VIRGINIA RACING COMMISSION

March 2, 2016

STATE CORPORATION COMMISSION
TYLER BUILDING
COURTROOM B
1300 EAST MAIN STREET
RICHMOND, VA 23219

Commencing at 10:00 a.m.

COMMISSION MEMBERS:
D.G. Van Clief, Jr., Chairman
Carol G. Dawson, Vice Chairman
I. Clinton Miller
J. Sargeant Reynolds, Jr.
Dr. Charles Steger

COMMISSION STAFF:
David S. Lermond, Jr., Deputy Executive Secretary
Kimberly C. Mackey, Office Administrator

OFFICE OF AGRICULTURE AND FORESTRY
Sam Towell, Deputy Secretary of Agriculture and Forestry

ATTORNEY GENERAL'S OFFICE:
J. Duncan Pitchford, Esquire
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CHAIRMAN VAN CLIEF: Welcome, everybody, and thank you for taking time to be with us this morning. It is ten o'clock, so I would like to call the March 2nd meeting of the Virginia Racing Commission to order. I don't think we're going to have to take up all of your morning this morning. The main purpose of our meeting today, in the absence of a list of action items, is to hear a report and bring the commissioners up to date on the activities the first two months of the year of the VEA.

After our meetings in January, it was clear that we are getting off to what looked to be an excellent start and a re-launch of the Commonwealth's racing industry and its associated breeding and agriculture business, so we are interested to hear how things are going.

I talked to Jeb Hannum this morning, and despite the way we have our agenda laid out with the VEA and subheadings, I've invited Jeb to break that up and have the various members of the VEA deliver those reports in any format that they feel makes sense.

So you can consolidate or not as you wish this morning, but we are interested in hearing what's going on, the progress that you're making and any
obstacles that you see coming up, and obviously, we'd like to be in a position to anticipate any action that this Commission might have the opportunity or need to take in support of the work that you're doing this year.

We do have one action item, which is the old business approval of the TwinSpires wagering -- account wagering, I should say, services agreement, so we are glad to have that in front of us and fully executed this morning. So we will be taking action on that.

I want to bring one item to your attention, and then I'll go ahead and do that right now.

I received news not so many days ago from him that unfortunately, our executive secretary, Bernie Hettel, is going to have to step down. I know that word is leaking around the industry at this point, but I'll go ahead and make that official this morning.

Over the last year or so, Bernie has found that through a series of both personal, family, and as well as business demands, that he has virtually found himself pulled in two different directions. He almost needs to be in both Kentucky where his family and some business interests are, as well as
here in Virginia where his job as our executive secretary is. He, unfortunately for us, was forced to make a choice and has submitted his resignation. I don't have a precise date on that, but I anticipate some administrative issues that will be brought to bear, but he will probably make it effective this month.

For all intents and purposes, you might have noticed he's absent today. He is back in Kentucky, so I have asked Dave Lermond, who has agreed to undertake Bernie's duties on an interim basis in his absence, which Dave is doing today. So we are going to go into closed session a little later in the meeting to talk to Mr. Pitchford, and I hope he's going to be here.

Sam Towell for the secretary has reached out to the Department of Human Resources Management, and they'll have some advice for us on the process going forward of recruiting and selecting a replacement. So those are the things on our plate this morning.

Now, we've got some minutes to approve. We deferred approval of minutes at the last meeting, so we have both the January 6th and the January 27th minutes. And before I ask my fellow commissioners for any changes or observations on those minutes,
I've got a couple of my own.

On the January 6th minutes on Page One at the bottom, it makes note of the fact that Commissioner Reynolds in his role as chairman nominated me as the new chair and then we nominated Commissioner Dawson as vice chair, and that those motions were carried unanimously.

I'd like to change in both cases, and I've consulted with Commissioner Dawson this morning. We would like it to be changed that the motions carried with our abstentions. We did not vote for ourselves. We didn't vote against ourselves, but we did abstain, despite our better instincts. So if you could make the changes, we will do that.

Then on the January 27th minutes, if you go to Page Two, Paragraph Three from the top, which begins, "Chairman Van Clief informed", that should read, "Chairman Van Clief informed the Commission that a memorandum of understanding between the parties" -- then we insert the words "had been executed". That makes that a full sentence and gets the thought there that we wanted.

So those are my only contributions to our last two sets of minutes. Do any other commissioners have any comments or requests for modifications?
COMMISSIONER STEGER: There's a tiny little detail on the January 6th minutes. The last sentence says "The motion was seconded by Commissioner Steve Miller". It should show "Commissioner Steve Miller".

CHAIRMAN VAN CLIEF: Okay. I missed that. Okay. Did you get those? And Kimberly, did you get those for your records? All right. With those changes then, do I have a motion to approve both the January 6th and January 27th minutes?

COMMISSIONER DAWSON: I so move.

CHAIRMAN VAN CLIEF: Commissioner Dawson. Second?

COMMISSIONER REYNOLDS: I'll second.

CHAIRMAN VAN CLIEF: Any opposed? The minutes are approved. Thank you very much.

This takes us to the commissioners, I think. Under Tab Three in your books, there is a VEA budget, which I'm sure you'll want to follow along with the next report. So Jeb, can I call on you to lead the VEA update?

I'd like to make this as casual and interactive as I can, so Commissioners, it's okay, Jeb, with you if I could ask the commissioners just to raise their hand with any questions. We would like to keep this
as informative and make it as much of a
give-and-take as the commissioners would like it to be.

MR. HANNUM: Great. Thank you.

CHAIRMAN VAN CLIEF: Thank you.

MR. HANNUM: Sure. So I'll just provide an overview, and many of the things we're working on are obviously intertwined with that of our member groups, so I'll speak to them and then, you know, Dr. Allison and Frank and Dr. Woogen will speak to their specific organizations as well.

So starting off with Morven Park. As you know, the lease was signed with Morven Park a few weeks ago, which was good news, and we appreciate the Commission and the Department of Agriculture's support on that project.

Dr. Allison and I went out to Morven Park last week and we had lunch with the new executive director, Stephanie Kenyon, who started at the beginning of the year and her staff, and went through our immediate needs in terms of what we're focused on over next few months at Morven.

But equally as important, we spoke to the vision that the VEA has for being at Morven Park, and she spoke to their enthusiasm and excitement for having
racing come back to Leesburg.

So it was a very informative meeting for everybody, and they are very, very excited that racing is going to be coming back to Morven Park.

They have submitted to Louden County the last stage of their comprehensive horse park plans, so these are the plans that have been under way for a number of years which were put on hold when we came back into the picture and asked them to consider racing as being part of their horse park plan.

And so all of that was put on hold, and so the final step with Louden County for permitting is now under way, and racing is part of their overall horse park plan, which is very important, so we wanted to be part of that. We didn't want racing to be a separate submission with Louden and be an outlier.

So everybody hopes that Louden will be back to Morven in the next month, month-and-a-half with the grading permit approval, and then at that point, the engineering plans for the racetrack and all the other components can be finalized, and with any luck, the excavation work and heavy lifting will start late spring and summer. So that's all exciting and we'll keep you posted on that.

So I'll move on to Woodstock. Woodstock is our
home for harness racing. We're in the midst of works through the lease with the Shenandoah County fair for that site. We are working through sort of the details now, and I am hopeful that in the next few weeks that lease may be wrapped up.

Having said all that, we have, sort of moving forward with Woodstock under the assumption that everything is going to be fine, because time is of the essence and the engineer and the track consultant have been working on plans for Woodstock to widen the track and to grade it and to make all the changes necessary so that proper harness racing can take place there, and will really make it not just a great harness track in Virginia, but a great harness track in the region.

So the engineer plans have been finished, I understand. Again, we have a track consultant working with them, and now those plans will go to a contactor for a formal estimate. So that's moving forward while we're working on the lease. So that's important because we wanted to keep every path moving forward as quickly as we can, because we hope to have racing at Woodstock late fall after all the improvements have been made to the facility.

So those are the two sites. I wanted to just
give you an update on that, and Dr. Allison can obviously speak to Virginia Gold Cup when it is his turn.

I'll move to sort of the second priority for the Alliance this year, and that's to set up and establish our OTBs and that the kiosk network that existed in the state prior to Colonial Downs handing in their license.

This has been an important thing for the Alliance. The OTBs, as you know, haven't been able to be opened. We haven't really formally been able to address this issue since November of last year when Colonial's pending application was turned down. So as you all know from the statute with their license or pending license, Colonial had the monopoly on the OTBs. Once that ceased, then the ability to open OTBs came over to the Virginia Equine Alliance. That didn't formally happen until November. So while we've done a lot of legwork and research prior to November, we weren't really able to really get going with it in a formal way until that point.

The number of the companies that we spoke to about opening OTBs had really been on hold until November. So now we've sort of moved forward.
United Tote is going to be coming back to us with a formal proposal about OTBs. There's a company that we've referenced, Fast Track; they're interested in opening the OTBs. The Maryland Jockey Club is opening a network in Maryland, as you all may know from reading the trade press. They have expressed an interest in looking at the Virginia market.

So we have a number of sort of larger companies that have experience in this regard looking at Virginia, and we want to make sure they have time to do the research and due diligence they need to do to make a proper presentation. So that is under way right now.

At the same time, you know, there is the possibility that we could open OTBs on our own and we've taken steps to look at that. The Alliance went down to Richmond on February 23rd, and we looked at half a dozen potential sites. So these would be the small OTBs in an existing bar or restaurant where we have a dedicated space where we could set up the OTB.

CHAIRMAN VAN CLIEF: Just to be clear on your terminology, are we using OTB and SWF, satellite wager facilities, as the same these days?
MR. HANUM: I am. Yes.

CHAIRMAN VAN CLIEF: Okay. Thanks.

MR. HANUM: I have that engrained in my head. So if we could stick to that, that would make it easier for me.

CHAIRMAN VAN CLIEF: Me, too.

MR. HANUM: So yes. So we looked at a potential number of OTB sites and we focused on Richmond because that obviously made the most sense to be the logical place to open the first few, and we have two restaurants slash bars that are interested. We're going to be pursuing that.

So again, with everything we're doing, we're trying to keep things moving as quickly as possible. The larger companies that I referenced, you know, may be the logical partners to get these OTBs under way quickly, and with the capital they can bring, but we also want to have the option to open some OTBs on our own if we feel that makes good sense and it is viable for the VEA. So we'll keep you posted on that.

Then in the same regard, the kiosk networks that existed throughout the state was an important revenue generator as well, and so we're looking at the possibility of opening an ADW which would enable
us to have the kiosks at establishments throughout the state, and we've had conversations with consultants, for lack of a better word, that could help us do that. We don't have any formal contract with anybody right now. Some of the people we're talking to have commitments with their current employer, so we have to, you know, be sensitive to that.

So the OTBs now that it looks like we have the sites at Morven and Woodstock pretty well secured, that's the primary focus of the VEA over the next two months as to getting those going.

In terms of other matters, the Alliance is working on an enhanced website which we hope to have rolled out in the next month to 60 days, and that will be an important way to show the unified situation that we have now in Virginia with the Alliance working so closely with our steeplechase and harness and flat racing partners and the breeders, and the new website will reflect that.

We are looking as well as an organization at establishing a 501c3 or c4 for the Alliance. So at the Virginia Equine Alliance Foundation, we'd like to be able to have an entity, because for licensing purposes, a license for racing where there has not
been a referendum needs to be held by a 501c3 or 4.

So as you remember from last year with Oak Ridge, the Alliance was able to hold the license because there had been a referendum in Nelson County previously. If we're looking at Woodstock or with Morven Park, we need to have a 501c3 or 4 to hold that license to be the formal entity that comes before the Commission to hold the license, and then the VEA would naturally run the races as we've done.

So we're looking at the feasibility of that, and we'll keep the Commission informed and we welcome your feedback on how we do that.

Other matters, the horsemen and the breeders are going to be holding updates for their membership this Sunday and then March 13th, and all commissioners, if you haven't been invited, you certainly will be, and all Commission staff and anybody here today is welcome to attend.

Let me just see if I have anything else.

Another important matter which actually I'll let Frank touch on it, is we had a meeting with the Maryland Jockey Club a few weeks ago about the open stakes and the Virginia-bred races, so I'll let Frank cover that and we'll come back to that.

Debbie Easter is away today also, so we'll be
speaking to her perspective on the races in Maryland. So I'll leave it at that. I'll turn things over to Frank, and then perhaps we can just go down the line with the other groups here to speak.

CHAIRMAN VAN CLIEF: Jeb, before you shift to the next speaker, can I ask you to elaborate a little bit more on everything you said so far? You've got your site development at Morven Park, your Woodstock and your OTB satellite wagering facility development as your key initiatives this year.

Can you elaborate on your timelines? When would we expect to be receiving from you licensure requests? Where are you physically on these facilities? Is it premature for me to even ask that question? But if you can enlighten us a little bit, can you tell us what we should expect in terms of both physical and administrative development going forward?

MR. HANNUM: Yeah. I mean it's a great question and I think we'll be better informed to speak to that at the next Commission meeting. We have, as I mentioned, we looked at half a dozen sites.

Literally the next day, we reached out to the
top two of those sites that we liked and asked the respective ownerships if we could pursue the OTBs. The initial feedback was, yes, they're excited to hear about it, so that's encouraging.

Again, United Tote, Fast Track, American Jockey Club, we expect to hear from them this week, next week, so I think this month will be important for us for gathering that information. So I don't want to jump the gun and say we'll have an application at the next meeting or meeting after that, but I think at the April meeting, we can certainly give you timelines, if that's acceptable.

CHAIRMAN VAN CLIEF: That's great. Thank you.

Thanks.

MR. HANNUM: Thank you.

MR. PETRAMALO: Let me pick up on a point that Jeb mentioned; that is, the meetings that are coming up. We have scheduled for March 6th and March 13th a joint VTA -- meaning the breeders and the VHBPA, meaning our organization -- general membership meeting. We have one of these each year.

You have in front of you a nice little post card that Debbie Easter was kind enough to put together. This is the invitation. The March 6th one is up the road at the Meadow Event center, Secretariat's home,
on Sunday at six. Free food and drink. It's always necessary to get a good crowd.

The following Sunday, it's at Buchanan Hall, which is in Upperville on Route 50, just east of the Village, so you're all invited to attend. I think if I'm not mistaken, Commissioner Dawson came to the one last year.

COMMISSIONER DAWSON: Will it be in the same building?


Let me touch on a couple other things before I get to our discussions with the Maryland Jockey Club.

I neglected to inform you at the last meeting that we had an election, a board election. As you may recall, our bylaws require an election every three years.

We have a 14-member board. Seven seats are set aside for trainers, seven seats are set aside for owners. We conducted the election in December, results in January. As a result, we have four new board members. Six were reelected -- ten were reelected board members. The two new trainer members are Ferris Allen, who you probably know.
Ferris is a native Virginian, and for probably eight
or ten years, he was the leading trainer at Colonial
Downs.

Also elected is a trainer, Woodberry Payne. His
legal name is Curtis, but everybody calls him
Woodberry. Woodberry has a long history with
Thoroughbred racing here in Virginia. As a matter
of fact, I believe Woodberry was the very first
president of Virginia HBPA when it signed its first
contract with Colonial Downs in 1996. This was
before the track even opened. So Woodberry will be
a welcome addition, as will Ferris, of course.

Ferris brings the additional benefit of also
being a member of the Maryland Horsemen's Board of
Directors. Ferris's family farm is here in
Virginia, but he lives in Maryland and mostly trains
there because he's stabled at Laurel and he runs at
Laurel and Pimlico.

On the owners' side, we unfortunately had the
loss of one of our long-time board members, Nellie
Cox. Nellie was a fine person and a wonderful horse
woman. She bred some very nice race horses. Her
seat was filled by Dr. Doug Daniels. Dr. Daniels is
a veterinarian who practices in Ashland. He's a
horse owner, has competed at Colonial Downs.
Another vacancy was filled by Larry McDade. He has an interesting background. He's from the Warrenton area, owns a couple horses and has raced at Colonial Downs, but he's a retired or retiring -- I think he's in the process of retiring -- an administrative law judge with the Nuclear Regulatory Commission. I'm sure you're all saying thank God, another lawyer involved.

Well, before becoming a judge, Larry had a long, distinguished career with the U.S. Justice Department in Washington, D.C. and we're very happy with our new board. They're all very much interested in bringing about a new day in Virginia.

As I may have mentioned before, we meet on a regular basis. We meet once a month, and with 14 board members, it's seldom if ever do we have less than ten or 11 who actually show up and participate, so I think going forward we'll be in very good shape.

Also, there's something else I wanted to mention. Our officers were this year -- David Ross was reelected as our president for the year. David, I'm sure you probably met him, but he's -- he was the leading owner at Colonial Downs for probably five or six years. His day job is as president of
Atlantic Reality, which is a commercial real estate
development and management company that is very
prominent in the greater Washington, D.C. area.

At any given time, David probably has between 30
and 50 horses in training. The vice president we
elected is Stephanie Nixon, and of course you know
Stephanie. Donna Dennehy was elected as our
treasurer, and I think you've all seen Donna at the
meetings. And our secretary we reelected is Diana
McClure. She, like the other two women, is a
trainer. Her facility is up in Berryville. That's
our new group going forward.

That's probably a good segue into talking about
the meeting that we had with the Maryland Jockey
Club that Jeb referred to. Jeb, Debbie, myself and
Ferris Allen, who is the newest board member, met
with Sal Senatra, who is the general manager and
president of Maryland Jockey Club, which of course
runs Pimlico, and Georganne Hale, who is the
long-time racing secretary.

What we wanted to do was follow up on what we
did there last year. When I say there, at Laurel.

After a long discussion, including looking at
racing schedules throughout the Mid-Atlantic and New
York, we tentatively agreed, subject to your
approval, on the following schedule.

One, the Pimlico racetrack will have a longer season than we're used to. Remember, under a ten-year contract between the Maryland Jockey Club and Colonial, which expired last year, Maryland shut down in June and July. Well, as of December 31st, that contract went away, so Maryland now will be running June and July. The June racing will be pretty much at Pimlico, and they will run there through the whole month. So what we talked to and tentatively agreed to was the following.

On June 25th at Pimlico, we would have a Mid-Atlantic day, which would feature three Virginia-bred stakes races and three Maryland-bred stakes races, and maybe a maiden race restricted to Virginia-breds and a maiden race restricted to Maryland. So we'd have that date.

Then on July 2nd, the 4th of July weekend, that's when Laurel reopens up. We have proposed running what used to be the Virginia Derby, now called the Commonwealth Derby, grade two stakes, and the Commonwealth nee Virginia Oaks, which is grade three.

The purses for those two would, at least for the Derby, would be dropped down to 250,000, would still
retain its grade two status, and the Oaks would remain at 150.

We picked that date by looking at the racing in the Mid-Atlantic in New York that was occurring roughly at the same time, so we scaled it to the date and the purse amount to allow for horses that would normally be running on the grass to come to Maryland to run in our races.

Then the final part of the trifecta was scheduled for September 24th. That would pretty much mirror what we did last year in September. On that day, we would have five Virginia-bred stakes races. Last year, we did quite well. The field size ranged anywhere from eight to 12 horses per race, so we would expect to replicate that also.

Then as part of that, we had originally thought about renting the Turf Cup, which is a grade two. That was what we initially thought about. Then there was some concern that was voiced to us that the Racing Commission and the secretaries would not be particularly in favor of our running the graded stakes races, the three races I mentioned, in Maryland. So we kind of regrouped to see what we could do.

So what we would like to do is to bifurcate,
take it in two pieces. One, we would like to get your approval to run on June 25\textsuperscript{th} with the three Virginia-bred stakes, and September 24\textsuperscript{th} with the five Virginia-bred stakes, so that we can use the purse money that we are accumulating from our share of online wagering on those races.

Now I say that because you probably remember as of July 1\textsuperscript{st}, the money that we receive from online wagering has to be used for purses in Virginia, unless you give us permission otherwise, and that's what we would ask for.

The second piece deals with the graded stakes races. What we would like to -- we're in discussions now with the Maryland Jockey Club. What we would like to do is see if we can arrange to have the Maryland horsemen and the Maryland Jockey Club contribute half of the purse money. Last year, I thought we were going to reach that agreement, but we never did, so we wound up paying all of the purse money.

But our thought is we'd like to at least with respect to the Derby and the Turf Cup, excuse me, the Derby and the Oaks, the three-year-old races on the grades, we, the horsemen, have spent literally millions of dollars securing that graded stakes
status, and it came about in the following way.
Some of you may remember this.

But when we first started out with the Virginia Derby, the purse was 350,000 and it was an ungraded race. It got bumped up to 500,000, and for a while Colonial was putting in 100,000. But that's ceased probably sometime in 2006 or 2007.

Going forward, it was 500,000, and then we bumped it to 750,000, and then we took it all the way up to one million. This was strictly horsemen's purse money.

In that process, the race got graded as a grade three, and then it got bumped up to a grade two, because as you increase the purse money, you get better horses to come in, and the graded stakes committee of the Thoroughbred Owners and Breeders Association which grades races takes that in to account. So we spent a lot of money to get those grades, and the same with regard to the Oaks, so we don't want to lose it.

But at the same time, we recognize that the likelihood that we are going to be able to run the races in Virginia in the next year or two is not great. We certainly are not going to be able to do it this year, because Morven Park will not be ready
for racing until 2017. Even if all the grading and
evacuation was done late summer early fall, you
still have to grow the grass. So we're looking at
probably 2017 before there's any racing at Morven
Park.

So my thought and the recommendation that I made
to our board was, well, if we can get the Maryland
Jockey Club to agree and the Maryland horsemen to
agree to put up 200,000, which would be half of the
$400,000 in purses, 250,000 for the Derby and
150,000 for the Oaks, that it made sense to try and
keep hold of that asset.

At the same time, in order to entice them to go
along with our proposal, we would sell them whatever
rights we had to the Turf Cup, because the Turf Cup
would cost us at least an extra $250,000, and if we
didn't run it this year, it would lose its graded
status.

So my thought was, well, let's sell it to
Maryland and get them to agree to put in half of the
purse money, and I added on to that another year.
That is, if for some reason or other we can't do it
in 2017, they would agree to do it in 2017, put up
half the purse money, and we would still retain the
graded status.
What I'm looking to do is to hold on to that asset for as long as possible for as little money as possible, so when and if we do have some facility here we can race, we can present those graded stakes.

One other thing that I would add by way of footnote. Colonial Downs as a venue is certainly not out of the picture. Their president, Stan Guidroz, is in constant touch with our president, David Ross, about various proposals to either lease or buy the track.

Colonial has made quite clear to us that they have no interest in racing at the venue. They have other interests that they're pursuing, but they do not have any interest in racing, so we're continuing to have discussions there.

I would be less than candid if I said I thought something was going to happen imminently; it's not. But it's a very nice venue and it's part of the picture and one of the things that we keep in mind when we say we want to hang on to the asset, the assets represented by the two graded stakes. So that's kind of where we are in the Maryland Jockey Club discussions.

I will say that dealing with the Maryland Jockey
Club is a pleasure. The new leadership over there is very reasonable, very accommodating, and most importantly, they see the necessity for creating some kind of coordination in the Mid-Atlantic, certainly between Maryland and Virginia; if not Maryland, Virginia and Delaware.

Jeb, have I missed anything in our discussions with them?

MR. HANNUM: No.

MR. PETRAMALO: That's pretty much where we are with the Jockey Club. So what would be very helpful, is if you could approve our plan with regard to the Virginia-bred stakes, because we want to get this on the calendar as soon as possible, because now, owners and trainers are pulling out the condition books and the stakes schedules for the upcoming year planning their racing programs.

So what I would hope that you would do is approve our plan to run at Pimlico as part of Mid-Atlantic day at the end of June, and our plan to run the Virginia-bred stakes at Laurel on September 24th. If we had that, that would be a great step forward.

We can probably delay a little bit to see where we go with the Maryland Jockey Club back and forth
in terms of who is going to pick up the purse money for what we would propose to you.

CHAIRMAN VAN CLIEF: Frank, what's your schedule? Sounds like you need an approval ASAP. What's your deadline for Commission approval on the two days that you need the Virginia-bred races?

MR. PETRAMALO: I would hope we could do it at this meeting. The next meeting would be in April, and that's getting pretty close to the June racing. I think we can slide a little bit on the graded stakes situation because the situation is fluid. We're not to a definite agreement, but I think where we are with the Maryland Jockey Club on the two Virginia-bred stakes races.

Now also I would add that as a part of that, you remember what the funding formula was. Each of these Virginia-bred stakes was run for $60,000. We, the horsemen, put up 50,000 and 10,000 for each race came from the Breeders Fund. So we would --

CHAIRMAN VAN CLIEF: You're planning to replicate that?

MR. PETRAMALO: Yes. That's correct.

CHAIRMAN VAN CLIEF: Why don't we stop right here and deal with this, if we can? Counselor, is there any reason why we can't undertake that today?
MR. PITCHFORD: I don't see why not.

CHAIRMAN VAN CLIEF: Okay. Great. All right. Let's focus on just what you need today, Frank. I apologize. Can I ask you to spin through again the two days and exactly what races and the allocation of funds? And one question up front that I would have is do you have the necessary approvals from VTA? Is everybody on board with this this morning in terms of allocation of dollars?

MR. PETRAMALO: I believe so. I'm a little reluctant to say anything without Debbie being here, but Debbie has been a part of this whole process.

MR. HANNUM: I spoke to Debbie last night in advance of the meeting, and she did specifically ask if the Commission would consider this and approve it today, so I think we can take that that she's got appropriate clearance from her board.

CHAIRMAN VAN CLIEF: Okay. Will you take us through exactly what you need, and keeping in mind these are restricted Virginia-bred dollars which need to be distributed in some format somewhere this year for the benefit of the Virginia breeders and the program.

MR. PETRAMALO: That's correct.

CHAIRMAN VAN CLIEF: So in essence, what I think
we're looking at this morning is doing what I thought was pretty much of a slam dunk last year and up front, I assume it is this year, so if you would take us through it.

MR. PETRAMALO: Yes, Mr. Chairman. The first date that we had agreed to with the Maryland Jockey Club was June 25th at Pimlico, and we would have three Virginia-bred stakes at $60,000. And again, when I say Virginia-bred, that means the races are restricted to horses bred in Virginia.

We would also add in what we call an overnight race; a maiden race, specifically a maiden race because we always have a lot of maidens, but it would be just for Virginia-breds.

So we would hopefully have a total of four Virginia-bred races that day, and the Maryland folks would similarly put up three Maryland-bred stakes, and maybe a Maryland-bred overnight. But again, this is unusual because this is at Pimlico. Normally on June 25th, Pimlico is shut down, so that would be at Pimlico.

The second piece is on September 24th, and that would be the same five Virginia-bred stakes that we ran last year. In shorthand terms, there was a sprint for the boys, a sprint for the girls, a route
race for the boys, a route race for the girls, and then a sprint for two-year-olds. And again, those were $60,000 races with 50,000 coming from the horsemen and 10,000 from the breeders funds.

Now as part of that, we had also talked about the graded stakes Turf Cup, but I'm not asking that you give any approval or consideration to that part. We're just looking for approval for Virginia-bred races that we would have on the days in June and September that I just mentioned.

CHAIRMAN VAN CLIEF: So we're looking at eight Virginia-bred stakes with a total of $480,000 in purses; the aggregate coming from a combination of the HBPA funds plus the VTA, plus you have an overnight, presumably, a Virginia-bred maiden?

MR. PETRAMALO: Yes.

CHAIRMAN VAN CLIEF: Is that 60,000 as well?

MR. PETRAMALO: No. No. No.

CHAIRMAN VAN CLIEF: That sounds like a nice maiden race.

MR. PETRAMALO: My guess is we'd probably card the maiden at 25 or 30,000. Something like that.

CHAIRMAN VAN CLIEF: So we're looking at roughly a half a million dollars in allocations --

MR. PETRAMALO: Correct.
CHAIRMAN VAN CLIEF: -- coming from a
combination of funds?

MR. PETRAMALO: Yeah. Now let me also, just as
long as we're talking about money, let me give you a
fuller picture of the money. During the calendar
year of 2016, we'll probably accumulate on a net
basis about $2.5 million from online wagering.
Those are the source market fees paid by TVG,
XpressBet and TwinSpires, and that's net of rebates,
so we're looking roughly at $2.5 million.

What we're proposing to spend is probably close
to $1.1 million, and here's how. The races that we
just talked about are roughly half a million
dollars, plus we are committed by contract to put up
$400,000 for the Gold Cup races in the spring and
fall; so that gets you to 900,000. Then possibly or
hypothetically, we have another 200,000 if we go
forward with this graded stakes under the terms that
I've talked about. So out of 2.5 million, we'd be
spending 1.1 million in purses for Thoroughbred
racing during 2016.

Now that leaves us with a balance, which we're
happy to have, because there are a number of other
things that we may want to do during the year to
expand revenue, which of course we'd need your
permission to do that.

But for example, Jeb mentioned opening up our own OTB sites or SWF sites in existing bars or restaurants. Ball-parking it, that would probably cost about 150,000 a location to build out. Where are we going to get that 150,000? That may -- something like that may happen. But that's kind of a long, round-about way of answering your question, but I wanted you to have a fuller picture of the economics involved.

CHAIRMAN VAN CLIEF: Great. Thank you. My fellow commissioners, any questions? Need any further explanation for request for approval? I'll just play it back really quickly.

Two days -- Frank is asking for approval this morning of two days of racing in Maryland, to include a Mid-Atlantic day, which will include three Virginia-bred stakes at 60,000 each for a total of 180,000, plus one overnight, presumably, a maiden race, which will also be Virginia-bred and a 20 to $25,000 value. And then following that on September 24th at Laurel, five Virginia-bred stakes at 60,000 each for a total of 300,000 on that day.

Again, I see this as without venue of our own at home here, the same thing we did last year, which
would be a means of providing purse money to our Virginia-breds, and when we don't have a homegrown version of doing that.

So I don't have any questions about it. Anybody else?

COMMISSIONER DAWSON: Yes.

CHAIRMAN VAN CLIEF: Madam vice chair.

COMMISSIONER DAWSON: Frank, the only question that I have is did the organization learn something from last year? Are there any problems that you encountered that you will have to deal with again or any problems that you couldn't resolve?

MR. PETRAMALO: No. Not that I can think of, Commissioner Dawson. All I -- my impression from the day was that it was a wonderful day. We had a lot of Virginia people show up. The Maryland Jockey Club set aside a whole section of the restaurant for us.

The races went off fine, and as I said, we had -- the smallest field we had was in the punchlines, the sprint for boys, nine starters, and in the two-year-old race, we had 12 starters. In the mile and a 16th for the girls, we had 12 starters and the wagering handle was considerably more than it ever was at Colonial. I don't recall offhand the
Colonial number. The number for the five races at Laurel was $1.3 million, which is a good handle for five races.

So we were quite happy with it and our hope was to replicate it this coming September.

COMMISSIONER DAWSON: You were talking about getting the shared contribution from the Maryland Jockey Club. Is that --

MR. PETRAMALO: That's for the graded stakes. That's still under discussion. Yes.

COMMISSIONER DAWSON: All right. I have no further questions.

CHAIRMAN VAN CLIEF: Is there any participation that you get in the financial experience of the day, other than providing an outlet for Virginia-breds?

MR. PETRAMALO: We get the horsemen's share. It's a little complicated, because remember when we're talking about handle, we're talking about handle live on the track, as well as simulcast wagering throughout the country.

So when I said that the handle was $1.2 million for five races, that's the total handle. On track, it probably was 10 percent of that. Ninety percent came through simulcasting. I mention that because the horsemen's share that comes from live wagering
differs substantially from the horsemen's share from simulcast. But if you blend them all together, the horsemen's share is about two and three-quarters percent. So if you talk about $1 million, the horsemen get 27,500.

CHAIRMAN VAN CLIEF: That sharing does include both on- and off-site?

MR. PETRAMALO: Yes. Total handle. Last year, for example, of all of our races including the graded stakes, we received a little more than $59,000, is our horsemen's share. The Maryland horsemen didn't get any of that. That came to us.

CHAIRMAN VAN CLIEF: Any questions?

COMMISSIONER STEGER: Seems like a reasonable plan.

CHAIRMAN VAN CLIEF: In that case, I think we're at the point where I would look for a motion from the Commission.

COMMISSIONER DAWSON: Mr. Chairman, I move we adopt.

CHAIRMAN VAN CLIEF: I just want to say there was a hand up. We do have a time for public comment at the end. This is essentially a conversation between the VEA, HBPA and Commission. Sorry.

COMMISSIONER DAWSON: Yes. I'd like to move
that we adopt the plan that has been outlined by Mr. Petramalo and approve the arrangement with the Maryland Jockey Club for the running of the stakes races and Virginia-bred stakes races.

CHAIRMAN VAN CLIEF: So we do have a motion to approve the 2016 Virginia-bred stakes as set forth by Mr. Petramalo to be run on June 25th and September 24th. Do we have a second?

COMMISSIONER REYNOLDS: Second.

CHAIRMAN VAN CLIEF: Commissioner Reynolds seconds. Any further questions, comment, conversation? In that case, I'll call a motion. All in favor of approval as requested by Mr. Petramalo, signify by saying aye.

NOTE: The Commission votes aye.

CHAIRMAN VAN CLIEF: Any opposed? Motion passes. You have your approval, sir.

MR. PETRAMALO: Thank you. At this point, I'll turn it back to Jeb.

CHAIRMAN VAN CLIEF: Okay. Thank you.

MR. HANNUM: So we'll just sort of go down the line, if we can, so that would bring us to Dr. Woogen.

CHAIRMAN VAN CLIEF: Your report.

DR. WOOGEN: The Virginia Harness Horsemen's
Association, our engineering drawings are complete.
The redevelopment of the racetrack is in the hands
of the contractor, who in the next week or so should
provide us with a final bid. If it falls into
range, which we think it will, we'll move forward
with the project. Permits have been submitted and
we're awaiting approval for moving the dirt.

We hope and pray and believe strongly that we'll
be ready to race in the fall. It will start with
the normal Shenandoah County fair the last week of
August. That will be three days of harness racing,
which will be fair racing, not pari-mutuel racing.
Will not require Commission presence, will go on as
it has for almost 100 years.

The next week starting Saturday September 10th,
we'll kick off we hope a ten-day meet which will be
Saturdays and Sundays for five consecutive weeks.
That would allow horsemen six weeks of opportunity
to come into the state, to come back to the state,
in most cases, Virginia horsemen racing
out-of-state, provide them with enough racing
opportunities to make it feasible to draw enough
horses to put on a really nice meet.

Our stakes, we anticipate preserving them at the
current value, as it has for the last several years
at $40,000. We have eight divisions we run based on age and based on trotting or pacing, so we have two-year-old trots and paces for both colts and fillies, and the same for three-year-olds. So there's a total of eight divisions, each division $40,000.

So we recognize that not only do we want to preserve the stakes to encourage breeding in the state, but we want to showcase the sport in a way that will provide enough racing opportunities for overnight races, which will allow interest and over time generate festival activity over those weekends in the fall.

There's a wine festival that will be run on one of those weekends called the Wine and Trotter Festival. This will be, I believe, the third year, and it is becoming larger and larger.

I think if we can have a festival of some sort on as many of those weekends as possible, I think it will attract large crowds and large interest in the sport of harness racing. So I think this is the start of redevelopment of harness racing in the state. We're not asking for any dollars to go out-of-state. We're asking for your approval for those race dates and also to approve the stakes as
stated.

CHAIRMAN VAN CLIEF: Thank you very much. Are you looking for approvals this morning or not?

MR. HANNUM: Well, no, not --

CHAIRMAN VAN CLIEF: At this point, we need a little more --

MR. HANNUM: -- not formally. We would need to work with Dave and his office and hand in a formal submission, which we'll be looking to do in the next few months.

So we need to get the lease signed. We need to get the permits approved, and then I think we can get the race dates, hopefully get it before you very quickly, but at least you know now what we're thinking about and that's the plan from the harness people.

CHAIRMAN VAN CLIEF: I have one sort of unrelated question. If you succeed, and I assume that you're going to, do you have a mechanism or is somebody there going to be tracking the economic activity? Because I think you can expect, I hope you can expect to see an up-tick in Woodstock and the surrounding area as you develop a more robust racing schedule, and as you said, develop sort of a festival atmosphere or series of festivals, you're
hopefully going to have some commensurate economic activity, and I think it will be great for the entire case that racing in the Commonwealth is going to be making over the next few years to track that. Do you have something in place that will be doing that for you?

DR. WOOGEN: I'm not an expert in tracking that activity. I know we can work with the Department of Agriculture and Commerce. Whatever it would take, we'll look into it. Certainly, that's important, and I think if we can do it, we'd like to do that.

CHAIRMAN VAN CLIEF: All right. That would be nice information to have.

Commissioner Miller.

COMMISSIONER MILLER: I see Tom Eshelman is here. He sort of tracks economic input from the fair annually. Do you work with -- Could I just?

CHAIRMAN VAN CLIEF: Absolutely.

COMMISSIONER MILLER: Do you work with the Chamber of Commerce there on those things or how do you do that?

MR. ESHELMAN: We've already reached out to Shenandoah Valley Tourism. Ms. Jennifer Etch [ph] is the director there. They're going to be involved in tracking hotel increases in capacity as far as
stays, as well as the local restaurants.

We are working very closely with the Chamber of Commerce. In fact, they are going to partner in two of the festivals we are going to conduct during racing.

We're also involved, obviously, with the town and county; blessings from both the Board of Supervisors and the council of Woodstock. So all of those folks are going to be participating to see how it affects the community and surrounding area.

COMMISSIONER MILLER: Okay. Let me suggest you might want to draw in the Virginia Farm Bureau for the agricultural interests in that area regarding the agricultural activity for the hay and oats.

MR. ESHELMAN: They're a huge player already during the Shenandoah County fair itself, and they're definitely going to be approached about participating.

COMMISSIONER MILLER: I just wanted to point out that Tom has that sort of thing sort of in place already to do this tracking, but if you would work with the Department of Agriculture, the Agricultural Secretariat here in Virginia for any additional suggestions they may have to track this economic output for the community, it might be helpful.
CHAIRMAN VAN CLIEF: I think it will be interesting and hopefully important information for all of us as we build the case. It should be good news. Anything further?

DR. WOOGEN: I think that's it. Thank you.

CHAIRMAN VAN CLIEF: Jeb?

MR. HANNUM: Great. Thank you. Dr. Allison?

DR. ALLISON: Yes. Things are going very well for your spring Gold Cup races. Our sales are up five percent, so that's a good indicator, and we have a good, solid purse structure of over $400,000, and we have to thank our horsemen group for their strong support.

We have an eight-race card that will be five jump races and three flat races. We may well have a split on one of the flat races. The maiden flat is a very popular race, and if we get more than 12 horses, then we start considering splitting the race.

As you know, all of our races are Virginia-breds preferred, and in this sense, we have increased our purse structure. This becomes more important to our Virginia horsemen. So we look forward to having all of you be with us on race day. Thank you.

CHAIRMAN VAN CLIEF: Thank you. We look forward
to joining you as well, and if memory serves, your crowd was the largest sports event in the Commonwealth of Virginia last year, so it looks like it just got five percent larger.

DR. ALLISON: Yes. We expect the same.

CHAIRMAN VAN CLIEF: I look forward to it. I look forward to turning those 70,000 folks to inveterate racing fans.

MR. HANNUM: Correct. Dr. Allison, he always gets the best report. So I just was looking at my notes. A couple of other things I'll just mention for the record.

The Virginia Equine Alliance is planning to select -- reach out to Mitchell Wiggins, which is a Richmond-based CPA firm, to conduct the 2015 audit for the organization per the language in the statute which directs the Commission to require that, so we will work with the Commission and staff on that and other sort of miscellaneous items.

TwinSpires did make their January payment to the VEA, I believe, to the breeders and the horsemen as well, so that's good. So that gets us on track for 2016, and thanks to counsel, we're looking to see those past due funds paid tomorrow. So with any luck, by the end of the week, we should be caught up
with TwinSpires, which is great. So I just wanted
to mention that.

CHAIRMAN VAN CLIEF: That's good news. Thank
you. All right.

MR. HANNUM: So that's it, Mr. Chairman. So
thank you for the opportunity. I think this has
been very helpful to do this in this sort of
informal way that we have, and you tasked us with a
number of items to come back to you on. We
appreciate your support of those Virginia-bred
races. I know Debbie and the VTA will be very
pleased to get that out and timing is very good.

That can be announced at the upcoming membership
meetings over the next two weeks. That's a helpful
sign that things are moving forward again.

Again, just to reiterate that Maryland horsemen
have been very supportive, and we, you know, we
appreciate the coordination amongst the respective
commissions and racing groups.

CHAIRMAN VAN CLIEF: Great. Well, thank all of
you for an excellent report this morning. It sounds
like things are moving in a good, positive
direction, and thanks for all the hard work. I know
you're juggling a lot of issues all the time, and we
appreciate what you're doing. Thank you.
We do have, I think I said at the top we had one action. We actually have two action items. We have to consider approval of the TwinSpires agreement, and also amendments to the current XpressBet agreement.

Mr. Lermond is acting as executive secretary this morning, and I think, Dave, can you bring us up to speed on both of those in that order, please?

MR. LERMOND: Thank you, Mr. Chairman. Behind Tab Four in your books is the account wagering service agreement between Churchill Downs Technology Initiatives Company, better known as TwinSpires.com, the Virginia Equine Alliance and the two recognized majority horsemens groups, the VHBPA and the VHHA.

The agreement is a product of the very successful mediation that took place back in January and a resulting settlement agreement between these parties.

This wagering agreement basically does two things. One, it allows the VEA and the horsemen to rebate back a portion of the source market fees that the code requires that the ADW companies pay to these two groups.

That percentage is 3.75 of the nine percent source market fee that these groups are to receive,
and in consideration or on the other hand, the
Churchill Downs parent company of TwinSpires has
agreed to give the VEA very favorable host fees if
the VEA should go ahead with plans for OTBs or SWFs,
how we want to say it, in Virginia. It's a
three-year deal with an effective date of
January 1st. It has been reviewed by staff and we
would recommend your approval.

CHAIRMAN VAN CLIEF: Okay. Thank you very much.
We'll take that issue individually. Are there any
questions for Mr. Lermond?

COMMISSIONER STEGER: I have one. How does that
make us in terms of competition with other states in
terms of the --

MR. LERMOND: It definitely brings us back more
in line. As you may be aware, Virginia is probably
one of the higher states as far as the source market
fee requirements. This gets us back more in line,
and it also gets us back to years ago where the
account wagering companies actually would have an
agreement with the track and horsemen and each
agreement was a little bit different, but in many of
those cases, the number was close to what the net of
the nine percent less than 3.75 was.

CHAIRMAN VAN CLIEF: Okay.
MR. LERMOND: Still a little high, but it's much better.

CHAIRMAN VAN CLIEF: Any other questions?
Before asking for a motion, I just note that I think that this is great news. I'm glad to get this finalized this morning. A lot of work and good faith negotiating went in to it on the part of the VEA, the HBPA, our staff, the OAG, the secretary. Thank you all.

I think this sets the table financially along with the flexibility that Frank and HBPA have shown with their funds to really start ticking off all of these issues that Jeb and the members here of the VEA this morning have briefed us on. So great news; it allows us to go forward.

So with that, I would ask for a motion to approve the TwinSpires agreement as set forth in your manuals and as briefed by Mr. Lermond.

COMMISSIONER MILLER: So moved.

CHAIRMAN VAN CLIEF: Commissioner Miller. Do we have a second?

COMMISSIONER DAWSON: I'll second that.

CHAIRMAN VAN CLIEF: Commissioner Dawson seconds. Any further discussion? All in favor, say aye.
The Commission votes aye.

CHAIRMAN VAN CLIEF: Any opposed? Passes as approved.

Dave, do you want to brief us then on the XpressBet agreement, please?

MR. LERMOND: Yes, sir. A very similar agreement was reached with XpressBet and was approved by the Commission back at the January 6th meeting. Part of this agreement contained what's called a most favored nation's clause, and simply put, it's an assurance to XpressBet that if the VEA were to give somebody a better deal than the deal they're giving XpressBet, that they would offer that same deal to them. Not exactly lawyerly terms, but that's the gist of it.

As a result, once the deal was finalized with TwinSpires, Mr. Petramalo contacted Mr. Chabrier from XpressBet, and you'll see the email you have behind Tab Five in your books.

Basically, Frank let Mr. Chabrier know that they would be getting the same 3.75 percent rebate that TwinSpires will be getting, and also that the rebate amounts will be paid on a quarterly basis rather than every month.

Mr. Chabrier is a pretty easy-going guy, and he
knows Frank and those guys are good for the money, so he was fine with quarterly payments rather than monthly. That's just a minor change. The major change is the initial increased percentage of the rebate to 3.75.

I think that's it, and staff would recommend approval to the amendment of this agreement.

CHAIRMAN VAN CLIEF: Okay. Thank you. Any questions for Mr. Lermond? In that case, we do need a motion in accordance with the insert in our books, which is a letter from Mr. Petramalo dated February 25th. The motion would be to amend the XpressBet agreement in accordance with this letter. May I have such a motion?

COMMISSIONER DAWSON: I so move.

CHAIRMAN VAN CLIEF: Vice chairman Dawson makes the motion. We need a second.

COMMISSIONER REYNOLDS: I second.

CHAIRMAN VAN CLIEF: Commissioner Reynolds seconds. Any further discussion? All in favor, please signify by saying aye.

NOTE: The Commission votes aye.

CHAIRMAN VAN CLIEF: Are there any opposed?

Motion passes. Thank you.

At this point, I'd like to open the floor for --
and we're going to go in to closed session at the very end so we don't have to hold you all up. We are going to be doing so for the sole purpose of discussing the transition of our executive secretary position. I'm not certain that we'll have much to report or discuss when we come back out. You're welcome to say or go if you like, but we won't hold you if you've got other business to attend to.

So we'll open the floor for public comment, as always. Please state your name for the record and confine your comment to no more than five minutes. Is there anybody that would like to be heard this morning?

NOTE: There was no response.

CHAIRMAN VAN CLIEF: All right. Thank you.

And now we come to Commissioners' comments. If there are any, we'll start to my far left with Commissioner Reynolds.

COMMISSIONER REYNOLDS: I was very encouraged to hear this update today, and sounds like you guys have worked very hard and are on the right track, so we want to be here to support you when we can, and I'm just very encouraged. Congratulations and keep up the hard work. Thank you.

COMMISSIONER STEGER: I'll just say that I'm
delighted to hear about the progress on the renovations of the tracks and look forward to seeing the industry grow and be more robust each year.

CHAIRMAN VAN CLIEF: Thank you. Commissioner Dawson.

COMMISSIONER DAWSON: I just want to take this opportunity to ask a question that I forgot to ask before. It has to do with the VEA/VHBPA sponsorship of that one day of flat racing at Great Meadow this past year. I don't recall that being mentioned in your report.

MR. HANNUM: Yes. So based on a number of circumstances, the race day that we had last year was an expensive day to put on, and you're speaking to the one day of flat racing that we did at Great Meadow. We were very pleased with that day. Everything went very well. It was an expensive day to put on, based on the amount that we had to pay in rent for the facility.

So based on all the things that we have going on right now, based on budget constraints and wanting to focus on getting Woodstock and Morven Park up to speed, we felt that those funds that we would need to spend on that race day would be probably better suited investing in the new facilities going
forward.

Great Meadow is there. If things were to change or there were some sort of very significant reduction in the rent that they would charge us, I think we could revisit it, but at this point in time, there are no plans to have that day, but it certainly could be revisited.

COMMISSIONER DAWSON: It was a wonderful day.

MR. HANNUM: It was a very nice day. The weather cooperated and all the races were very good and it was a nice opportunity.

So you know, we'll see. I think at this point in time, it is unlikely we'd have that day again.

COMMISSIONER DAWSON: Thank you. I understand you have to make priorities --

MR. HANNUM: Yes.

COMMISSIONER DAWSON: -- with the funds you have at hand. So thank you again for that good report.

MR. HANNUM: Thank you.

CHAIRMAN VAN CLIEF: Commissioner Miller.

COMMISSIONER MILLER: I just want to commend everyone for their presentations, and I also want to encourage Mr. Petramalo to follow up in terms of getting the track at New Kent reinvolved in racing in Virginia, hopefully. I know it may be a long
shot, but whatever you can do in that regard would be -- I think would be helpful.

I also want to say this maybe prematurely because we don't have the official resignation date from our executive secretary.

I just want to say I've been involved in state government since 1972 in one way or the other, either as a legislator, a judge or commissioner here or whatever. It has been a long time.

I want to say that Bernie Hettel was one of the finest people I've ever worked with in government. Very conscientious, very knowledgeable in his field and easy to work with, and I'm going to really miss him.

CHAIRMAN VAN CLIEF: Thank you. Two quick comments, and I'd like to second Commissioner Miller's comment with regards to Bernie.

I've known Bernie since he was steward at Churchill Downs the year we ran the first Breeders Cup there, which was 1988, and I reminded him when I came on the Virginia Commission that the first thing he ever said to me -- we were requesting permission to run 14 horses on their turf course, which they normally confine to 12, and Bernie looked up -- we were upstairs in the stewards' box one afternoon and
he said, "I guess you're going to want to run mules next, aren't you?"

Bernie has always had the utmost integrity as a racing official. He has been absolutely fantastic to work with, an experienced, hard working individual and full of integrity. I'm going to miss him as well, and I know I speak for the entire Commission.

Lastly, we don't usually do this, but I'm going to call on the VEA to give us a little guidance in setting our next meeting.

Jeb, the normal Wednesday routine would put us next month, and assuming that we're going to want to talk again next on either the 13th, 20th or 27th, I'm kind of guessing that we might be more productive to wait a little longer and let things percolate; is that correct? What do you all think would be a good date to run by my fellow commissioners to see what we could set it for?

MR. HANNUM: I would agree. If we could push it back, we were thinking we'd go into April, early April.

CHAIRMAN VAN CLIEF: Of next month, right. Yeah. Sort of the middle day would be the 20th. I know you're not going to be ready on the 13th. At
least I'm assuming that. And I think the 27th would be a likely date. I'd go early as I could.

MR. HANNUM: What about the 27th?

CHAIRMAN VAN CLIEF: What I'll do is ask Dave to circulate the Commission, unless everybody can give me a nod right now.

COMMISSIONER MILLER: The 27th is fine with me.

CHAIRMAN VAN CLIEF: All right. Let's go ahead and set ten o'clock a.m. on the 27th of April as our next meeting.

MR. HANNUM: Great. Thank you.

CHAIRMAN VAN CLIEF: We will let you know where it will be. Presumably this room, but I'm not sure. We may be back in the Patrick Henry building by then.

MR. PETRAMALO: You may want to consider -- because the Virginia Gold Cup is the first Saturday in May, you may want to consider giving the acting executive secretary the authority to approve the officials for the Gold Cup. Would that work out, Dr. Allison?

DR. ALLISON: Yes.

CHAIRMAN VAN CLIEF: That's a great point. Does anybody have a problem with that?

COMMISSIONER REYNOLDS: Not at all.
COMMISSIONER DAWSON: Sounds good.

CHAIRMAN VAN CLIEF: Okay. I think we should probably have a formal motion, so I'll make it, and I'll move that we grant the acting executive secretary the authority to approve the Gold Cup officials at the appropriate time when requested by Dr. Allison.

COMMISSIONER REYNOLDS: I second.

DR. ALLISON: We have been in constant touch with Bernie about the officials, so in a sense, they are almost complete.

CHAIRMAN VAN CLIEF: I'm sure you're almost there anyway. All right. Excellent. We do have a motion and a proper second. Are there any opposed? Motion carries. So Dave, if you would do that.

MR. LERMOND: Yes, sir.

CHAIRMAN VAN CLIEF: Thank you, Frank. All right. That's it. In that case, I think we're done. Commissioners, is there anything else?

COMMISSIONER MILLER: You have to read.

MR. PITCHFORD: I have to read the benediction.

CHAIRMAN VAN CLIEF: Counselor, we do need a little help, as usual. If you would serve up the proper motion to get us going to executive session.

MR. PITCHFORD: Thank you, Mr. Chairman.
In accordance with the provisions of §2.2-3711(a)(1) of the code of Virginia, I move the Commission go into closed meeting for the purpose of consultation with legal counsel and briefings by staff members or consultants, including the assistant Secretary of Agriculture, pertaining to assignment, appointment, promotion, performance, demotion, salaries, disciplining or resignation of specific public officers, appointees or employees of the Commission. The commissioners will only ask counsel questions and will not engage in deliberations or other activity.

CHAIRMAN VAN CLIEF: I so move. May I have a second?

COMMISSIONER REYNOLDS: Second.

CHAIRMAN VAN CLIEF: All in favor?

NOTE: The Commission votes aye.

CHAIRMAN VAN CLIEF: Any opposed? Thank you very much. Motion passes.

We do have this little room right back over my left shoulder today. Don't close the door. We'll be locked in.

NOTE: There is a recess from 11:26 a.m. until 11:55 a.m.; thereafter, the hearing continues as follows:
CHAIRMAN VAN CLIEF: Mr. Pitchford, can you help us with the proper resolution again?

MR. PITCHFORD: Thank you, Mr. Chairman.

Whereas the Virginia Racing Commission has convened a closed meeting on this date pursuant to an affirmative recorded vote in accordance with provisions of the Virginia Freedom of Information Act, and whereas §2.2-3712 of the code of Virginia requires a certification by this Commission that such closed meeting was conducted in conformity with Virginia law; now, therefore, be it resolved that the Virginia Racing Commission certifies that to the best of each member's knowledge, only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act, and only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Commission in the closed meeting.

CHAIRMAN VAN CLIEF: Do I have such a motion?

COMMISSIONER REYNOLDS: So moved.

CHAIRMAN VAN CLIEF: Commissioner Reynolds moves. Second?

COMMISSIONER MILLER: Second.

CHAIRMAN VAN CLIEF: Thank you, sir. All in
favor, signify by saying aye.

NOTE: The Commission votes aye.

CHAIRMAN VAN CLIEF: Are there any opposed?
Thank you very much. Motion passes. Is there anything else, Commissioners, while we are in session?

COMMISSIONER DAWSON: So as far as we know, the next date is set for the 27th?

CHAIRMAN VAN CLIEF: The next meeting has been set for the 27th of April, and if there's nothing further, do we have a motion to adjourn?

COMMISSIONER REYNOLDS: So moved.

CHAIRMAN VAN CLIEF: Any opposed? We are adjourned. Thank you very much.

NOTE: The hearing is adjourned at 11:57 a.m.
CERTIFICATE OF COURT REPORTER

I, Sandra G. Spinner, hereby certify that having first been duly sworn, I was the Court Reporter at the meeting of the Virginia Racing Commission at the time of the hearing herein.

Further, that to the best of my ability, the foregoing transcript is a true and accurate record of the proceedings herein.

Given under my hand this 10th day of March, 2016.

________________________________________
SANDRA G. SPINNER
COURT REPORTER