

CALIFORNIA AUTHORITY OF RACING FAIRS

Board of Directors

Tuesday, September 11, 2012

MINUTES

A teleconference meeting of the California Authority of Racing Fairs Board of Directors was held at 12:30 P.M., Tuesday, September 11, 2012. The meeting was hosted at the California Authority of Racing Fairs Board Room, 1776 Tribute Road, Sacramento, California, 95815.

CARF Board Members joining: John Alkire, Norb Bartosik, Chris Borovansky and Kelly Violini. Joining by conference call: Mike Paluszak and Rick Pickering.

Staff and Guests joining: Christopher Korby, Larry Swartzlander, Tom Doutrich, Heather Haviland, Amelia White, Chris Carpenter, Jim Morgan, Richard Lewis, Raechelle Gibbons, Stuart Titus, Dave Elliott, Tom Sawyer, Ann Groveitt and Dave Mogni. Joining by conference call: Cindy Olsen.

Agenda Item 1 – Date, Time and Location of Next Meeting. The next CARF Board of Directors meeting is scheduled for October 11, 2012 in Fresno.

Agenda Item 2 – Approval of Minutes. Mr. Paluszak moved to approve the meeting minutes as presented. Mr. Bartosik seconded, unanimously approved.

Agenda Item 3 – Report, Discussion and Action, if any, on Legislation for 2012 and Beyond. Mr. Korby reported that CARF sponsored two bills this session, SB 1227 (Negrete McLeod) and SB 1418 (Berryhill). SB 1418, a technical cleanup bill regarding eliminating date restrictions, was signed by the Governor and will become law on Jan. 1, 2013. SB 1227, which would have provided license fee relief to racing Fairs, was held in Assembly Appropriations Committee at the end of session.

SB 1390 (Wright), the sports wagering bill, was also held in the Assembly Appropriations Committee. SB 1463 (Wright), regarding Internet poker, was held in the Senate G.O. Committee. Mr. Brown reported that there is a slim chance that if a special session is called, Internet poker could be resurrected due to its revenue generating potential.

Mr. Korby reported that a group of principals from the racing industry (including CARF, Del Mar, Santa Anita Park, Golden Gate Fields, Oak Tree, CTBA and TOC), has formed a group called Horse Racing United for the purpose of supporting and implementing Internet poker legislation. This group is tracking Internet poker legislation and is prepared to implement legislation should it be approved and signed by the Governor. Included in the meeting packet is a document prepared by Mr. Korby entitled "*Proposed Model for Distribution of Internet Poker Revenues to California Horse Racing Interests*" which is one of two proposals that Horse Racing United is considering as a method to distribute revenue. Also included in the meeting packet is the proposal presented by Del Mar

Thoroughbred Club. The major difference between the two models is that the CARF proposal includes a distribution for satellite wagering facilities.

Mr. Korby noted that until Tribal casino interests are in agreement regarding Internet poker, there is a lesser possibility that the bill will successfully navigate the legislative process.

Mr. Korby encouraged feedback regarding the legislative direction CARF should take next session. Mr. Borovansky suggested that CARF and legislative advocates take care to ensure that outside interests understand that CARF's positions represent racing Fairs and not the Fair industry as a whole. Mr. Alkire added that Mr. Borovansky's point is especially important when you consider that CARF advocates also represent WFA and CFA.

Agenda Item 4 – Report, Discussion and Action, if any, on Mini-Satellite Wagering Facility Development. Mr. Korby reported that the most active CARF-member project is a joint venture between Banker's Casino and Monterey County Fair to operate a mini-satellite wagering facility in Salinas. The mini-satellite application has been approved by the CHRB and Ms. Violini reported that the facility logos are complete and the facility is scheduled to open in October.

Mr. Korby reported that Gordon Gong has been retained to provide architectural drawings and design options for a mini-satellite facility at Cow Palace.

Mr. Korby reported that he has heard that the San Diego County Fair is in initial discussions with a restaurant in the Gas Lamp District of San Diego.

Agenda Item 5 – Financials. Mr. Korby reported that financials are included in the meeting packet.

Agenda Item 6 – Executive Director's Report. Mr. Korby reported that an error has been identified in CHRIMS reports on handle from TVG which affected the latter part of the Humboldt County Fair. Those handle reports are in the process of being corrected.

Mr. Bartosik stated that the Live Racing Committee has referred a policy matter regarding racing dates to the CARF Board. Board review of the matter was requested by Humboldt County Fair. That item will be on the agenda for the next Board of Director's meeting.

Agenda Item 7 – Executive Session (pending litigation).

Respectfully submitted,
Heather Haviland