

**THOROUGHBRED OWNERS OF CALIFORNIA
BOARD OF DIRECTORS MEETING
Friday, February 19 – 11:00 a.m.
Santa Anita**

MINUTES

Directors Present: Allen Aldrich, Nick Alexander, Mark Dedomenico (by phone), Ron Ellis, Mike Harrington, Terry Lovingier, Ed Moger, Billy Morey (by phone), Jack Owens (by phone), Mike Pegram (by phone), Samantha Siegel, Kathy Walsh, and Mike Wellman.

Directors Absent: Bob Baffert and Bill Strauss.

Staff Present: Nick Coukos, Greg Avioli, Mary Forney, Jennifer Saavedra, and Richard Scheidt.

I. Call to Order

Mr. Coukos called the meeting to order at 11:03 a.m.

II. Approval of Minutes

Mr. Coukos pointed out a change under Item XII – Legislative Committee on page 4 of the minutes of January 14, 2016. The percentage of funding should read “1.25 to 2.0.” Also included for approval were the minutes of a board conference call on January 21. On a motion by Ms. Walsh, seconded by Mr. Wellman, the minutes of January 14, 2016 as corrected and the minutes of January 21, 2016 were unanimously approved.

III. The board then adjourned to Executive Session.

IV. President’s Report

Upon reconvening to full session, Mr. Coukos provided the following presidents’ report.

A. Industry Update

Along with Messrs. Alexander and Lovingier, Mr. Coukos attended the CTBA annual business meeting and awards dinner, and he provided a brief recap to the board. He then pointed out some highlights in the CHRB annual report, which was released at the end of January. Mr. Coukos then reviewed the analysis of newly licensed owners over the last three years, which was included in the board packet. He also reviewed the Northern California horse count and discussed the recent analysis of horses that have worked in the last 60 days. These efforts are aimed at determining the actual stall need in the North.

- B. Northern & Southern California Stabling & Vanning Update
Mr. Avioli provided an update on current legislation, which was followed by discussion.
- C. CHRB 20-mile Radius Proposal
Mr. Coukos informed the board that a meeting on this subject is scheduled for this coming Wednesday. The CHRB is now proposing to target 2-4 specific satellites and offer a one-time, up-front payment of about \$25,000 for specific capital expenditure costs. Mr. Coukos will report back to the board after Wednesday's meeting.
- D. CHRB Riding Crop Rule Discussions
Messrs. Coukos and Pegram participated on a conference call regarding the jockey whip three-strike rule with representatives of the CHRB and the jockeys during which the jockeys voiced objections to the rule. He will report back after further discussions.
- E. CHRB February Board Meeting Agenda
Mr. Coukos reviewed the agenda for the upcoming CHRB board meeting. The items on which he expects to respond include one concerning the CMC and a request for an Arabian race at Santa Anita. He noted that we did agree to allow Santa Anita to have four Arabian races in 2016, and we will support this one race on April 2.
- F. National HBPA Convention Update
Mr. Coukos attended the HBPA national convention in Florida on Feb. 5 and 6. There were interesting discussions on medication issues, including those focusing on inconsequential trace level testing and zero tolerance. There were also discussions on the IHRA and federal/local legislation.
- G. 2016 TOC Board Election – March 1 Nomination Deadline
Mr. Coukos reported we now have running for board five incumbents and two nominations. In addition, one additional person is gathering signatures to qualify via the petition process.
- H. Board Position on Non-Lasix Racing and Uniform Medication Guidelines
Mr. Coukos reviewed a request from a TOC member that the board support the running of a non-Lasix race for two year olds. He asked for confirmation of the board position on this. On a motion by Mr. Harrington, seconded by Ms. Walsh, the board voted unanimously to maintain its current position in support of the Uniform Medication Guidelines and opposing the running of non-Lasix races at this time.
- I. Monarch Request re: Turf TV
Mr. Coukos reviewed a proposal from Monarch, which was included in the board packet. Monarch would like to expand their signal to the UK market for

a flat day rate of \$750 for Golden Gate and \$1000 for Santa Anita. Secondly, Monarch requested TOC approval to send the Santa Anita signal to PMU (Brazil) at a net rate of 5%. Following discussion, the board recommended Mr. Coukos counter regarding the UK signal proposal with a rate representing the greater of 6% or the day rate. The board had no objections to the request regarding PMU (Brazil).

- V. ADW/Simulcast Committee
Discussed in executive session.

- VI. Finance Committee
Mr. Alexander provided a brief financial report, indicating we are far in advance of where we were this time last year, with a surplus over \$200,000. He also reported that the audit is in hand, and copies were available to the board members. Mr. Lovingier made a motion to accept the audited financial statement for 2014-15, which was seconded by Mr. Aldrich and unanimously passed.

- VII. Owner Relations Committee
Mr. Wellman updated the board on the 2015 owner of the year statistical awards and reminded the board to consider nominees for the Chairman's Award. He noted that Kings River Ranch had 296 starts and suggested also considering honoring the owner with the most starts.

Mr. Wellman then provided a report on the CMC regarding recent proposals from the tracks on their proposed use of CMC funds for marketing. He will be meeting with them next week. Following a lengthy discussion of the CMC, Mr. Pegram recommended that TOC stand firm on our request for a 50% vote.

- VIII. Racing Affairs Committee
Mr. Scheidt gave a brief update on the Los Alamitos Spring Meet race meet agreement. He also reported on the current Del Mar overpayment, noting that there was a meeting with Del Mar representatives this morning at which they outlined the formal proposals that they will be submitting in the next 7-10 days. He then reported on the CARF fair proposals, indicating that he has had a pre-meeting with the CARF representatives. Lastly, Mr. Scheidt reported that he visited Santa Rosa last week and met the new fair manager, who is very supportive of racing.

- IX. Medication Committee
Dr. Dedomenico reported that \$65 million in private donations have been received for the study stem cell therapy in Thoroughbreds.

- X. Legislative Committee
Mr. Coukos reported on a very successful Cal Cup-Sunshine Millions day, which he, Mr. Avioli and Ms. Black spent with Senator Ed Hernandez.

- XI. Race Meet Reports

Mr. Scheidt provided brief race meet reports for Santa Anita and Golden Gate Fields to date. He also informed the board that Mr. Tunney has officially resigned his position at Golden Gate Fields and is considering staying on as a consultant.

XII. Next Meeting

The next meeting will be Thursday, March 17, 2016, 11:00 a.m. at Santa Anita

XIII. Adjournment

On a motion to adjourn by Mr. Wellman, seconded by Mr. Alexander, Mr. Coukos adjourned the meeting at 1:25 p.m.