



**Board of Trustees Meeting
Place: Association Offices**

**December 5, 2019
Albuquerque, NM**

PRESENT

President Tom Goncharoff, 1st Vice President Miguel L. Gallegos, 2nd Vice President Jay L. Taylor and board members Denton Crozier, Debra J. Laney (telephonically), Mike Logan, Mindy J. McArthur, Annette McCloy, Mac Murray, Tomas W. Pierce, Jr., Verner R. Query & Bill W. Shepard.

ABSENT

None.

QUORUM

President Goncharoff acknowledged a quorum present.

MINUTE APPROVAL

Miguel L. Gallegos made a motion to accept the minutes of October 23, 2019, seconded by Denton Crozier. Motion carried 11:0.

INTRODUCTION OF NEW NMHA EXECUTIVE DIRECTOR RICHARD ERHARD

President Goncharoff introduced Richard Erhard, the new Executive Director of the New Mexico Horseman's Association.

Mary Barber asked the Trustees to introduce themselves to Richard Erhard.

Richard Erhard did not have anything to report on at this time but did state that he is working on learning the ropes and is enjoying it. He visited Sunland Park and had a very productive meeting there. Things are going well. He has been living and working in San Diego.

President Goncharoff welcomed Mr. Erhard and stated that we have made a pretty significant effort to collaborate with the Horsemen. Especially in the last year or so. We are better united than divided and we look forward to continuing that.

Bill W. Shepard asked if Mr. Erhard was in Albuquerque now and was told that he is in transition right now and is traveling back and forth between here and California for now.

DIRECTORS REPORT

SPLIT BREEDER AWARDS

Mary Barber reported that the office had received an application from Debra J. Laney for a horse that would have Split Breeder Awards. The application that was submitted had both Debra's name and the name of the person who owned the mare at time of conception in the breeder's box on the back of the application like a partnership. Mary Barber felt that this may be a way to keep track of these few horses that have this situation by making the breeder like a partnership and wanted to ask the board's opinion on this. The only thing would be that any breeder awards for these horses would have one check that would have to be split.

Debra J. Laney felt that this would be a problem because there would only be one check to split. She brought up that Ernestine had been instructed to get a copy of the broodmare's papers to verify that the mare had been purchased before time of foaling in order to award split breeder awards for these horses. These people may not know each other and never see each other. Debra Laney explained that she did not intend for it to be a partnership, she just wanted to make sure we knew that this was a horse who may earn split breeder awards.

Mary Barber made the comment that we will need to pull the application that Debra J. Laney had submitted to make a correction.

Bill W. Shepard asked about transferring Thoroughbred broodmares. Mary Barber explained that Thoroughbred mares are simply signed over on the back of the papers but with Quarter Horses, you have to submit a transfer to the AQHA to change ownership.

LEGISLATIVE ISSUES

Mary Barber brought up that the 30- day Legislative session is coming up soon and that she had contacted Ralph Vincent to see if he felt we needed to worry about any issues that may be coming up. She asked if he thought the racetracks would be submitting any statute changes, we need to be looking out for. We do not have a lobbyist, but Ralph Vincent doesn't think there will be anything this year because there is so much already on the docket. He will keep an eye on things for us and will let us know if we anything comes up.

President Goncharoff explained to Richard Erhard that Ralph Vincent is our former President and his wife is Beverly Bourguet who is the Chairperson of the New Mexico

Racing Commission. Ralph Vincent resigned as our President to avoid conflict of interest, but he works at the Legislature in Santa Fe. He is a huge asset for this Association. We may need the Horsemen's help and will need to work together at the Legislature if important issues should come up. It is good to have good representation during these committee hearings. Richard Erhard plans to work closely with the Horsemen's lobbyists and take an active role in any legislative issues. He also agrees that we should work together.

AWARDS

Mary Barber reported that the Incentive Award checks were mailed on November 26, 2019 and that they totaled \$3,938,197.00. This is up about \$100,000 over last year. Some of the checks were taking a while to get to people due to the holiday and the bad snowstorms across the country. The checks were mailed from either Chicago or somewhere in Wisconsin by US Bank. Mary Barber stated that she had been in close contact with US Bank to make sure all the checks had been mailed out.

Thomas W. Pierce, Jr. mentioned that he had received his check but that the Award Distribution sheet was not included. Mary Barber explained that the two Award Distribution sheets were sent in a mass email and are also available on the website as stated on the check stub. The office staff is also happy to send them upon request.

REGISTRATIONS

Our New Mexico Bred registrations are down quite a bit right now. We are looking into possible registrations that can be done on the Jockey Club website. The digital certificates are new to everyone so there may be a lot of horses we can finish up the registration on that we have not been notified are ready.

President Goncharoff stated that we have discussed this and hope to have the number of horses we can get registered by the end of the month.

Mary Barber went over what the process is for registering a Thoroughbred digitally with the Jockey Club.

Vanessa Alexander, who was attending the meeting, spoke up about how it has been very difficult to get registration certificates for Quarter Horses from the AQHA and that this could affect our numbers as well.

Mary Barber reported that the yearly letter and the packet of applications have been sent out to 1,200 people to remind them to get their foal applications in before they age on January 1st and the fees go up.

Mac Murray asked Mary if those horses that they have submitted applications on but have not had the papers stamped yet are being counted? Mary Barber explained that a horse is not counted until the registration has been finalized and given a registration number. Applications on file are not counted. She also stated that we could be down this year due to these difficulties and then up next year once things get straightened out.

WEBSITE ISSUES

Mary Barber reported that there had been a request by Debra J. Laney to have a menu item on our website for the Export Broodmare Program but when the office looked into it with Riqo, the company who designed our website, we were told it would cost about \$1,600.00. We don't really want to spend money on the website since we are getting a new one, so we plan to add that new menu item to the new website.

Another issue we have been having with the current website is that when members are submitting New Mexico Bred forms for foals older than a weanling, they are still only being charged the \$60.00 weanling fee through the PayPal function. We are having to call those people and ask them to pay the balance due on their credit cards. When this was brought up to Riqo, again we were told that there would be a hefty fee to fix it. Although the office staff did not cause the problem, Riqo did not cause it either and so they would have to charge us to fix it.

President Goncharoff asked when the new website would be up? Mary Barber stated that we hope to have it up in February but that we have a lot of work to do to copy everything over to the new site. Ralph Vincent had volunteered to work on it but may not have had any time. She will also discuss this with Michael Cusortelli to see if he can help.

ASSOCIATION LAWYER

Mary Barber reported that she had to contact our lawyer Fred Mowrer recently because we had a situation where one of our members filed an Agistor's Lien against another member for payment for taking care of animals. Fred Mowrer also represents the member who filed the lien. Mr. Mowrer determined that he needs to get a judgement in order to collect his bill. Mary Barber asked the Trustees if they felt it would be a conflict of interest for the member filing the lien to hire Fred Mowrer to represent him. The Trustees agreed that this would be a conflict of interest so Mary Barber will let him know their wishes.

FRED DANLEY REQUEST

Fred Danley requested that the Board of Trustees look into having races for older horses instead of for three- year old's and up. He explained that more three- year old's get in these races because they go by money earned and they have more opportunities to make money. Only a few spots go to the older horses that enter.

President Goncharoff asked if he was concerned with Quarter Horses or Thoroughbreds? Annette McCloy had also spoken to Fred Danley and she stated it was the Quarter Horses. There were fourteen older horses that entered into a specific race but the three- year old's filled up most of the race because they make a lot of money running in the Derbies.

Mike Logan reported that there are only four races for 4- year old's and up in the state of New Mexico each year. The First Moonflash is one of those races and it only got six head in it this year. Mary reported that when you get to Sunland Park there are a lot of races for 4

& up but that is just after they age on January 1st. Fred thought we need to look at Ruidoso through Zia Park.

President Goncharoff asked Mike Logan if the Stakes Committee could look at that. Mike Logan stated that is one of the things he will be looking at while working on our stakes.

UPDATED BROODMARE FORM

Mac Murray spoke about the confusion over the Export Broodmare forms. He had discussed this issue with Mary and Ernestine. Ernestine has come up with some new forms and he feels this issue has pretty much been handled.

His biggest question was if you sell a donor mare that has embryo's that are remaining in New Mexico, how is that handled? He feels that we have gotten that cleared up. He went over the sign Ernestine had come up with explaining the program and the items that will be sent to the Heritage Sale for the packets to let the new owner know what they need to do to keep the foal eligible.

Annette McCloy asked about what is required if you buy or sell a mare that has embryos and Mac explained that if the donor mare is sold at the sale and does not come back to New Mexico, she has to be paid into the Export Broodmare program but if the embryos don't leave New Mexico, you do not have to pay the fee for them. There are situations that are complicated, and Mac Murray feels that the forms have been improved to help eliminate the confusion. The Thoroughbreds are simpler because they do not have embryo transfers.

FINANCIAL REPORT

Jay Taylor reported that there was good news. Our Annual meeting went over about \$4000. Our publication will be under. We were budget for 42,000 and we have only spent about \$20,000. Bank & credit cards went over a little. Board Expenses will be a little over. We haven't paid much for printing yet, but Mary Barber explained that we had just spent some funds on the application packets. Postage will be a little under. Website may be under also. We still have another quarter to go but he thinks that we will be under budget. The big one is the computer expense. Some will carry over for next year. A total of \$45,000 was budgeted but not all of it has been spent yet and will go on next year. He will include it in the budget again next year. Travel & Lodging went up a little, but he feels it was because we got rid of the car, so we are now paying mileage. He will budget a little more for next year. Jay Taylor asked what kind of fees we should have for Accounting & Awards in the last quarter? Mary Barber reported that the award calculations are going to be about \$5,500.00 because we had two sets of calculations this year but we have not been billed for it yet and we will also need to pay for the tax work that we have not been billed for yet as well.

Advertising & Marketing did well. We will combine those for next year. President Goncharoff asked what the impact was with the membership requirement and Mary Barber stated that she thinks we were up around \$16,000.

Jay reported that we have made up quite a bit since 2012 when we started losing around \$50,000 per year. We are within \$100,000 of being where we were. We have put some back with our new investments. So, we are doing well. Hopefully in the next year or so we are back to where we were in 2012.

Debra J. Laney asked Mindy McArthur what she thought we should have in the budget for Marketing & Advertising and Mindy thinks it should be 8 to 10 percent of the budget. Jay Taylor thought we could adjust budget items, but he needs to know what people want to do and what it will cost. If you want to spend another \$10,000 tell us what you want to spend it on. Mindy stated she was careful with the money we had. After the caps were purchased, she had a lot less to spend than she had planned for.

Debra spoke about the Ideas people have spoken about doing like for the horse sale and just different things we could have done. We need to start working on it now.

Mac thinks the extra funds we got from new members could go for this part of the budget. Mindy thought the stallion auction was a great help.

MARKETING REPORT

Mindy reported that she is working on the advertisement for the Speedhorse Stallion Issue and that Sunland Park gave us a full- page color add that was a good deal at \$2,000. We need to do this in all the racetrack programs. She can have these done really quick and economically.

Mac Murray thinks it is too late for this year, but we could advertise in the Heritage Sale Catalogs and other sales as well. That would be a good place to advertise. Mindy said the Oklahoma registry would be good.

Jay Taylor stated that we want to make sure and target both breeds and Mac Murray mentioned that there are straight Thoroughbred sales we could also target like the one in Arizona.

Mac Murray also mentioned a post in Facebook where an individual was talking about our program. It was a prominent breeder from Arizona, and they did not have the facts right or understand the program. Mary Barber mentioned that she had seen the post too and that it had said the we require foals to stay in New Mexico until they are six months old and that has never been required.

Mary Barber asked if we could incorporate the new membership requirement in the program advertisements at the racetracks? We are having a hard time keeping up with the letters to the people who have to do their membership and advertising may be a way to eliminate that.

Mac Murray thinks it would be a good idea to put these advertisements in the New Mexico Sale catalogs as well. We need to put it in both the New Mexico Bred sale and the open sale

because a lot of people get those catalogs. Mindy McArthur stated that our advertisement is in the catalogs. Mac feels that the embryos that were sold during the New Mexico Bred sale was an advantage because it got people to buy New Mexico Breds.

President Goncharoff stated that Lowell Neumayer is thinking of adding an open Thoroughbred yearling session to have during the New Mexico Bred sale.

Jay Taylor thinks we need to look at the Arizona Thoroughbred sale because there were a lot of open Thoroughbreds in it that did really well. There were a lot of buy backs so that those horses would be eligible for the sale futurity. They have some really nice catalog pages in that sale. Mac Murray stated that the Arizona sale was not very well attended because people know that a lot of horses are put in that sale to be bought back.

Jay Taylor thinks it would be great to have two sale futurities. One for breeds and one for open horses. This might entice people to come and buy our breeds. Mac Murray stated that there is not a 5% buy back fee in Arizona so it only costs \$150 or \$200. If you bought one back at the Ruidoso Sale for \$40,000, it would cost you a \$2,000 buy back fee. Thomas W. Pierce, Jr. stated that the new owner pays part of the commission fee in Arizona. One of his owners went to that sale last year and bought several horses and had to pay that fee.

Miguel Gallegos asked about the Stallion Auction at the sale and was told that Lowell Neumayer does not want to have the stallion auction during the sale anymore. He thought it killed the momentum. Mike Logan suggested that we sell those at our Awards Banquet.

The Silent Auction was discussed. We do sell breeding's to stallions during the Silent Auction and we could have it either during the Zia Awards Banquet or during the New Mexico Bred sale.

(Broke for Lunch)

STAKES COMMITTEE REPORT

Mike Logan went over the stakes schedule for the Downs At Albuquerque. The contribution from the New Mexico Horse Breeders was \$520,000 for 2019 and the racetrack put up \$345,000. For 2020 it has gone up. The New Mexico Horse Breeders will be adding \$660,000 and the racetrack contribution goes up to \$435,000. That will make every stakes race \$100,000 purse with the exceptions of the futurities and derby. They will be a total of \$165,000 added each. They are in discussion on building a Juvenile for the New Mexico State Fair Quarter Horse Futurity. They really want to build this race up to a million- dollar race and do not want to take any away from the mother race, however they came up with a couple ideas on how to build a Juvenile. One idea is to use part of the funds we put up for the First Moonflash Maturity. Drop it down to \$75,000 and use \$5,000 of our contribution for the Juvenile and we would have to come up with another \$10,000 or so and the track would come up with some more to make it \$50,000. The goal is to have more races and more black type races. We do not want to eliminate the First Moonflash Maturity.

President Goncharoff brought up the timing of the trials for the NM State Fair Futurity. Mac Murray commented that the trial dates are at a really bad time and the La Fiesta trials are during the Select Sale. This was discussed at the Racing Commission meeting.

President Goncharoff reported that he and Mary Barber had a meeting with Paul Blanchard and Don Cook about growing the Quarter Horse Futurity. Some people nominate for both the All American and the NM State Fair Futurity but this year with the scheduling, you can't do both. Unfortunately, we cannot do anything about it for this year. Verner Query feels that we need to work on that next year, so this doesn't happen again. Mac Murray commented that one of the reasons that was mentioned was that Labor Day falls on September 7th in 2020 and that is later than usual.

Jay Taylor spoke about that how the bulk of the purse money comes from the Horsemen's Purse Fund and they have a lot of say about how it is spent.

One item discussed was that a lot of the purse money for stakes at Sunland Park is going to the Sunland Derby. This is an open race and most of the horses running in it are from out of state. Miguel Gallegos commented that the ship ins come and take all the money. Mary Barber commented that the racetracks put the bulk of the 20% of the purse fund for stakes races to the open races and the only racetrack that has added more money to our races has been the Downs At Albuquerque. President Goncharoff stated that there are some tradeoffs. The track sponsors a big open race and they get a lot of coverage with the open horses. The local people lose out. But this is a huge thing for New Mexico.

There was also some discussion about how at Albuquerque there are barns that you have to move out of during the New Mexico State Fair to make room for the Sherriff's people. Mindy McArthur's dad was asked to leave when fair started because he would have to move out of those stalls. They scattered his horses throughout the barn area but allowed a new trainer from Arizona to move into Henry Dominguez's barn. They are giving stalls to people with bad tests and treating good people badly. Thomas W. Pierce, Jr. commented that people hate to be in that barn because of this.

The New Mexico State Fair didn't have trainer or elderly parking this year either.

Richard Erhard thinks this is a prime example of what we can work on together to change some of these problems. He knows it will not be easy. If we are divided, we can't speak with one voice. He welcomes working with us on these issues.

President Goncharoff suggested he brings up these issues with his board and let's schedule a meeting together with Don Cook.

Verner Query spoke about how there are different people from the NMHA on the local committees at each track. He would like to have management, horse breeders & horseman at these meetings for each of the tracks. He doesn't think we should have too many people and we need to have a plan in advance.

Richard Erhard commented that you have to have a game plan in advance. Also have to have the people that have the authority to make decisions at the meetings. If not, we can only talk about it. That is the process he would like to work on together.

Miguel Gallegos commented that the NMHA represents NM People and people from out of state. A lot of New Mexicans feel slighted. What will the NMHA do about that? When we try to make more stakes, they bring up the 20% rule. We need to up the stakes to 25% and back off open races.

Mindy asked Richard about agreement with tracks. He just completed with Sunland. Issues are by law, rules. Those issues are set. The issues addressed with Sunland. Six-page contract but only one issue we wanted. Ability to be able to have a 3rd party track inspector. Everything else was in statute. These things don't need to be in the contract. We need to have a conversation about what we want. The NMHA controls the export signal and that is the thing they have to hold over management's head. Other things can be negotiated. All the contracts are different, and they need to be more consistent.

Mike Logan reported that we finally got the total purse money on the Futurity & Derby at Zia Park from the nomination secretary. The Futurity had 117 nominate and 67 enter the trials for a total purse of \$326,530. This was after taking out the funds for testing and clerical fees.

For the Derby there were 22 nominated and 17 entered the trials for a total purse of \$196,015. Zia Park took out \$2,600 for testing and 5% for clerical fees. We need to think about conflicting dates and we also need to look at the distance of these races. We are supposed to have a meeting before the end of the meet at Zia Park to go over our races. Denton Crozier can represent the NMHA at this meeting since he is on the Zia Park Horsemen's Committee. On New Mexico Cup Day the Thoroughbred races are mainly 6 furlongs. They do not have a 7-furlong shoot. He asked the board to let him know if they want to change anything. President Goncharoff suggested that Mike Logan talk to Todd Fincher.

Mike Logan reported that Ruidoso Downs already have had their stakes approved. The Mountain Top will be May the 29th and this is couple weeks earlier. The Juvenile will be added. The discontinued the claiming stakes and we lowered our portion of the Rita Danley from \$35,000 to \$30,000.

We will be having a meeting with Sunland Park in Spring and we already have had a meeting with SunRay Park.

Mike Logan asked the Trustees to please look at dates, distance, contributions, number of Quarter Horse stakes races versus Thoroughbred stakes races. We can try to address the age problem with the older horses. Zia Park doesn't do enough advertising. We contribute a lot of money to these races and we should advertise them as well.

Jay Taylor commented that we enhance both stakes and overnights. We talked to Don Cook. We are reactive instead of proactive. If the Casino is doing well, we have excess of

funds we try to dump into these races. We should ask what they predict what they will make in the upcoming year so we have an idea of what we should do. These amounts could go down and we have committed in advance.

Mike Logan commented that Zia Park wrote two races for Thoroughbreds and three for Quarter Horses that are just allowance races with names. Maybe we could upgrade those races to be stakes. He talked about what it takes to make them black type.

There was some discussion about the hair testing and how in New Mexico we cut the hair instead of pulling it to include the follicle. Miguel Gallegos commented that the Thoroughbreds are not being hair tested and those people from out of state are getting to run that have been using drugs that builds muscle that are not allowed here, and this gives them an advantage.

ANNUAL MEETING DISCUSSION

NOMINATIONS FOR BOARD OF TRUSTEES

Debra J. Laney nominated Norma Alvarez as a Quarter Horse Trustee.

Debra J. Laney nominated Dan Newby as a Quarter Horse Trustee.

Mac Murray nominated Mark Brown as a Quarter Horse Trustee.

Miguel Gallegos nominated Tom Goncharoff as a Thoroughbred Trustee.

Bill Shepard nominated Susan Hunter as a Thoroughbred Trustee.

Mike Logan nominated Warren Franklin as a Thoroughbred Trustee.

Mary Barber commented that with Mac Murray up for re-election on the Quarter Horse side and Bill Shepard up for re-election but moving to the Thoroughbred side, there are four Quarter Horse and four Thoroughbred members up for election. Nominations will also be accepted from the floor during the meeting.

SAMPLE BALLOTS

ALLOW NEW PREGNANT THOROUGHBRED MARES FROM OUT OF STATE TO HAVE NEW MEXICO BRED FOALS

Debra Laney did most of the wording on this potential by-law change and Tom Goncharoff helped.

Mary Barber brought up that part C talks about the late fee for foals born in 2020 but feels that should be re-worded because there could be a penalty during all three years of the program. She was also concerned about if a mare was unable to produce another foal by a New Mexico stud due to death or injury.

After discussion, it was decided to re-word part C and if a mare is not able to produce another foal by a New Mexico stud, it will need to be brought to the Board of Trustees on an individual basis for consideration.

President Goncharoff stated that this program would sunset in 3 years, so if it doesn't go well, we can quit doing it. He also commented on the letter from Lowell Neumayer in favor of this potential by-law change and he feels it needs to be publicized along with this proposal.

The consensus was that the Trustees are in favor of putting this item on the ballot.

Debra J. Laney brought up that the Export Broodmare Program was supposed to be a three-year program and asked if we are going to present this at the Annual Meeting? President Goncharoff stated that Jay L. Taylor could deliver the Treasurer's Report and include those figures. Jay L. Taylor agreed to do this.

ELIMINATING REQUIREMENT OF A MEMBERSHIP HAVING TO BE SUBMITTED WITHIN 15 DAYS PRIOR TO VOTING IN PERSON

After quite a bit of discussion, it was determined that we would simplify the language to say, "For any voting membership, dues must be received prior to the start of the Annual Meeting."

Jay L. Taylor made the motion to accept this language for the proposed by-law change, seconded by Verner Query. Motion carried 11:0.

ELIMINATING PROXIES AND ALLOW MAIL IN BALLOTS

The board discussed the following language for the ballot on the proposed by-law change.

Do you wish to replace Section 7 – Proxies in the current By-Laws with the following statement?

Section 7 – Mail In Ballots

Members shall be entitled to vote at all regular or special meetings in person or by mail in ballot in connection with all elections. Any member seeking to vote by mail in ballot must do so in writing and must clearly print and sign their name on said ballot. The original mail in ballot must be received at the designated address no later than the date specified on said ballot or it will not be counted. Ballots will not be accepted by fax or email. If more than one ballot is received from a member, all ballots from that member will be voided.

Jay L. Taylor made a motion to accept the language as written, seconded by Verner Query. Motion carried 10:0. Bill Shepard was out of the room at the time the vote was taken.

ORDER OF EVENTS

Verner would like to have round table discussions during the Annual Meeting about stakes races, dates and overlaps with the members. He would like to introduce the NM Million. We need to know how our membership feels about these items. Mike Logan will also be included in this discussion.

President Goncharoff asked if anyone had an idea for other round table topics and we can break into groups. Mindy McArthur suggested the future of New Mexico racing as a topic. If people don't want to take part, they can just take a break during that time.

Mary Barber thinks this will be a good thing to do while the vote is being counted. She is working on the agenda and is trying to figure out the timing for each item. What is going to be done before lunch and what is going to be done after lunch. We might have to just play it by ear on when to break for lunch.

DATE & PLACE OF 2021 ANNUAL MEETING

Mary Barber reported that the by-laws state that the Annual Meeting must be held in January of each year and in prior meetings it was discussed that we want to keep it this way. She looked at the calendar and January 28th would be the last Thursday in January of 2021. The reason we have always had it on a Thursday is because it is not a race day. The horses are in Sunland Park during that time and a lot of people cannot come on a race day. Even if we decided to have our meeting at Sunland Park, we would still not want to have it on a race day because most people still couldn't come because they have to be at the races. We need to know what we want to ask the memberships to vote on by a show of hands at the meeting for next year. This is in the by-laws. Verner Query stated that we are pretty much stuck with having it in Albuquerque and having it on a Thursday. We don't have to say where in Albuquerque and if the members vote to have mail in ballots, we might be able to have it right here at the Association offices. We could mail them their ballots and their annual report. If they vote for mail in ballots, we will have to see how it goes the first year. This could really change the annual meeting. Debra J. Laney stated that they are not coming now because of proxies. Mary Barber mentioned that some people have to come that are carrying the proxies. With mail in ballots they don't have to come at all.

EMPLOYEE CHRISTMAS BONUS & SALARIES

Jay L. Taylor stated that they need to go into executive session for this discussion.

Mary Barber, Richard Erhard and Vanessa Alexander left the room.

After the Trustees made their decision, President Goncharoff adjourned the meeting.

NMHBA President Tom Goncharoff

Mary M. Barber Attest

After the meeting was adjourned, Mary M. Barber was invited back into the boardroom to discuss the boards decisions with President Tom Goncharoff and Vice President Jay L. Taylor.

Mary Barber was told that Verner Query made a motion to give the employees the maximum amount of 15% for the retirement (SEP) plan. Christmas Bonuses were given in the amount of \$500.00 to Ernestine Aragon, \$600.00 to Paulette Taylor and \$750.00 to Mary Barber. Mary Barber was to receive a raise of \$1.50 per hour and Ernestine Aragon was to receive a raise of \$1.00 per hour. Mary Barber was told that this motion was seconded by Bill Shepard and the motion carried 11:0.