

MONTANA BOARD OF HORSE RACING
BOARD MEETING
10 A.M., JANUARY 8, 2010
MONTANA STATE CAPITOL BUILDING, ROOM 317
Helena, MT

APPROVED MINUTES

ATTENDANCE:

Al Carruthers	Chairman	Mike Tatsey	Board Member
Susan Egbert	Board Member	John Ostlund	Board Member
Sue Austin(phone)	Board Member	Topper Tracy	Board Member
Carol Lambert	Board Member		

Ryan Sherman	Executive Secretary	Sherry Meador	Legal Counsel
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PUBLIC IN ATTENDANCE: Ben Carlson, Lou Wojciechowski, Merritt Pride, Mark Cadwallader, Eric Spector, Scott Meador, Tom Williams, Janis Schoepf, Karla Levengood, Linda Pepee, K.C. Davis, Martin Eike, John Enott, Marcia Fowler, Sommer Strain, David Strain, Randy Rasmussen, Bryan Krone, Mason Sterhan.

CALLED TO ORDER: Chairman Carruthers called the meeting to order at 10:25 am

MINUTES: Member Lambert moved to approve November 13th minutes. Member Ostlund seconded the motion. Motion passed

NEW BUSINESS:

- A. Executive Secretary's Report – Ryan Sherman reviewed the monthly reports that have been submitted to the Board. Ryan attended a meeting with the Crow Racing Committee at the Crow Agency in late November. Meeting focused on covering the 9 week time period between Miles City and Great Falls race meets. The Committee would eventually like to explore the option of working with the MBHR on a relationship but feels that they would like to start a meet and work with it for a year or two to ensure that their commitment amongst the group is solid. Topics discussed were:
1. Developing trust between tribal and non-tribal members that racing is a fair game at Crow.
 2. Re-forming the racing committee to include both tribal and non-tribal members.
 3. Repairing the facilities to bring the track and barns up to race meet standards.
 4. Developing a long-range plan to ensure that a race meet remains an integral part of Crow tradition and a valuable piece to the Montana Racing schedule.
 5. Adding amenities to the facility to attract in-state and out-of-state horsemen to participate both in spring training and a regular meet.
 6. Staffing and equipment requirements including MBHR's stewards, all racing officials, security, etc.

They are looking at doing it on their own for this first year and moving some of their gaming machines from the casino to the track during the live race meet to help fund purses and add revenue to the tribe as well. Their presenting a proposal to their council and meeting again in January.

Ryan also reported on the MBHR's revenue

- MBHR received \$12,126 from fantasy football in 2009 (it was noted that FF will still continue into 2010 through 2 wks of playoffs). MBHR received \$19,835 from fantasy NASCAR in 2009.
- For fiscal year 2009 (ending June 30) and fiscal year 2010 (beginning July 1/09), total funds available for distribution of Advance Deposit Wagering is \$40,242 in purses, \$5030 to the Board, and \$2515 each for Breeders awards and Owners awards.
- Live handle for 2009 totaled \$1,029,216. Miles City's percentage is 9.82%, Great Falls is 26.48%, and Yellowstone Downs is 63.7%
- 2009 purse carryover for Miles City is \$0, Great Fall is \$12,931, and Yellowstone Downs is \$5810.
- As of November 12, 2009, the board has \$57,243 after all expenses have been paid.

The board verified to Ryan that the executive reports as were presented were very appreciated.

B. 2010 Tract status updates -- Ben Carlson reported that there were no updates for Yellowstone Downs and County contracts. Ryan confirmed that Cascade County commission is still in contract negotiations with Montana Downs. It was clarified that Great Falls was granted race dates conditioned on getting a contract with Montana Downs, and that they were waiting results of the simulcast hearing.

C. 2009 Simulcast License Applications –

Sherry Meador reported that the board has two applicants who have requested all dates in all 56 counties for 2010. On December 11, 2009, an in-person hearing was held in Helena before a Hearing Examiner appointed by the MBHR. The issue presented was “whether the simulcast race meet license application of Midland Horse Racing Association (MR) or the simulcast race meet license application of Montana Entertainment (ME), or either of them, should be approved in whole or in part by the MBHR. Ben Carlson appeared on behalf of license applicant MR and Eric Spector appeared on behalf of license applicant ME.

The Hearing Examiner made the following recommendation: After review of the entire record and of the testimony presented at the hearing, it is the conclusion of the hearing officer/examiner that Montana Entertainment offers the State of Montana the best chance to revitalize the sport of horse racing in Montana. The current licensee, Montana Simulcast Partners, has not accomplished the revitalization of an active horse racing

industry in Montana. Montana Entertainment, on the other hand, proposes new and innovative ways to conduct simulcast racing which are designed to bring persons to simulcast wagering across the State. As Montana Entertainment indicated in its presentation, MSP's methods do not seem to be working to bring horse racing back to Montana. It is the recommendation of the Hearing Examiner that the Board grant to Montana Entertainment an exclusive license to conduct simulcast horse racing in Montana for the year 2009.

Mr. Carlson, for MR, requested oral argument on the proposed findings of fact, conclusions of law and recommended order. Mr. Carlson will present his objections to the proposed ff/cc/ro. Mr. Spector will be given an opportunity to respond and Mr. Carlson for rebuttal. The Board will seek public comment as to the best interest of the state. All written and spoken testimony will be made part of the record.

After considering all testimony presented, the Board will then accept, reject or amend the proposed findings of fact, conclusions of law, and recommended order and award all, part, or none of the simulcast dates requested based on, but not limited to, the following criteria:

- (a) interest of the state;
- (b) the best interest of live racing facilities within the state;
- (c) the best interest of the simulcast facility owner;
- (d) simulcast facilities;
- (e) geography and location;
- (f) experience, skill and integrity in management;
- (g) financial stability of applicant;
- (h) opportunity for the sport of horse racing to develop;
- (i) hardship that may be caused by awarding overlapping simulcast race dates;
- (j) extent of community support for the promotion and continuance of simulcast race meets or simulcast race dates;
- (k) character and reputation of the individuals identifies with the undertaking;
and,
- (l) tenure of simulcast race meets being considered.

Under the Board's governing rules, no party has a vested right to race dates, and no single criterion is compelling or binding on the board. Either party who is adversely affected by the Board's decision has 30 days to file an appeal with the District Court if they want the decision reviewed.

Mr. Carlson stated that he had no objections to the hearing examiner's recommendations but had some things he wanted to clarify. In ¶7, the reference to Midland Racing should be a reference to Montana Simulcast Partners. In ¶12, he thought Great Falls and ME should have completed their contract because it would impact the simulcast hearing. In ¶16, MSP prorated additional money to the tracks and MR couldn't guarantee that they

could distribute a similar amount to the tracks. In ¶20, stated that Midland didn't interfere with any negotiations between ME and the PlayInn. In ¶ 21, Mr. Carlson asked if MR would be required to make the same investment as ME at the simulcast facilities. In ¶25, Carlson stated that ME's problems with HBPA could just as well carryover to the next network provider as well. Referencing ¶30, Mr. Carlson stated that ME should be held responsible for what it agreed to do in the memorandum of understanding with the MBHR, and that if ME had done everything it agreed it MR would not have felt the need to challenge the license. Mr. Carlson stressed in ¶43, that there is a critical need to develop an additional site in the Billings area. In ¶44, there is a reference to the need for new equipment in sites. Would a new network licensee be required to update the equipment in the four additional sites? Mr. Carlson, speaking to ¶51's reference to integrity of the managers, said that he believed the hearing examiner did an excellent job in performing his duties and that Mr. Carlson and Mr. Spector conducted themselves in a civil manner during the hearing. However, he believed that integrity can be judged by someone doing what they said they would do. Mr. Carlson stated that the financial need is only to keep their net condition in the black, and that is by agreement between the network operator and the sites to keep track of and transfer funds appropriately. It doesn't take a lot of extra funds to be an effective network operator. He concluded that deciding on a network operator is a tough decision, and he finds no fault in the Board for making its decision last year. If a new network operator is chosen, it is imperative that the sites stay up and there be a smooth transition.

Member Tracy asked what the cost was to transfer the simulcast system to a new provider. Ryan stated that ME paid a fee between \$6000 and \$7000 to Montana Simulcast Partners for equipment. The businesses generally own the core equipment (i.e. TV, computer, printer) and ME owns the decoder rack and routers.

Member Egbert asked if MR would have the same exclusive relationship with Won \$800 Casino. Mr. Carlson said that Won \$800 wouldn't get an exclusive license, and that Play Inn wanted simulcast back. Mr. Carlson said they would ideally want to increase the number of sites in order to increase the overall handle, and that with more purse money, more tracks could be opened up. But, new tracks need to be opened up within the confines of the available funds. Mr. Carlson also stated that MR wouldn't be able to actively be involved in operation of live meets in Great Falls or Missoula. MR wouldn't be involved in South Dakota racing directly but if surrounding states could pool their resources, they could get a better return for their simulcast sits. He stated that customer service would be enhanced by MR board members across the state.

Member Tracy asked how many days Yellowstone Downs would want to run if money wasn't an issue. Mr. Carlson said it would depend on race dates at other tracks from where they draw horses. He said during the fair, they could run more days and longer weekends depending on when the facility is available.

Eric Spector, from Montana Entertainment, commended Ben Carlson on his expertise on Yellowstone Downs. Mr. Spector asked to clarify that they were awarded race dates with Great Falls condition on their lease agreement. He said that within the next 2 or 3 weeks,

they'd be able to finalize the lease agreement and race dates. He also discussed negotiations with Missoula to apply for race dates. The MOU between ME and the MBHR required ME to race a live meet, to standardize off track racing facilities, and to conduct marketing and advertising, in addition to other items to which ME believes they complied. Strongest point was to work with the board to develop other opportunities in the state for the sport of racing—increase of race dates and race facilities. ME has asked for an additional race date in Great Falls and is seeking dates for Missoula. ME's plan is to continue to operate GF and to resurrect facilities in Missoula and Kalispell.

Mr. Spector stated that ME has not been able to fully execute its plan as proposed to the board because it was put in a contest for the simulcast license in October. It's plan was a multi-year plan. In less than a full year, ME has moved to standardize the OTB sites. Not all sites had the same capabilities. ME inherited a site in Kalispell that was closing, and so they worked with Scotties to develop a site and put in their own updated equipment. ME provided updated equipment in Bullseye Casino in Helena, and in a new facility in Butte. The Missoula site is looking at making the equipment update themselves. ME would be willing to step forward and make the investment in equipment at any site. He reported that the sites with updated equipment have had an increase in handle. ME did purchase equipment from MSP when ME received the license and have invested an additional \$15,000 in equipment to operate the network. He believed they are half way toward updating equipment at the remaining facilities.

If ME gets the 2010 license, they would move forward with developing new sites. He said Play Inn refused to sign a contract with ME, and that Won800 required an exclusive license for the year. That exclusivity in the market has lapsed and ME would be able to obtain new sites.

Member Ostlund asked who paid for advertisement in the OTB sites. Mr. Spector said that ME made the investments in that advertisement – web site operations, newspaper, cable, advertising of special events, player's rewards, and other ads. ME will co-op advertising with individual sites to include site logos and to highlight special events. Member Egbert asked if ME would charge the sites for the co-op advertising. Mr. Spector said all the advertising done this year has been at ME's expense though some sites may have done some advertising on their own.

Member Egbert asked about the exclusivity in Billings. What other sites have been contacted. Mr. Spector said exposing the names of those sites would be premature. They look at amenities and quality of potential sites. They've identified three in the Billings market that will be presented to the board shortly. Member Egbert asked what customer service ME provides to the sites. ME requires sites use ME's equipment or ME's recommended list of equipment so that all of the sites will be displaying the same products in the same manner. ME is working with United Tote to upgrade the equipment it supplies to them in the state – moving toward newer self-service units. Sites have access to internet sites, using individual passwords, that provide them information on updates and access to ME's site manager with questions from everything from equipment to signal issues, to customer service issues and player award issues. Player rewards

program is lacking as it's been designed. It was initially designed to gain contact information for potential players and requires local site to advise ME about local specials/events that ME can communicate to the players. ME intends to start providing the players more player incentives through the rewards program.

Member Egbert noted that, while the Great Falls 2009 race meet eventually came off okay, there were significant problems in the management of that race meet. She asked if the 2010 race meet would be handled differently if ME is awarded the contract. Mr. Spector stated that they learned from their mistakes at the 2009 race meet; that there will be more attention to details prior to the start of the race meet (i.e. preparation of facility); that their Director of Racing, Duane Didericksen, will be working on-site with a new racing secretary, Norm Amundson and that ME would work with Yellowstone Downs to design systems that would retain the same horses and jockeys for both race meets. ME has a better understanding of the crowd for Great Falls and for the difference in Fair and non-fair racing days and will approach the advertising and marketing more effectively. ME anticipates a better race meet.

Member Tracy asked about Mr. Spector's experience in dealing with various county commissions around the state. Mr. Spector said that commissioners have expressed concern about the damage to their facilities as a result of racing but have also recognized that racing increases the number of attendees at their county fairs and positively impacts the economic impact in the counties. Mr. Spector said they have received a fair shake from the counties they've contacted, but that they don't want to pay anything out of pocket. Member Tracy asked Mr. Spector what was his overall plan for running a coordinated racing schedule between Idaho, Wyoming, and Montana. Mr. Spector stated that he thought it would be dependent on purse monies and a draw on horses from other regions. He wants to open up more facilities with fewer race dates but bigger fields and then expand those dates – need an anchor track.

Member Tatsey asked specifically what potential sites ME visited in Billings and what the changes are of getting a simulcast site in each. PlayInn is one, Second Shift is a potential site as well. Member Ostlund asked clarification of whether current discussions were internal or actually involved the sites. Mr. Spector said ME was evaluating the sites internally at this time. ME's site manager, Randy Fozzard, has been going around for the past five months evaluating the actual sites. There are two other sites that Mr. Spector doesn't recall the names but with whom ME is having discussions. Member Tatsey noted that everyone needs to work together to make horse racing successful in Montana.

Mr. Spector requested that the Board grant ME an exclusive license in the State rather than adopted the Hearing Examiner's recommended order granting ME an exclusive license only in the counties where the sites are currently.

Chairman Carruthers opened the floor for public comment on the award of the simulcast network operator license.

Janis Schoepf stated that she was a director for the HBPA and wanted to clarify to the Board that letter HBPA sent to the Board in early October stating that the HBPA was not in support of Eric Spector was sent without her notice, much less, her and several other director's approval. HBPA's president did send the letter, but without the approval of several of the HBPA director's approval.

Marcia Fowler, a horse owner and a manager of the Halftime Sports Bar in Great Falls, noted that the Halftime has the largest simulcast handle of any OTB site in Montana and is the number one Montana Sports Action site for fantasy sports as well. They do a lot to support racing in the state. She said she believed ME has done a relatively good job overall with the simulcast sites with some few exceptions. She's concerned about Mr. Spector's lack of contact with her or John Enott, the owner, and with lack of support that he reported to have given to all the sites. Half Time spends \$60,000/year in advertising alone. She hopes that ME and the Half Time can work together a little better in the future to get the funds available for advertising. She reported that the only thing Half Time has received from ME is two logos that say Montana OTB. She has also recently received a letter that said ME wanted the sites to pay for banners advertising the OTB sites. She would hope Mr. Spector would be in more contact with the Half Time as the number one site. Need to work on the Montana Rewards program and would like to know what ME is planning to do to improve the rewards program. Co-op money would be greatly appreciated – especially with derby glasses. She also reported that when they call for assistance on weekends they are unable to get anyone, and that United Tote needs to be more responsive to the sites' problems with their systems. Half Time wants to remain the number one site and will continue to include their simulcast business in their advertisements. Chairman Carruthers commented that he has been to the Half Time many times, noted that it was a great facility, and that the Board appreciates the Half Time's dedication to horse racing.

Linda Pepee, from Scotty's in Kalispell, said that their customers really like what tracks are available at their site. They see no problems with ME. She had worked at the previous simulcast site in Kalispell and saw a vast improvement in quality of programs and customer service through ME. ME's advertising of the site in the paper and on TV has been excellent. Scotty's hasn't paid for any of it. Scotty's did invest in the derby glasses and t-shirts and was able to recoup the cost from the customers. They hope the simulcast network stays the same.

Karla Levengood, owner of Scotty's in Kalispell, noted that horse racing was all new to her before she established the simulcast site in her facility. Her experience with ME has been good, with all questions and problems addressed. She emphasized that they make it work for their customers, and that their customers are very pleased with what they are providing.

Merritt Pride stated that his interest in live racing rather than simulcast and without live racing, simulcast isn't needed. His concern is that wherever Mr. Spector has been involved in live racing and simulcasting in other states, live racing has suffered. They

haven't applied for any race dates in Wyoming and the Governor is now interceding in negotiations in Idaho. We need those healthy meets.

Ryan Sherman read an email from Jim Espy, president of Yellowstone Horse Racing Association. He said the exclusive simulcast license should be given to Midland Racing. That without YHRA, racing would be dead in Montana. The model from Montana Simulcast Partners used, and what is proposed by MR is to return a significant portion of the simulcast revenue back to racing. ME held approximately 40% of the simulcast funds which results in a decrease in purses available and race dates in the State. Granting a license to ME will be the end of live racing in the state.

Tom Williams, Treasurer for Montana Race Horse Breeder's Association, has been a part of the racing industry in Montana and believes that live racing is in a better position now than it was a year ago. The Board should keep ME as the simulcast network operator and continue this upward trend.

Mr. Spector wanted to clarify his involvement with Northwest Racing. What they would like to do and what they can do is reliant on the available purse money. There was a 10 to 12% projected decline in race handle, and so they sought 8 race days in Wyoming rather than the 16 days applied for. Pulled races not available in Boise to Wyoming and had a great 8 day meet during an economic downturn. In Idaho, they obtained the license in August and needed an agreement with the Commissioners and with the Horsemen's Association before they could run any races. Hopeful with the Governor's intervention and with the other horsemen's groups support, they can get an agreement to race. The problems in Idaho were inherited. Chairman Carruthers asked if he would respond to Marcia's concerns at the Halftime. Mr. Spector said that the rewards program doesn't adequately reward a level of play, but that it's mostly a communication vehicle at this time. He was aware of John's investment in the equipment and that he is in direct contact with John, if not Marcia.

Ryan Sherman asked if Mr. Spector would be willing to put more specifics into the MOU in regard to time-lines, costs for adding facilities/upgrading facilities – some way to more effectively address identifiable outcomes. Mr. Spector said he would be willing to add benchmarks/timelines to the MOU and better operational understandings. Mr. Sherman asked about the contracts with facilities. Mr. Spector reported that the contracts are generally boilerplate but certain aspects are different in regard to equipment ownership and amenities provided.

Ben Carlson stated that he was still concerned with what was going to be done with the investments by ME at the OTB sites, and how a transition would be completed if needed. He was also concerned whether or not the Board would require ME to run a race meet if it is awarded the simulcast network. Mr. Sherman asked if MR would be open to setting more specific time lines/benchmarks in and MOU (i.e. growing sites, customer service). Mr. Carlson agreed that it would a good way to increase handle overall. Mr. Carlson stated the sites would generally have a standardized agreement with MR as the network provider, but that it would depend on a case by case basis. He would not agree to any

exclusivity clause for a single site. Mr. Sherman asked if MR would require the same programs in every site. Mr. Carlson noted that there is a difference in what people in various sites want to see. It would have to be on a site by site basis.

Mr. Sherman asked Mr. Spector if ME required the standardization of signals in all sites or would it allow the customization of signals at sites. ME has generally believed they want the same signals available at all sites so that a customer traveling across the state would know what was available. He said that ME has the ability to offer different signals at different sites, and plans to look into the possibility of doing so. However, a customer wanting to bet at the same track all day is deprived of that ability if a different signal is swapped in. You'd still have to buy the decoder anyway so the expense of swapping signals in and out would be the same anyway.

Member Tracy commented on how adversarial the horsemen are with each other, and that the horsemen, track managers, and simulcast sites need to work together to improve the system overall for the betterment of horse racing in the state.

Member Egbert moved that the Board accept the Proposed Findings of Fact, Conclusions of Law, and Recommended Order of the Hearing Examiner. Member Tracey seconded the motion. Motion is opened for discussion. Member Ostlund said that he did not believe the previous network provider's promises were lived up to, and that we have a second applicant, MR, that would be a better network provider for the State of Montana. Member Tatsey said that we should stick with what we have right now and not give out the message that the Board is grabbing for anything out there. He told Mr. Spector that he could greatly improve his network operation, and should cater more to the Half Time given that it is the number one site, and that when you go there you should talk to everyone there – it's just good business and you should do a better job. Chairman Carruthers said the Board's position now is much better than it was a year ago, and even though we have a fair amount of fights and discussion, we're moving forward. Member Austin agreed that the Board is in a better position now than it was a year ago and that horse racing in Montana is moving forward (though slowly), and that the Board should continue with ME for now and hold them accountable to their promises. Discussion closed. Six members voted in favor of the motion. Member Ostlund opposed the motion. Motion passed.

Chairman Carruthers took a 10 minute break at 1:00PM. Meeting re-adjourned at 1:10PM

OTHER BUSINESS: Ryan Sherman reported that the Board received an application from Missoula for race dates in August 13th and 14th, 2010. It was noted that there was no notice of the application because it was delivered two days prior to the meeting and after the agenda had been posted. Scott Meader, fair manager for Missoula, reported that they were in negotiations with ME and were very close to a final agreement within the next 7 to 10 days. Sherry Meador advised the Board that they could discuss the application now, and not move on it until next week by conference call so that proper notice can be given. The Board opened the meeting for discussion. Ms. Meador asked

the Board if they wanted the applicant to clarify when and if the Missoula and/or Great Falls tracks would be open for training. Chairman Carruthers stated that he thought the Commission in Great Falls was interested in training. Mr. Spector clarified that ME's contract did not include training dates, but that the county is determining whether they want to open the track for training or if another entity wanted to run it as a racing facility prior to ME's operation of the race meet. ME takes possession of the Missoula property two weeks prior to the race meet. ME vacates the property in Great Falls on August 2nd. The Missoula track would be open for conditioning, not training, a week prior to opening on the 13th. The agreement with Missoula commissioners is that the horsemen would be arriving on Thursday, August 5th. ME would have the first four days of August to get the stalls ready. Member Egbert asked about the number of stalls. Mr. Spector said he would work with Ryan Sherman to figure out the number of stalls that are needed. It was confirmed that the number of available stalls would be identified by the next meeting. Scott Meader stated that the remaining issues to be discussed between ME and the County is liability insurance, and that they propose using the same standard coverage that Boise uses.

Member Egbert asked if ME would be using the same racing secretary at Missoula as in Great Falls. Mr. Spector said yes. Member Tracey asked when the condition book would be published. Mr. Spector said the racing secretary is just finishing up the condition book for Great Falls, and if Missoula dates are approved, ME would work with Yellowstone Downs to set up a series of races to benefit all three tracks. Member Tracey encouraged ME to get the scheduled set up and published quickly. Member Tracy asked if Kalispell would be open for training. It was confirmed that Kalispell would be open for training. When asked, Mr. Carlson confirmed that Yellowstone Downs would be open for training April 1st.

Ryan Sherman stressed to Mr. Spector that ME needs to be sure they are clearly aware of what needs to be done to get the facility in shape for racing in 2010. Mr. Spector asked if Mr. Sherman would join them in the site survey and to help with figuring out how to get it done. Member Tracy asked Mr. Meader what the plan for the Missoula Fair Grounds would be. Mr. Meader said the preferred plan will probably be building a facility in the infield and keeping the track footprint but not operating a race track. The commissioners will vote on it March 10th. If the commissioners vote on the preferred plan, it would be a five to seven year plan before it came before the voters. Mr. Meader reported that some of the barns have been removed and that the rail needs some repair but that it is in pretty much the same condition as was when they last raced. Anticipate renting of temporary stalls and of racing official quarters.

PUBLIC COMMENT: Chairman Carruthers opened the floor for additional public comment. Ben Carlson said he was concerned about where the funding would come from for the additional purses needed to run two more days. Mr. Sherman said that he would clearly show what purse money would be available if Missoula ran. He anticipates that Missoula would use some of its live handle for purses. Mr. Carlson was also concerned about the dilution of available funds, other than purses, for operating the other tracks if Missoula ran. Mr. Sherman said he would have those figures available by the

next meeting as well. Mr. Meader said he would have the live handle figures available from Missoula's previous years. They historically had the highest handle in the state. Could probably figure on \$250,000 handle for the two days. Member Egbert commented that Missoula historically had great sponsorship. Mr. Meader said the current agreement stated that Mr. Spector would pursue sponsorships. Member Tatsey said he was frustrated by the comments on additional race dates that inferred a greater concern as to how it will negatively impact the money to other tracks rather than how it will improve racing for the State overall. All of the tracks will benefit if racing in the state is improved.

Janis Schoepf said she was disappointed how the tracks were being self serving when horsemen like her travel across the state to support racing and would appreciate racing in more regions. Mr. Spector said he understood Mr. Carlson's concern of diluting purse and capital expense funds. He is also concerned that more race dates is not always better, but that if these facilities aren't being operated now (i.e. Missoula, Kalispell), they may be gone forever. Member Tracy re-emphasized that they need to work together to ensure the facilities were available and to fill all of the races even if there were smaller purses – it's how the program is operated, not necessarily the funds available.

ADJOURNMNET: Member Egbert moved that the meeting be adjourned. Member Tatsey seconded. Motion passed.

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

Signature

Date