

Cloverleaf Standardbred Owners' Association, Inc.

September 21, 2010 Minutes

VFW Grasonville, Maryland

Present: President Thomas Cooke
1st VP Dan Myer
2nd VP Jerry Nock
Secretary William Long
Executive VP Sharon Roberts

Directors: William DeLodovico Gary Ewing Ralph Hayward
Tammy Lafferty Jackie MacLeod Kenneth Schlotzhauer
James Simmons Eli Solomon William Spicer
Judy Welty Gary White

Absent: Daniel Bittle Betsy Brown Don Milby

President Thomas Cooke called the meeting to order at 6:40 pm.

Approval of July 27, 2010 Minutes –

Motion 1 - A motion was made by Judy Welty, seconded by Ralph Hayward to approve the July 27, 2010 minutes. The vote was unanimous. The motion carried.

CSOA Review – Sharon Roberts was contacted by Frank DiSalvo (Auditor) in reference to a review/audit for 2009 - 2010. After some discussion on the financial situation of CSOA and the past costs of a review (\$5,000) the following motion was made:

Motion 2 – Status of 2009-2010 Review by Mr. DiSalvo for \$1,500 - A motion was made by Tammy Lafferty, seconded by Jackie MacLeod to pay Mr. DiSalvo the sum of \$1500 for the 2009-2010 Review if he agrees. The vote was unanimous. The motion carried.

Health Benefit Fund, Inc. – Sharon Roberts reported to the Board on the HBF, Inc. LLC that the LLC is still open and CSOA is incurring costs for keeping it open.

Motion 3 - A motion was made by William Spicer, seconded by Gary White to close the HBF, Inc. LLC. The vote was unanimous. The motion carried.

Eli Solomon joined the meeting at 6:45 pm.

Maryland Standardbred Race Fund Advisory Board Seat - Dan Myer was approved by the Maryland Racing Commission to fill the remainder of Betsy Brown's term in the CSOA seat on the Maryland Standardbred Race Fund Advisory Board due to Betsy Brown moving out of Maryland to Virginia.

Maryland Racing Commission Meeting – President Tom Cooke reported on the MRC meeting that was held earlier today.

Nominating Committee Report – James Simmons –Chair of the Nominating Committee reported that all the directors whose terms expire in 2011 requested to be re-nominated. The Nominating Committee re-nominated the following:

William Long – Trainer Category

Ralph Hayward – Owner Category

Tammy Lafferty – Owner Category

Kenneth Schlotzhauer – Trainer Category

William Spicer – Owner Category

Judith Welty – Trainer Category

Gary White – At-Large Category

Notification will be sent to the general membership in early November on the election.

Annual CSOA Board Meeting – The Annual CSOA Board meeting will be held on Monday February 7, 2011. The site will be finalized at the next board meeting.

Gary Ewing called into the meeting at 7:15 pm (speaker phone)

Removal of a Director - Betsy Brown – It was brought to the Board's attention at the last meeting that director Betsy Brown was in violation of the **CSOA By-Laws page 4 – Article IV – Section 1 (B)** – **“No person who is a member, officer or director of a competing horsemen's organization in the state, or an officer or director of a horsemen's organization outside this state, may be a member of the Board of Directors of this Association. The Maryland Standardbred Breeders Association (MSBA) is not a competing organization. Any organization that seeks or is in the process of seeking with the Maryland Racing Commission (MRC) to have an election to select the organization to represent the majority of horsemen in the State of Maryland or at any of the harness tracks in Maryland is a competing organization for the purpose of this section.”**

It was brought to the Board’s attention that Betsy Brown is listed as an officer of “Preserve Harness Racing Group” an official organization. The group’s cover page lists its officers and Betsy Brown is listed as an officer. There is a letter from Arthur Lisi “Preserve Harness Racing Group” and their “membership form”. All will be attached to the permanent minutes.

At the Stockholders last meeting Felicia Hilleary raised the subject of another horsemen organization challenging CSOA to represent the Maryland Horsemen.

Motion 4 – A motion was made by Ralph Hayward, seconded by Gary White to remove Betsy Brown from the CSOA Board as a violation of the CSOA ByLaws *Article IV, Section 1 (B) - No person who is a member, officer or director of a competing horsemen’s organization in this state, or an officer or director of a horsemen’s organization outside this state, may be a member of the Board of Directors of this Association. The Maryland Standardbred Breeders Association (MSBA) is not a competing organization. Any organization that seeks or is in the process of seeking with the Maryland Racing Commission (MRC) to have an election to select the organization to represent the majority of horsemen in the State of Maryland or at any of the harness tracks in Maryland is a competing organization for the purposes of this section.*

A Roll Call Vote was taken as follows:

T. Cooke	Yes
D. Myer	Yes
J. Nock	Yes
W. Long	Abstained
W. DeLodovico	Yes
G. Ewing	Yes
R. Hayward	Yes
T. Lafferty	Yes
J. MacLeod	Yes
K. Schlotzhauer	Yes
J. Simmons	Yes
E. Solomon	Yes
W. Spicer	Yes
J. Welty	Yes
G. White	Yes

The vote was 14 in favor and 1 abstained. The motion carried.

President Tom Cooke will contact Betsy Brown and ask if she wants to resign.

The meeting recessed at 7:35 pm

The meeting resumed at 7:45

“President Tom Cooke reported that he spoke to Betsy Brown who said that she would not voluntarily step down.”

Sharon Roberts will send a letter to Betsy Brown notifying her of the Board’s action.

Proposed Purse Agreement –

Copies of the Purse Agreement between Nathan Landow and CSOA were distributed to the Board.

Kelley Rogers updated the Board on the October 7, 2010 Bankruptcy Hearing to convert Rosecroft into Chapter 7 Liquidation.

Motion 5 – A motion was made by Tom Cooke, seconded by Jackie MacLeod that this agreement be the model agreement with CSOA and to give Kelley Rogers permission to make the agreement better if the deal is not with Nathan Landow. The vote was unanimous. The motion carried.

President Tom Cooke reviewed and answered questions on the critical parts of the Purse Agreement.

Page 2 – number 6 – Non Refundable Deposit

Page 2 – number 9 - CSOA as the representative of the majority of the standardbred horsemen and women in Maryland.

Page 4 (c) – Fifteen (15) year agreement.

Page 4 – 2 (a) (1) - \$1,250,000 for purses commencing in 2011.

Page 4 – 2 (a) (2) - add ***“The sum of \$1,250,000 shall be due on the 15th day of November for each year for the term of the agreement (15 years).”***

Page 5 – (3) – Dedicated Purse Account

Page 5 – (3) (a) - 7% of “Net Handle” – we made a misstatement and said “Gross Handle” at the Stockholders meeting.

Page 5 – (3) (b) - 5% of Alternative gaming – change ***85% to 75%*** and ***15% to 25%*** add the following language – ***“CSOA may review and adjust the percentages every two years.”***

Page 6 – (c) – Beginning in January 2013, \$100,000 per year for Maryland Sired horses for special overnight/series races for horses 4 years old and older.

Page 6 – (d) – Horsemen’s Celebratory Event, \$20,000 a year for 15 years.

Page 6 – (4) (a) - Gross Handle and Net Handle

Page 8 – (5) - No live racing in 2010

Page 8 – 3 - Racing days - minimum of 40 days

Page 9 – 3 - Add language at the end of 3 - ***“In the event if purses exceed \$150,000 a day that there will be a meeting with CSOA and NLC to add additional race days”.***

Page 9 - 4 - add comma after “racing”.

Page 10 – 4- Order of racing preference.

Page 10 – 5 – Minimum and Maximum Purses

Page 10 – 6 – Amateur Racing

Jackie MacLeod voiced his opinion about the amateur racing – “the people that race are professional people and take advantage of other people by taking the money. The amateur racing was meant for young people and college students.”

Dr. Davison rebutted Mr. MacLeod – Nowhere in the by-laws of amateur racing does it state that it is only for young people and college students. The people that race in the CADDA and Billings support the sport. They do not accept any money for racing. They are bringing people in from Spain this year. Some do go on to become professional drivers. Dr. Davison asked who is it that they affect and who are they taking money from?

Dan Myer suggested that at another time, meet and discuss the topic of Amateur Racing.

Page 11- (b) – States that this agreement is assignable.

Page 12 – 10 - Stall Space

Page 12 – 10 – add ***“(c) – Special events will be considered as they arise.”***

Page 24 – (s) Arbitration – Language was added from the USA&M National Headquarters.

Kelley Rogers reported Judge Mannes has the authority to accept, review or not accept this agreement.

In order to confirm a plan the Judge has to consider the impact on creditors, impact on stockholders, impact on the community and the impact on the employees.

Update from Kelley Rogers we have the purse agreement completed.

Don’t be upset if we come back and the deal is not with Nathan Landow. If we have difficulties Kelley Rogers knows one gaming company that might come in and help but we hope not to get to that point.

Difficulties will be going through bankruptcy.

Motion 6 – A motion was made by Eli Solomon, seconded by Ralph Hayward to accept the Nathan Landow Purse Agreement. The vote was by Roll Call as follows:

T. Cooke	Yes
D. Myer	Yes
J. Nock	Yes
W. Long	Yes
W. DeLodovico	Yes
G. Ewing	Yes
R. Hayward	Yes
T. Lafferty	Yes
J. MacLeod	Yes
K. Schlotzhauer	Yes
J. Simmons	Yes
E. Solomon	Yes
W. Spicer	Yes
J. Welty	Yes
G. White	Yes

The vote was unanimous. The motion carried.

Update on Ocean Downs Races – President Tom Cooke thanked Ralph Hayward for subsidizing the Qualifying Races at Ocean Downs.

Mrs. Hubble – President Cooke wants to recognize Mrs. Hubble and offer a proclamation that the CSOA Board recognizes all of her efforts and contributions to the Frederick County Fair over the years.

Motion 7 - A motion was made by Tom Cooke, seconded by Dan Myer to recognize Mrs. Hubble. The vote was unanimous. The motion carried.

Cordish Update – There is a heated debate in Anne Arundel County over slots. This Board has supported Mr. Cordish in the past. Are we in the position to do this again?

Motion 8 – A motion was made by W. DeLodovico, seconded by R. Hayward to issue a Press Release in support of Mr. Cordish. The vote was unanimous. The motion carried.

Ralph Hayward stated that the MSBA agreed to support Mr. Cordish also.

A joint Press Release will be issued.

Tammy Lafferty reported that Jason Skinner and Susan's sister baby died from crib death. There is a fundraiser to purchase a head stone for the baby taking place at Harrington this week. Please support the fundraiser.

Motion 9 – A motion was made by Tammy Lafferty, seconded by Jerry Nock to adjourn the meeting. The vote was unanimous. The meeting adjourned at 9:35 pm.

Respectfully submitted by,

Sharon L. Roberts

Executive VP