

AHRMA Annual Membership and Board Meeting

April 25, 2011

Holiday Inn, Palmdale, California

The meeting was called to order in open session at 8:00am by Dave Janiec, Chairman of the Board.

In attendance were Janiec, Debbie Poole, Corky Root, Rob Poole, Mark Hatten, Matt Hilgenberg, Bob Goodpaster, Fred Guidi, Dave Lamberth, Carl Anderson and Kelly Shane. Craig Breckon was not present (proxy held by B. Goodpaster) during the meeting. Fred Mork joined the meeting at 8:30am.

Janiec recognized and installed newly-elected Trustees R. Poole (West) and Anderson (East). He also expressed thanks to outgoing Trustees Beno Rodi (East) and Tom Bentley (West) for their years of service on the Board.

Election of new officers

Janiec opened the nominations for Chairman of the Board. Hatten nominated Janiec, and Goodpaster seconded the motion. There were no other nominations. The vote was 11 to 0, with Mork not present.

Janiec opened the nominations for the office of Treasurer. D. Poole nominated Hatten, and Goodpaster seconded the motion. Root nominated Guidi, and R. Poole seconded the motion. Hatten was elected by a majority secret ballot, with Mork not present. Communications Director Tim Lile counted the ballots.

Janiec opened the nominations for the office of Secretary. D. Poole nominated Shane, and R. Poole seconded the motion. The vote was 11 to 0 for Shane, with Mork not present.

Review and approval of Birmingham Board meeting minutes (copy in folder).

The minutes were formally reviewed and no objections were raised. The vote to approve the minutes was 9 to 0, with 2 abstaining and Mork not present.

Fred Mork now in attendance.

Treasurer's report

Hatten reported on the current financial status of AHRMA. The financial status is healthy and current cash flow has been tighter than hoped for -- primarily due to the Daytona roadrace moving from the first race of the season to the last -- but is sufficient to meet current operating needs.

In reviewing the investment portfolio it was noted for the benefit of the new Trustees that the source of the invested funds was the Reliance insurance settlement. It was also noted that the funds are, in part, a rebuilding of the Benevolent Fund. Hatten noted our investments, which are balanced between US and Global equities, and US and Global bonds, have performed at or near peer group averages. For the period ending 4/22/11, AHRMA realized a 9.46% return on investments. He did note, due to high growth and heavy investments in the bond market over the past two years, it may be time to lock in our

profits in that area and rebalance our portfolio by moving some of these funds to equities or cash. It was stressed by Janiec and Mork that low-risk investments remain important at this time, but that some branching-out for the long term should be considered and investigated.

Review of financials for FYE 11/30/10

A high-level review was presented by the Executive Director. Lamberth reviewed the balance sheet and revenue/expense summaries for the board.

Janiec noted the difference of the accrual and cash accounting methods and stated the general membership has had difficulty in understanding the difference between the two and how they relate to AHRMA's published financial information. Lamberth gave a summary review of accrual and cash methods and how they are used in AHRMA's financial reporting. Lamberth noted the 2010 financials were reviewed by an independent CPA, and a full independent audit would be performed on the 2011 financials.

Executive Director's report

Lamberth discussed the impact of Daytona moving to the end of the racing season and the effect of this on cash flow. This situation will be a one-time happening, and in the future AHRMA should have a larger cash inflow at the end of the year instead of at the beginning, as when the Daytona races occurred in March. This shift in cash flow timing should then carry AHRMA through the first part of the following year, and yearly cash flow should be better stabilized.

Lamberth then reviewed the actual-to-budget comparison. He is satisfied that AHRMA is meeting budget at a time when many similar organizations are not. It was stated that there are 4125 members compared to 4300 at this time last year. Membership renewals remain stable, and new memberships are encouraging; AHRMA gained 57 new members at April's off-road national weekend in Jefferson, Texas. Lamberth reviewed the 2011 AHRMA event attendance summary in comparison to the same 2010 events, by discipline. Currently AHRMA is tracking close to budget in attendance. Janiec requested that the attendance profiles for all similar events from 2009 on be kept cumulatively in order to track the "participation health" of the association, by discipline. The Willow Springs roadrace is slowly but steadily growing in racing entries and spectator attendance. Approximately 2-3000 spectators attended the event on Saturday, though spectator and rider attendance was lower on Sunday (Easter). Dirt Track is in a rebuilding mode and attendance is up from 2010. Favorable comments have been received about the work Donnie Warf has put into the program as the new coordinator. Lamberth stated the post-entry rate decrease from \$70.00 to \$50.00 has resulted in an average increase in post entries of 29% for VMX and PVMX for the 2011 season YTD. There is some push-back on the reduced post-entry fee from promoters due to the increase in work-load on race day. Participants seem to like the new fee schedule as evident by the larger number of post-entries, although some have complained about the lack of trophies – which are based on pre-entries – in some classes.

At 9:45am Janiec called for a break.

At 10:00am Janiec reconvened the meeting.

Open membership Q and A

Members in attendance: Larry Poons, Patty Root and Ken Mertz.

Poons presented historical background on the single-cylinder bikes in 500 Premier road racing. He detailed the difference between the original bikes in that class, like the Seely Matchless G50 he races, and the "Specials", which are modern-built "silhouette" replicas of classic bikes like the Norton Manx. Due to the use of modern materials and modern technology, the Specials make as much as 25% more horsepower than the originals. For this reason, AHRMA introduced 500 Grand Prix class for 2010, which allows the "original" 500 Premier bikes to be competitive and encourages members to race them. The class runs with 500 Premier to avoid impacting the race schedule. One of the original rules for the class was to limit bikes to four-speed transmissions. That rule was changed to allow five-speeds for 2011. Poons noted both five- and six-speed aftermarket transmissions were available and widely used back when these bikes were originally raced, and asked the Board to change the rules to allow both five- and six-speeds in 500 Grand Prix. Hatten noted the four-speed rule was implemented to keep the Honda 450 from entering and dominating the 500GP class, and changing it defeats the original purpose of adding the class in the first place. He suggested bore and stroke limits to the Honda 450 would need to be enacted to prevent this from happening. Highly-modified Hondas have proven to be competitive with the single-cylinder Specials in 500 Premier. Mork stated three things that were considered in this five-speed issue: the original bore/stroke, state of development (weight and metallurgy) and speed restriction. Janiec stated that the committee will review and make recommendations to the Board, noting that Mork is the committee chair and was present for the comments from Poons.

Mertz commented about the Pooles helping at the previous weekend's Willow Springs road race event. D. Poole stated she enjoyed the experience and complexity of road racing.

Mertz stated that a member approached him regarding an interest in running a bike at both the Bub Enterprises Bonneville Speed Trials and the AHRMA National road race at Miller Motorsports Park, apparently with an eye on an overall prize. The member was advised that due to the AMA/AHRMA split, these events are no longer associated with each other since the Bonneville activities are AMA-sanctioned. Janiec noted the speed trials at Bonneville and AHRMA races at Miller are completely separate events.

At 11:00am, the member comments concluded and the Executive Director's report continued

Series Tracker -- Lamberth stated that the Series Tracker conversion has been completed and implemented for the road racing program. AHRMA off-road will be running on Series Tracker from the home office beginning in early May. By the third week of May, AHRMA will have online registration, and membership should be on the system by the end of June. It was noted that after the complete conversion, entries and membership will still be possible via fax and U.S. Mail as it always has been.

Other business

Hilgenberg asked about the letter from AHRMA member Tim Thomas concerning his perception that he was passed-over in considering his business for AHRMA's online registration/membership system. Lamberth stated that no written proposal or in-depth conversation of details of a proposal ever transpired. Hilgenberg stated that the former ED, current Membership Coordinator Cindy Cowell, indicated in an email that she would follow-up with Thomas; Lamberth will check on the status of that follow-up.

Review of the Handbook procedure plan -- Trustees are asked to take special note of the new, earlier June 10 date for 2012 rules proposals, and to minimize the "after committee" changes. Mork stated the numbering of the rules, for organizational purposes, is key to proceeding. Discussion took place regarding compiling similarly-worded proposals to reduce confusion.

Janiec stated that timing is crucial and that Trustees must keep to the deadlines and schedules. Janiec suggested that each rules committee review their respective section for housekeeping changes. Anderson suggested that what each committee submits should be as close as possible to the final rule wording.

The possibilities of Planned Giving -- Lamberth reviewed the document submitted by Karena Bierman. Mork asked what the benefits to potential donors would be. Lamberth stated that estate donations, etc., could be a possible tax deduction for donors, but specific and fairly complex changes would have to be made with regards to how such a fund is set up before this could happen.

Hatten stated that Lamberth did not need Board approval to move forward on the Planned Giving proposal. Lamberth stated that this is high on his list of importance and that he will continue to move ahead in working with K. Bierman.

At 11:30am Janiec recessed the meeting for lunch.

At 12:00pm Janiec reconvened the meeting in open session.

Guidi stated that member Allen Brown has branded merchandise to be sold to benefit AHRMA. The contract is not yet signed, but is in process. AHRMA-logoed T-shirts, sweatshirts, gear bags and other quality merchandise will be offered, with a percentage of the sales being remitted to AHRMA. AHRMA has no investment in the product to be sold, which is an ideal situation for such product sales.

Mork expressed concern about the West Coast Moto Jam/Brad Lackey two-day AHRMA Vintage MX National at California's Infineon Raceway in May involving an AMA-sanctioned event on the property at the same time as the AHRMA event. Janiec said that Infineon management is aware of the AMA/AHRMA split and is supportive of the AHRMA events being held and marketed completely separately from the AMA-sanctioned events on the same weekend. It was also noted that AMA Pro Racing is owned by Daytona Motorsports Group (DMG) and is no longer owned by the American Motorcyclist Association (AMA). Working with Infineon Raceway officials at the 2011 Moto Jam weekend may provide an opening which could aid in having the AHRMA roadracing (and a more complete off-road) program there once again. This could also lead to working with other tracks to increase AHRMA's roadracing presence in the

western region, or possibly developing a west coast cornerstone event. Mork stressed the importance of informing members that Lackey's AHRMA national is separate from the AMA Pro Racing events of the weekend. Lamberth stated that if AHRMA road racing were to get a future date at Infineon, it would be with the Moto Jam event and would have to be held on a weekday, either immediately before or after the Moto Jam weekend. Another concern raised was that of the \$50.00 gate fee for participants at Infineon. While allowing admission for the entire weekend, the \$50.00 advance-purchase price is also the same for one-day participation. That purchase price on the day of the race is \$60.00.

Janiec discussed the AMA and AHRMA separation for review and for the benefit of the new trustees.

Hatten stated Mid-Ohio Sports Car Course and the Mid Ohio School was purchased by the Green Savoree Racing Promotions Group through a newly-formed, wholly-owned subsidiary, Green Savoree Mid-Ohio, LLC, and all current contracts are in place and will be honored.

Janiec stated that with the current and future prospect of high fuel prices that AHRMA should continue to run high-quality national events, but that a possible emerging component may be the vital importance of regional events, for both off-road and roadrace. People are not traveling as much as they used to, and may attend only one or two nationals, but may attend all the events in their region. Discussion took place on how to reinstitute and/or restructure roadrace regions, as well as ideas for different series to generate interest. Guidi discussed the outdated agreements for regional coordinators, and the fact that the agreement seems to be largely unused and/or unknown. A regional model should be developed to provide the best possible regional events, and information/resources should be compiled into a document for new regional coordinators, and for existing coordinators who may be struggling and without direction. Janiec asked Guidi to work to develop this concept. Lamberth stated the regional off-road model is not working due to the difference in priorities between vintage enthusiasts and modern racetrack operators. R. Poole feels that many regional problems are track-sensitive issues due to track configuration of modern tracks versus open-field, vintage-type tracks. The difference was noted between promoters who have making a profit as their main motivation and those whose priority is a commitment to putting on a good quality event for our members. Janiec asked how AHRMA could embrace and work with local clubs to put on local events. Guidi stated that a model must be created to work with clubs in putting on local events. One of AHRMA's strengths is providing a stable rules structure and membership base for clubs and/or individual promoters, and access to reasonable insurance. Prospective promoters should be made aware of these benefits. Janiec asked for volunteers to work with Guidi on the regional issues. Guidi stated that he and D. Poole had already been reaching out to AHRMA's regional coordinators and would continue; R. Poole volunteered to join the effort. National Off-Road Director Guidi has made a point of keeping in touch with the off-road coordinators and intends to continue asking for their input, not only concerning national events but for suggestions to help revitalize the regions.

Lamberth stated that AHRMA is challenged at trying to get west coast roadrace venues. Costs have been a factor in the past, but AHRMA should again contact tracks in the west, which may be willing to negotiate-down on track rental and associated costs, due to the slow economy. Getting another western roadrace event is a major goal to be considered, as is establishing a good "kick-off" event for the

roadrace season opener. In addition, it was mentioned that better attention should be paid to the balance of east/west off-road nationals.

Janiec stated that well-established AHRMA cornerstone events offer an excellent track-record to market and present to potential promoters. Having survived the difficulties of the past, we now need to plan and move ahead for the future and break out of a holding pattern.

Janiec asked to review the safety standards of helmets for both roadracing and off-road. The standard of care of for AHRMA would be the same standard of care that is currently being used by other amateur motorcycle racing organizations. Standard of care for other areas needs reviewing as well. Shane asked if ambulances and Emergency Medical Technicians (EMTs) were part of the standard of care. Janiec stated it was, and that AHRMA is over the standard in requiring Advanced Life Support (ALS) for ambulances. It was noted that events with lower entry numbers, and specifically many regional events, might financially benefit if the standard were changed to allow Basic Life Support ambulances, but that AHRMA would only do that with a full review and intent.

Anderson stated that he and D. Poole have a proposal to encourage mentoring for prospective and new members and asked trustees to review this plan (enclosed). This may be a way to formalize the present informal activities which are already taking place among the membership. Utilization of the AHRMA website, Vintage Views, and/or an info booth at events was mentioned as possible methods of getting the word out. Consistently staffing an information booth could be a problem, but a handout about how the program works, along with contact info, would be helpful if knowledgeable staff could not be present at a booth. Janiec asked to put an announcement on the AHRMA website and Vintage Views to ask for mentors for each discipline and see what the interest is. Anderson will work to connect mentors to interested parties for roadracing and dirt track, and the Pooles will act in that capacity for off-road disciplines.

Janiec asked for other new business. D. Poole asked if the Trustees were aware that the roadracing staff needed new radios. Lamberth said he would contact Cindy about this to see what was needed. Guidi recently arranged for new radios for the off-road staff, and can help secure good pricing for roadrace radios.

Mork asked about recycling unclaimed trophies/plaques; Lamberth advised that this is already being done.

Hilgenberg asked about offering a family membership, which is not being done at this time, but could encourage new members with limited AHRMA events in their region to join the organization. Lamberth stated that this was reviewed by the board in 2010 along with the weekend membership proposal and was not finalized. It was suggested that this issue be revisited for a possible policy/rules change.

Hatten, Chairman of the Modern Roadracing rules committee, asked to be removed from the committee and have Anderson replace him as Chairman. Janiec will make the change for next year, since Hatten currently is listed as Chairman in the Handbook and other publications. Anderson will take this position next year.

Janiec stated that many town-hall-style meetings between Trustees and the membership were conducted in 2009, but only one in 2010. It was agreed that the practice should be continued, at events where a number of Trustees would be available. Janiec stated Daytona may be a good place during tech day. Goodpaster mentioned that one meeting is not enough. Road America and Barber Motorsports Park host both roadrace and off-road events, and these two events were agreed upon. Meeting times for each are to be worked out as each event approaches.

The meeting was adjourned at 1:45pm by Janiec.