

**Board minutes:**

MHRI board meeting Sat. July 18<sup>th</sup> 2009 Running Aces horsemen's lounge, called to order 2:15 p.m.

Members present: Ron Banks, Greg Budach, Vern Devine, Brian Anfinson, Rod Pinske, Ulf Holm-Johannsen, Ted Nowatzki, Dave Pagel, Scott Banitt  
Absent: Jeff Ryan, Don Schimek

Guests: Bob Farinella, Rod Newhart, Lee Benson,

Secretaries report by Ted Nowatzki with Greg moving to accept & second by Vern Devine & carried.

Treasurer's report by Greg Budach, Ted moved to accept & second by Dave & carried.

Bob Farinella addressed the group regarding the status of the track & their pursuit of Instant Racing.

He stated that the ownership is looking at finding new ways to generate income. Their debt service currently is between 41 & 50 million dollars. They need to generate about \$1400 per table per day in the cards to be viable.

They plan to continue to build for the future and look to grow when the economy turns around. He said this summer has been a little slower than they expected but they are doing alright. The trend for gambling nationwide is down 12 to 15 %.

Bob talked briefly about the Racino and felt there was some positive talk about that this year. He mentioned that Instant Racing could be a good alternative. It is a form of Pari-mutual wagering that allows for betting on a group of historical races. The machines have the look & feel of slot machines and allow for instant payoffs. It is currently being done at Oaklawn in Arkansas with great success. They have contributed over 8 million dollars to the purses in Arkansas. Bettors are given a race randomly and allowed to see the past performance lines, they can then bet any way they would like and get the results instantly. Running Aces believes that under current rules this type of racing would be allowed in Minnesota & falls under the racing commission's regulatory authority. Canterbury is also pursuing this new idea.

Running Aces estimates the cost to be about \$10,000 per machine. They have already invested over \$100,000 at this point.

They have their application before the commission and are awaiting approval.

Bob stated that the Thoroughbreds want everything put into one pool and then take 80% for themselves. Black Diamond staunchly opposes this idea. They would like us to sign an agreement with them to submit to the Racing Commission.

They have no idea how successful this might be, planning on starting with 50 machines and then working up to 200 or more if they go over well.

The plan would be to contribute 15% to purses after they reach EBITDA (earnings before interest taxes depreciation & amortization).

They are saying \$6,000,000 would be the amount needed to reach EBITDA.

Under that figure our share would go to offset expenses for racing or \$1,000,000.

They believe it could be an 8 to 10 million dollar program initially.

Oaklawn has 380 machines generating \$180 per day each.

We need to sign the agreement to show our support.

Rod Newhart mentioned that purses will increase by 20% effective with next weeks draw.

We discussed the Instant Racing agreement with Vern moving to sign the agreement which was 2<sup>nd</sup> by Dave & carried.

Discussion on Mn bred for 2010--- start thinking now about what you'd like to see changed.

Discussion on Fargo, should we send \$\$ up there for Mn. Owned or bred races? Vern moved to send \$2,000 to Fargo as purse supplement for Mn owned or bred classes. 2<sup>nd</sup> by Scott Banitt & carried.

Greg moved to suggest Mn bred classes next year at Running Aces similar to 2009, Brian Anfinson 2<sup>nd</sup> & the motion carried.

It was agreed that we try & get more days if possible, 1<sup>st</sup> Sat. in May through Labor Day?

Ted moved to adjourn, 2<sup>nd</sup> by Rod & carried

Next meeting set for Wed. August 19<sup>th</sup> 2009 at Owatonna Happy Chef 7:00 p.m.

Brian Anfinson moved to adjourn, 2<sup>nd</sup> by Scott Banitt