

**THOROUGHBRED OWNERS OF CALIFORNIA
BOARD OF DIRECTORS MEETING
Friday, December 15, 2017 – 1:00 p.m.
CONFERENCE CALL
(rescheduled from Friday, December 8, 2017 – 11:00 a.m. – Los Alamitos)**

MINUTES

Directors Attending: Allen Aldrich (by phone), Nick Alexander, Joe Ciaglia (by phone), Mark Dedomenico (by phone), Mike Harrington (by phone), Terry Lovingier (by phone), Ed Moger, Jack Owens (by phone), Mike Pegram (by phone), Samantha Siegel (by phone), Bill Strauss (by phone), and Kathy Walsh (by phone).

Staff Present: Greg Avioli, Mary Forney, Patricia Chinnici, Joe Hasson, and Elizabeth Morey.

- I. Approval of Minutes
On a motion by Mr. Alexander, seconded by Mr. Moger, the minutes of November 10, 2017 were unanimously approved.
- II. Mr. Avioli advised the board about the donation facilitated by Joe Ciaglia of 200 pairs of Vans shoes to the San Luis Rey Downs fire victims.
- III. Mr. Avioli updated the board on the industry fundraising efforts for the SLRD fire. The board reaffirmed its commitment to contribute \$10,000 and delegated to management and chairman to determine where to delegate the funds.
- IV. Approval of 2018 Board Meeting Calendar
The board adopted the 2018 board meeting schedule as presented in the materials.
- V. Race Meet Agreement Negotiations with The Stronach Group
Mr. Avioli updated the board on negotiations with Golden Gate and Santa Anita. Mr. Avioli expects both agreements to be completed prior to the commencement of the race meets.
- VI. Hub Agreement Arbitration
Mr. Avioli and Wagering Committee Chair Ms. Siegel proposed a resolution to the hub arbitration with TVG and XpressBet under which the ADWs would continue through the end of 2019 with the existing 5.0% hub rate and the extension of the terms of the current geolocation agreement for on-track ADW wagering. On a motion by Mr. Alexander, seconded by Mr. Moger, the board unanimously approved the proposal.

- VII. **Stabling & Vanning Update South**
Mr. Avioli provided an update on the current 4-party agreement governing Stabling and Vanning in the South and noted that he expected the agreement would continue for at least another 24 months.
- VIII. **San Luis Rey Downs**
Mr. Avioli reported on ongoing discussions with The Stronach Group regarding the timing for TSG to rebuild the stalls destroyed in the fire or provide up to 300 temporary stalls. We expect more information in the coming months. He also noted Del Mar confirmed it would be open until at least April 1 with up to 500 stalls. The Stabling & Vanning Fund will pay Del Mar an estimated \$8,500 a day that had previously been paid to SLRD.
- IX. **Stabling & Vanning North Update**
TOC staff participated in a meeting held by Chairman Winner with representatives of the tracks and fairs to discuss options for keeping Golden Gate open in the 2018 summer fair season. At that meeting, Mr. Swartzlander and other representatives of the fairs unanimously stated they did not want the fairs to use Golden Gate stabling and instead plan to stable at the fairs during the fair season. GGF said they would stay open if requested by the fairs for a reasonable compensation and the TOC confirmed its willingness to share in the funding of stabling at Golden Gate if requested. Chairman Winner noted that, absent the request by CARF to utilize Golden Gate, the CHRB was not in a position to take any action on the matter.
- X. **SCOTWINC/NOTWINC ADW Redirection Agreements**
Mr. Avioli reported that the discussions regarding ADW redirection funding for SCOTWINC and NOTWINC were on hold pending consideration by The Stronach Group of their future participation. He added that the TOC had rescinded its prior approval for SCOTWINC after TSG refused to sign. He also noted that management would be reviewing pension liability and related issues and report back to the board at its next meeting.
- XI. **Committee Reports**
- A. **Finance Committee**
Ms. Chinnici provided a financial report for November and year to date. Mr. Strauss complimented Ms. Chinnici on her excellent work.
- B. **Wagering Committee**
Mr. Avioli reported that the wagering committee agreed to Monarch's request to lower simulcast rates paid by Nevada for the Los Alamitos signal.
- Mr. Alexander raised the issue the accuracy of 1099s provided by CA tracks. Management agreed to work with him to further analyze the issue.

C. Racing Affairs

Ms. Morey reviewed the November horse counts for Northern and Southern California.

XII. Adjournment

The meeting was adjourned at 1:50 p.m.