

DRAFT MINUTES
OQHRA SPECIAL BOARD MEETING
Heritage Place Auditorium
Noon – May 28, 2009

Directors present: Phillip Stewart, Jeff Tebow, Andy Golden, Butch Wise, Stacy Charette-Hill, Matt Witman, Mark Sellers, Dr. Bill Bullock, Bobby Webb, Wendy Ingersoll-Keener, Randy Hill, Dee Raper, Clayton Keys, Eddie Willis, Connie Barnes, and Sammy Hester. Ed Melzer, Chair of Finance Committee and Debbie Schauf, Executive Director were in attendance.

Purpose of Special Meeting was to consider a request from Will Rogers Downs to execute a joint application for a reduction in the statutory number of Quarter Horse and Paint and Appaloosa races to be conducted by the track during its 2010 race meeting.

Mark Enterline and Kelly Cathey were present representing Will Rogers Downs. Mark shared information that the revenue on horse racing was down approximately 7 %, the simulcast handle on exported races was up 5%, and the machines are doing approximately \$240 per day per unit. WRD is reportedly the only Cherokee Nation enterprise entity that is above on revenue projections and down on expenses projections for the year. Mark stated that WRD would like to extend the current agreement for reduced number of live races for Quarter Horse, Paint and Appaloosa horses for 2010.

Phillip told him that with BRD up in the air for 2010 he felt that OQHRA could not negotiate the number of races at this time. Jeff Tebow joined in with the comment that our responsibility is to protect the racing opportunities for our members. He asked Mark about the long term plans for the racetrack since this is the fourth year since the implementation of SQ 712 and in light of the fact that the law requires certain things of the track in order to have a gaming license.

Mark explained that when they first passed the bill he was against 600 races and lobbied for the language that allowed negotiations for a reduction in the number of races. He said the Cherokee Nation is not going to run races just to run races if they are not making money. This will be the first year the track has made them some money. He also said he doesn't believe they can successfully market a mixed meet and that the track needs 400 machines to really be successful if they have to run more races. Jeff asked about how many races they ran in 2009 and Mark responded about 500 total, with 347 for Thoroughbreds and he thought 147 for the mixed breeds.

Jeff asked Mark to explain why he thought OQHRA should agree to extend the agreement for another year. Mark responded that he couldn't give a reason and he knew it was a tough sell for our board. He also said that irrespective of all that, WRD was only going to apply for the number of races and number of days they applied for in 2009.

Wendy Keener asked for information on projected purse levels if they did run the statutory number of races for our horsemen. Mark said that brought up the request to

transfer funds to FMT for 2009 and he was concerned about transferring money if he was going to need it for more races in 2010 because he was going to require purses comparable to Remington Park if forced to run more races. He made the statement that the track was not going to run a bunch of cheap races, that he would recommend the Cherokees not run at all rather than run too many cheap races. He went on to suggest that if forced to run the statutory number of races in 2010, they would most likely try to run a TB meet in the spring and a mixed breed meet in the Fall. Jeff pointed out that the 2009 transfer was a condition of the current agreement and stated that he felt the terms of that agreement were valid and OQHRA had fulfilled their part of the agreement in accepting reduction in number of races this year. He encouraged Mark to execute the transfer.

After a little more discussion Mark and Kelly were asked to allow the board to continue their deliberations after they had left to return to Claremore. Mark asked that OQHRA at least write a letter to the commission acknowledging that there had been discussion and was ongoing negotiation regarding the number of races.

The board continued discussion and most members expressed their sentiments. Several stated that the current agreement had met with a lot of dissatisfaction from our members, especially those in the Eastern half of the State. Also, if there is a chance that BRD will not run in 2010, or runs a significantly revised schedule one way or the other the racing opportunities will be critical to the financial health of the horse industry in Oklahoma. Currently the Oklahoma HBPA has only told BRD that they will not consent to less than 270 races for TB at the time BRD submits its license application if one is submitted for 2010. There was some discussion that even if WRD was allowed to run less than 600 races, the races conducted should be in the same proportionate ratio for the breeds as the 45/45/10 allocation in current law.

MOTION: Bobby Webb (Butch Wise) moved to send letter to OHRC and BRD that the OQHRA declined approval of an extension of the current agreement through calendar year 2010. Motion Carried.

Staff was directed to draft letter for review of the board at the June 16th meeting and submission to the commission prior to it's meeting on June 18.

In other business, Deb presented a special benevolence request for approval by the board of a dental payment in excess of the standard guidelines for Mike McCann, an assistant starter at Remington Park.

MOTION: Wendy Ingersoll-Keener (Butch Wise) moved to approve full payment of the estimate from Gentle Dental for Mike McCann. Motion Carried.

Deb updated the members on the posting of a release soliciting resumes and applicants for the position of Assistant Director with a June 15 closing date.

She also told the directors that there was a long list of outstanding checks that had not been cashed by owners dating back to 2004 at FMT and RP and she was working with those tracks to get the money paid to the owners who had the money coming.

Deb also told directors that she was getting a number of calls from owners dissatisfied with the OKB money for QH, P, and A at Fair Meadows. The staff is trying to explain to callers that even though we were successful in getting the money from breakage and unclaimed tickets on simulcast redistributed at FMT there is still a lot less OKB money generated at FMT than any of the other tracks because there is such a low on-track handle on exotic wagers during the meet which is the only other source of OKB earnings at the track. Historically, even before the split battles, the OKB money was much less for all breeds at FMT. One of the reasons the TB levels at FMT are so much higher is because while they are only putting 12% of their gaming money into OKB at each track, with no gaming at FMT they are using Tribal Purse funds to additionally supplement the OKB money by setting a purse amount they want to offer on all races then directing additional TPF funds to the OKB fund to cover what is paid out. They figure they can legally use up to 33% of their TPF money for OKB in that manner.

Dr. Bullock moved to adjourn the special meeting. Meeting adjourned.