

**THOROUGHBRED OWNERS OF CALIFORNIA
BOARD OF DIRECTORS MEETING
Thursday, February 15, 2018 – 11:30 a.m.
Santa Anita**

MINUTES

Board Members Present: Allen Aldrich (by phone), Nick Alexander, Bob Baffert, Joe Ciaglia, Mark Dedomenico (by phone), Gary Fenton, Mike Harrington (by phone), Terry Lovingier, Ed Moger, Jack Owens (by phone), Mike Pegram (by phone), Samantha Siegel, Bill Strauss (by phone), and Kathy Walsh.

Board Members Absent: Ron Ellis.

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

- I. Approval of Minutes
On a motion by Mr. Baffert, seconded by Mr. Alexander, the minutes of January 19, 2018 were unanimously approved

- II. NOTWINC Update / North Stabling
Mr. Avioli reviewed the NOTWINC handle and distribution summary, which was provided to the board. He explained how funding for the operational shortfall each year had been derived from ADW funds for at least five years. He noted that the Stronach Group would not agree to further use of ADW funds for NOTWINC funding. There was a discussion about The Stronach Group's announcement that they will be opting out of NOTWINC and the effect that will likely have on the fairs this summer. Mr. Avioli met with Santa Anita representatives earlier today in an effort to better understand their long term strategy, and he will meet later today with the chairman of the CHRB regarding possible ramifications. A meeting will be scheduled within the next couple of weeks with CARF and TSG to discuss possible resolutions for summer stabling.

- III. SCOTWINC Resolution
Mr. Avioli informed the board that a four-person labor negotiation committee, including a TOC representative, has been established by SCOTWINC. The committee's objective will be to oversee negotiations for more favorable labor deal, which is necessary for long-term solution of both SCOTWINC and NOTWINC financial problems.

- IV. South Stabling & Vanning Report
 - A. SLRD Reopening
Mr. Avioli received an update from Santa Anita this morning indicating they have begun construction of 200 new stalls and are expected to be ready for stabling for 450 total horses by April 15.

- B. Santa Anita Termination of 4-Party Stabling Agreement
Mr. Avioli reviewed the letter from Santa Anita, which was provided to the board, giving 24 months' notice to terminate the agreement that provides for year-round stabling and vanning in Southern California. Santa Anita indicated that they are terminating the agreement because they intend to build 1,400 stalls at Santa Anita, to have a total of 3,000 stalls available. Mr. Avioli noted that they have not yet received approval from the City of Arcadia for construction of the new barns. A general discussion ensued, including issues of funding, city approvals, and possible environmental lawsuits.

- V. Request for TOC Board Position on Double Jockey Mount Fee
Mr. Avioli reviewed the information provided to the board regarding an owner represented by attorney Darrell Vienna who was required by the CHRB to pay a double jockey mount fee for a Breeders' Cup win. Mr. Vienna asked for TOC support. Mr. Avioli has had discussions with Mr. Baedeker and reviewed the rule as well as any precedents. Mr. Avioli recommended that TOC's position be that we would like the CHRB to have a clear rule in place regarding this type of situation and would be drafting a letter to that effect to the CHRB. Following discussion, the board agreed with Mr. Avioli's recommendation and asked him to present that letter at the next meeting.

- VI. Bet America/Game Play Network Hub Agreement Updates
Mr. Avioli updated the board on the revised hub agreement 2018 rates with BetAmerica at 4.2% and Game Play Network at 5%.

- VII. Committee Reports
 - A. Legislative Report
Mr. Avioli gave a legislative report including the current status of sports wagering. He also reviewed the most recent federal tax provisions, noting that a copy is available in the TOC office.

 - B. Finance Committee
Ms. Chinnici provided a report on the January and year-to-date financials.

 - C. Wagering
Mr. Avioli reported on yesterday's Wagering Committee meeting. Topics discussed included the report from Santa Anita on the performance of the new wagers, on-track ADW geolocation results for 2017, and the funding and/or restructure of NOTWINC.

 - D. Owner Relations
Ms. Forney and Mr. Avioli provided a recap of yesterday's Owner Relations Committee meeting. The committee considered the format of the January newsletter, TOC's 2018 event calendar and the addition of several live-streamed events, results of the 2017 NTRA/TOC Advantage program and efforts to increase sales in 2018, the status of Mr. Fenton's negotiations with Santa Anita on a photographer's agreement to protect owners' rights, and the status of the CMC – which is due to sunset at the end of this year.

Mr. Alexander brought up a request by Mr. Ian McLean to be nominated for this year's board election. The request was approved by the Executive Committee; and upon a motion by Mr. Alexander, seconded by Mr. Moger, the board unanimously ratified the nomination.

E. Racing Affairs

Ms. Morey reviewed the race meet reports for Santa Anita and Golden Gate Fields to date, as well as the status of the purse accounts and the horse counts for January.

VIII. Adjournment

The meeting was adjourned at 12:36 p.m.