

CALIFORNIA AUTHORITY OF RACING FAIRS

Board of Directors &
Live Racing Committee
Tuesday, February 6, 2007

Minutes

A meeting of the California Authority of Racing Fairs Board of Directors and Live Racing Committee was held at 11:00 A.M., Tuesday, February 6, 2007. The meeting was conducted at the Kahn, Soares & Conway Sacramento office located at 1415 L Street Suite 400, Sacramento, California 95814.

Committee members attending: Joe Barkett, John Alkire, Dan Jacobs, Corey Oakley, Rick Pickering and Forrest White. Staff and Guests attending: Christopher Korby, George Soares, Heidi Byquist and Larry Swartzlander. Joining by conference call: Chris Carpenter and Stuart Titus.

Agenda Item 1, Call to Order. At 11:15 P.M., with a quorum present, Chairman Barkett called the meeting to order. Ms. Byquist served as secretary and recorded the proceedings.

Agenda Item 2, Approval of Minutes. The minutes amended to state under Agenda Item 2 that the meeting be called Northern California Strategic Planning Committee rather than the Dates Committee. Also, under Agenda Item 7 stated the motion carried and was approved, with Mr. White and Mr. Titus opposing. Mr. Pickering moved approval of minutes as amended, Mr. White Seconded, unanimously approved.

Agenda Item 3, Proposed Race Track Development at Dixon. Mr. Korby reported on a meeting that Mr. Barkett and himself had with Dennis Mills and Loren Kumars of Magna Corporation regarding the development of Dixon Downs. The meeting included concerns by CARF regarding how a racetrack in Dixon would impact racing fairs and how fairs fit into Magna's model, race dates and environmental issues. There was discussion by the CARF Board regarding going on record to oppose the concept of Dixon Downs project. The CARF board supports building a racetrack in Northern California at publicly owned land and facilities. Mr. Pickering moved that CARF recognizes and appreciates the private investment in racing in California but believes for the future it should follow the model of other professional sports where the sports predominately take place on publicly owned land. Also that CARF plans to take action on this issue through first taking it to the full CARF Board, Second by Mr. White. Unanimously approved.

Agenda Item 4, Racing Dates for 2008 and Beyond. The Board discussed the concept of having Fairs race in a block of dates, mid-June through the Fresno Fair. The Board agreed to preserve 2008 Race Date ideas until more information is given after the

results of the vote for Dixon Downs in Dixon and see the results of The Sonoma Solano Wine Country Racing meet is completed.

Agenda Item 5, Schedule Next Meeting. The Live Racing Committee and CARF Board scheduled the next meeting to be Wednesday, March 7th at 11:00a.m. in Sacramento. Mr. Barkett called the CARF Board meeting to run concurrently with the Live Racing meeting.

Agenda Item 6, Legislative Program. The Board directed staff to continue to move forward and exploring legislation regarding Fresno to run un-overlapped at the time Bay Meadows goes away, seconded by Mr. Oakley. Unanimously approved.

Mr. Pickering stated that Pleasanton is working to put a bill out to add two additional satellites in Alameda County. Mr. Pickering stated he would keep the Board up to date on this issue.

Agenda Item 7, Summer Stabling during Golden Gate Fields Track Surface Upgrade. Mr. Korby reported that he is currently working with the Alameda and Solano County Fairs in organizing the summer stabling for Golden Gate Fields while it's track surface is upgraded from June 1st-September 4th. No action needed.

Agenda Item 8, Recruitment Program. Mr. Swartzlander reported on the Recruitment Program and stated he would be traveling to Oregon and Arizona within the next few months. He stated Oregon has been in a continual decline and will only be racing Monday & Tuesdays. Arizona still looks very positive. No action needed.

Agenda Item 9, Summer Racing Contracts. Mr. Korby reported to the group that CARF will continue on with the same racing services contracts and a list of all contracts will be sent out. Mr. Korby also stated the Tote RFP is being renegotiated with Scientific Games. The tote machines will be available to see at the CARFS simulcast conference in Santa Rosa March 25th-27th. No action needed.

Agenda Item 10, Report from Finance Committee on Funding Allocation Recommendations. Mr. Korby reported that discussions are underway regarding funding, allocation recommendations, and that Mike Treacy and Bruce Lim will meet with the Finance Committee and will report back to the CARF Board. Mr. Oakley moved for CARF to come up with a strategy to fix the F & E shortfall and get back to a guaranteed base of \$40 million, seconded by Mr. Titus. Unanimously approved.

Agenda Item 11, Executive Directors Report. Mr. Korby informed the group that Earl Warren Showgrounds satellite facility will no longer be open in the evening due to a decline in monies. It was also noted that supplemental purses would be included on the next agenda.

At 2:35 P.M. with no further business before the board, Mr. Pickering moved to adjourn the meeting, seconded by Mr. Jacobs. Unanimously approved.

Respectfully submitted,

Heidi Byquist, Meeting Secretary