in southern California; however, activity was recently reported in several northern California counties as well as Carson City, Nevada. Dr. Jensen reviewed State and national statistics regarding the number of cases reported in equine and human populations. He stated he would not be surprised if a case was reported at a racetrack, as although the vaccination coverage was excellent, it was probably not 100 percent. Chairman Harris asked if there was any information regarding what a person should do if they found a dead bird at a racetrack. Dr. Jensen said such persons should contact the county vector control. Craig Fravel of Del Mar

said his maintenance department was meeting with San Diego Health Department (SDHD) and vector control to discuss the situation. In addition, the SDHD had increased its spraying and monitoring to weekly visits versus twice a year.

REPORT AND UPDATE BY THE CHRB EQUINE MEDICAL DIRECTOR ON VESICULAR STOMATITIS.

Dr. Ron Jensen, CHRB Equine Medical Director, said Vesicular Stomatitis (VS) was a disease that affected cattle, horses and swine. Symptoms of VS were blisters around the mouth and the tongue. Although symptoms were usually mild, effected animals could go lame. Dr. Jensen said transmission had never been satisfactorily defined, except by sharing common feed tubs and water buckets. There was no specific treatment or vaccine for VS. Dr. Jensen reviewed the known outbreaks of VS. He commented the disease could have an effect on the 2004 Breeders' Cup because horses returning from affected states, such as Texas, were subject to certain requirements. The California Department of Food and Agriculture required that horses returning from affected states have a statement on their certificate that the animals did not originate from a VS area and they were inspected and free from symptoms. Additionally, the CHRB required all horses originating in affected states have a negative test for VS. That would also include a horse traveling from California to Texas and back.

DISCUSSION AND ACTION BY THE BOARD ON THE REQUEST OF THE OAK TREE CHARITABLE FOUNDATION TO DISTRIBUTE \$85,500 IN CHARITY RACING PROCEEDS TO 27 BENEFICIARIES.

John Reagan, CHRB staff, said the Oak Tree Charitable Foundation (OTCF) request to distribute \$85,500 in charity racing proceeds was in order and staff recommended approval. Vice-Chairman Licht asked if there was a reason for the ratio of horse related charities versus human related charities. Sherwood Chillingworth of OTCF said there were three venues of giving: the Oak Tree Racing Association, the OTCF and charity race days. He stated 87 percent of the charity proceeds were distributed to horse racing related charities. Some of the largest beneficiaries were UC Davis, and the Grayson and Winners foundations. Mr. Chillingworth commented a lot of recent publicity regarding the plight of retired race horses put pressure on the charitable organizations, however, the majority of the funds went to human related organizations. Chairman Harris commented it might be helpful if Oak Tree were to provide a comprehensive list of its charitable contributions so the public would have a better understanding. Vice-Chairman Licht **motioned** to approve the request of OTCF to distribute \$85,500 in charity racing proceeds to 27 beneficiaries. Commissioner Moretti **seconded** the motion, which was **unanimously carried**.

STAFF REPORT ON THE FOLLOWING CONCLUDED RACE MEETINGS:

A. SAN JOAQUIN FAIR AT STOCKTON FROM JUNE 16 THROUGH JUNE 27, 2004.

John Reagan, CHRB staff, said the San Joaquin Fair at Stockton was the first fair meeting of the summer. He stated the on-track and simulcast handle were down a little, while advance deposit wagering saw a 20 percent increase.

REPORT OF THE RACE DATES COMMITTEE

Commissioner Granzella said the Race Dates Committee met on July 1, 2004 to discuss the 2005 racing calendar. The committee discussed the northern thoroughbred and fair schedule. Representatives of Bay Meadows, Golden Gate Fields and Thoroughbred Owners of California reported they were working on a revised schedule for northern daytime racing and would forward the new compromise as soon as possible. Commissioner Granzella said California Authority of Racing Fairs agreed to delay further discussion until the next committee meeting. The committee then discussed the southern thoroughbred and fair schedule; however, it was advised the southern industry was also working on a possible revision of prior dates. The committee agreed to allow more time for the parties to work out the details. Commissioner Granzella said the committee then heard from the harness industry, and received competing requests. No input was given for the quarter horse industry. Since the July 2004 meeting, the committee received further information from the northern and southern thoroughbred groups. That information, as well as the committee proposals for the 2005 racing calendar would be provided at the July 23, 2004, committee meeting. Commissioner Granzella said the committee anticipated it would present a completed proposal for the 2005 racing calendar at the August 2004 Regular Board Meeting.

MEETING ADJOURNED AT 12:23 P.M.

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

Chairman

Executive Director

STAFF ANALYSIS
September 15, 2004

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF PACIFIC RACING ASSOCIATION AT GOLDEN GATE FIELDS NOVEMBER 10, 2004 THROUGH JANUARY 30, 2005.

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

- November 10 through January 30, 2005, or 58 days. The association proposes to race a total of 499 races, or 8.6 per day.

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	

January - 2005						
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 H	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

- Racing 5 days per week, Wednesday through Sunday, with 8 races weekdays and 9 or 10 weekends, holidays and dates of special interest.
 - Option to request administrative approval to conduct more than an average of 8.6 races each day if the horse population permits additional racing.
 - Racing December 20, 27 and January 17.
 - No racing December 22, 23, 24, 25 and January 19.
- First post 12:45 p.m. daily.
 - Request the option to change post times to coordinate north/south signals.
 - 11:00 a.m. Thanksgiving, Thursday, November 25.
- Specific changes from the 2003 license application:
 - Carrie Fawcett replaces Brad Caylor as stable area superintendent.
- Request Patrick Kealy be appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety requirements have been fulfilled.
- Wagering program will use all CHRB rules.
 - Early wagering will not be offered.
- Simulcasting conducted with out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- Inspection of backstretch worker housing completed.

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

1. Horsemen's agreement and stakes schedule.
2. Fire clearance for Albany and Berkeley.
3. Name of the racing secretary.

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 horseracing meeting in accordance with the California Business and Professions (B&P) Code, Chapter 4, Division 8, Horse Racing Law, and the California Code of Regulations, Title 4, Division 4, CHRB Rules and Regulations.

1. APPLICANT ASSOCIATION

- A. Name, mailing address, telephone and fax numbers of association:
Pacific Racing Association
1100 Eastshore Highway, Albany, CA 94710
Phone (510) 559-7300
Administration Fax (510) 559-7464
- B. Breed of horse: TB QH H
- C. Racetrack name: Golden Gate Fields
- D. Attach a certified check payable to the Treasurer of the State of California in the amount of \$10,000 as deposit for license fees pursuant to B&P Code Section 19490.

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

2. DATES OF MEETING

- A. Inclusive dates for the entire meeting: November 10, 2004 through January 30, 2005
- B. Actual dates racing will be held: November 10-14, 17-21, 24-28; December 1-5, 8-12, 15-19, 20, 26, 27, 29-31; January 1-2, 5-9, 12-16, 17, 20-23, 26-30.
- C. Total number of days or nights of racing: 58
- D. Days or nights of the week races will be held:
 Wed - Sun Tues - Sat Other (specify)
Racing Monday December 20, dark Wednesday December 22, dark Thursday December 23, dark Friday December 24, dark Saturday December 25, 2004, racing Monday, December 27, racing January 17, 2005, dark Wednesday, January 19.
- E. Number of days or nights of racing per week: 5 except as set forth in Item D above.

3. RACING PROGRAM

- A. Total number of races: 499

CHRB CERTIFICATION	
Application received: <i>8/6/04 VP</i>	Hearing date: <i>9/15/04</i>
Deposit received: <i>on file</i>	Approved date:
Reviewed: <i>PN</i>	License number:

B. Number of races for each day or night: 8.6 will be the average throughout the meet; we propose to conduct 8 races on weekdays, 9 or 10 on weekends, holidays and dates of special interest. We will request administrative approval to conduct more than an average of 8.6 races per day if the horse population permits additional racing.

C. Total number of stakes races: To Be Determined

D. Attach a listing of all stakes races and indicate the date to be run and the added money or guaranteed purse for each. Note the races that are designated for California-bred horses.
 Stakes to be determined. We will provide a copy to the Board upon completion.

E. Will provisions be made for owners and trainers to use their own registered colors?
 Yes No If no, what racing colors are to be used:

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

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

Request the option to change post time schedules due to Hollywood Park and Los Angeles Turf Club post times in order to coordinate North/South signals.

* Post time on Thanksgiving Day, Thursday, November 25, 2004 will be 11:00 a.m.

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

4. RACING ASSOCIATION

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

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

C. CORPORATION

1. Registered name of the corporation: Pacific Racing Association
2. State where incorporated: California

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

D. LLC

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

E. OTHER

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

F. Management and Staff

1. Name and title of the managing officer and/or general manager of the association and the name and title of all department managers and staff, other than those listed in 10B, who will be listed in the official program:
 - Frank Stronach, Chairman and Director
 - Jim McAlpine, Chief Executive Officer and Director
 - Don Amos, Chief Operating Officer
 - Blake Tohana, Executive Vice President and Chief Financial Officer
 - Gary Cohn, Secretary
 - Peter W. Tunney, Vice President and General Manager
 - Calvin Rainey, Vice-President
 - Frank J. DeMarco, Jr., Assistant Secretary
 - Tony Calo, Track Announcer
 - T.W. Johnson, Director of Security
 - Bill Newell, Director of Food and Beverage
 - Adam Njaa, Controller
 - Bryan Wayte, Manager of Mutuels

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:
 - Peter W. Tunney, Vice President and General Manager

5. PURSE PROGRAM

- A. Estimated purse distribution:
 1. All races other than stakes: \$7,745,000.00
 2. Overnight stakes: \$385,000.00
 3. Non-overnight stakes: \$505,000.00

- B. Stakes Races:
 1. Estimated purse distribution for all stakes races: \$890,000.00
 2. Percentage of the estimated purse distribution for all stakes races that will be distributed for California-bred stakes races: 10%

- C. Estimated funds to be generated for all California-bred incentive awards: \$800,000.00

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

Recognized Horsemen's Organization	Estimated Payment
Thoroughbred Owners of California (NTRA Contribution)	\$157,820.00
Thoroughbred Owners of California	\$ 90,183.00
California Thoroughbred Trainers (Administration)	\$ 45,091.00
California Thoroughbred Trainers (Pension)	\$ 90,183.00
TOTAL	\$383,277.00

- E. Total estimated amount from all sources to be distributed at the meeting in the form of purses or other benefits to horsemen: \$9,818,277.00

- F. Estimated purse funds to be generated from on-track handle and intrastate off-track handle:
 - \$7,259,768.00

- G. Estimated purse funds to be generated from interstate handle: \$1,758,509.00
- H. Bank or depository for the Paymaster of Purses' purse account and the account number:
Wells Fargo Bank - Account #4496895475
- I. Name, address and telephone number of the pari-mutuel audit firm engaged for the meeting:
Bowen McBeth, Inc., 10722 Arrow Route, Suite 110, Rancho Cucamonga, 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: 1325
- B. Minimum number of stalls believed necessary for the meeting: 2000
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: 750
- D. Name or location of each off-site stabling area and the number of stalls to be maintained at each site:
Bay Meadows Race Track - 750
- E. Attach each contract or agreement between the association and the person(s) furnishing off-site stabling accommodations for eligible racehorses which cannot be provided stabling on-site.

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

- F. Total number of usable stalls made available on-site for the **1986** meeting: 1405
- G. Estimated cost to provide off-site stalls for this meeting: Stabling \$510,000.00
- H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse: \$88,500.00 (\$115.00 per horse) Estimated Starter Fees - \$93,000.00
- I. Estimated cost for off-site stabling and vanning for this meeting. Show cost per-day per-stall:
\$598,500.00 (Stabling Costs per day = \$13.75 per stall)

7. PARI-MUTUEL WAGERING PROGRAM

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

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

	TYPE OF WAGERS	APPLICABLE RULES
Example Race:	\$1 E; \$2 Twin Trifecta	CHRB #1959; RCI #VP
Race #1	\$2 DD*; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1 PPN%; \$1 SF#	CHRB#1957; 1959; 1958; 1977; 1979; 1976.8; 1979.1
Race #2	\$2 DD*; \$1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1 PPN%; \$1 SF#	CHRB#1957; 1959; 1958; 1977; 1979; 1976.8; 1979.1
Race #3	\$2 DD*; \$2 PNP @; 1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1 SF# \$1 PPN%	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8
Race #4	\$2 DD*; \$2 PNP @; 1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1 SF# \$1 PPN%	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8
Race #5	\$2 DD*; \$2 PNP @; 1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1 SF# \$1 PPN%; \$1 PK4!	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1978
Race #6	\$2 DD*; \$2 PNP @; 1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1 SF# \$1 PPN%; \$1 PK4!	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1978
Race #7	\$2 DD*; \$2 PNP @; 1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1 SF# \$1 PPN%; \$1 PK4!	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1978
Race #8	\$2 DD*; \$2 PNP @; 1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1 SF# \$1 PPN%; \$1 PK4!	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1978
Race #9	\$2 DD*; \$2 PNP @; 1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1 SF# \$1 PPN%; \$1 PK4!	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1978
Race #10	\$2 DD*; \$2 PNP @; 1 E; \$2 Q; \$1 PK3+; \$1 TRI++; \$1 SF# \$1 PPN%; \$1 PK4!	CHRB#1957; 1976.9; 1959; 1958; 1977; 1979; 1979.1; 1976.8; 1978

- * - \$2 Daily Double on all races
- @ - \$2 Pick 6 on last six races
- + - \$1 Pick 3 on every race
- ++ - \$1 Trifecta on every eligible race
- # - \$1 Superfecta on all eligible races
- % - \$1 Place Pick All on all races carded
- ! - \$1 Pick 4 on last four races

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

- B. The maximum carryover pool to be allowed to accumulate before its distribution **OR** the date(s) designated for distribution of the carryover pool: January 30, 2005 for the period November 10, 2004 through January 30, 2005.
- C. List any options requested with regard to exotic wagering: 2 Tier – 70%/30% split
- D. Will "advance" or "early bird" wagering be offered? Yes No

If yes, when will such wagering begin:
- E. Type(s) of pari-mutuel or totalizator equipment to be used by the association and the simulcast organization, name of the person(s) supplying equipment, and expiration date of the service contract:

Scientific Games Racing, LLC Expires: September, 2006

8. SIMULCASTING WAGERING PROGRAM

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

Northern California Off-Track Wagering, Inc.
- B. Attach the agreement between the association and simulcast organization permitting the organization to use the association's live audiovisual signal for wagering purposes and providing access to its totalizator for the purpose of combining on-track and off-track pari-mutuel pools.

Agreement is on file with the CHRB.
- C. California simulcast facilities the association proposes to offer its live audiovisual signal:

<p><u>Northern California</u></p> <p>Alameda County Fair, Pleasanton</p> <p>Bay Meadows Race Track, San Mateo</p> <p>Big Fresno Fair, Fresno</p> <p>California State Fair & Exposition, Sacramento</p> <p>Club One, Fresno</p> <p>Kern County Fair, Bakersfield</p> <p>Monterey County Fair, Monterey</p> <p>Redwood Acres Fair, Eureka</p> <p>San Joaquin County Fair, Stockton</p> <p>Santa Clara County Fair, San Jose</p> <p>Shasta District Fair, Anderson</p> <p>Solano County Fair, Vallejo</p> <p>Sonoma County Fair, Santa Rosa</p> <p>Stanislaus County Fair, Turlock</p> <p>Tulare County Fair, Tulare</p>	<p><u>Southern California</u></p> <p>Barona Casino, Lakeside</p> <p>Fantasy Springs Casino (Cabazon), Indio</p> <p>Del Mar Thoroughbred Club, Del Mar</p> <p>Hollywood Park, Inglewood</p> <p>Desert Expo Centre, Indio</p> <p>The Farmers Fair, Perris</p> <p>Antelope Valley Fair, Lancaster</p> <p>Santa Barbara County Fair, Santa Maria</p> <p>Los Alamitos Racecourse, Los Alamitos</p> <p>Mid-State Fair, Paso Robles.</p> <p>National Orange Show, San Bernardino</p> <p>Fairplex Park, Pomona</p> <p>Santa Anita, Arcadia</p> <p>Viejas Casino & Turf Club, Alpine</p> <p>Earl Warren Showgrounds, Santa Barbara</p> <p>Sycuan Gaming Center, El Cajon</p> <p>Ventura County Fair, Ventura</p> <p>San Bernardino County Fair, Victorville</p>
---	--
- D. Out-of-state wagering systems the association proposes to offer its live audiovisual signal:

All systems listed below. **EXHIBIT A**

**Pacific Racing Association/Golden Gate Fields
November 10, 2004 – January 30, 2005
Out-of-State Imports - Full or Partial Card**

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

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

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

Separate Pools

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

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

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

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

<u>Name of Host Track</u>	<u>Race Dates</u>	<u>Full Card or Selected Feature and/or Stakes Races</u>
See Exhibit A	11/10/04 to 1/30/05	Full-Card & Selected races to coordinate with Northern signal

Examples:

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

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

QUARTER HORSE SIMULCAST RACES TO BE IMPORTED

<u>Name of Host Track</u>	<u>Race Dates</u>	<u>Full Card or Selected Feature and/or Stakes Races</u>
Los Alamitos	11/10/04 to 1/30/05	Full Card

Examples:

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

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

HARNESS SIMULCAST RACES TO BE IMPORTED

<u>Name of Host Track</u>	<u>Race Dates</u>	<u>Full Card or Selected Feature and/or Stakes Races</u>
Capitol Harness at Cal-Expo	11/10/04 to 1/30/05	Full Card

Examples:

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

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

OTHER BREED SIMULCAST RACES TO BE IMPORTED

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

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

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

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

9. CHARITY RACING DAYS

- A. Name and address of the distributing agent (charity foundation) for the net proceeds from charity racing days held by the association: Pacific Racing Association is agent for distribution.
- B. Names and addresses of the trustees or directors of the distributing agent: Pursuant to the provisions of Section 19554 (e), Pacific Racing Association will act as its own distributing agent.
- C. Dates the association will conduct races as charity racing days OR:
- D. Will the association pay the distributing agent an amount equal to the maximum required under B&P Code Section 19550(b)? Yes

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

10. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

- A. Racing Officials nominated:

Associate Judges	N/A
Association Veterinarian(s)	Robert Connolly
Clerk of Scales	Paul Nicolo
Clerk of the Course	Anne S. Daftary
Horse Identifier	Patrick Kealy
Horseshoe Inspector	Jack Hammonds
Paddock Judge	Grant Baker

Patrol Judges	Ella Robinson & Grant Baker
Placing Judges	C. Gregory Brent, Jr. & Tina Walker
Starter	Chuck Burkes
Timer	Richard Somers

B. Management officials in the racing department:

Coordinator of Racing Operations	Richard Lewis
Racing Secretary	To Be Determined
Assistant Racing Secretaries	Linda Anderson & C. Gregory Brent, Jr.
Paymaster of Purses	Patricia Prospero
Others (identify by name and title)	
Assistant Clerk of Scales	Ken Sjordal
Main Track Superintendent	Juan Meza
Turf Track Superintendent	Jason Spetnagel
Price Maker	Richard Somers
Stable Area Superintendent	Carrie Fawcett

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

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

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

Plusmic Corp., USA, Mr. Bill O'Brien, Expiration: 3/05

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:

Jim Porep, Jr., Pegasus Communications, Inc.
Maintained in House, Equipment contract expires: 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: Pacific Racing Association electronic timer
Installed & maintained by Pacific Racing Association staff.

11. SECURITY CONTROLS AND EMERGENCY SERVICES

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

T.W. Johnson, Director of Security

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

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

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

Brad Winding, Turf Rescue, LLC
19615 Barclay Road, Castro Valley, CA 94546, (510) 581-8470

- D. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites:
 Bayshore Ambulance, P.O. Box 4622, Foster City, CA 94404, (650) 525-9700
- E. Attach a fire clearance from the fire authority having jurisdiction over the premises.
 Fire clearances from the cities of Albany and Berkeley will be provided as soon as inspectors are made available to us to perform a tour of the facility.
- F. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details): Liberty Mutual, Policy #WC2-B71-072827-024
- 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.
 Certificate currently on file with the Board.

12. CONCESSIONAIRES AND SERVICE CONTRACTORS

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

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

13. SCHEDULE OF CHARGES

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

Admission (general)	\$ 3.00
Admission (clubhouse)	\$ 4.00
Reserved seating (general)	n/a
Reserved seating (clubhouse)	\$ 3.00

JAN-19-2004 16:02

002/002
P. 02/02



Aon Reed Stenhouse Inc.

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

Memorandum of Insurance

No. M98 /04-05 AMENDED

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

Re: Evidence of Insurance

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 s/o Pacific Racing Association s/o Golden Gate Fields
s/o MI Developments Inc.
1100 Eastshore Highway
Albany, CA 94706

Coverage:

US Commercial General Liability

Workers' Compensation

Company	Policy No.	Policy Effective	Policy Expiration	Amount of Liability or Loss Share Ratio Insured
Zurich American Insurance Company	GLO9302183-02	Jan. 1/2004	Jan. 1/2005	\$1,000,000 US INCLUSIVE Bodily Injury and Property Damage subject to aggregate where applicable
Liberty International	WCZ-871-073827-02A	Jan. 1/2004	Jan. 1/2005	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 California Horse Racing Board; 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 Chmielewska
Direct Line: 416-868-5865

Dated January 19, 2004, 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**

http://www.aon.com

Parking (general)	\$ 3.00
Parking (preferred)	\$ 7.00
Parking (valet)	\$ 7.00
Programs (on-track)	\$ 2.00
(off-track)	\$ 2.25

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

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

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

14. JOCKEYS/DRIVERS' QUARTERS

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

<input checked="" type="checkbox"/> Corners (lockers and cubicles)	How many	<input type="text" value="23"/>
<input checked="" type="checkbox"/> Showers	<input checked="" type="checkbox"/> Steam room, sauna or steam cabinets	<input checked="" type="checkbox"/> Lounge area
<input checked="" type="checkbox"/> Masseur	<input checked="" type="checkbox"/> Food/beverage service	<input checked="" type="checkbox"/> Certified platform scale

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

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

15. BACKSTRETCH EMPLOYEE HOUSING

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

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

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

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

16. TRACK SAFETY

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

B. Describe the type(s) of materials used for the inner and outer railings of the race course, the type of inner railing supports (i.e., metal gooseneck, wood 4" x 4" uprights, offset wood 4" x 4" supports, etc.), the coverings, if any, on the top of the inner railing, and the approximate height of the top of the inner railing from the level of the race course.

Inner and outer railings are metal gooseneck. Coverings are Fontana Safety Rail.
Approximate height of the top of the inner railing is 42 inches.

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

17. DECLARATIONS

- A. All labor and lease agreements and concession and service contracts necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state): No Exceptions
- B. Attach each horsemen's agreement pursuant to CHRB Rule 2044.
To be provided to the Board upon signing.
- C. Attach a lease agreement permitting the association to occupy the racing facility during the entire term of the meeting. (In the absence of either a lease agreement or a horsemen's agreement, a request for an extension pursuant to CHRB Rule 1407 shall be made).
Not applicable
- D. All service contractors and concessionaires have valid state, county or city licenses authorizing each to engage in the type of service to be provided and have valid labor agreements, when applicable, which remain in effect for the entire term of the meeting except as follows (if no exceptions, so state):
No exceptions
- E. Absent natural disasters or causes beyond the control of the association, its service contractors, concessionaires or horsemen participating at the meeting, no reasons are believed to exist that may result in a stoppage to racing at the meeting or the withholding of any vital service to the association except as follows (if no exceptions, so state): No exceptions

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

18. CERTIFICATION BY APPLICANT

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

Peter W. Tunney
Print Name


Signature

Vice President & General Manager
Print Title

August 5, 2004
Date

STAFF ANALYSIS
September 15, 2004

Issue: APPLICATION FOR LICENSE TO CONDUCT A HORSE RACING MEETING OF CHURCHILL DOWNS CALIFORNIA FALL OPERATING COMPANY AT HOLLYWOOD PARK NOVEMBER 3, 2004 THROUGH DECEMBER 20, 2004.

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

- November 3 through December 20, 2004, or 36 days, six more than 2003. The association proposes to race a total of 310 races, or 8.6 per day.

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 5 days per week, Wednesday through Sunday, with 8 races Wednesday, Thursday and Friday, 9 or 10 on a selected basis Saturday and Sunday and 10 races November 26, 27 and 28.
 - Racing Monday, November 20.
- First post 12:30 p.m. daily.
 - 7:05 p.m. post Friday, November 5 and 12.
 - 11:00 a.m. post Thursday, November 25.
- Specific changes from the 2003 license application:
 - Lockers and cubicles in jockeys' quarters increased from 73 to 80.
- Request Dianne Piper be appointed horse identifier pursuant to CHRB Rule 1525.
- Track safety requirements have been fulfilled.
- Wagering program will use CHRB rules.
 - Early wagering 8:30 a.m. on the day of and advance-day wagering.
 - \$1 trifecta and superfecta in any race that complies with Rule 1979 and 1979.1.
 - Pick 6 offered on last 6 races and pick 4 on last 4 races.
 - Offering option of an alternate selection in the place pick all, pick 6 and pick 4.
 - Pick (n) pool - designate 70% of net pool be retained for the jackpot and no cap be set.
 - Pick 4 pool - designate the major share as 0%.

- Simulcasting conducted with out-of-state racing jurisdictions pursuant to Business and Professions Code Section 19602; and with authorized locations throughout California.
- Inspection of backstretch worker housing completed.

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

1. Horsemen's agreement and stakes schedule.
2. Fire clearance.

RECOMMENDATION:

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

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

1. APPLICANT ASSOCIATION

- A. **Churchill Downs California Fall Operating Company, a wholly owned subsidiary of Churchill Downs Incorporated, 1050 South Prairie Avenue, Inglewood, CA 90301, (phone) 310-419-1500 (fax) 310-671-4460**
- B. Breed of horse: TB QH H
- C. Racetrack name: **Hollywood Park**
- D. Attach a certified check payable to the Treasurer of the State of California in the amount of \$10,000 as deposit for license fees pursuant to B&P Code Section 19490. **On file.**

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

2. DATES OF MEETING

- A. Inclusive dates for the entire meeting: **November 3 through December 20, 2004.**
- B. Actual dates racing will be held:
November 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, 17, 18, 19, 20, 21, 24, 25, 26, 27, 28
December 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 15, 16, 17, 18, 19, 20.
- C. Total number of days or nights of racing: **36**
- D. Days or nights of the week races will be held:
 Wed - Sun Tues - Sat Other (specify)
Racing Monday, December 20 (closing day).
- E. Number of days or nights of racing per week: **5**

3. RACING PROGRAM

- A. Total number of races: **310**
- B. Number of races for each day or night: **8 races Wednesdays, Thursdays, Fridays and Monday, December 20; 9 or 10 races on a selected basis on Saturdays and Sundays, with 10 races on Friday, November 26, Saturday, November 27 and Sunday, November 28.**

Application received: <i>8/9/04</i>	CHRB CERTIFICATION	Hearing date: <i>9/15/04</i>
Deposit received: <i>on file</i>		Approved date:
Reviewed: <i>PN</i>		License number:

- C. Total number of stakes races: **20 (15 stakes and 5 overnight stakes)**
- D. Attach a listing of all stakes races and indicate the date to be run and the added money or guaranteed purse for each. Note the races that are designated for California-bred horses. **To be submitted under separate cover.**
- E. Will provisions be made for owners and trainers to use their own registered colors?
 Yes No If no, what racing colors are to be used:
- F. List all post times for the daily racing program:

RACE	All days except Fridays November 5 & 12 and Thursday, November 25	Friday Nights (November 5 & 12)	Thanksgiving Day, Thursday November 25
1 st	12:30 p.m.	7:05 a.m.	11:00 am
2 nd	1:00 p.m.	7:35p.m.	11:30 am
3 rd	1:30 p.m.	8:05 p.m.	12:00 noon
4 th	2:00 p.m.	8:35 p.m.	12:30 pm
5 th	2:30 p.m.	9:05 p.m.	1:00 pm
6 th	3:00 p.m.	9:35 p.m.	1:30 pm
7 th	3:30 p.m.	10:05 p.m.	2:00 pm
8 th	4:00 p.m.	10:35p.m.	2:30 pm
9 th *	4:30 p.m.		
10 th *	5:00 p.m.		

* When applicable

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

4. RACING ASSOCIATION

- A. Association is a: Corporation (complete subsection C)
 LLC (complete subsection D)
 Other (specify, and complete subsection E)
- B. Complete the applicable subsection and attached Addendum, Background Information and Ownership.
- C. CORPORATION

1. Registered name of the corporation: **Churchill Downs California Fall Operating Company**

2. State where incorporated: **Kentucky**
3. Registry or file number for the corporation: **0474649**
4. Names of all officers and directors, titles, and the number of shares of the corporation held by each: **Attachment A**
5. Names (true names) of all persons, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the corporation and the number of shares held by each: **The corporation is a wholly-owned subsidiary of Churchill Downs Incorporated, a company publicly traded on the Nasdaq national market.**
6. Number of outstanding shares in the corporation: **1000 no par value**
7. Are the shares listed for public trading? Yes No
If yes, on what exchange and how is the stock listed:
8. Name of the custodian of the list of shareholders and/or the transfer agent for the share holdings of the corporation: **Mary Ann Guenther, Corporate Counsel & Assistant Secretary**
9. If more than 50% of the shares are held by a parent corporation or are paired with any other corporation or entity, give the name of the parent and/or paired corporation or entity: **Churchill Downs Incorporated**
10. Attach the most recent annual financial statement for the corporation, including balance sheet and profit and loss statement, and a copy of a report made during the preceding 12 months to shareholders in the corporation and/or the Securities and Exchange Commission and/or the California Corporations Commission. **On file.**

D. LLC

1. Registered name of the LLC:
2. State where articles of organization are filed:
3. Registry or file number for the LLC:
4. Names of all officers and directors, titles, and the number of shares of the LLC held by each:
5. Names (true names) of all members, other than the officers and directors listed above, that hold 5% or more of the outstanding shares in the LLC and the number of shares held by each:
6. Are the shares listed for public trading?
If yes, on what exchange and how is the stock listed: Yes No
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.

Attachment A

CHURCHILL DOWNS CALIFORNIA COMPANY

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

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

F. Management and Staff

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

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

2. Name and title of the person(s) authorized to receive notices on behalf of the association and the mailing address of such person(s) if other than the mailing address of the association:
 - (a) **Mary Ann Guenther, Corporate Counsel and Assistant Secretary, 700 Central Avenue, Louisville, Kentucky 40208**
 - (b) **Frederick M. Baedeker, Jr., President or**
 - (c) **Eual G. Wyatt, Jr. General Manager**

5. PURSE PROGRAM

A. Estimated purse distribution:

1. All races other than stakes: **\$ 8,100,000**
2. Overnight stakes: **\$ 300,000**
3. Non-overnight stakes: **\$ 2,700,000**

B. Stakes Races:

1. Estimated purse distribution for all stakes races: **\$ 3,000,000**
2. Percentage of the estimated purse distribution for all stakes races that will be distributed for California-bred stakes races: **4%**

C. Estimated funds to be generated for all California-bred incentive awards: **\$ 950,000**

D. Estimated amount of payment to each recognized horsemen's organization contracting with the

association and the name(s) of the organization(s):

TOC			\$115,500
CTT	Administration	\$ 57,750	
	Pension Plan	<u>\$ 115,500</u>	
			\$173,250
NTRA			<u>\$163,000</u>
TOTAL			\$ 451,750

- E. Total estimated amount from all sources to be distributed at the meeting in the form of purses or other benefits to horsemen: **\$ 12,501,750**
- F. Estimated purse funds to be generated from on-track handle and intrastate off-track handle: **\$ 8,675,000 (includes ADW)**
- G. Estimated purse funds to be generated from interstate handle: **\$ 2,425,000**
- H. Bank or depository for the Paymaster of Purses' purse account and the account number: **California Federal Bank #2654175997**
- I. Name, address and telephone number of the pari-mutuel audit firm engaged for the meeting: **Bowen-McBeth, Inc., 10722 Arrow Route, Suite 110, Rancho Cucamonga, 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 breeder's awards during the meeting. All amounts in excess shall be distributed retroactively and proportionally in the form of purses and breeders' awards to the horse owners and breeders having earned purses or awards during the conduct of the meeting.

6. STABLE ACCOMMODATIONS

- A. Number of usable stalls available for racehorses at the track where the meeting is held: **1,950**
- B. Minimum number of stalls believed necessary for the meeting: **1,950**
- C. Total number of usable stalls to be made available off-site at approved auxiliary stabling areas or approved training centers: **2,500**
- D. Name or location of each off-site stabling area and the number of stalls to be maintained at each site:

Santa Anita	1,500
Pomona	500
San Luis Rey Downs	500

- E. Attach each contract or agreement between the association and the person(s) furnishing off-site stabling accommodations for eligible racehorses, which cannot be provided stabling on-site. **On file.**

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

- F. Total number of usable stalls made available on-site for the **1986** meeting: **2,000**
- G. Estimated cost to provide off-site stalls for this meeting: **\$438,000, average cost per available stall at San Luis Rey and Pomona - \$ 8.76 per day**
- H. Estimated cost to provide vanning from off-site stalls for this meeting. Show fees to be paid for vanning per-horse: **\$190,000**

Roundtrip from:

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

- I. Estimated cost for off-site stabling and vanning for this meeting. **\$628,000**

7. PARI-MUTUEL WAGERING PROGRAM

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

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

	TYPE OF WAGERS	APPLICABLE RULES
Race #1 *	\$2DD	CHRB 1957
	\$1E	CHRB 1959
	\$1PPN	CHRB 1976.8
	\$1PK3	CHRB 1977
	\$2Q	CHRB 1958
Race #2 *	\$2DD	CHRB 1957
	\$1E	CHRB 1959

	\$1PK3	CHRB 1977
	\$2Q	CHRB 1958
Race #3 *	\$2DD	CHRB 1957
	\$1E	CHRB 1959
	\$1PK3	CHRB 1977
	\$2Q	CHRB 1958
	\$2 P(n)P (Pick 6) (when 8 races)	CHRB 1976.9
Race #4 *	\$2DD	CHRB 1957
	\$1E	CHRB 1959
	\$1PK3	CHRB 1977
	\$2Q	CHRB 1958
	\$2 P(n)P (Pick 6) (when 9 races)	CHRB 1976.9
Race #5 *	\$2DD	CHRB 1957
	\$1E	CHRB 1959
	\$1PK3	CHRB 1977
	\$2Q	CHRB 1958
	\$2 P(n)P (Pick 6) (when 10 races)	CHRB 1976.9
Race #6 *	\$2DD	CHRB 1957
	\$1E	CHRB 1959
	\$1PK3	CHRB 1977
	\$2Q	CHRB 1958
Race #7 *	\$2DD	CHRB 1957
	\$1E	CHRB 1959
	\$1PK3 (when 9 or more races)	CHRB 1977
	\$2Q	CHRB 1958
Race #8 *	\$2 DD (when 9 or more races)	CHRB 1957
	\$1E	CHRB 1959
	\$1PK3 (when 10 races)	CHRB 1977
	\$2Q	CHRB 1958
Race #9 *	\$1E	CHRB 1959
	\$2Q	CHRB 1958
	\$2 DD (when 10 races)	CHRB 1957
Race #10*	\$1E	CHRB 1959
	\$2Q	CHRB 1958

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

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

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

C. List any options requested with regard to exotic wagering: **B & P code Section 19611.5**

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

If yes, when will such wagering begin: **8:30 am on the day of and advance-day wagering.**

E. Type(s) of pari-mutuel or totalizator equipment to be used by the association and the simulcast organization, name of the person(s) supplying equipment, and expiration date of the service contract: **Scientific Games: September, 2005**

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:

- | | |
|--|--|
| National Orange Show (San Bernardino) | Barona Indian Reservation |
| Del Mar Fair (Del Mar) | Sycuan Tribe |
| Ventura County Fair | Cabazon Indian Reservation |
| Riverside County Nat'l Date Fest. (Indio) | Viejas Indian Reservation |
| Lake Perris Fairgrounds | Santa Anita Racetrack |
| Santa Barbara Horse & Flower Show (S.B.) | L.A. County Fair (Pomona) |
| Santa Barbara County Fair (Santa Maria) | Los Alamitos Race Course |
| Antelope Val. Fair & Alfalfa Fest. (Lancaster) | San Bernardino County Fair (Victorville) |
| Bay Meadows/Golden Gate/CARF and NOTWINC locations | |

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

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

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

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

THOROUGHBRED SIMULCAST RACES TO BE IMPORTED

Attachment B

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

Attachment B (continued)

Retama Park	Turf Paradise
RGS	Turfway Park
River Downs	Valley Race Park
Rockingham Park	Vernon Downs
Ruidoso Downs	Western Regional OTB
Saginaw Harness	Wichita Greyhound Park
Sam Houston Race Park	Will Rogers Downs
Saratoga Harness	Wonderland Greyhound Park
Scarborough Downs	Woodbine Entertainment Group
Scioto Downs	Woodlands
Spirit Mountain Casino	Wyoming OTB
Southland Greyhound Park	Yavapai Downs
Sports Creek	Yonkers Raceway
Stables Casino	Youbet
Suffolk Downs	
Suffolk District OTB	
Sunland Park	
Sun Ray Park	
Tampa Bay Downs	
TVG	
The Meadows	
The Racing Channel/The Racing Channel Intl.	
The Stables Casino	
Thistledown	
Tonkawa Casino	
Tri-State Greyhound Park	

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

Wagering systems in Northern California:

CARF
Golden Gate Fields

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

(F) Please note the attached 2003 November-December calendars which include single-feature events which were imported during the 2003 Fall Meeting. It is anticipated Hollywood Park may import many of these same events as well as others – to be determined during the 2004 Fall Meeting.

Also:

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

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	
[21] 26 10:37 CHURCHILL(8)3-10 Opens 11:00 BELMONT(19)4-9 Closes 11:30 HAWTHORNE(9)1-9 12:30 OAK TREE 12:45 BAY MEADOWS 3:30/5:40 LOS ALAMITOS QH	[21] 27	[21] 28	[21] 29 10:37 CHURCHILL(8)3-10 10:52 AQUEDUCT(8)4-9 Opens 12:33 HAWTHORNE(9)4-9 12:45 BAY MEADOWS 1:00 OAK TREE 3:35 CAL EXPO HARNESS	[21] 30 10:37 CHURCHILL(8)3-10 10:52 AQUEDUCT(8)4-9 12:33 HAWTHORNE(9)4-9 12:45 BAY MEADOWS 1:00 OAK TREE 3:35 CAL EXPO HARNESS 6:00/7:15 LOS ALAMITOS QH	[21] HALLOWEEN 31 10:37 CHURCHILL(8)3-10 10:52 AQUEDUCT(8)4-9 11:37 HAWTHORNE(9)12-10 12:45 BAY MEADOWS 1:00 OAK TREE 3:35 CAL EXPO HARNESS 6:00/7:15 LOS ALAMITOS QH	[21] 1 10:37 CHURCHILL(8)3-10 10:49 AQUEDUCT(7)4-10 12:30 OAK TREE 12:45 BAY MEADOWS 3:35 CAL EXPO HARNESS 6:00/4:30 LOS ALAMITOS QH	<u>GOLDEN GATE FIELDS</u> 11/5-12/21/03 5:12/5:43-41/04 Wed-Sun & Holidays Racing: 1/2/2/03, 1/19/04, 2/16/04 No Racing: 1/21/04, 2/18/04 12:45 PM Daily 12:15 PM 1/10 Cal Cup Day 11:15 PM 11/27 Thanksgiving TBA 2/1/04 Super Bowl Sunday 3:18 Estd. Super Bowl @ Houston
[21] 2 10:37 CHURCHILL(8)3-10 10:52 AQUEDUCT(8)4-9 11:30 HAWTHORNE(9)1-9 12:30 OAK TREE 12:45 BAY MEADOWS-Close 5:30/5:40 LOS ALAMITOS QH	[21] 3	[21] 4	[21] 5 DARK AQUEDUCT 10:37 CHURCHILL(8)3-10 11:10 HAWTHORNE(9)1-9 12:45 GOLDEN GATE FIELDS-Opens 1:00 OAK TREE 2:58 TURF PARADISE(9)6-10 4:50/5:35 CAL EXPO HARNESS	[21] 6 10:37 CHURCHILL(8)3-10 10:52 AQUEDUCT(8)4-9 12:33 HAWTHORNE(9)4-9 12:45 GOLDEN GATE FIELDS 1:00 OAK TREE 4:30/5:35 CAL EXPO HARNESS 6:00/7:15 LOS ALAMITOS QH	[21] 7 10:37 CHURCHILL(8)3-10 10:52 AQUEDUCT(8)4-9 11:37 HAWTHORNE(9)12-10 12:45 GOLDEN GATE FIELDS 1:00 OAK TREE 4:30/5:35 CAL EXPO HARNESS 6:00/7:15 LOS ALAMITOS QH	[21] CAL CUP 8 10:37 CHURCHILL(8)3-10 10:49 AQUEDUCT(7)4-10 12:30 OAK TREE 12:45 GOLDEN GATE FIELDS 12:00 OAK TREE 12:15 GOLDEN GATE FIELDS 5:10/5:35 CAL EXPO HARNESS 6:00/5:29 LOS ALAMITOS QH	<u>HOLLYWOOD</u> 11/11/03-12/21/03 Wed-Sun & Holidays 12:30 PM Daily 7:05 PM Fridays-11/14, 11/21 11:00 AM 11/27 - Thanksgiving
[21] 9 10:37 CHURCHILL(8)3-10 10:52 AQUEDUCT(8)4-9 12:35 HAWTHORNE(7)3-9 12:30 OAK TREE-Close 12:45 GOLDEN GATE FIELDS 1:00 HAWTHORNE(9)1-9 2:42 REMINGTON(7)4-9 5:30/5:40 LOS ALAMITOS QH	[21] 10	[21] VETERANS DAY 11 10:37 CHURCHILL(8)3-10 10:52 AQUEDUCT(8)4-9 12:30 HOLLYWOOD-Opens 12:45 GOLDEN GATE FIELDS 1:00 HAWTHORNE(9)1-9 1:58 TURF PARADISE(9)6-9 4:50/5:35 CAL EXPO HARNESS	[21] 12 10:37 CHURCHILL(8)3-10 10:52 AQUEDUCT(8)4-9 12:30 HOLLYWOOD 12:45 GOLDEN GATE FIELDS 1:00 HAWTHORNE(9)1-9 2:58 TURF PARADISE(9)6-10 4:50/5:35 CAL EXPO HARNESS	[21] 13 10:37 CHURCHILL(8)3-10 Cancelled AQUEDUCT(8)4-9 12:30 CALDER(3)1-9 12:30 HOLLYWOOD 12:45 GOLDEN GATE FIELDS 1:57 HAWTHORNE(9)7-10 2:45 GOLDEN GATE FIELDS 3:05 HOLLYWOOD 4:30/5:35 CAL EXPO HARNESS 6:00/7:15 LOS ALAMITOS QH	[21] 14 10:37 CHURCHILL(8)3-10 Cancelled AQUEDUCT(8)4-9 12:37 CALDER(3)1-10 1:57 HAWTHORNE(9)7-10 12:45 GOLDEN GATE FIELDS 7:05 HOLLYWOOD 7:10 HOOSIER(2)10,11 4:30/5:35 CAL EXPO HARNESS 6:00/7:15 LOS ALAMITOS QH	[21] 15 10:37 CHURCHILL(8)3-10 11:14 LAUREL(8)5-10 12:04 CALDER(8)7-12 12:30 AQUEDUCT(8)7-9 12:30 HOLLYWOOD 12:45 GOLDEN GATE FIELDS 5:10/5:35 CAL EXPO HARNESS 6:00/5:30 LOS ALAMITOS QH	<u>SANTA ANITA</u> 12/20/03-4/18/04 Wed-Sun & Holidays Racing: 1/2/2/03, 1/19/04, 2/16/04 No Racing: 1/21/04, 2/18/04 1:00 PM Weekdays 12:30 PM Weekends & Holidays 12:00 PM 12/26/03, 2/7/04, 3/6/04, 4/3/04 3:00 PM Fridays-4/18/04, 4/15/04 TBA 1/2/04-Sunshine Million
[21] 16 10:37 CHURCHILL(8)3-10 12:16 AQUEDUCT(8)4-9 12:30 HOLLYWOOD 12:31 CALDER(8)8-11 12:45 GOLDEN GATE FIELDS 1:30 HAWTHORNE(9)4-9 1:57 REMINGTON(7)4-9 5:30/5:40 LOS ALAMITOS QH	[21] 17	[21] 18 10:37 CHURCHILL(8)3-10 10:52 AQUEDUCT(8)4-9 12:30 HOLLYWOOD 12:45 GOLDEN GATE FIELDS 1:20 HAWTHORNE(9)4-9 3:10 HOOSIER(2)1-3 4:50/5:35 CAL EXPO HARNESS	[21] 19 10:37 CHURCHILL(8)3-10 10:52 AQUEDUCT(8)4-9 12:30 HOLLYWOOD 12:45 GOLDEN GATE FIELDS 1:20 HAWTHORNE(9)4-9 3:10 HOOSIER(2)1-3 4:50/5:35 CAL EXPO HARNESS 6:00/7:15 LOS ALAMITOS QH	[21] 20 10:37 CHURCHILL(8)3-10 10:52 AQUEDUCT(8)4-9 11:45 CALDER(8)8-9 12:30 HOLLYWOOD 12:45 GOLDEN GATE FIELDS 1:20 HAWTHORNE(9)4-9 4:50/5:35 CAL EXPO HARNESS 6:00/7:15 LOS ALAMITOS QH	[21] 21 10:37 CHURCHILL(8)3-10 10:52 AQUEDUCT(8)4-9 12:37 CALDER(3)8-10 1:57 HAWTHORNE(9)11-10 12:45 GOLDEN GATE FIELDS 7:05 HOLLYWOOD 7:10 HOOSIER(2)10,11 4:30/5:35 CAL EXPO HARNESS 6:00/7:15 LOS ALAMITOS QH	[21] 22 10:37 CHURCHILL(8)3-10 10:49 AQUEDUCT(8)4-9 12:30 HOLLYWOOD 12:31 CALDER(8)8-10 12:45 GOLDEN GATE FIELDS 1:20 LAUREL(2)4,9 1:57 TURF PARADISE(9)6-9 5:10/5:35 CAL EXPO HARNESS 6:00/5:20 LOS ALAMITOS QH	
[21] 23 10:37 CHURCHILL(8)3-10 10:52 AQUEDUCT(8)4-9 12:30 HOLLYWOOD 12:31 CALDER(8)8-11 12:45 GOLDEN GATE FIELDS 1:57 HAWTHORNE(9)7-9 3:10 HOOSIER(2)1,2 5:30/5:40 LOS ALAMITOS QH	[21] 24	[21] 25 10:37 CHURCHILL(8)3-10 10:52 AQUEDUCT(8)4-9 12:30 HOLLYWOOD 12:45 GOLDEN GATE FIELDS 1:20 HAWTHORNE(9)4-9 3:10 HOOSIER(2)1-3 4:50/5:35 CAL EXPO HARNESS	[21] 26 10:37 CHURCHILL(8)3-10 10:52 AQUEDUCT(8)4-9 12:30 HOLLYWOOD 12:45 GOLDEN GATE FIELDS 1:20 HAWTHORNE(9)4-9 3:10 HOOSIER(2)1-3 4:50/5:35 CAL EXPO HARNESS	[21] THANKSGIVING 27 >10:28 CHURCHILL(1)3-11 10:37 CALDER(9)7-11 10:42 AQUEDUCT(3)7-9 10:57 FAIR GROUNDS(8)2-9 11:00 HOLLYWOOD 11:10 GOLDEN GATE FIELDS (Last race at 2:45) DARK CAL EXPO HARNESS DARK LOS ALAMITOS QH	[21] 28 *10:23 CHURCHILL(2)5-12 10:47 AQUEDUCT(8)5-10 12:30 HOLLYWOOD 12:45 GOLDEN GATE FIELDS >12:45 FAIR GROUNDS(8)2-10 >1:06 CALDER(9)10,11 >3:10 HOOSIER(2)1-2 4:30/5:35 CAL EXPO HARNESS 6:00/7:15 LOS ALAMITOS QH	[21] 29 *10:23 CHURCHILL(8)5-12 Closes 10:47 AQUEDUCT(8)5-10 >12:28 LAUREL(8)4-9 12:30 HOLLYWOOD >12:31 CALDER(9)8-12 12:45 GOLDEN GATE FIELDS 5:10/5:35 CAL EXPO HARNESS 6:00/5:30 LOS ALAMITOS QH	
[21] 30 10:52 AQUEDUCT(8)4-9 12:30 HOLLYWOOD >12:30 REMINGTON(7)4-9 CLOSURE 12:45 GOLDEN GATE FIELDS >12:31 CALDER(8)8-11 >1:13 FAIR GROUNDS(8)17-10 3:10 HOOSIER(3)1-3 5:10/5:35 CAL EXPO HARNESS 6:00/5:40 LOS ALAMITOS QH	[21] 1	[21] 2 10:52 AQUEDUCT(8)4-9 12:30 HOLLYWOOD 12:45 GOLDEN GATE FIELDS 1:20 HAWTHORNE(9)4-9 3:10 HOOSIER(3)1-3 4:30/5:35 CAL EXPO HARNESS	[21] 3 10:52 AQUEDUCT(8)4-9 12:30 HOLLYWOOD 12:45 GOLDEN GATE FIELDS 1:20 HAWTHORNE(9)4-9 3:10 HOOSIER(3)1-3 4:30/5:35 CAL EXPO HARNESS	[21] 4 10:52 AQUEDUCT(8)4-9 12:30 HOLLYWOOD 12:45 GOLDEN GATE FIELDS 4:50/5:35 CAL EXPO HARNESS 6:00/7:15 LOS ALAMITOS QH	[21] 5 10:52 AQUEDUCT(8)4-9 12:30 HOLLYWOOD 12:45 GOLDEN GATE FIELDS 4:30/5:35 CAL EXPO HARNESS 6:00/7:15 LOS ALAMITOS QH	[21] 6 10:52 AQUEDUCT(8)4-9 12:30 HOLLYWOOD 12:45 GOLDEN GATE FIELDS 4:50/5:35 CAL EXPO HARNESS 6:00/5:30 LOS ALAMITOS QH	Schedules subject to change

CALIFORNIA SIMULCAST SCHEDULE - 2003

12/26/2003

REVISIONS: >

DECEMBER

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	PST	
<p>[P] 30</p> <p>10:52 AQUEDUCT(1)4-8 12:30 HOLLYWOOD 12:30 REMINGTON(4)4-8 CLOSES 12:45 GOLDEN GATE FIELDS 12:45 CALDER(8)1-11 1:13 FAIR GROUNDS(7)4-10 3:10 HOOSIER(3)1-3 5:10/5:35 CAL EXPO HARNESS 5:30/5:40 LOS ALAMITOS QH</p>			<p>[P] 3</p> <p>10:52 AQUEDUCT(4)4-8 11:10 HAWTHORNE(9)1-8 11:30 LAUREL(5)5-8 12:30 HOLLYWOOD 12:45 GOLDEN GATE FIELDS 3:10 HOOSIER(3)1-3 4:50/5:35 CAL EXPO HARNESS</p>	<p>[P] 4</p> <p>10:52 AQUEDUCT(6)4-8 11:16 CALDER(7)5-8 11:51 FAIR GROUNDS(7)4-10 12:30 HOLLYWOOD 12:45 GOLDEN GATE FIELDS 3:10 HOOSIER(3)1-3 Close 4:50/5:35 CAL EXPO HARNESS 6:00/7:15 LOS ALAMITOS QH</p>	<p>[P] 5</p> <p>Cancelled AQUEDUCT(4)4-8 11:46 CALDER(7)4-10 12:16 FAIR GROUNDS(7)5-11 12:30 HOLLYWOOD 12:45 GOLDEN GATE FIELDS 2:25 TURF PARADISE(3)7-9 4:50/5:35 CAL EXPO HARNESS 6:00/7:15 LOS ALAMITOS QH</p>	<p>[P] 6</p> <p>AQUEDUCT 11:05 HAWTHORNE(10)1-10 11:30 CALDER(8)5-12 12:30 HOLLYWOOD 12:45 GOLDEN GATE FIELDS 12:45 FAIR GROUNDS(6)8-10 4:50/5:35 CAL EXPO HARNESS 6:00/6:30 LOS ALAMITOS QH</p>	<p><u>GOLDEN GATE FIELDS</u> 11/5-12/21/03 & 12/26/03-4/4/04 Wed-Sun & Holidays Racing: 12/29/03, 1/19/04, 2/16/04 No Racing: 1/21/04, 2/18/04 12:45 PM Daily 12:15 PM 1/16 Cal Cup Day 11:15 PM 11/27 Thanksgiving TBA 2/1/04 Super Bowl Sunday 3:18 Estd. Super Bowl @ Houston</p>	
<p>[P] 7</p> <p>AQUEDUCT 11:10 CALDER(7)5-11 11:30 HAWTHORNE(9)1-8 11:51 FAIR GROUNDS(7)4-10 12:30 HOLLYWOOD 12:45 GOLDEN GATE FIELDS 5:30/5:40 LOS ALAMITOS QH</p>			<p>[P] 10</p> <p>10:52 AQUEDUCT(6)4-8 11:30 LAUREL(6)4-8 11:51 HAWTHORNE(8)1-8 12:30 HOLLYWOOD 12:45 GOLDEN GATE FIELDS 3:22 TURFWAY(2)3,4 4:50/5:35 CAL EXPO HARNESS</p>	<p>[P] 11</p> <p>10:52 AQUEDUCT(6)4-8 11:16 CALDER(5)5-8 11:51 FAIR GROUNDS(7)4-10 12:30 HOLLYWOOD 12:45 GOLDEN GATE FIELDS 1:30 HAWTHORNE(3)7-9 4:50/5:35 CAL EXPO HARNESS 6:00/7:15 LOS ALAMITOS QH</p>	<p>[P] 12</p> <p>10:52 AQUEDUCT(6)4-8 11:46 CALDER(7)4-10 11:51 FAIR GROUNDS(7)4-10 12:30 HOLLYWOOD 12:45 GOLDEN GATE FIELDS 2:27 TURF PARADISE(3)7-9 4:50/5:35 CAL EXPO HARNESS 6:00/7:15 LOS ALAMITOS QH</p>	<p>[P] 13</p> <p>10:52 AQUEDUCT(4)4-8 12:30 HOLLYWOOD 11:05 CALDER(8)5-12 11:24 FAIR GROUNDS(7)3-9 2:55 HAWTHORNE(2)9,10 5:10/5:35 CAL EXPO HARNESS 6:00/6:30 LOS ALAMITOS QH</p>	<p><u>HOLLYWOOD</u> 11/11/03-12/21/03 Wed-Sun & Holidays 12:30 PM Daily 7:05 PM Fridays-1/14, 11/21 11:00 AM 11/27 - Thanksgiving</p>	
<p>[P] 14</p> <p>Cancelled AQUEDUCT(6)4-8 11:10 CALDER(7)5-11 12:30 HOLLYWOOD 12:45 GOLDEN GATE FIELDS 12:45 FAIR GROUNDS(6)8-10 1:00 HAWTHORNE(3)5-8 5:30/5:40 LOS ALAMITOS QH</p>			<p>[P] 17</p> <p>10:52 AQUEDUCT(6)4-8 11:30 LAUREL(6)4-8 11:10 HAWTHORNE(9)1-8 12:30 HOLLYWOOD 12:45 GOLDEN GATE FIELDS 2:30 TURFWAY(2)3,4 4:50/5:35 CAL EXPO HARNESS</p>	<p>[P] 18</p> <p>10:52 AQUEDUCT(6)4-8 11:16 CALDER(7)5-11 11:51 FAIR GROUNDS(7)4-10 12:30 HOLLYWOOD 12:45 GOLDEN GATE FIELDS 1:30 HAWTHORNE(3)7-9 4:50/5:35 CAL EXPO HARNESS 6:00/7:15 LOS ALAMITOS QH</p>	<p>[P] 19</p> <p>10:52 AQUEDUCT(6)4-8 11:35 CALDER(7)8-12 11:51 FAIR GROUNDS(7)4-10 12:30 HOLLYWOOD 12:45 GOLDEN GATE FIELDS 2:25 TURF PARADISE(3)7-9 4:50/5:35 CAL EXPO HARNESS 6:00/7:15 LOS ALAMITOS QH</p>	<p>[P] 20</p> <p>10:52 AQUEDUCT(4)4-8 12:30 HOLLYWOOD 11:05 CALDER(8)5-12 12:45 GOLDEN GATE FIELDS 11:51 FAIR GROUNDS(7)4-10 2:55 HAWTHORNE(2)9,10 5:10/5:35 CAL EXPO HARNESS 6:00/6:30 LOS ALAMITOS QH</p>	<p><u>SANTA ANITA</u> 12/26/03-4/18/04 Wed-Sun & Holidays Racing: 12/29/03, 1/19/04, 2/16/04 No Racing: 1/21/04, 2/18/04 1:00 PM Weekdays 12:30 PM Weekends 12:05 PM 12/26/03, 2/7/04, 3/6/04, 4/3/04 12:30 PM 12/31/03, 1/1/04 3:00 PM Fridays-4/18/04, 4/16/04 TBA 1/24/04 Sunshine Million</p>	
<p>[P] 21</p> <p>10:52 AQUEDUCT(6)4-8 11:35 CALDER(7)8-12 12:30 HOLLYWOOD 1:10 HAWTHORNE(9)5-9 12:45 GOLDEN GATE FIELDS 12:45 FAIR GROUNDS(6)8-10 6:30/5:40 LOS ALAMITOS QH</p>				<p>CHRISTMAS 25</p>	<p>[P] 26</p> <p>10:52 AQUEDUCT(6)4-8 11:35 CALDER(7)8-12 12:00 SANTA ANITA - OPENS 12:15 GOLDEN GATE FIELDS 12:30 HAWTHORNE(7)4-10 1:41 FAIR GROUNDS(3)8-10 4:50/5:35 CAL EXPO HARNESS 6:00/7:15 LOS ALAMITOS QH</p>	<p>[P] 27</p> <p>10:52 AQUEDUCT(6)4-8 12:00 HAWTHORNE(8)3-10 12:30 SANTA ANITA 12:31 CALDER(5)8-12 12:45 GOLDEN GATE FIELDS 1:13 FAIR GROUNDS(4)7-10 5:10/5:35 CAL EXPO HARNESS 6:00/6:30 LOS ALAMITOS QH</p>		
<p>[P] 28</p> <p>11:00 HAWTHORNE(9)1-8 11:10 CALDER(7)5-11 12:10 AQUEDUCT(3)7-9 12:30 SANTA ANITA 12:45 GOLDEN GATE FIELDS 1:13 FAIR GROUNDS(4)7-10 5:10/5:35 CAL EXPO HARNESS 5:30/5:40 LOS ALAMITOS QH</p>	<p>[P] 29</p> <p>11:10 HAWTHORNE(8)1-8 11:30 LAUREL(5)4-8 11:50 CALDER(7)8-12 12:45 GOLDEN GATE FIELDS 1:00 SANTA ANITA 3:45 PORTLAND(2)6,7 DARK FAIR GROUNDS DARK AQUEDUCT</p>		<p>[P] 30</p> <p>10:52 AQUEDUCT(6)4-8 11:10 HAWTHORNE(9)1-8 - CLOSES 12:01 CALDER(6)7-12 12:30 SANTA ANITA 12:45 GOLDEN GATE FIELDS 1:50 LAUREL(2)8,9 DARK CAL EXPO HARNESS DARK FAIR GROUNDS</p>	<p>[P] 31</p> <p>NEW YEAR'S EVE</p>	<p>[P] 1</p> <p>NEW YEAR'S</p>	<p>[P] 2</p> <p>10:52 AQUEDUCT(6)4-8 11:24 FAIR GROUNDS(6)3-10 12:01 CALDER(6)7-12 CLOSES 12:30 LAUREL(9)7-8 12:45 GOLDEN GATE FIELDS 1:00 SANTA ANITA 4:50/5:35 CAL EXPO HARNESS 6:00/7:15 LOS ALAMITOS QH</p>	<p>[P] 3</p> <p>10:52 GULFSTREAM(13-11) Opens 11:24 FAIR GROUNDS(6)3-10 11:30 AQUEDUCT(4)6-8 12:30 SANTA ANITA 12:45 GOLDEN GATE FIELDS 12:14 LAUREL(7)8-9 5:10/5:35 CAL EXPO HARNESS 6:00/6:30 LOS ALAMITOS QH</p>	<p>Schedule subject to change</p>

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

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

QUARTER HORSE SIMULCAST RACES TO BE IMPORTED

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

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

HARNESS SIMULCAST RACES TO BE IMPORTED

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

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

OTHER BREED SIMULCAST RACES TO BE IMPORTED

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

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

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

Every association shall pay over to the simulcast organization within 3 calendar days following the closing of wagering for any day or night racing program, or upon receipt of the proceeds, such amounts that are retained from off-track simulcast wagering, interstate and

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

9. CHARITY RACING DAYS

A. Name and address of the distributing agent (charity foundation) for the net proceeds from charity racing days held by the association: **Hollywood Park Racing Charities 1050 South Prairie Avenue Inglewood, CA 90301 310-419-1518**

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

Tirso del Junco, M.D.	Miss Angie Dickinson
Chairman & President	Treasurer
4924 Sunset Boulevard	P. O. Box 369
Los Angeles, CA 90027	Inglewood, CA 90306

Mr. Willie D. Davis	Mrs. Barbara Knight
Vice-President	Secretary
P. O. Box 369	P. O. Box 369
Inglewood, CA 90306	Inglewood, CA 90306

Rick Baedeker	Alvin Segel, Esq.
President	Irell & Manella
Hollywood Park Race Track	1800 Avenue of the Stars, #900
1050 South Prairie Avenue	Los Angeles, CA 90067
Inglewood, CA 90301	

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

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

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

10. RACING OFFICIALS, OFFICIALS, AND OFFICIATING EQUIPMENT

A. Racing Officials nominated:

Associate Judges	N/A
Association Veterinarian(s)	Ray Baran, D.V.M.
Clerk of Scales	Dino Perez
Clerk of the Course	Lisa Jones
Horse Identifier	Dianne Piper

Horseshoe Inspector	Harry Toston
Paddock Judge	Ken Goldberg
Patrol Judges	Charles McCaul
	Tora Yamaguchi
Placing Judges	Kevin Colosi
	Zachary Soto
Starter	Gary Brinson
Timer	Russell Hudak

B. Management officials in the racing department:

Director of Racing	N/A
Racing Secretary	Martin Panza
Assistant Racing Secretary	Richard Wheeler and Dan Eidson
Paymaster of Purses	James D. Miller
Others (Asst. Clerk of Scales)	Ruben Hernandez

C. Name, address and telephone number of the reporter employed to record and prepare transcripts of hearings conducted by the stewards: **Weinstein Court Reporters 9582 Hamilton Avenue, Suite 265 Huntington Beach, 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 Corp., USA 12/31/05**

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

F. Type of electronic timing device to be used for the timing of all races, name of the person supplying the service, and expiration date of the service contract: **American Teletimer, 1/26/08**

11. SECURITY CONTROLS AND EMERGENCY SERVICES

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

B. Estimated number of security guards, gatemen, patrolmen or others to be engaged in security tasks on a regular full-time basis. Describe the electronic security system: **Approximately 49 guards, 10 Gatemen, 1 Fireguard/surveillance cameras throughout grandstand and at both entrances to the barn area.**

C. Name, address and emergency telephone number of the ambulance service to be used during workouts and the running of the races: **Huntington Ambulance Service, P.O. Box 145 Sunset Beach, CA 562/904-1550**

D. Name, address and emergency telephone number of the ambulance service to be used during workouts at auxiliary sites: **Santa Anita -Huntington Ambulance Service, P.O. Box 145 Sunset**

Attachment C

VIDEO EQUIPMENT

CAMERAS

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

VIDEO TAPE RECORDING EQUIPMENT

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

DISTRIBUTION/SWITCHING EQUIPMENT

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

OTHER

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

Beach, CA (562) 904-1550; Pomona – Event Medical, EMS Los Alamitos, CA 714/821-6166; San Luis Rey Downs – North County Fire Protection District Fallbrook, CA 760/723-2005

- E. Attach a fire clearance from the fire authority having jurisdiction over the premises. **Inspection requested.**
- F. Name of the workers' compensation insurance carrier for the association and the number of the insurance policy (if self-insured, provide details): **Travelers Insurance Company**
TC2JUB 1340216704
- 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.
Attachment D

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: **Attachment E**

13. SCHEDULE OF CHARGES

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

1) General Admission	\$ 7.00
a. 17 yrs. old and under	Free
b. Wed & Thur Senior Citizens	\$ 4.00
(2) Clubhouse Admission	\$ 10.00
(3) Turf Club	\$ 20.00
(4) Reserved seating	\$ 2.00
(5) General Parking	Free
(6) Preferred (Premium) Parking	\$ 3.00
(7) Valet Parking	\$ 8.00
(8) Programs	on track \$ 2.00
	off track (out of LA area) \$ 2.25

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

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

*Includes Spring/Summer, Fall Meets and Simulcast

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

Attachment D

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)
8/08/04

PRODUCER
Aerdis of KY-Louisville
850 Breckenridge Ln, Ste.50
P.O. Box 7808
Louisville KY 40267-0808
(502) 425-9444

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

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

COMPANIES AFFORDING COVERAGE

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

COVERAGES
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOT WITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input checked="" type="checkbox"/> OCCUR OWNERS & CONTRACTORS PROT <input checked="" type="checkbox"/> Liquor Liability	CGL7755618 INCLUDED	3/01/04	3/01/05	GENERAL AGGREGATE \$ 2,000,000 PRODUCTS-COMP/OP AGG \$ 1,000,000 PERSONAL & ADV INJURY \$ 1,000,000 EACH OCCURRENCE \$ 1,000,000 FIRE DAMAGE (Any one fire) \$ 500,000 MED EXP (Any one person) \$
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS	TC2JUB133D005A04	3/01/04	3/01/05	COMBINED SINGLE LIMIT \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EACH ACCIDENT \$ AGGREGATE \$
A	EXCESS LIABILITY <input checked="" type="checkbox"/> UMBRELLA FORM OTHER THAN UMBRELLA FORM	CUT802075	3/01/04	3/01/05	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL	TC2JUB1340216704	3/01/04	3/01/05	WC STATUTORY LIMITS <input type="checkbox"/> OTHER <input type="checkbox"/> EL EACH ACCIDENT \$ 500,000 EL DISEASE-POLICY LIMIT \$ 500,000 EL DISEASE-EA EMPLOYEE \$ 500,000
B	OTHER Business Auto Coverage	TJBAP1330906104	3/01/04	3/01/05	Comprehensive: 500 deductible Collision: 500 deductible Hired Car Phy Damage Limit: \$50,000

DESCRIPTION OF OPERATIONS, LOCATIONS, VEHICLES/SPECIAL ITEMS
California Horse Racing Board is additional insured with reference to Hollywood Park's 2004 meet. Named insured includes Hollywood Park.

CERTIFICATE HOLDER
California Horse Racing Board
Attn: Ray Wood
1010 Hurley Way, Suite 300
Sacramento, CA 95825

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

AUTHORIZED REPRESENTATIVE
John L. Edwards

Attachment E

Concessionaires and Service Contractors

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

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

Harry Aqurarelli
Duke Racing Selections
6632 West 87th Street
Los Angeles, California 90045
Tip Sheet

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

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

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

Thorograph
541 Hudson Street
New York City, New York 10014

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

Miscellaneous

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

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

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="80"/>
<input checked="" type="checkbox"/> Showers	<input checked="" type="checkbox"/> Steam room, sauna or steam cabinets	<input checked="" type="checkbox"/> Lounge area
<input checked="" type="checkbox"/> Masseur	<input checked="" type="checkbox"/> Food/beverage service	<input checked="" type="checkbox"/> Certified platform scale

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

15. BACKSTRETCH EMPLOYEE HOUSING

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

B. Number of rooms used for housing on the backstretch of the racetrack: **Approximately 450**

C. Number of restrooms available on the backstretch of the racetrack: **77 including: 155 toilets, 81 urinals and 167 sinks**

D. Estimated ratio of restroom facilities to the number of backstretch personnel: **Minimum of 1 to 10 including non-resident personnel**

16. TRACK SAFETY

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

B. Describe the type(s) of materials used for the inner and outer railings of the race course, the type of inner railing supports (i.e., metal gooseneck, wood 4" x 4" uprights, offset wood 4" x 4" supports, etc.), the coverings, if any, on the top of the inner railing, and the approximate height of the top of the inner railing from the level of the race course. **Main Track – inner rail sheet metal panel covering over metal goosenecks supports – 40" in height, outer rail – metal uprights. Turf Course – inner rail – Fontana turf rail 40" in height, outer rail – metal uprights.**

C. Name of the person responsible for supervision of the maintenance of the racetrack safety standards pursuant to CHRB Rule 1474: **Dennis Moore**

D. Attach a Track Safety Maintenance Program pursuant to CHRB Rule 1474.

E. If the association is requesting approval to implement alternate methodologies to the provisions of Article 3.5, Track Safety Standards, pursuant to CHRB Rule 1471, attach a Certificate of Insurance for liability insurance which will be in force for the duration of the meeting specified in Section 2. The CHRB is to be named as a certificate holder and given not less than 10 days' notice of any cancellation or termination of liability insurance. Additionally, the CHRB must be listed as additionally insured on the liability policy at a minimum amount of \$3 million per incident. The

liability insurance certificate must be on file in the CHRB headquarters office prior to the conduct of any racing.

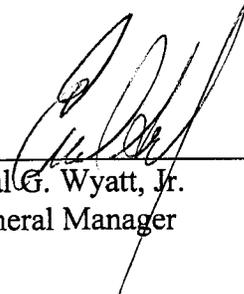
17. DECLARATIONS

- A. All labor and lease agreements and concession and service contracts necessary to conduct the entire meeting have been finalized except as follows (if no exceptions, so state): **no exceptions**
- B. Attach each horsemen's agreement pursuant to CHRB Rule 2044. **To be submitted under separate cover**
- C. Attach a lease agreement permitting the association to occupy the racing facility during the entire term of the meeting. (In the absence of either a lease agreement or a horsemen's agreement, a request for an extension pursuant to CHRB Rule 1407 shall be made). **n/a**
- D. All service contractors and concessionaires have valid state, county or city licenses authorizing each to engage in the type of service to be provided and have valid labor agreements, when applicable, which remain in effect for the entire term of the meeting except as follows (if no exceptions, so state): **no exceptions**
- E. Absent natural disasters or causes beyond the control of the association, its service contractors, concessionaires or horsemen participating at the meeting, no reasons are believed to exist that may result in a stoppage to racing at the meeting or the withholding of any vital service to the association except as follows (if no exceptions, so state): **no exceptions**

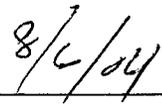
NOTICE TO APPLICANT Pursuant to CHRB Rules 1870 and 1871, the CHRB shall be given 15 days' notice in writing of any intention to terminate a horse racing meeting or the engagements or services of any licensee, approved concessionaire, or approved service contractor.

18. CERTIFICATION BY APPLICANT

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



 Eual G. Wyatt, Jr.
 General Manager



 Date

STAFF ANALYSIS
2005 RACE DATES FOR SOCAL THOROUGHBREDS AND FAIR

REGULAR BOARD MEETING
SEPTEMBER 15, 2004

Background:

At the August meeting, 2005 Race Dates were approved for all segments of the industry except the Southern California Thoroughbred and Fair schedule. Since that meeting the proposal for SoCal thoroughbred meets has been significantly revised by moving one week in April from Hollywood Park to Santa Anita and by extending the Hollywood Park winter meet to close on December 24 (instead of December 19). Charts for the new proposal are included with this item.

Recommendation:

Staff recommends that the Board hear from the Race Dates Committee.

CHRB PROPOSED 2005 RACING CALENDAR

DEC JAN FEB MAR APR MAY JUNE JULY AUG SEP OCT NOV DEC JAN

THOROUGHBRED & FAIR MEETINGS

29	SANTA ANITA (85 Days) 17 Wks	24	27	HOLLYWOOD PARK (62) 12 Wks	17	20	DEL MAR (43) 7 Wks	7	28	S.A. (31) 6 Wks	6	9	H'WD PARK (34) 7 Wks	24
----	------------------------------------	----	----	----------------------------------	----	----	--------------------------	---	----	-----------------------	---	---	----------------------------	----

26	GGF (28) 5 Wks	30	BAY MEADOWS (28) 4 Wks	8	11	GGF (28) 6 Wks	19	16	FAIRS	6	BAY MEADOWS (33) 7 Wks	19	G.G.F. (46) 9 Wks	19
----	----------------------	----	------------------------------	---	----	----------------------	----	----	-------	---	------------------------------	----	-------------------------	----

LACF 9 25 17 Dys

FRESNO FAIR

QUARTER HORSE MEETING

26	LOS ALAMITOS (204) 51 Wks	18
----	---------------------------------	----

HARNESS MEETINGS

26	EXPO (134) 31 Wks	30
----	-------------------------	----

NORTHERN FAIRS (RACING DAYS)
 STOCKTON (10), JUNE 15 - JUNE 26
 PLEASANTON (11), JUNE 29 - JULY 10
 VALLEJO (11), JULY 13 - JULY 25
 SANTA ROSA (12), JULY 27 - AUG 8
 SAN MATEO (12), AUG 10 - AUG 22
 FERNDALE (10), AUG 11 - AUG 21
 SACRAMENTO (12), AUG 24 - SEPT 5
 FRESNO FAIR (11), OCT 5 - OCT 16

STAFF ANALYSIS
PROPOSED ADDITION OF RULE
1843.6. TOTAL CARBON DIOXIDE TESTING

ITEM - 5

Regular Board Meeting
September 15, 2004

BACKGROUND

Business and Professions (B&P) Code Section 19580 provides that the Board shall adopt regulations relating to equine medication to preserve and enhance the integrity of horse racing. B&P Code Section 19581 states that no substance of any kind shall be administered by any means to a horse after it has been entered to race unless the Board has, by regulation, specifically authorized the use of the substance and the quantity and composition thereof.

Some persons believe lactic acid, which is produced by intense exercise, and is a factor in causing fatigue, can be neutralized by the administration of an alkaline substance such as bicarbonate. This has resulted in the use of alkalizing agents, or "milkshakes," which are administered to a racehorse in an attempt to alter the performance of the horse. To determine if alkalizing substances are being administered, the CHRB and the racing industry conducted a non-regulatory survey of total carbon dioxide (TCO₂) levels in horses racing in California. Over 700 horses have been included in the survey. The survey demonstrated alkalizing substances are being administered to some horses. This has resulted in the proposed addition of Rule 1843.6, Total Carbon Dioxide Testing.

ANALYSIS

The proposed addition of Rule 1843.6 will allow the official veterinarian, a veterinarian licensed by the Board or a registered veterinary technician licensed by the Board to collect blood samples for the purpose of TCO₂ testing from any horse that is entered to race. The stewards or the official veterinarian must select the horse, and samples may be taken pre-or-post race. Entry of a horse constitutes permission for the taking of such samples. An owner, trainer or any person responsible for the horse that refuses or fails to permit the taking of a sample shall be considered in violation of Rule 1930, Obedience to Security Officers and Public Safety Officers, and shall have the horse declared ineligible to race by the stewards. Rule 1843.6 sets maximum levels of TCO₂ in blood serum or plasma. For a horse competing on furosemide the level is 39.0 millimoles per liter of serum or plasma. If a horse is not competing on furosemide, the level is 37.0. These are levels established in most North American racing jurisdictions that regulate TCO₂ levels. Because TCO₂ test samples have a short shelf life it may be difficult or impossible to provide a split sample. Therefore, the provisions of Rule 1859.25, Split Sample Testing, shall not apply to samples collected under Rule 1843.6.

RECOMMENDATION

Staff recommends the Board hear from the Equine Medical Director

CALIFORNIA HORSE RACING BOARD
TITLE 4. CALIFORNIA CODE OF REGULATIONS
ARTICLE 15. VETERINARY PRACTICES
PROPOSED ADDITION OF
RULE 1843.6
Total Carbon Dioxide Testing

Regular Board Meeting
September 16, 2004

1843.6. Total Carbon Dioxide Testing

(a) At the direction of the official veterinarian, a veterinarian licensed by the Board or a registered veterinary technician licensed by the Board may collect blood samples from a horse for the purpose of obtaining total carbon dioxide (TCO₂) concentrations. Such blood samples may be collected pre-race or post-race.

(b) Any horse entered to race may be selected by the stewards or the official veterinarian for TCO₂ testing. The entry of a horse constitutes permission to obtain blood samples.

(c) Any owner, trainer, or other person responsible for a horse who refuses or fails to permit the taking of a sample from such horse shall be deemed in violation of Rule 1930 of this division and shall have the horse declared ineligible to race by the stewards.

(d) TCO₂ levels in the blood serum or plasma shall not exceed:

(1) 39.0 millimoles per liter of serum or plasma if the horse is competing on furosemide

(2) 37.0 millimoles per liter of serum or plasma if the horse is not competing on furosemide.

(e) The provisions of Rule 1859.25 of this article shall not apply to blood samples collected for TCO₂ testing.

Authority: 19580, 19581 and 19582,
Business and Professions Code

Reference: 19580, 19581 and 19582,

CALIFORNIA HORSE RACING BOARD

September 15, 2004, Regular Board Meeting

There is no board package material for this item.

Information to be presented at the board meeting.

ITEM 7

**STAFF ANALYSIS
REQUEST FOR APPROVAL OF AMENDMENT
TO EXPRESSBET'S ADW LICENSE**

**REGULAR BOARD MEETING
SEPTEMBER 15, 2004**

Background:

As indicated by the attached materials, ExpressBet is seeking approval of an amendment to their ADW license (the license expires 1/24/05) so that they may include the use of the new wagering apparatus designated the "Simplified Wagering Machine (SWM)". This kiosk type of a self-service wagering machine is proposed for location at Magna's California tracks starting as early as November 10, 2004, at Golden Gate Fields. If approved, the SWM might also be used at Santa Anita during the early portion of the Los Angeles Turf Club meet.

Although no prototype has been provided for examination, staff has reviewed the specifications of the SWM and finds it to be a device that may assist a novice bettor to become acclimated to wagering on horse races. The SWM has limited wagering options on a great number of races that will allow the novice to quickly experience the entire cycle of the wagering process thereby, it is hoped, make a racing fan of the novice.

Recommendation:

Staff recommends that the Board approve the request for amendment to the XpressBet ADW license thereby allowing the limited introduction of the new wagering device at GGF and LATC.

PRIVATE AND CONFIDENTIAL

August 25, 2004

California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, California 95825
Attention: Executive Director

Dear Sirs and Mesdames:

Re: Simplified Wagering Machine

As discussed in our meeting with Mr. Roy Wood and his staff on August 9, 2004, XpressBet, Inc. (“**XpressBet**”), a subsidiary of Magna Entertainment Corp. (“**MEC**”), would like to implement MEC’s new self-serve wagering machines (the “**SWM**”) at Santa Anita Park and Golden Gate Fields (each, a “**Racetrack**” and collectively, the “**Racetracks**”) on or before the opening of Golden Gate Fields’ fall meet commencing on November 10, 2004. XpressBet proposes to be the licensed operator of the SWMs at the Racetracks pursuant to its multi-jurisdictional ADW hub license issued by the California Horse Racing Board (“**CHRB**”). Throughout this letter, references (i.e. “[FIG. #]”) are made to numbered illustrations that appear at the end of this letter at *Appendix D*.

Due to the proprietary and confidential information disclosed in this letter, we kindly request that the CHRB keep it confidential and not disclose it to the public. In the event that you receive a Freedom of Information request for a copy of this letter, we kindly ask that you notify us prior to disclosure of any information contained herein to any third parties.

We propose to implement approximately 50 SWMs at each Racetrack, to be located in the areas specified on *Appendix A* attached hereto, in each case in a newly renovated area designed specifically to provide players of the SWM with a high level of comfort and conveniences.

Description of the SWM

The SWM is a video-enhanced, cashless, paperless self-serve pari-mutuel wagering machine designed to raise the level of entertainment and excitement at horse racing venues and simplify the wagering process. A player may use the SWM to place certain types of wagers on live pari-mutuel wagering events featured on the SWM, view the races and race results and review account activity.

Appearance

The SWM player terminal (the “**Kiosk**”) [FIG. 1] is composed of a sit-down style cabinet with an ergonomic chair attached using a solid base plate. The Kiosk provides a tabletop area for food and a cup holder for drinks. A game display area sits above the tabletop area and houses the terminal monitor, magnetic card reader and speaker system in a chrome cabinet. The tabletop area contains a backlit graphics panel for displaying game information and instructions for the player. A two-tiered light is attached to the top of the Kiosk and is used to indicate winning wagers or other predetermined events and attract operations personnel to the Kiosk. All of the electronic components are housed inside the Kiosk behind the main display area. The main display area provides a 17-inch liquid crystal display

panel with touch screen and can also display the race through a television tuner card via video connection from the main simulcast signal to the Kiosk.

Components of the SWM System

The SWM System is made up of seven major components, which interact with existing, well documented, certified horseracing systems, such as the totalisator system operated by AmTote International, Inc. (“**AmTote**”), and the Equibase BFile. The seven components of the SWM system are the Kiosk, the Game Server, the Handicapping Server, the Game Control Console, the Video Display Unit, the Business Server and the Administrative Management Console. [FIG. 2]

The Kiosk provides the only player access to the SWM system. The Kiosk contains a standard DELL PC running Microsoft Windows XP Professional. The Kiosk application contains presentation logic only, meaning it only formats information that it receives from the totalisator system. The only information stored on the Kiosk PC is the application itself, graphics and an optional log file that contains information for the purposes of debugging application issues.

The Game Server software acts as a smart switch between the Kiosk and the totalisator system. The Game Server provides logging capability for the purposes of trouble shooting, security services as it relates to the Kiosk, and maximizes the use of bandwidth between the totalisator system and the Kiosk. The Game Server can run on any hardware running Microsoft Windows Server 2003 that has Microsoft SQL Server 2003 and Microsoft Internet Information Server running on it as well.

The Handicapping Server runs on the same physical server as the Game Server application and reads information from the Equibase BFile. This BFile contains the morning line odds as entered into the InCompass Race Track Operations system. The Handicapping server uses the top three favorites for each race featured on the SWM based on the morning line odds to provide the selections for the three handicappers featured on the SWM.

The Game Control Console is a web page based user interface that allows the SWM system operator to communicate with the Game Server to select which race will be displayed on the Kiosks and whether the race video is displayed on the Kiosks. The Game Control Console displays the next available race based on the race card and the Minutes to Post provided by the totalisator system. The Game Control Console uses functionality within the Game Server and presents it to an authenticated user in a Web Browser.

The Video Display Unit is a standard PC running Microsoft Windows XP Professional that communicates with the Game Server and the television monitors near the Kiosks. The Video Display Unit receives messages from the Game Server for the purposes of changing which racetrack signal is displayed on TV's distributed around the Kiosks.

The Business Server is a Microsoft C## application, which acts like a smart switch between the totalisator system and the Administrative Management Console. The Business Server handles login for the purposes of security and trouble shooting, as well ensuring that all Administrative Management Console instructions are authenticated. Only the Business Server can talk to the totalisator for purpose of funding or redeeming a player account or setting the PIN for an account.

The Administrative Management Console is a Microsoft C## application that runs on any standard PC, that has a cash drawer and a PIN pad. This application allows an authenticated user to talk to the player account that is stored on the totalisator system. The Administrative Console can only access the totalisator through the Business Server. The Administrative Management Console allows SWM tellers

to fund and redeem accounts, run cash management reports, and run detailed history reports for an account.

It should be noted that the all wager transactions, account transactions, odds calculations, race cards, minutes to post, payout calculations etc. are performed on the totalisator system. The SWM uses the totalisator system for all data storage, calculations and reports. The SWM is nothing more than a new user presentation layer to all of the existing functionality of the totalisator system. Although Autotote Systems, Inc. provides totalisator services to the Racetracks and XpressBet, XpressBet intends to use AmTote to provide totalisator services for the SWMs at the Racetracks. All required software and hardware designs and programming required to operate the SWMs on AmTote's totalisator system have been completed and as such, AmTote is XpressBet's preferred supplier of totalisator services for the SWMs.

Security and Audit Features

An integral part of the SWM system is to protect its infrastructure from eaves dropping and compromise. There are several audit features and security safeguards in place at both the customer interaction level and the communications and server access.

Security

A player may not use the SWM unless he or she has inserted a valid player card into the Kiosk. The player card is a magnetic stripe card that contains a pre-defined encrypted account number that identifies the player card to an account on the totalisator system. After a player obtains a player card, deposits or withdrawals of money from the account are allowed through an account management system operated by authorized tellers, who handle all money collection and disbursements. The account management system operates on the Business Server described above.

In addition, each of the Kiosk and the servers supporting the SWM system have multiple security safeguards in place (both hardware and software) to prevent unauthorized access. All servers are physically located in a secure facility under supervision. All network connections are hard-wired utilizing a closed network, with no access from a wireless connection point, or outside access. All communications traffic sent to and from the servers are encrypted utilizing industry standard Secure Socket Layer technology. No data is passed clear-text, and certificates can be changed periodically.

Audit Features

The Kiosk contains a detailed log file of all operations that occur on the machine. This includes hardware and software auditing, physical entry auditing, and user interaction.

The Business Server keeps a transactional log of all user account activity in a secure database. This information can be cross-referenced with end of day totalisator activity reports to ensure proper reconciliation. An example report of the information provided is shown below:

Terminal	Account Number	Detail	Created Date
AMCRacino001	12345	Balance: \$0	June 5, 2004 11:21 am
AMCRacino001	12345	Deposit: \$50.00	June 5, 2004 11:22 am
AMCRacino001	12345	Balance: \$50.00	June 5, 2004 11:22 am
AMCRacino003	12345	Balance: \$18.00	June 5, 2004 12:41 pm
AMCRacino003	12345	Withdrawal: \$18.00	June 5, 2004 12:42 pm
AMCRacino003	12345	Balance: \$0	June 5, 2004 12:42 pm

The Game Server, similar to the Business Server, keeps a transactional log of all user account activity in a secure database. This information can be cross-referenced with end of day totalisator activity reports to ensure proper reconciliation. An example report of the information provided is shown below:

Terminal	Account Number	Detail	Created Date
KioskRacino015	12345	Login	June 5, 2004 12:02 pm
KioskRacino015	12345	Balance: \$50.00	June 5, 2004 12:02 pm
KioskRacino015	12345	Bet: Track: APD Race: 2 Amount: \$2 Pool: Show Runner: 4	June 5, 2004 12:06 pm
KioskRacino015	12345	Balance: \$48.00	June 5, 2004 12:06 pm
KioskRacino015	12345	Bet: Track: CRM Race: 4 Amount: \$30 Pool: WPS Runner: 8	June 5, 2004 12:15 pm

Operation of the SWM

Player Card – Issuance and Funding

In order to use the SWM, a player must first have a valid player card. Player cards are obtained from a teller station in close proximity to the Kiosks at each Racetrack. There are two types of player cards available:

- PIN Cards which, when inserted into the Kiosk, require the player to enter a personal identification number before the SWM may be used. In order for a PIN Card to be issued, relevant personal details such as name, address and telephone number will be collected from the player on a form that the player is required to sign (please see *Appendix B*). A valid piece of government issued photo identification will be required from each player in order for a PIN Card to be issued. Upon completion of the foregoing procedure, the player may then make a deposit to the account underlying the Player Card by paying cash or other forms of certified funds such as cashier's checks to the teller that issued the Player Card. The teller will then credit the player's account

with the amount received by entering it into the Administrative Console connected to the Business Server, which amount will automatically be reflected in the player's account and will be immediately available for the player to use on the SWM. The player is then given a receipt evidencing the deposit to his or her account.

- PIN-less Cards are similar to PIN Cards, except that the player does not enter a PIN when the card is inserted into the Kiosk. No personal details are collected when a PIN-less Card is issued nor is the player required to provide any form of identification. PIN-less Cards are similar to cash vouchers commonly used in self-service pari-mutuel terminals.

All accounts established upon the issuance of a player card are maintained on the AmTote totalisator hub. The Terms of Use (see *Appendix C*) for players using the SWM will be prominently displayed at all teller windows where player cards are available. In addition, hard copy brochures outlining the Terms of Use of the SWM will be available at all teller windows where player cards are available. The player card will also have a legend on the back stating that use of the SWM is subject to the applicable Terms of Use. Currently, accounts opened to use the SWM at a Racetrack can only be used at the Racetracks and cannot be used (i) to operate SWMs at any racetrack other than the Racetracks or (ii) for telephone or Internet betting on XpressBet. However, it is anticipated that as SWMs are implemented in other facilities, Player Cards can be used to operate SWMs at such facilities.

Withdrawals from the Player Account

Players may withdraw funds from their accounts in the following ways:

- Where the player has a PIN-less card, the player must present the card to a SWM teller at one of the Racetracks. If there are funds available for withdrawal in the account, the player merely requests the teller to withdraw the funds, which are made available immediately.
- Where the player has a PIN card, the player must present the card to a SWM teller at one of the Racetracks together with a completed withdrawal slip, which must be signed in the presence of a teller. Upon presentation of the player card and a completed withdrawal slip to the teller, the player will be requested to enter his or her PIN into a terminal for security clearance. Upon successful entry of a PIN, the teller will then provide the requested funds to the player.

In certain circumstances, a player may be requested by the teller to provide a piece of government issued photo identification in order to withdraw funds.

Playing the SWM

1. The player inserts his/her player card into the card reader and leaves it in the Kiosk for the duration of play.
2. All player selections and entries are made using the Kiosk's touch screen display.
3. If prompted, the player enters his/her PIN. [FIG. 3]
4. The Kiosk displays the player's balance (credits). This is the current value in the player's account. [FIG. 4]
5. The Kiosk displays the track, race, and list of runners for the next pari-mutuel horse race to be featured on the SWM (that is determined by an operator who sends the same race to all Kiosks, based on available simulcast races permitted for the Racetrack). The list of entries contains the betting number, horse name, and probables (potential payout based on current odds and bet amount and type). Players will only be able to wager on the next race to be featured on the SWM. [FIG. 4]

6. The player selects his/her wager from the available wager options, which are (i) \$2 SHOW and (ii) \$6, \$15, \$30, and \$60 WIN, PLACE, SHOW choices. The amounts displayed on the choices are the total cost of the wager. [FIG. 4]
7. The player selects a runner. Alternatively, the player can request one of several pre-selected runners by selecting one of the three "handicapper" characters displayed on the right hand side of the screen. These pre-selected runners are chosen for the player based on pre-determined selection algorithms (currently the top three favorites based on the morning line odds). [FIG. 5]
8. If the player is not satisfied with his/her selections, she/he may press "Start Over", which clears his/her selections and allows the player to start over. If the player is satisfied with his/her selections, she/he may place the wager by pressing "Play". No commitment is made to fund the wager until the player has pressed "Play".
9. Upon pressing "Play", the player sees an audio-visual effect of spinning racing entries while the wager is being processed. [FIG. 6]
10. If the wager is accepted, the selected betting entry zooms out and transitions into a large visual depiction of a ticket, which we refer to as a "virtual ticket". [FIG. 7] The player's balance is also updated. If the wager cannot be placed, a message stating that is displayed and the account balance is not updated.
11. The player can place multiple wagers on the same race. All of the player's currently pending wagers are displayed as a collection of virtual tickets on the upper portion of the SWM display. [FIG. 8] A player can review the details of any pending wager by touching the virtual ticket icon, causing it to enlarge for easy viewing. Touching it again causes the virtual ticket to return to its previous size in the display.
12. The player may view a detailed history of activity for the day by choosing "Account Info". [FIG. 9]
13. The simulcast video of the race is shown on the Kiosk display screen once the race has started. In addition, at any time, a player may view the simulcast video displays located on the premises to view the live race.
14. When the results for a race are official, the player is notified (through the Kiosk via audio and visual signals) and the status of pending wagers, winning amount(s), balance and account history are updated and made available to the player in real time. [FIG. 9] If the player wins a sufficient amount that an IRS form is required, any Kiosk with the player's card inserted will lock and an attendant will interact with the player to ensure the necessary form is completed.
15. The player can logout from the Kiosk at any time by removing the player card.
16. A player may view his/her account history for the day at any Kiosk by inserting the player card, logging in, and selecting "Account Info". [FIG. 9] Alternatively, for a record of transactions processed prior to the current day, players may request a statement at the SWM teller window where their player card was issued. Such statements present a history of SWM transactions on their account for the past 30 days.

Information Display on the Kiosk

All data displayed on the Kiosk comes from the game server/totalisator system and, except for logging, is not maintained locally.

The following data is available for display to the user:

1. The details of all wagers made that day. The virtual tickets contain the following information:
 - a. Track
 - b. Runner Number
 - c. Race
 - d. Bet Type

- e. Cost of Wager
2. The player's account balance.
3. A list of pending wagers (wagers that have not been settled). This is for the player's convenience.
4. The current day's account history, including amounts deposited, amounts withdrawn, and a list of the day's wagers, showing:
 - a. Track
 - b. Race
 - c. Runner Number
 - d. Cost of Wager
 - e. Bet Type
 - f. Wager Status – Pending or Official
 - g. Amount Won
 - h. Ticket Serial Number

SWM Wager Process Upon Entry into the SWM

The following outlines how the SWM system acts when a wager is entered into the Kiosk. After the user has chosen a wager amount, and a runner, in order to finalize the wager, he/she must press "Play". Once the player has pressed "Play", the following steps occur.

Step	SWM System Action
1	The Kiosk sends the wager details (runner, wager type and amount) to the Game Server by calling a web service that passes an object that contains security elements and the wager details.
2	The Game Server logs the wager details to an internal data store.
3	The Game Server places the wager on the totalisator system by calling the totalisator gateway web service function AMTAccountWager. This function has parameters that list security elements and the wager details.
	<p>If the wager was successfully placed on the totalisator system, it replies to the Game Server with the ticket serial number and the new account balance.</p> <p>If the wager was rejected by the totalisator system, it sends a wager rejection notice to the Game Server.</p> <p>Note: The totalisator will treat a wager placed from the Kiosk the same as a wager placed at a teller terminal or a self-serve terminal. Therefore, a wager would be rejected by the SWM system under all of the conditions that would cause a wager to be rejected at a teller terminal or a self-serve terminal. Examples of conditions that will cause a wager rejection include: horse scratched, the stewards key was pressed, insufficient funds, pool closed, etc.</p>
4	<p>The Game Server logs the ticket serial number along with the rest of the previously stored wager details.</p> <p>If the wager was rejected, the server deletes the previously stored wager details.</p>
5	<p>If the wager was accepted, the Game Server sends a wager successful message to the Kiosk, which includes the new account balance.</p> <p>If the wager was rejected, the Game Server sends a wager rejected message along with an explanation message to the Kiosk.</p>
6	<p>Upon receipt by the Kiosk of the wager successful message from the Game Server:</p> <p>The Kiosk displays the new balance.</p> <p>If the wager was successful, the horses stop spinning and the chosen runner is</p>

	<p>displayed.</p> <p>The Kiosk switches into the ready state, which allows the user to interact with the Kiosk and place further wagers or obtain account details.</p> <p>If the wager was rejected, the horses stop spinning and the Kiosk displays the wager rejected message along with the explanation.</p> <p>The Kiosk switches into the ready state which allows the user to interact with the Kiosk and place further wagers or obtain account details.</p>
--	---

Thoroughbred Owners of California

We are in discussions regarding the proposed implementation of SWMs at the Racetracks with the Thoroughbred Owners of California (“TOC”) as described herein. We will notify the CHRB with the outcome of those discussions when available.

Legal Matters

The following discusses the CHRB Rules concerning the conduct of Advance Deposit Wagering in California and the manner in which the operation of the SWMs deals with such requirements. Except as noted, the operation of the SWMs complies with the requirements of CHRB Rules 2070 through 2083 (Advance Deposit Wagering) inclusively.

Rule 2071 – License to Conduct Advance Deposit Wagering by a California Applicant

XpressBet currently holds a valid license to conduct advance deposit wagering in the State of California as required pursuant to CHRB Rule 2071. Pursuant to this letter, XpressBet proposes to operate SWMs at the Racetracks under the terms of that license, subject to the following changes:

- (a) The SWMs will be operated at each Racetrack during the hours on which it is open for business (during both live and non-live seasons).
- (b) XpressBet’s security policies set forth in the original license application of XpressBet are hereby supplemented by the security and audit features of the SWM described herein.
- (c) Totalisator services for all wagers made through the SWMs located in California shall be provided by AmTote. AmTote shall provide totalisator services for the SWMs from its hub located in the State of Oregon.
- (d) The account opening procedures for the SWMs shall be as described above under “Operation of the SWM – Player Card”.
- (e) Attached as **Appendix B** is a copy of the application form used when a player obtains a PIN Card to operate the SWM.
- (f) Attached as **Appendix C** is a copy of the Terms of Use of the SWM, applicable to all players. The Terms of Use will be posted prominently in the general area where Player Cards are issued and will be made available in a brochure to any person upon request.
- (g) XpressBet’s Plan of Operation in respect of the SWMs is as set forth in this letter.

Rule 2073 – Operation of an Advance Deposit Wagering Account for All Entities

XpressBet’s operation of the SWMs, as proposed herein, complies with Rule 2073.

XpressBet hereby requests an exemption from clause (m) of Rule 2073 as it applies to the operation of the SWMs. Since all wagers on the SWMs will be made on-track, the conduct of wagering on the SWMs is similar to wagering on self-serve parimutuel terminals already in place at the Racetracks, where bettors may obtain pre-paid vouchers to place wagers. There is currently no limit on the number of vouchers that a bettor may obtain on-track and XpressBet kindly requests similar treatment in respect of deposits made to SWM accounts.

XpressBet hereby requests an exemption from clause (a) of Rule 2073 in respect of funds on deposit in a SWM account that was created upon the issuance of a PIN-less Card where no personal information was collected from the player acquiring or funding the card. In the event that a PIN-less Card remains unused for a period of longer than 13 months, XpressBet proposes to close the applicable account and any funds contained therein shall be treated in the same manner as funds underlying an uncashed parimutuel ticket issued at the applicable Racetrack.

Rule 2074 – Requirements to Establish an Advance Deposit Wagering Account with a California Entity

XpressBet's proposed operation of the SWMs as described herein complies with Rule 2074 except as follows: XpressBet would like to issue SWM players either PIN Cards or PIN-less Cards, at the player's option. In the event that a player chooses to obtain a PIN-less Card, no personal information will be collected from the player in order to establish an account. As a result, XpressBet requests an exemption from the requirements of Rules 2074(c)(d)(e)(g) and (h) as they relate to the operation of the SWMs. Since all wagers placed on the SWMs will be treated as though they are made by a California resident for purposes of the CHRB Rules, we submit that it is unnecessary to collect the personal information required by Rule 2074(c). If no personal information is collected from a player that is issued a PIN-less Card, no verification of personal information needs to take place as required by Rule 2074(d), and as a result, Rule 2074(e) is inapplicable. Where a PIN-less Card is issued to a SWM player, no PIN will be issued and the only Means of Personal Identification to access their account will be the Player Card itself. If a PIN-less Card is lost, any person who finds it may access the underlying account and withdraw funds or make wagers using such account. However, as discussed, each player will be given the option of whether they would like a PIN Card or a PIN-less Card.

Rule 2080 – Proceeds from a Deceased Account Holder

Since no personal information from account holders will be collected when PIN-less cards are issued, in the event that such an account holder becomes deceased:

- (i) if the PIN-less card is presented to XpressBet by any person for cashing, regardless of whether it is the deceased's legal representative or another person, the card can be cashed by the person presenting the card; or
- (ii) if the PIN-less card is not used for a period of 13 months or more and XpressBet is not presented with the card for cashing within such 13 month period, the underlying account will be closed and the remaining balance will be treated in the same manner as an uncashed voucher.

Conclusion

As described above, the SWM is a new, appealing and interactive self-serve terminal for horseracing fans to place lawful pari-mutuel wagers at the Racetracks. We are very excited about the possibility of

offering the SWM at the Racetracks and believe that it will add a new level of excitement and entertainment to horse racing. Would you kindly advise us in writing whether the California Horse Racing Board agrees to the proposed implementation of the SWMs at the Racetracks. If you require further information or would like to arrange for a demonstration of the SWM, please feel free to contact me.

Thank you for your attention to this matter and we look forward to hearing from you.

Yours truly,

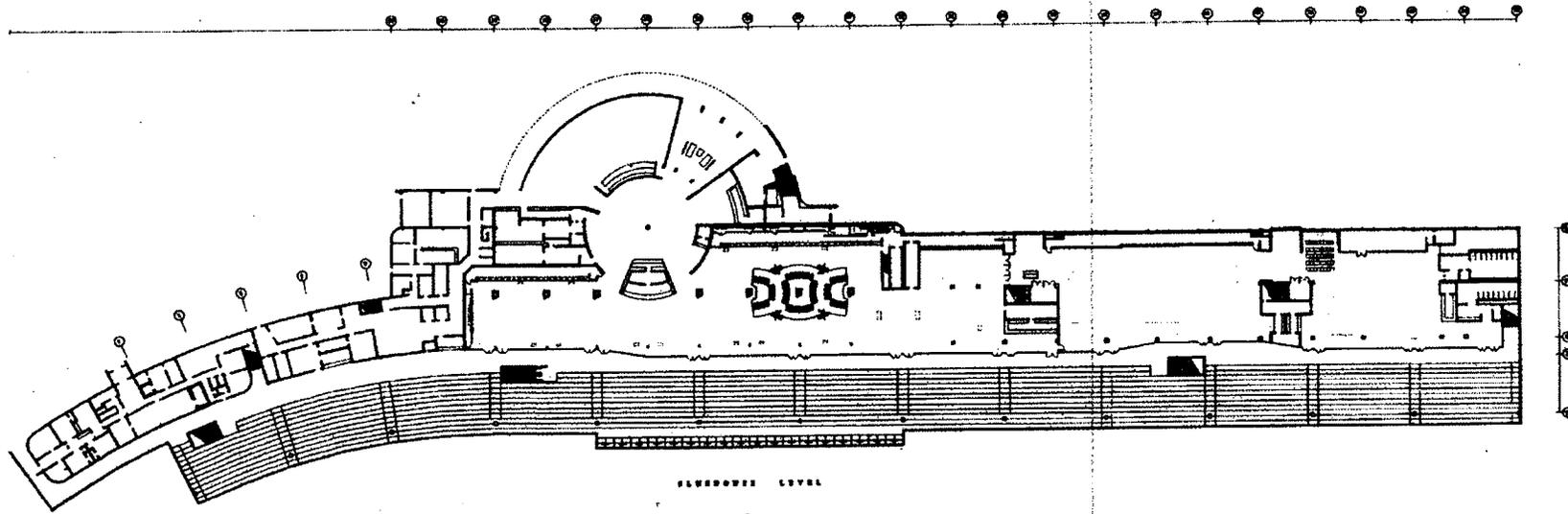
A handwritten signature in cursive script, appearing to read "Lee Jackson".

Lee Jackson
Legal Counsel
Magna Entertainment Corp.

cc: Jim McAlpine, Magna Entertainment Corp.
Ron Luniewski, XpressBet, Inc.
Jack McDaniel, Santa Anita
Peter Tunney, Golden Gate Fields
Scott Daruty, Magna Entertainment Corp.

APPENDIX A

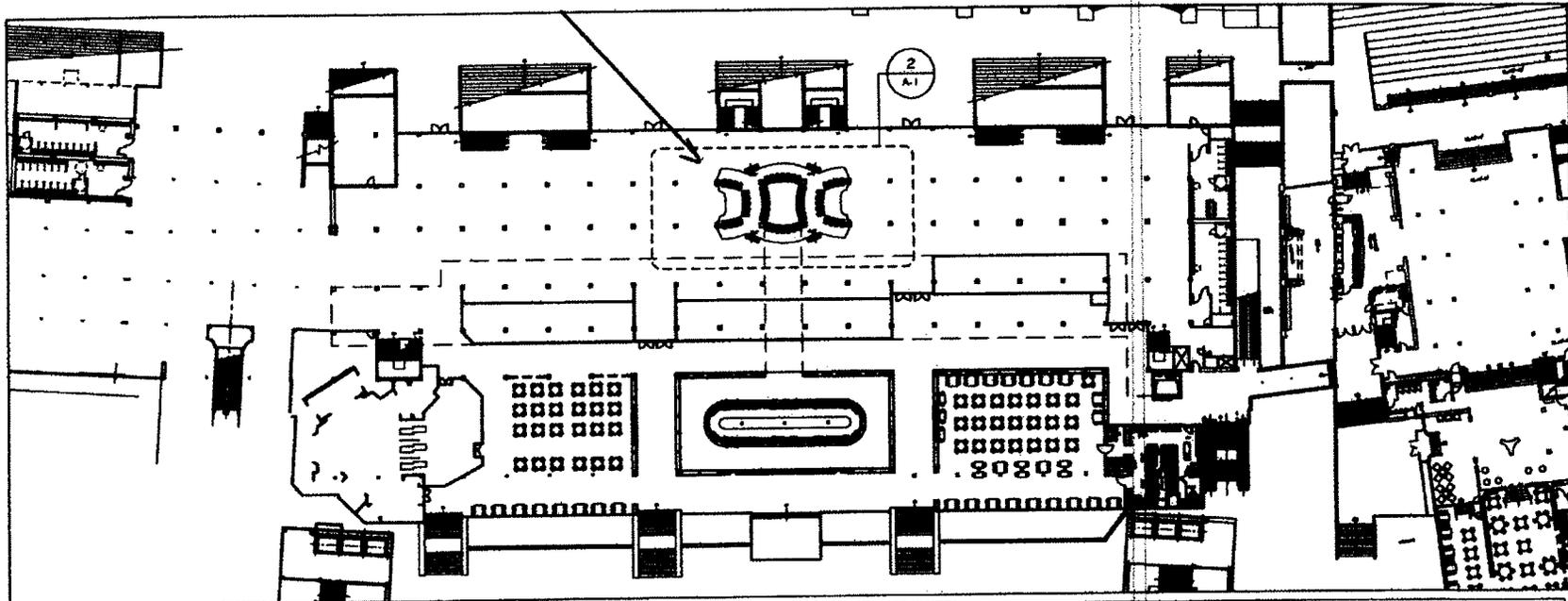
Diagrams Showing Proposed Location of SWMs at the Racetracks



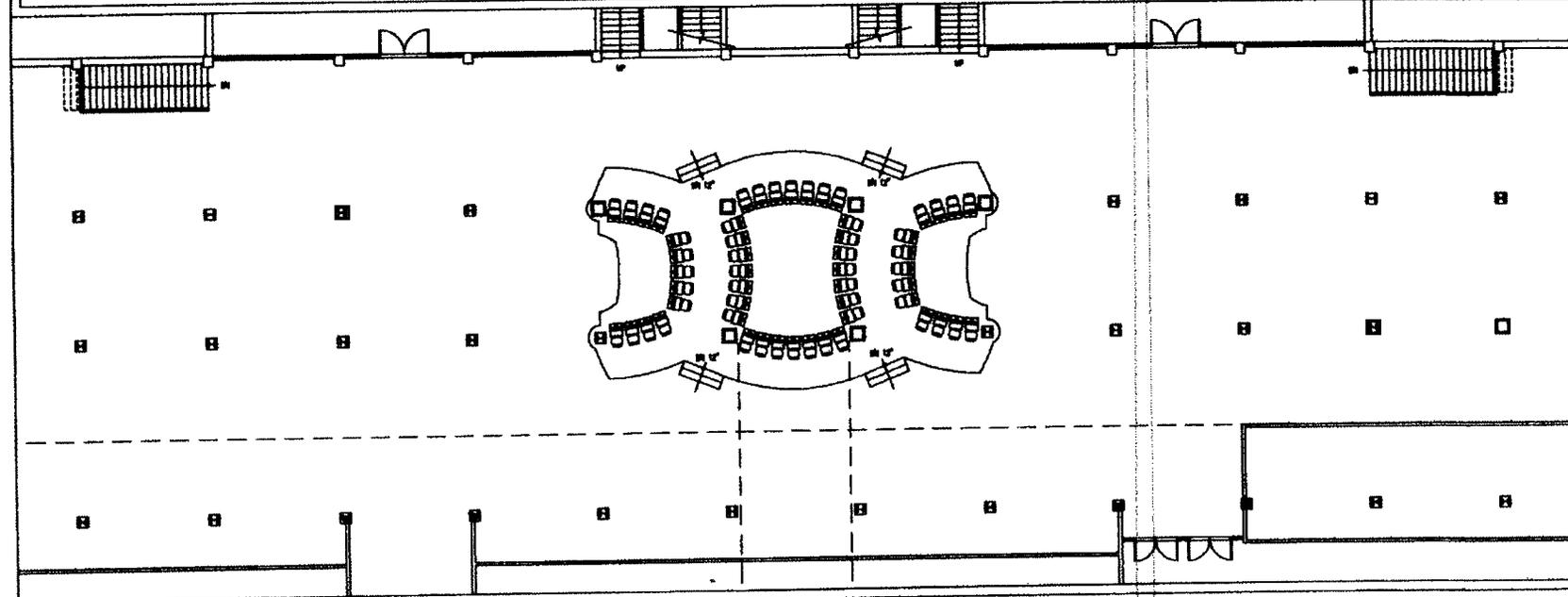
SEWERAGE LEVEL



GOLDEN GATE FIELDS GRANDSTAND MASTER PLAN



1 PLAN - UPPER LEVEL SBM Terminal



2 PLAN - BETTING TERMINALS TOTAL 54 ON 1/2 PLATFORM

Sheet Set
 Santa Anita SBM Terminal
 Santa Anita SBM Terminal
 Van Nuys, CA 91406
 (818) 997-4382
 (818) 290-4992

Los Angeles, Calif. Incorporated
 17302 Van Nuys Blvd. Ste. 600-14
 Van Nuys, California 91411
 (818) 997-4382 Fax (818) 290-4992



Santa Anita SBM Terminal program
 54 betting terminals on main-line betting floor

All dimensions are in feet and inches unless otherwise noted.

This drawing is for CONCEPTUAL REVIEW. This is not a WORKING DRAWING. All dimensions and features should be verified by concerned parties.

APPENDIX B

SWM PIN Card Application Form

SIMPLIFIED WAGERING MACHINE (SWM) PLAYER CARD ENROLMENT FORM

Applicant Information:

First Name	Last Name	Suffix	Email Address
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Street Address	City	State
<input type="text"/>	<input type="text"/>	<input type="text"/>

Zip Code	Country	Identification (e.g. driver's license number, state of issue)
<input type="text"/>	<input type="text"/>	<input type="text"/>

Telephone Number	Social Security Number (SOC)	Birth Date (mm/dd/yyyy)
<input type="text"/>	<input type="text"/>	<input type="text"/>

Security Question	Security Answer	Desired PIN for Account Access (4 digits):
<input type="text"/>	<input type="text"/>	<input type="text"/>

By signing below, the undersigned agrees to adhere to the SWM Terms and Conditions of Use which are an integral part of this application, a copy of which is posted at each facility operating SWMs and a copy of which will be provided upon request at such facilities. The undersigned certifies that he or she is not less than 18 years of age and the information provided on this form is correct. The undersigned hereby requests that XpressBet issue an account in his or her name.

Applicant Signature: _____ **Date:** _____

XPRESSBET USE ONLY

Account Number

Representative

Date

APPENDIX C

Terms of Use of the SWM

Simplified Wagering Machine Terms of Use

The placing of wagers ("Wagers") and the use of the Simplified Wagering Machine ("SWM") by You with us is subject to your unconditional acceptance of these terms and conditions ("Terms of Wagering"), which are set forth below, without modification, and is subject to all applicable laws, statutes, ordinances and regulations.

"You", "Your" and similar terms shall refer to You, the person to whom the Player Card (as defined below) is issued by us. "we", "us", "our" and similar terms shall refer to XpressBet, Inc.

I. AGREEMENT

By obtaining a player card (a "Player Card") to use the SWM, You certify that:

- a) You have read and agree to use the SWM and Your Player Card in accordance with the instructions and conditions in these Terms of Wagering, or as otherwise communicated to you from time to time by us.
- b) You authorize us to accept, and You agree to be responsible for, all instructions sent to us or to our totalizator system through the SWM or through an SWM Teller when Your Player Card is presented. Where Your Player Card was issued with a PIN, any instructions sent to us or our totalizator system by a person presenting Your Player Card must be authorized through the entry of a personal identification number ("PIN") into the SWM or teller terminal.
- c) You hereby consent to the recording of all SWM transactions including any redemptions or deposits on your Player Card.
- d) You are at least 18 years of age, You are familiar with all relevant local laws of the jurisdiction in which You are playing the SWM, You have the legal right to place Wagers, and that we have the right to accept Your Wager.
- e) You acknowledge that the Player Card is for Your personal use only. Any Wagers placed by a person other than You is strictly prohibited. You are legally responsible for all wagers placed and other transactions performed using Your Player Card, whether by You or any other person with or without Your knowledge or consent. Where Your Player Card is PIN enabled, You may notify us if your Player Card is lost or stolen and upon verification of Your identity, You may cancel the Player Card. **If Your Player Card is not PIN enabled and You lose Your Player Card, You will lose the right to any funds then credited to Your Player Card.** You bear full responsibility for the safekeeping of Your Player Card and maintaining the confidentiality of your PIN, if applicable.
- f) You are placing Wagers for personal, private use only, and that You will not make any information, materials, or services made available by us to You available to any person who is not otherwise allowed to access them. This precludes the use of this information, materials, or services for commercial purposes, as well as the making of this information, materials, or services available to a minor in any way, shape or form.

II. WAGERING SERVICES

We reserve the right, in our sole discretion and without prior notice, to discontinue, deny or alter services offered on the SWM without creating any obligation or liability to You. Further, we reserve the right to refuse or void or cancel Wagers where such Wagers have been placed on the basis of erroneous data. In the event that we void or cancel any particular Wager, we shall promptly credit the applicable Player Card with the amount of the Wager.

We reserve the right, in our sole discretion, to terminate a Player Card for whatever reason and without explanation. In the event a Player Card is terminated and closed, (i) if Your Player Card is PIN enabled, we shall return the balance of any funds credited to Your Player Card at the time of termination and closure, together with a closing statement or (ii) if Your Player Card is not PIN enabled, upon determination by You that Your Player Card has been terminated, You must present the Player Card to a SWM Teller to receive the balance of any funds credited to Your Player Card (provided that the card has been used within the previous thirteen (13) months). In the event the balance of any funds credited to Your Player Card at the time of termination and closure by us is less than \$2.00, the balance will not be credited to You and will be retained by us as a termination processing fee.

You may obtain a printed record of all transactions authorized in the previous thirty (30) days using Your Player Card from a SWM Teller at the racetrack where Your Player Card was issued.

III. ACCEPTANCE OF WAGER

You acknowledge that we shall not be deemed to have accepted any Wager on the SWM until the SWM has issued to You an electronic response which will contain a virtual ticket ("Notice of Confirmation"). Wagers may not be cancelled by You after a Notice of Confirmation has been issued by the SWM.

IV. DEPOSITS AND REDEMPTIONS; DORMANT PLAYER CARDS

Deposits can be made by presenting in person to a SWM Teller at Golden Gate Fields or Santa Anita, cash or other certified funds (i.e. money order, certified or cashier's check) along with Your Player Card. We do not accept credit cards or uncertified checks. You will be provided with a printed statement evidencing your deposit.

Redemptions from Your Player Card in cash can be made by You in person, with Your Player Card and, where You have a PIN enabled Player Card, a signed withdrawal slip and valid photo identification, during regular business hours from an SWM Teller at Golden Gate Fields or Santa Anita.

You will not be permitted, under any circumstances, to establish a negative balance or overdraft on Your Player Card.

Any Player Card that is not used for a period of thirteen (13) months or more shall be terminated and (i) if the applicable Player Card is PIN enabled, the funds then credited to the Player Card shall be returned to You at the time of termination and (ii) if the applicable Player Card is not PIN enabled, the funds then credited to the Player Card shall be treated as an uncashed pari-mutuel ticket issued by the racetrack at which the Player Card was issued, in accordance with the laws of the jurisdiction in which the Player Card was issued.

Funds credited to a Player Card will not accrue interest for Your benefit.

IV. PAYMENT TERMS

All Wagers placed using Player Card will be in U.S. dollars.

You are responsible for the payment of all applicable sales, use, gaming or other taxes for products, services, or Wagers purchased or placed using your Player Card. In offering wagering on the SWM, we comply with Internal Revenue Service (IRS) requirements for reporting and withholding proceeds from Wagers placed by SWM players. Pursuant to these reporting requirements, You agree to indemnify and hold us harmless for any claims, demands, liens or judgments based on non-payment or underpayment of such taxes. You hereby grant to us a priority lien and security interest in all of Your right, title and interest in and to the proceeds of any Wager to the extent required to satisfy any taxing authority claims or liens. You agree to file any financing statements or other appropriate document with the relevant governmental authorities to assure the validity, priority and enforceability of the claim or lien. You shall not grant a lien or security interest on the proceeds of any Wager to any third party without our prior written consent.

V. INDEMNIFICATION

You agree to indemnify and hold harmless us, our suppliers, distributors, subcontractors and affiliates and related entities and their respective directors, officers, employees and agents, from and against all claims, losses, damages, liabilities and costs (included but not limited to reasonable attorneys' fees and court costs), arising out of or relating to Your breach of these Terms of Wagering. The foregoing indemnification obligation shall survive termination of these Terms of Wagering

VI. DISCLAIMER & LIMITATION OF LIABILITY

YOU EXPRESSLY ACKNOWLEDGE, UNDERSTAND AND AGREE THAT TO THE FULLEST EXTENT PERMISSIBLE BY APPLICABLE LAW, WE DISCLAIM ALL WARRANTIES OR AFFIRMATIONS OF FACT, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OR FITNESS FOR A PARTICULAR PURPOSE, WITH REGARD TO PRODUCTS OR SERVICES PROVIDED BY US OR ANY THIRD PARTY, INCLUDING WITHOUT LIMITATION THE SWM. WE DO NOT WARRANT THAT ANY PRODUCT OR SERVICE OFFERED BY US WILL MEET YOUR NEEDS OR REQUIREMENTS. WE AND OUR AFFILIATES, AND EACH OF OUR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS WILL NOT BE LIABLE TO YOU OR TO ANY THIRD PARTY FOR ANY DAMAGES OF ANY

KIND ARISING FROM THE PURCHASE OR USE OF ANY PRODUCT OR SERVICES INCLUDING, BUT NOT LIMITED TO DIRECT, INDIRECT, INCIDENTAL, EXEMPLARY, PUNITIVE, AND CONSEQUENTIAL DAMAGES, WHETHER IN CONTRACT OR TORT, INCLUDING, BUT NOT LIMITED TO, LOSS OF REVENUE OR PROFITS, WHETHER FORESEEABLE OR NOT AND WHETHER WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR NOT. WE DISCLAIM ANY LIABILITY FOR MISUSE OR ABUSE OF WAGERING SERVICES OR NON-COMPLIANCE WITH LEGISLATION (AS DEFINED ABOVE). WE MAKE NO WARRANTIES TO THOSE DEFINED AS "CONSUMERS" IN THE MAGNUSON-MOSS WARRANTY-FEDERAL TRADE COMMISSION IMPROVEMENTS ACT, 15 U.S.C. §§2301-2312. THIS DISCLAIMER APPLIES TO OUR SUBCONTRACTORS.

Any data provided or compiled by us or by a third party supplier, including, but not limited to, AXCIS Information Network, Inc. or Equibase Company LLC, generally is accurate but occasionally errors and omissions occur resulting in incorrect data being made available to You. We and any third party supplier of data disclaim all warranties or affirmations of fact or accuracy, express or implied, with regard to such data.

Because certain jurisdictions to which these Terms of Wagering may be subject do not allow the exclusion or limitation of liability for consequential or incidental damages, the above limitation may be held to be inapplicable in those jurisdictions. In the event the foregoing disclaimer and limitation of liability is held to be unenforceable for any reason, then our maximum liability for any of the foregoing types of damages shall be limited to the transaction fee for the transaction that gave rise to the claim or \$100.00, whichever is less.

VII. MISCELLANEOUS

a) Force Majeure

We shall not be liable for any delay in or impairment of performance resulting in whole or in part from externally caused interference, damage or disruption to network components, transmission or pipeline facilities (which includes network, electrical or other common systems); irreparable component, transmission or pipeline failure (the failure or interruption of pipeline facilities); acts of God; severe weather conditions; governmental decrees or controls; strikes, labor disputes, acts of war or civil unrest; acts of third parties, inability to ship product or obtain permits and licenses, supplies or raw materials or any other circumstances or causes beyond our reasonable commercial control.

b) Complete Agreement

These Terms of Wagering and any related information provided to You are incorporated herein by reference and collectively constitute the entire agreement between You and us regarding the subject matter hereof, subject to applicable law.

c) Severability

In the event any one or more of the provisions of these Terms of Wagering are for any reason to be invalid or unenforceable, the remaining provisions of these Terms of

Wagering shall be unimpaired, and the invalid or unenforceable provision shall be replaced by a provision which being valid and enforceable, comes closest to the intention of the parties underlying the invalid or unenforceable provision(s).

d) Independent Contractors

We and You are independent contractors for all purposes and neither party shall act as or hold itself out as agent for the other nor create or attempt to create liabilities for the other party.

e) Choice of Law and Forum: No Modifications

These Terms of Wagering are governed by the State of California, without giving effect to its conflict of law principles. Jurisdiction and venue for any claim arising under these Terms of Wagering shall lie exclusively with the state or federal courts sitting in the State of California. Customer waives any and all objections to such jurisdiction and venue and waives personal service of process and agrees that any summons and complaint commencing an action in any such court shall be properly served and shall confer personal jurisdiction if served by registered or certified mail. Any action or suit brought with respect to these Terms of Wagering shall be tried by a court and not by a jury. YOU WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH ACTION OR SUIT.

We retain the sole right to alter or modify these Terms of Wagering and will inform You in the event any alterations or modifications are made.

At our option, disputes between You and us shall be resolved by an arbitration panel sitting in the State of California in accordance with the rules of the American Arbitration Association and any award rendered by such an arbitration proceeding may be entered in any court of competent jurisdiction thereof. The remedies provided in these Terms of Wagering for breach thereof by us or by You shall constitute the sole and exclusive remedies to the aggrieved party, and any and all such remedies which might otherwise be available under the law of any jurisdiction are hereby expressly waived by both You and us.

VIII. PRIVACY

We respect Your individual privacy and have adopted a Privacy Policy which embodies our commitment to its protection through security and adherence to fair electronic information practices. Unless explicitly otherwise stated by us, the information about You is collected solely for the purposes of monitoring and improving our internal operations, as well as to ensure we (i) administer your SWM transactions in accordance with your agreements with us, (ii) properly perform the services you requested; and (iii) monitor and improve our internal operations.

APPENDIX D

SWM Diagrams

Figure 1

The Machine

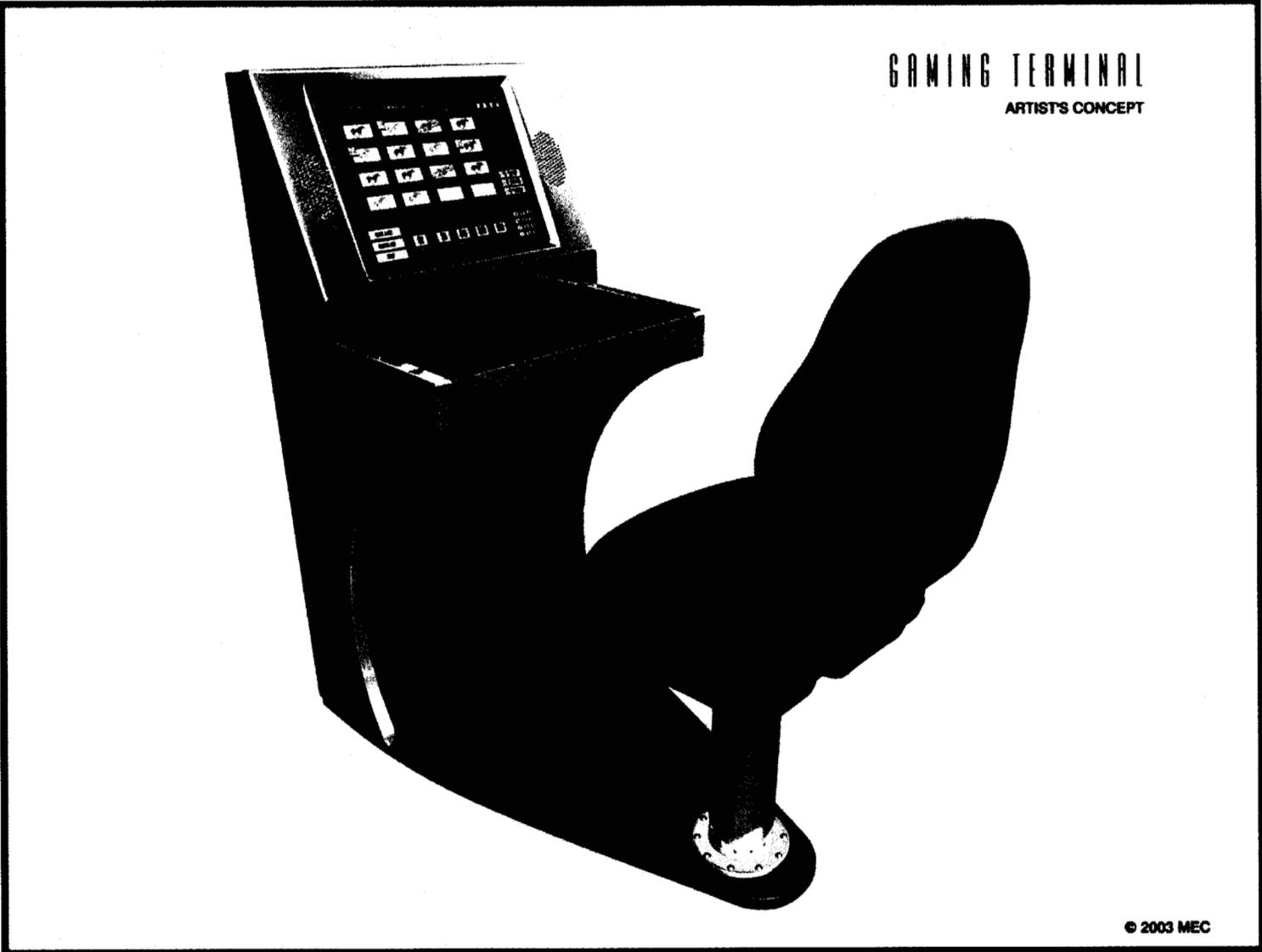


Figure 2

System Overview

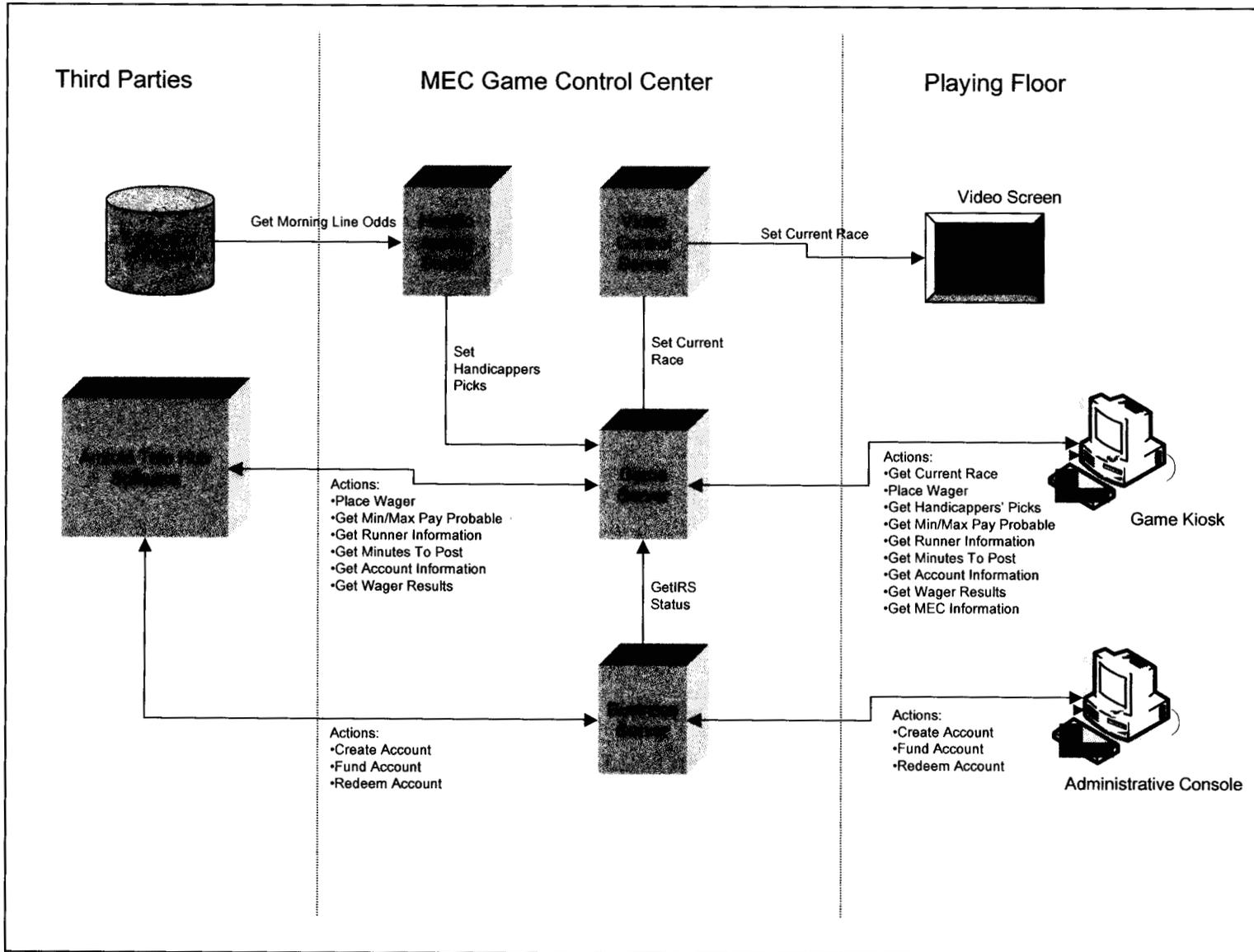


Figure 3

PIN Screen



Figure 4

Game Screen

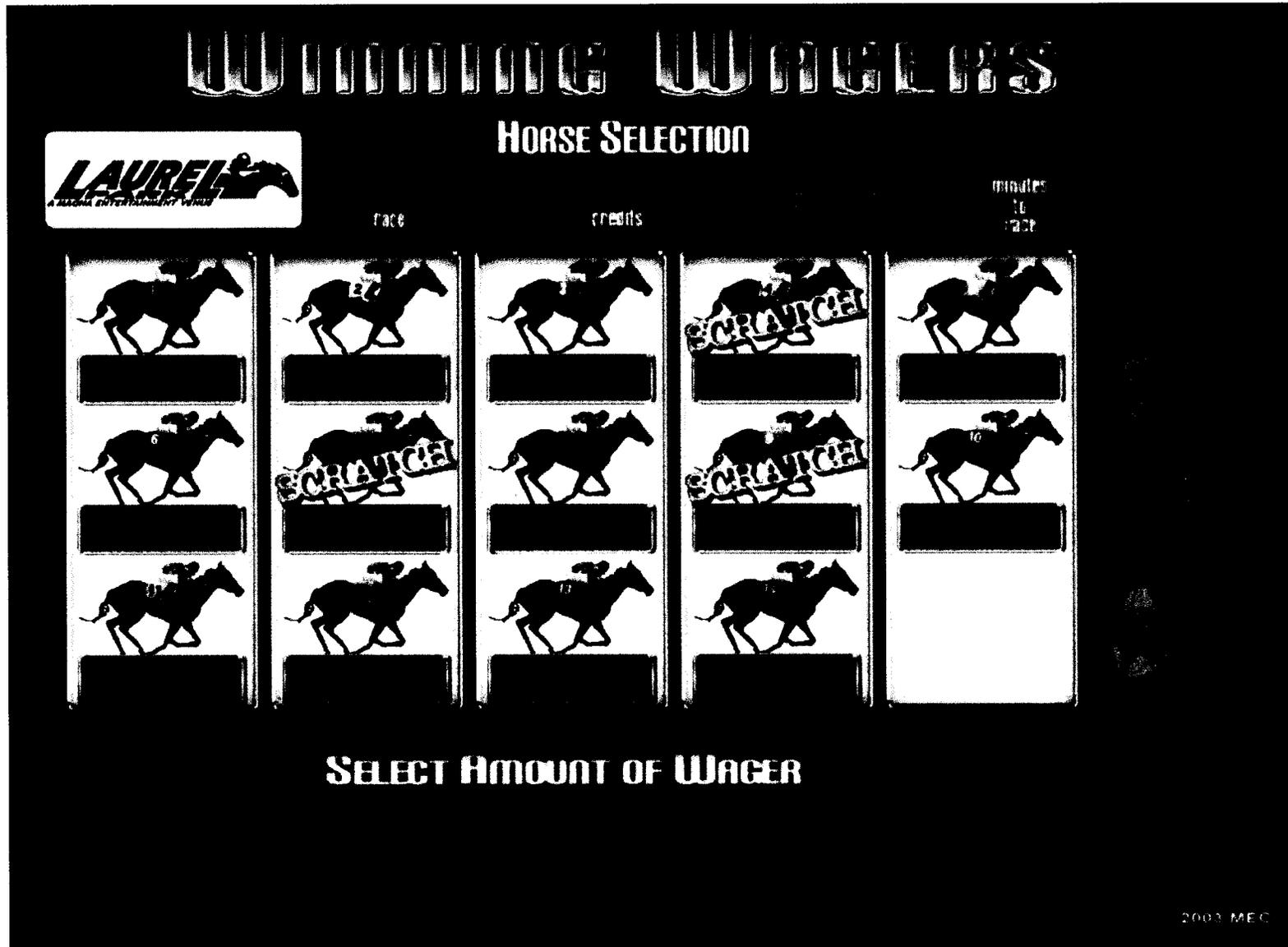


Figure 5

Handicapper's Selection



WINNING WAGERS

LAUREL
A MAGNA ENTERTAINMENT VENUE

HORSE SELECTION

race credits minutes to race

SELECT AMOUNT OF WAGER

ACCT INFO \$2 START OVER PLAY

2003 MEC

Figure 6

Play Action

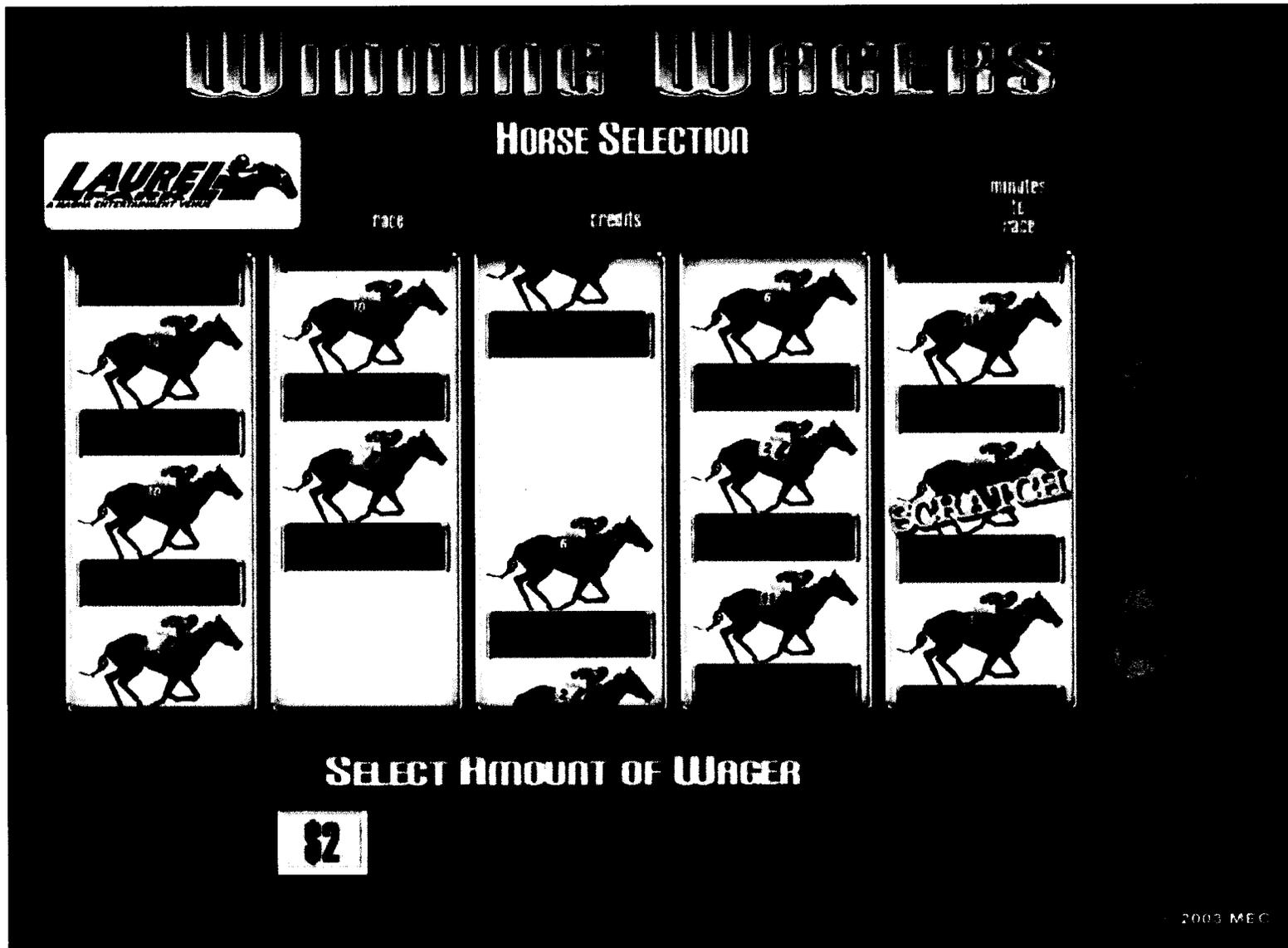
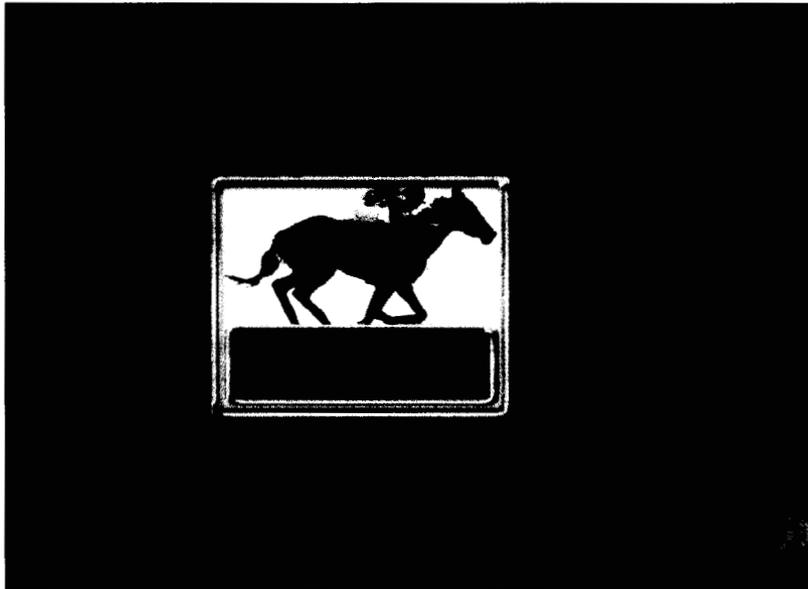


Figure 7

Selection



Ticket Created

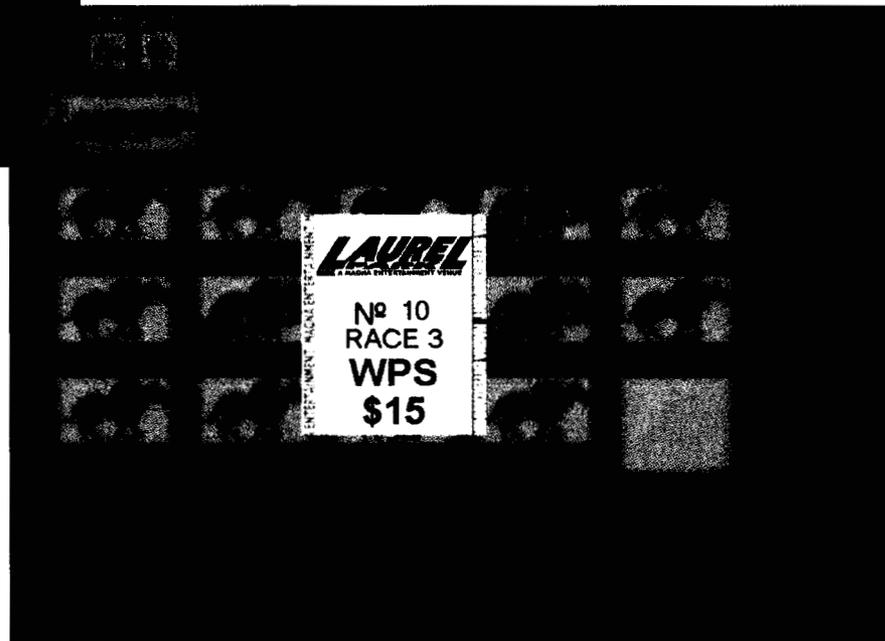


Figure 8

Pending Tickets



pending tickets

LAUREL W 2 RACE 1 SHOW \$2	LAUREL W 6 RACE 1 WPS \$6	LAUREL W 6 RACE 1 WPS \$15	LAUREL W 2 RACE 1 WPS \$60	LAUREL W 3 RACE 1 WPS \$30	LAUREL W 6 RACE 1 WPS \$15	LAUREL W 2 RACE 1 SHOW \$2
---	--	---	---	---	---	---

LAUREL
MAGNA ENTERTAINMENT VENTURES

HORSE SELECTION

minutes to race

face	credits	minutes to race

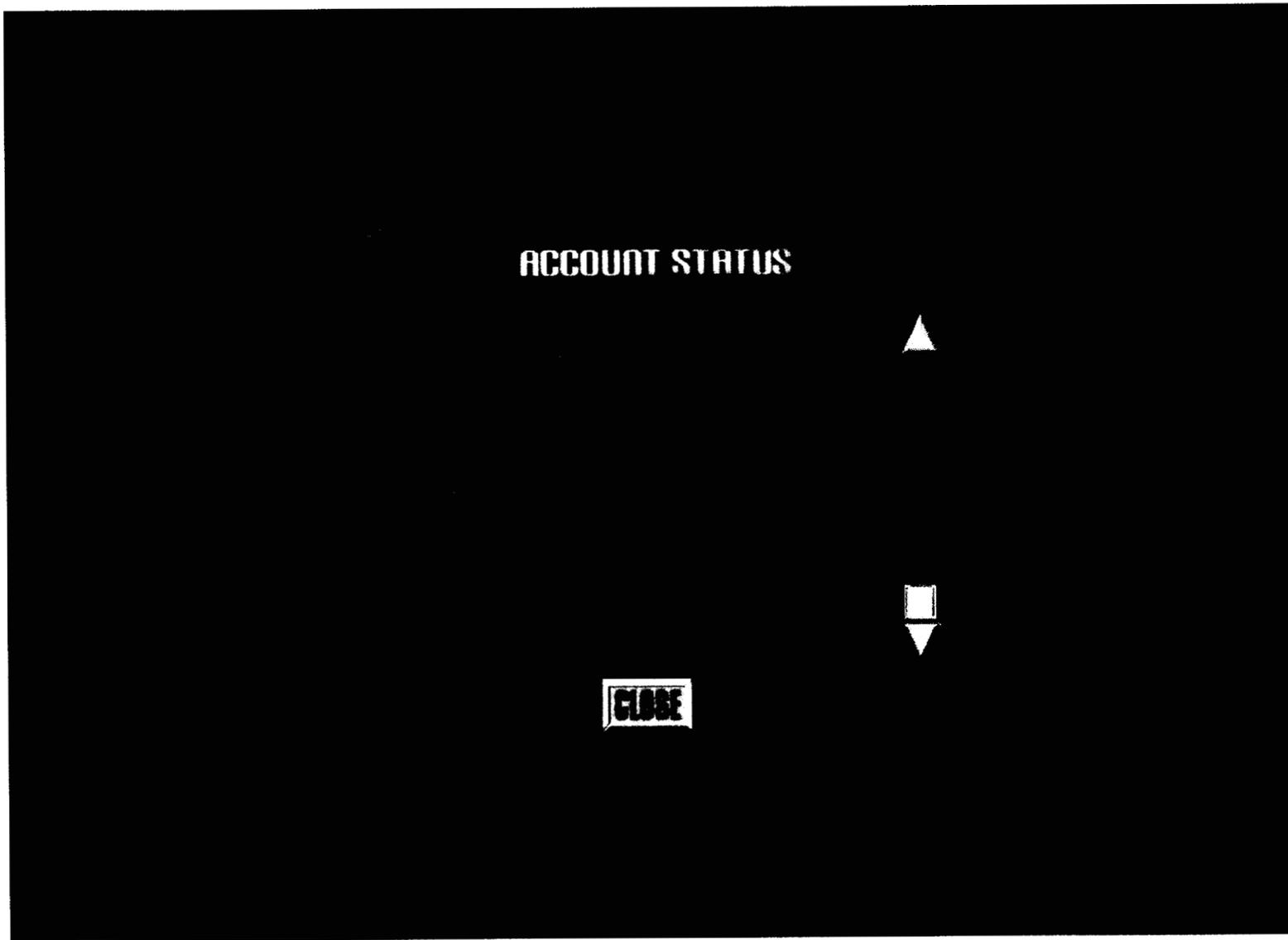
SELECT AMOUNT OF WAGER

ACCT INFO	\$2	\$6	\$15	\$30	\$60
	SHOW	WIN PLACE & SHOW			

2003 MEC

Figure 9

Account Info



STAFF ANALYSIS
REQUEST FOR APPROVAL OF NOMINATIONS

REGULAR BOARD MEETING
SEPTEMBER 15, 2004

Background:

The California Thoroughbred Horsemen's Foundation (CTHF) is a horsemen's welfare organization pursuant to CHRB Rule 2049. Rule 2049 requires that persons nominated to serve on the Board of Directors of the CTHF be approved by the CHRB. Four persons have recently be nominated to the CTHF board; three have been serving and this represents a re-nomination and one, Dr. Arthur, is a new member of the CTHF board.

Recommendation:

Staff recommends that the Board approve this request.

CALIFORNIA THOROUGHBRED HORSEMEN'S FOUNDATION, INC.

"Assisting Horsemen in Need"



August 31, 2004

NOBLE THREEWITT
President

Board of Directors
LEONARD DORFMAN
DORIS JOHNSON
NOBLE THREEWITT
RALPH STEIGER M.D.
LYNDA ROSS
ROBERT BEAN
GERI FORRESTER

PETER TOMMILA
Chief Executive Officer

ROBERT FORGNONE
Counsel

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

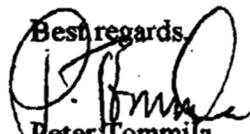
Dear Roy,

At the board meeting of the California Thoroughbred Horsemen's Foundation, Inc. held on August 06, 2004 Leonard Dorfman (Licensed Thoroughbred Trainer), Doris Johnson (Licensed Thoroughbred Owner) and Lynda Ross (CHRB labor representative per section 19641) were all re-nominated for two year terms, term to expire July 31, 2006.

Dr. Rick Arthur (Horse Veterinarian) was elected to replace Dr. Ralph Steiger who was not renominated. Dr. Rick Arthur's term to expire July 31, 2006.

Pursuant to Rule 2049 (a) of the California Horse Racing Board Rules and Regulations, the nominations of Doris Johnson, Leonard Dorfman, Lynda Ross and Dr. Rick Arthur are submitted to the CHRB for approval, via this letter. The nomination brings our board to six members.

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

Best regards,

Peter Tommila

STAFF ANALYSIS
PRESENTATION BY THE SAN MATEO COUNTY FAIR
REGARDING THEIR INTENTION TO OPEN A SATELLITE FACILITY

REGULAR BOARD MEETING
SEPTEMBER 15, 2004

Background:

Up to this point, the only satellite wagering facility in San Mateo was the Bay Meadows Race Track. However, Section 19605.45 of the Horse Racing Law allows the San Mateo County Fair to operate a facility if the licensee at Bay Meadows in 2002 is not licensed in a subsequent year (a copy of the code section is included with this item). Since this condition may be met in 2005, the Fair is going on the record as being interested in pursuing its options with regard to a satellite wagering facility.

Recommendation:

This item is for information and discussion only.

NORMAN C. TOWNE
CONSULTING & ADVOCACY

August 26, 2004

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

Dear Mr.  Wood:

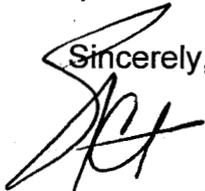
I am writing on behalf of the San Mateo County Exposition and Fair Association to request that an informational item be placed on the board agenda for the September 15, 2004 meeting of the California Horse Racing Board. The agenda item is as follows:

For Information Only – Discussion by the San Mateo County Fair relative to their intention to file an application for license to the Board to conduct satellite wagering pursuant to Section 19605.45 of the Business and Professions Code.

We are not asking the board to take action at this time, however, the fair plans to file a formal application to conduct satellite wagering licensed to the fair at a subsequent meeting of the board.

Thank you for your consideration of this request. If you have any questions or wish to discuss this matter, please give me a call.

Sincerely,



Norman C. Towne

Cc: Chris Carpenter
Jerry Hill
Chris Korby
Kim Myrman

19605.4. (a) Notwithstanding Section 19605.3, the live audiovisual signal of night harness, quarter horse, Appaloosa, or Arabian races in the central or southern zone may be offered to satellite wagering facilities in the northern zone and the signal of those races in the northern zone may be offered to satellite wagering facilities in the central or southern zone. Racing associations may agree to accept that audiovisual signal. However, satellite wagering facilities located at fairs shall not be required pursuant to that agreement to accept more than five night racing programs per week.

(b) (1) With respect to the live audiovisual signal of night harness, quarter horse, Appaloosa, or Arabian racing, any association or fair that operates a satellite wagering facility shall conduct wagering on all racing that is offered to the satellite wagering facility, as long as the satellite wagering facility is not sustaining a loss on a night meeting, as determined by the board, and if sustaining a loss on a night meeting, as long as the satellite wagering facility is reimbursed for that loss by either an organization described in Section 19608.2 or an association. Any association that operates a satellite wagering facility may, but is not required to, accept an audiovisual signal. Notwithstanding any other provision of this paragraph, an association that conducts a racing meeting and a fair that operates a satellite wagering facility may agree to provide an audiovisual signal and to accept wagering on less than all of the races.

(2) In calculating the loss, if any, for operating a satellite wagering facility for a night meeting, only the expenses incurred by the satellite wagering facility because of the acceptance of night wagers shall be considered, and no overhead expenses or expenses of the satellite wagering facility that would be incurred regardless of the acceptance of night wagers shall be considered.

19605.45. (a) Notwithstanding Section 19605, 19605.1, 19605.35, or any other provision of this chapter, if the racing association licensed in the year 2002 to conduct thoroughbred race meetings in San Mateo County is not licensed to conduct a horse racing meeting in that county in any subsequent year, the board may authorize satellite wagering in San Mateo County only as provided in this section:

(1) The board may authorize a satellite wagering facility to be located either on the fairgrounds of the San Mateo County Fair or on leased premises within the City of San Mateo. The facility may be operated by the fair or the fair may contract for the operation and management of that satellite wagering facility with an individual racing association or fair, or a partnership, joint venture, or other affiliation of two or more racing associations or fairs. The board may license a facility to the San Mateo County Fair pursuant to this section notwithstanding the mileage restrictions contained in Section 19605 or any other provision of this chapter to the contrary.

(2) Satellite wagering facilities licensed to the fair pursuant to this section are subject to the provisions of subdivisions (a) to (e), inclusive, of Section

19605.3, except that they shall not be subject to the provisions of paragraph (3) of subdivision (a) of Section 19605.3 or any other impact fee or charge.

(3) Distributions pursuant to subdivision (d) of Section 19605.7, and Sections 19610.3 and 19610.4 made by a satellite wagering facility licensed to the fair pursuant to this section shall be to the same beneficiary that received those distributions in the year 2002 from the San Mateo County Fair and the racing association licensed in the year 2002 to conduct thoroughbred race meetings in San Mateo County.

19605.51. Notwithstanding subdivision (a) of Section 19605, and Section 19605.1, any fair in San Joaquin, Humboldt, or Fresno County may, with the approval of the Department of Food and Agriculture and the authorization of the board, subject to the conditions specified in Section 19605.3, operate a satellite wagering facility on leased premises within the boundaries of that fair, but may only operate one such facility.

19605.52. Notwithstanding subdivision (a) of Section 19605, and Section 19605.1, any fair in Shasta County may, with the approval of the Department of Food and Agriculture and the authorization of the board, subject to the conditions specified in Section 19605.3, operate one satellite wagering facility within the boundaries of that fair.

19605.55. (a) Notwithstanding Section 19605, 19605.1, 19605.35, or any other provision of this chapter, if the Solano County Fair ceases to conduct live horse racing at the site of its 2002 racing meeting in any subsequent year, the board may authorize satellite wagering in Solano County as provided in this section:

(1) The board may authorize a satellite wagering facility to replace its existing facility to be located on the fairgrounds of the Solano County Fair or on leased premises within the county, at the option of the fair. The facility may be operated by the fair or the fair may contract for the operation and management of the satellite wagering facility with an individual thoroughbred racing association or fair, or a partnership, joint venture, or other affiliation of one or more thoroughbred racing associations or fairs. The board may license a facility to the Solano County Fair pursuant to this section notwithstanding the mileage restrictions contained in Section 19605 or any other provision of this chapter to the contrary.

(2) A satellite wagering facility licensed to the fair pursuant to this section is subject to the provisions of subdivisions (a) to (e), inclusive, of Section 19605.3, except that such a facility shall not be subject to the provisions of paragraph (3) of subdivision (a) of Section 19605.3 or any other impact fee or charge.

19605.6. (a) In addition to satellite wagering facilities authorized pursuant to Sections 19605, 19605.1, and 19605.2, the board, with the approval of the Department of Food and Agriculture, may authorize any fair, in the County of Kern or Santa Barbara, eligible for an allocation of racing days

STAFF ANALYSIS
DISCUSSION REGARDING AMENITIES AT LOS ALAMITOS FOR PATRONS
WAGERING ON THE CAPITOL RACING SIMULCAST PROGRAM

REGULAR BOARD MEETING
SEPTEMBER 15, 2004

Background:

At the June meeting in Sacramento, representatives of Capitol Racing brought to the Board's attention that the facilities for patrons at Los Alamitos wishing to wager on Capitol's simulcast signal had been redesigned. Essentially those patrons were directed to a specific area of the Los Al facility and could wager on Capitol's races only in the newly designated area. Capitol felt that this was an inconvenience to their Los Al patrons and asked the Board to intervene. Capitol is now in between race meets with their next meet scheduled to commence on September 24, 2004. However, they submitted the attached letter in which they requested that this matter be placed on this agenda for further review and discussion.

Although the Board has broad plenary powers it has seldom chosen to use them to micromanage the day-to-day operations of a race track or simulcast facility. It is certain that representatives of both Capitol and Los Alamitos will be present at this meeting to address this issue.

Recommendation:

Staff recommends that the Board hear from interested parties regarding this matter.

STAFF ANALYSIS
STAFF REPORT ON END-OF-MEET RESULTS

REGULAR BOARD MEETING
SEPTEMBER 15, 2004

Background:

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

Recommendation:

This item is for information and discussion.

END-OF-MEET OUTLINE SUMMARY

For the California Horse Racing Board meeting, September 15, 2004. This report includes summaries for the following racing meetings: CAPITOL RACING at CAL EXPO, SONOMA COUNTY FAIR, SAN MATEO COUNTY FAIR, and the HUMBOLDT COUNTY FAIR.

Capitol Racing at Cal Expo (spring)

March 5 – July 31, 2004

Race days: 82

AVERAGE DAILY STATISTICS

	PERCENTAGE CHANGE
Ave. daily handle	-4.71%
Ave. On-track	-8.70%
Ave. Off-track	-7.34%
Ave. Interstate-exported	-13.80%
Ave. ADW	41.26%
Ave. daily attendance-Calif.	2.33%
Ave. On-track	-3.99%
Ave. Off-track	3.10%

Sonoma County Fair

July 28-August 9, 2004

Race days: 12

AVERAGE DAILY STATISTICS

	PERCENTAGE CHANGE
Ave. daily handle	6.68%
Ave. On-track	0.47%
Ave. Off-track	-1.98%
Ave. Interstate exported	22.17%
Ave. ADW	35.04%
Ave. daily attendance-Calif.	-6.04%
Ave. On-track	-6.32%
Ave. Off-track	-5.68%

San Mateo County Fair

August 11-August 23, 2004

Race days: 12

AVERAGE DAILY STATISTICS

	PERCENTAGE CHANGE
Ave. daily handle	-5.03%
Ave. On-track	-7.60%
Ave. Off-track	-9.49%
Ave. Interstate-exported	-6.74%
Ave. ADW	54.51%
Ave. daily attendance-Calif.	-14.23%
Ave. On-track	-16.27%
Ave. Off-track	-12.68%

September 16, 2004

Humboldt County Fair
August 12-August 22, 2004
Race days: 10

AVERAGE DAILY STATISTICS

	PERCENTAGE CHANGE
Ave. daily handle	17.63%
Ave. On-track	-4.37%
Ave. Off-track	8.69%
Ave. Interstate-exported	40.61%
Ave. ADW	78.58%
Ave. daily attendance-Calif.	-10.00%
Ave. On-track	-3.04%
Ave. Off-track	-14.35%

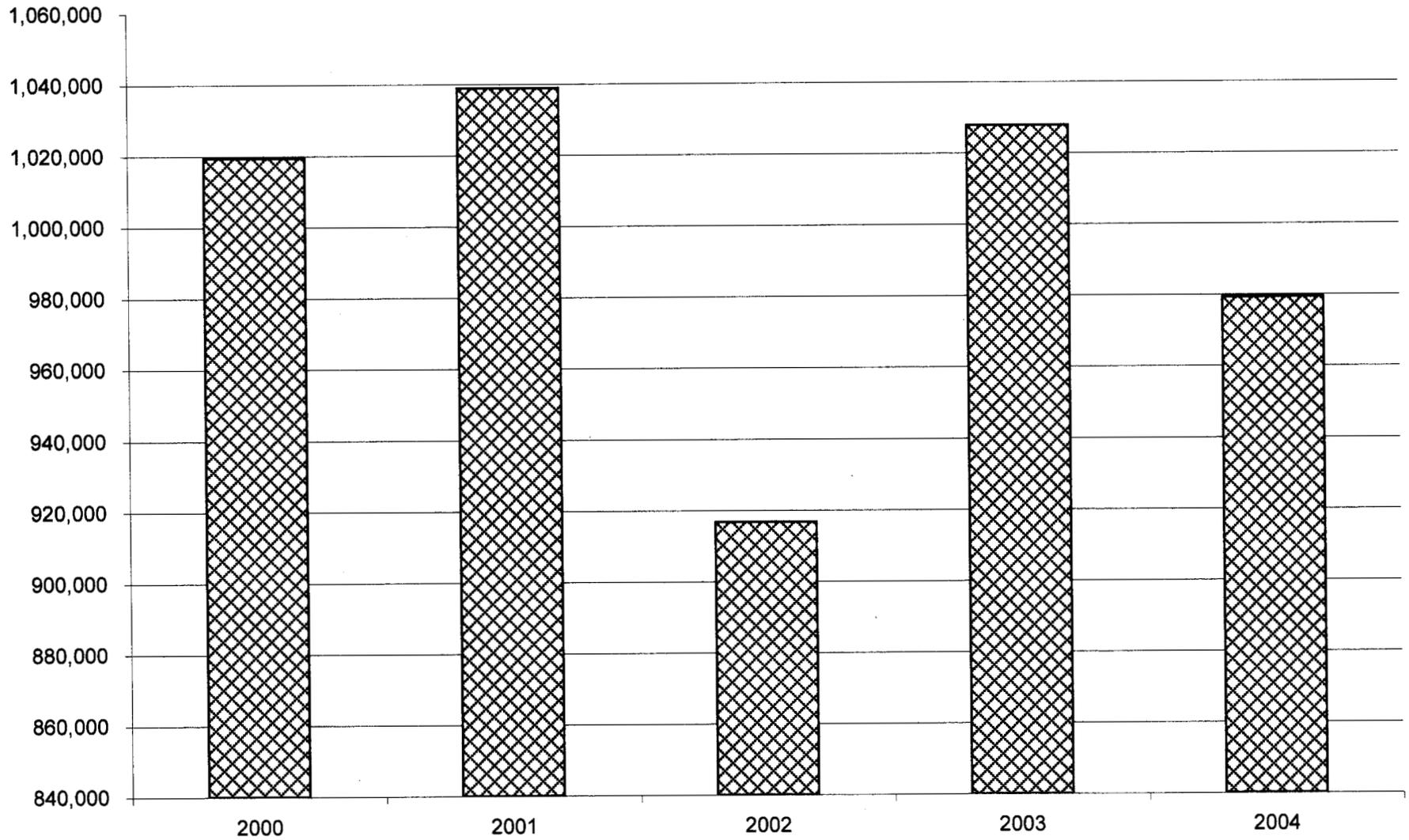
CAPITOL RACING @ CAL EXPO (SPRING)

<u>YEAR</u>	2000	2001	2002	2003	2004
TOTAL RACE DAYS	56	115	134	123	82
TOTAL HANDLE	57,086,334	119,473,272	122,836,169	126,417,814	80,305,332
ON-TRACK	5,505,945	10,507,398	10,174,466	9,557,115	5,817,301
OFF-TRACK	37,576,895	80,362,294	83,942,946	79,296,817	48,983,954
INTERSTATE	14,003,494	28,603,580	28,718,757	26,893,760	15,455,697
ADW	0	0	1,581,117	10,670,122	10,048,381
LIVE	44,677,164	89,653,333	93,563,977	100,637,561	63,232,298
INTRASTATE IMPORTED	0	0	0	0	0
INTERSTATE IMPORTED	12,409,170	29,819,939	29,272,192	25,780,253	17,073,034
INTERNATIONAL IMPORTED	0	0	602,920	961,333	338,196
AVERAGE DAILY HANDLE	1,019,399	1,038,898	916,688	1,027,787	979,333
ON-TRACK	98,320	91,369	75,929	77,700	70,943
OFF-TRACK	671,016	698,803	626,440	644,690	597,365
INTERSTATE	250,062	248,727	214,319	218,648	188,484
ADW	0	0	11,799	86,749	122,541
AVERAGE LIVE	797,806	779,594	698,239	818,192	771,126
INTRASTATE IMPORTED	0	0	0	0	0
INTERSTATE IMPORTED	221,592	259,304	218,449	209,596	208,208
INTERNATIONAL IMPORTED	0	0	4,499	7,816	4,124
TOTAL TAKEOUT	12,538,047	26,477,799	27,482,306	25,972,135	17,711,409
EFFECTIVE TAKEOUT	21.96%	22.16%	22.37%	20.54%	22.06%
STATE LICENSE FEES	264,118	541,623	567,551	530,227	330,670
STATE %	0.46%	0.45%	0.46%	0.42%	0.41%
TRACK COMMISSIONS	2,974,157	6,165,497	6,404,289	6,053,962	3,686,781
ADW COMMISSIONS			238,422	563,707	532,686
TOTAL COMMISSIONS			6,642,711	6,617,669	4,219,467
TRACK %	5.21%	5.16%	5.21%	4.79%	4.59%
HORSEMEN'S PURSES	2,782,367	5,754,005	5,975,028	5,649,537	3,436,527
ADW PURSES			222,135	527,134	497,459
TOTAL PURSES			6,197,163	6,176,671	3,933,986
HORSEMEN'S %	4.87%	4.82%	4.86%	4.47%	4.28%

CAPITOL RACING @ CAL EXPO (SPRING)

<u>YEAR</u>	2000	2001	2002	2003	2004
CAIIFORNIA ATTENDANCE	293,614	481,440	564,009	513,243	350,126
ON-TRACK	39,336	62,195	61,315	56,035	35,866
OFF-TRACK	254,278	419,245	502,694	457,208	314,260
DAILY ATTENDANCE	5,243	4,186	4,209	4,173	4,270
AVERAGE DAILY ON - TRACK	702	541	458	456	437
AVERAGE DAILY OFF - TRACK	4,541	3,646	3,751	3,717	3,832
TOTAL RACE EVENTS	731	1,500	1,677	1,561	1,082
STARTS	5,367	11,223	12,992	11,999	7,585
AVERAGE STARTS PER EVENT	7.3	7.5	7.7	7.7	7.0
AVERAGE HANDLE PER START	8,324	7,988	7,202	8,387	8,336

**CAPITOL RACING @ CAL EXPO SPRING
AVERAGE DAILY HANDLE**



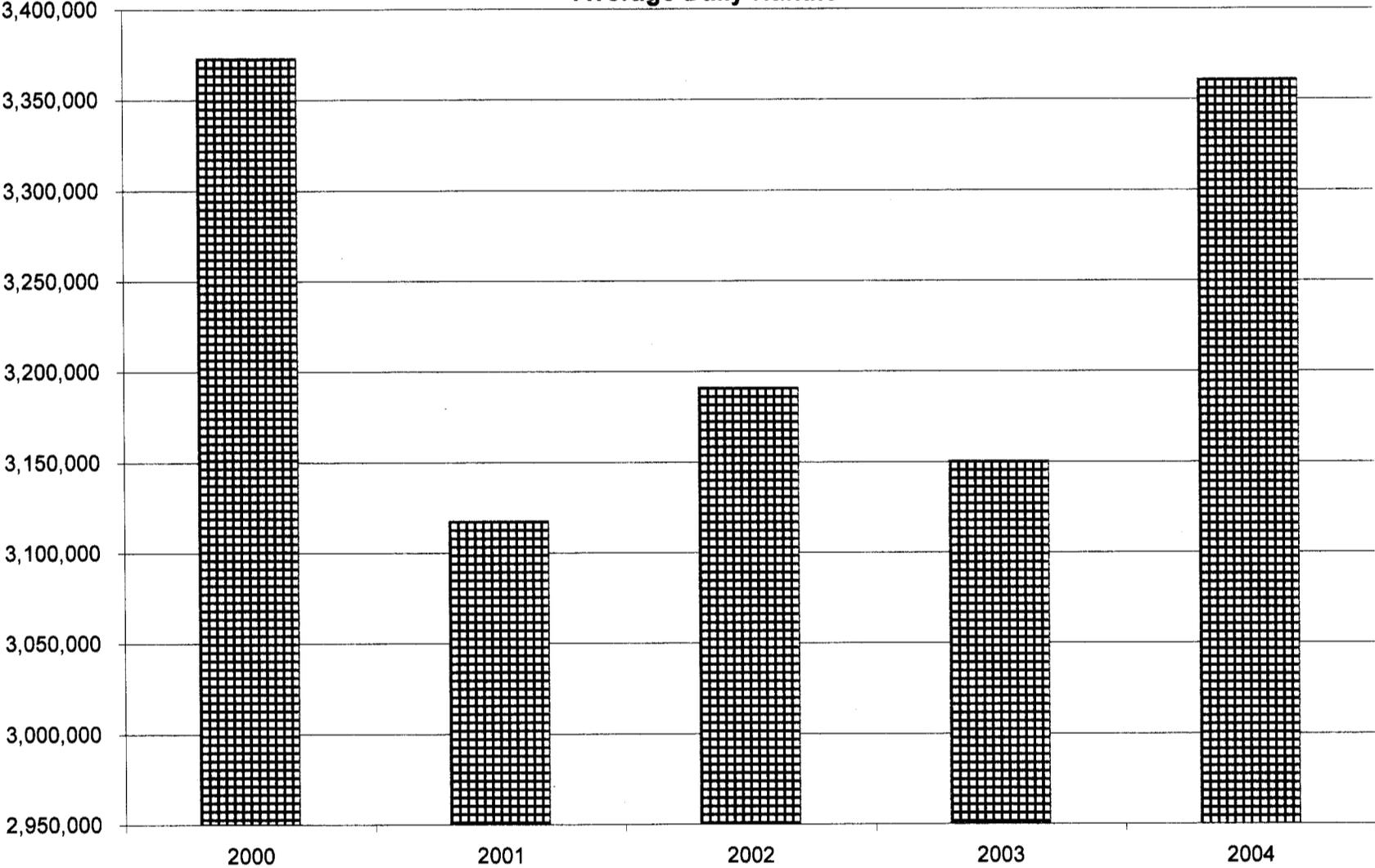
SONOMA COUNTY FAIR

YEAR	2000	2001	2002	2003	2004
TOTAL RACE DAYS	12	12	12	12	12
TOTAL HANDLE	40,477,851	37,412,511	38,294,049	37,806,166	40,331,217
ON-TRACK	6,483,119	6,383,250	6,059,343	5,970,978	5,998,847
OFF-TRACK	21,959,596	21,472,044	20,833,153	20,213,526	19,812,632
INTERSTATE	12,035,137	9,557,217	9,858,839	9,119,985	11,141,527
ADW	0	0	1,542,714	2,501,677	3,378,211
LIVE	25,088,682	21,538,585	22,203,325	22,131,376	25,068,211
INTRASTATE IMPORTED	9,496,851	9,433,181	9,265,874	8,817,248	8,111,305
INTERSTATE IMPORTED	5,839,609	6,354,568	6,788,169	6,699,668	7,151,701
INTERNATIONAL IMPORTED	52,710	86,177	36,681	157,874	0
AVERAGE DAILY HANDLE	3,373,154	3,117,709	3,191,171	3,150,514	3,360,935
ON-TRACK	540,260	531,938	504,945	497,581	499,904
OFF-TRACK	1,829,966	1,789,337	1,736,096	1,684,461	1,651,053
INTERSTATE	1,002,928	796,435	821,570	759,999	928,461
AVERAGE ADW	0	0	128,560	208,473	281,518
AVERAGE LIVE	2,090,723	1,794,882	1,850,277	1,844,281	2,089,018
INTRASTATE IMPORTED	791,404	786,098	772,156	734,771	675,942
INTERSTATE IMPORTED	486,634	529,547	565,681	558,306	595,975
INTERNATIONAL IMPORTED	4,393	7,181	3,057	13,156	0
TOTAL TAKEOUT	8,187,821	7,453,611	7,531,718	7,536,530	8,210,741
EFFECTIVE TAKEOUT	20.23%	19.92%	19.67%	19.93%	20.36%
STATE LICENSE FEES	443,831	422,476	402,535	390,410	394,331
STATE %	1.10%	1.13%	1.05%	1.03%	0.98%
TRACK COMMISSIONS	1,533,743	1,449,207	1,409,442	1,339,087	1,359,991
ADW COMMISSIONS	0	0	72,712	106,871	153,714
TOTAL COMMISSIONS	1,533,743	1,449,207	1,482,154	1,445,958	1,513,705
TRACK %	3.79%	3.87%	3.87%	3.82%	3.75%
HORSEMEN'S PURSES	1,552,936	1,467,908	1,425,172	1,355,566	1,376,209
ADW PURSES	0	0	69,620	108,145	155,546
TOTAL PURSES	1,552,936	1,467,908	1,494,792	1,463,711	1,531,755
HORSEMEN'S %	3.84%	3.92%	3.90%	3.87%	3.80%

SONOMA COUNTY FAIR

YEAR	2000	2001	2002	2003	2004
CALIFORNIA ATTENDANCE	134,087	128,978	118,201	122,676	115,269
ON-TRACK	70,786	68,885	63,961	67,846	63,556
OFF-TRACK	63,301	60,093	54,240	54,830	51,713
DAILY ATTENDANCE	11,174	10,748	9,850	10,223	9,606
AVERAGE DAILY ON - TRACK	5,899	5,740	5,330	5,654	5,296
AVERAGE DAILY OFF - TRACK	5,275	5,008	4,520	4,569	4,309
TOTAL RACE EVENTS	145	132	133	134	134
STARTS	1,111	1,024	986	1,049	1,011
AVERAGE STARTS PER EVENT	7.7	7.8	7.4	7.8	7.5
AVERAGE HANDLE PER START	22,582	21,034	22,519	21,098	24,795

**SONOMA COUNTY FAIR
Average Daily Handle**



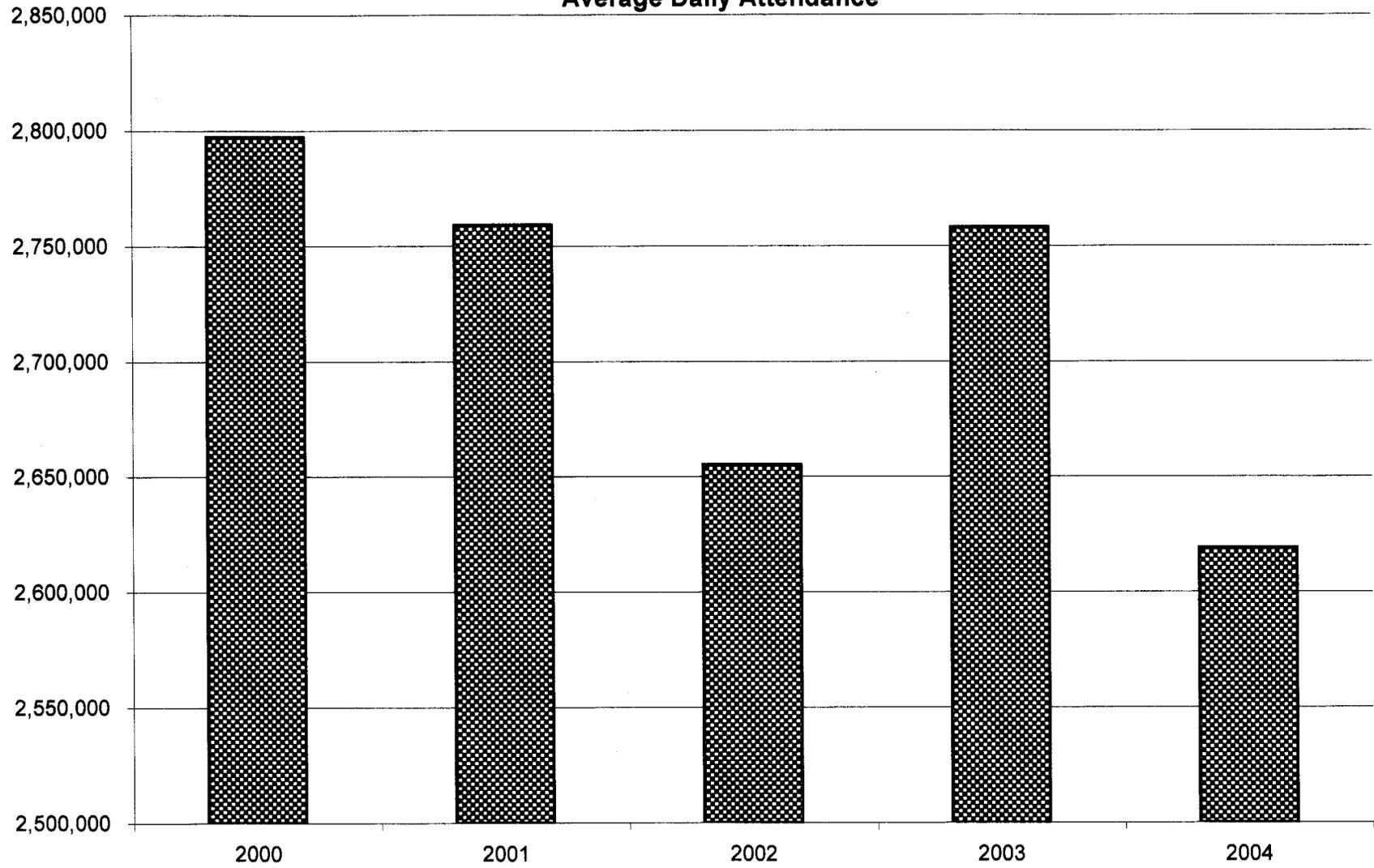
SAN MATEO COUNTY FAIR

YEAR	2000	2001	2002	2003	2004
TOTAL RACE DAYS	12	12	12	12	12
TOTAL HANDLE	33,566,379	33,110,030	31,862,794	33,095,531	31,429,897
ON-TRACK	8,667,469	7,953,573	7,330,295	7,160,665	6,616,631
OFF-TRACK	14,420,420	15,256,454	14,634,282	13,989,697	12,662,765
INTERSTATE	10,478,490	9,900,002	8,456,901	10,296,174	9,602,634
ADW	0	0	1,441,316	1,648,996	2,547,867
LIVE	19,317,723	18,169,540	16,657,659	18,984,046	17,822,238
INTRASTATE IMPORTED	8,472,624	8,757,853	8,295,408	7,555,523	6,909,926
INTERSTATE IMPORTED	5,776,032	6,182,637	6,909,727	6,555,963	6,697,733
INTERNATIONAL IMPORTED	0	0	0	0	0
AVERAGE DAILY HANDLE	2,797,198	2,759,169	2,655,233	2,757,961	2,619,158
ON-TRACK	722,289	662,798	610,858	596,722	551,386
OFF-TRACK	1,201,702	1,271,371	1,219,524	1,165,808	1,055,230
INTERSTATE	873,207	825,000	704,742	858,015	800,220
AVERAGE ADW	0	0	120,110	137,416	212,322
AVERAGE LIVE	1,609,810	1,514,128	1,388,138	1,582,004	1,485,186
INTRASTATE IMPORTED	706,052	729,821	691,284	629,627	575,827
INTERSTATE IMPORTED	481,336	515,220	575,811	546,330	558,144
INTERNATIONAL IMPORTED	0	0	0	0	0
TOTAL TAKEOUT	6,790,048	6,665,848	6,140,693	6,355,874	6,409,255
EFFECTIVE TAKEOUT	20.23%	20.13%	19.27%	19.20%	20.39%
STATE LICENSE FEES	269,453	261,372	229,371	233,949	204,161
STATE %	0.80%	0.79%	0.72%	0.71%	0.65%
TRACK COMMISSIONS	1,318,410	1,276,624	1,182,474	1,155,665	1,054,551
ADW COMMISSIONS	-	-	71,778	82,106	113,891
TOTAL COMMISSIONS	1,318,410	1,276,624	1,254,252	1,237,771	1,168,442
TRACK %	3.93%	3.86%	3.71%	3.49%	3.36%
HORSEMEN'S PURSES	1,335,740	1,289,111	1,189,927	1,165,836	1,061,645
ADW PURSES	-	-	72,210	82,684	114,906
TOTAL PURSES	1,335,740	1,289,111	1,262,137	1,248,519	1,176,551
HORSEMEN'S %	3.98%	3.89%	3.73%	3.52%	3.38%

SAN MATEO COUNTY FAIR

YEAR	2000	2001	2002	2003	2004
CAIIFORNIA ATTENDANCE	81,901	80,008	71,538	71,453	61,286
ON-TRACK	35,835	34,156	29,480	30,836	25,818
OFF-TRACK	46,066	45,852	42,058	40,617	35,468
DAILY ATTENDANCE	6,825	6,667	5,962	5,954	5,107
AVERAGE DAILY ON - TRACK	2,986	2,846	2,457	2,570	2,152
AVERAGE DAILY OFF - TRACK	3,839	3,821	3,505	3,385	2,956
TOTAL RACE EVENTS	119	115	113	112	101
STARTS	792	792	714	760	670
AVERAGE STARTS PER EVENT	6.7	6.9	6.3	6.8	6.6
AVERAGE HANDLE PER START	24,391	22,941	23,330	24,979	26,600

SAN MATEO COUNTY FAIR
Average Daily Attendance



HUMBOLDT COUNTY FAIR

YEAR	2000	2001	2002	2003	2004
TOTAL RACE DAYS	10	10	10	10	10
TOTAL HANDLE	2,306,814	2,458,550	2,760,071	2,369,492	2,787,149
ON-TRACK	737,813	734,949	728,705	731,046	699,081
OFF-TRACK	1,548,148	1,593,085	1,545,617	1,163,479	1,264,637
INTERSTATE	20,853	130,516	228,581	65,262	91,763
ADW	0	0	257,168	409,705	731,669
LIVE	2,306,814	2,458,550	2,760,071	2,369,492	2,787,149
INTRASTATE IMPORTED	0	0	0	0	0
INTERSTATE IMPORTED	0	0	0	0	0
INTERNATIONAL IMPORTED	0	0	0	0	0
AVERAGE DAILY HANDLE	230,681	245,855	276,007	236,949	278,715
ON-TRACK	73,781	73,495	72,871	73,105	69,908
OFF-TRACK	154,815	159,308	154,562	116,348	126,464
INTERSTATE	2,085	13,052	22,858	6,526	9,176
AVERAGE ADW	0	0	25,717	40,971	73,167
AVERAGE LIVE	230,681	245,855	276,007	236,949	278,715
INTRASTATE IMPORTED	0	0	0	0	0
INTERSTATE IMPORTED	0	0	0	0	0
INTERNATIONAL IMPORTED	0	0	0	0	0
TOTAL TAKEOUT	471,640	500,203	528,364	479,314	566,834
EFFECTIVE TAKEOUT	20.45%	20.35%	19.14%	20.23%	20.34%
STATE LICENSE FEES	32,070	32,985	32,663	26,769	28,050
STATE %	1.39%	1.34%	1.18%	1.13%	1.01%
TRACK COMMISSIONS	134,528	136,599	138,186	115,380	118,212
ADW COMMISSIONS	0	0	12,859	20,179	34,561
TOTAL COMMISSIONS	134,528	136,599	151,045	135,559	152,773
TRACK %	5.83%	5.56%	5.47%	5.72%	5.48%
HORSEMEN'S PURSES	138,415	140,415	142,076	119,605	122,188
ADW PURSES	0	0	13,234	21,083	35,780
TOTAL PURSES	138,415	140,415	155,309	140,688	157,968
HORSEMEN'S %	6.00%	5.71%	5.15%	5.94%	5.67%

HUMBOLDT COUNTY FAIR

YEAR	2000	2001	2002	2003	2004
CALIFORNIA ATTENDANCE	58,911	58,639	59,320	58,433	52,587
ON-TRACK	18,663	18,648	22,919	22,442	21,759
OFF-TRACK	40,248	39,991	36,401	35,991	30,828
DAILY ATTENDANCE	5,891	5,864	5,932	5,843	5,259
AVERAGE DAILY ON - TRACK	1,866	1,865	2,292	2,244	2,176
AVERAGE DAILY OFF - TRACK	4,025	3,999	3,640	3,599	3,083
TOTAL RACE EVENTS	77	76	74	71	73
STARTS	464	473	482	416	421
AVERAGE STARTS PER EVENT	6.0	6.2	6.5	5.9	5.8
AVERAGE HANDLE PER START	4,972	5,198	5,726	5,696	6,620

HUMBOLDT COUNTY FAIR Average Daily Handle

