

NORTH DAKOTA RACING COMMISSION
Live and Telephone Meeting
Minerva's – Kelly Inn
1800 N. 12th Street, Bismarck, ND
Tuesday, November 3, 2009 - 10:00 a.m. (central time)

Call to Order:

Acting Director, Winston Satran called the meeting to order at 10:00 a.m.

Present: Chairman Jim Ozbun; Commissioners: Tom Secrest, Andrew Maragos and Clarence Frederick. Also present Bill Peterson, Legal Counsel; Acting Director, Winston Satran and Administrative Staff Officer, Helen Tessmann.

Others Present: Norman and Twilla Glinz, Robert Wilson, Wayne Slater, Dwayne Yuzik, Blaine DeCoteau, Blaine Malaterre, John Ford, Kevin Hall, David Bernsen, Robert Holmes, Angie Cameron, Joel Hamre, Heather Benson, Roger V. Thompson, Richard Nevins, Scott A. Horst, Lance Hagen, Leon A. Glasser, Mike Cichy, Devron Leingang, Leigh Backhaus, Rachelle Backhaus, Lee Harsche and Gail Hrdlicka. **Present By Telephone:** President of Horse Race ND, Julie Sornsin-Cardwell.

AGENDA

1. **Welcome and Introduction of New Commissioners**
2. **Approval of Minutes – August 21, 2009 Meeting**
3. **Director of Racing Position**
4. **Breeders Fund Distribution for 2009 Race Season**
 - a. **Approval of payment of the 2009 Breeders Fund Awards**
 - b. **Consideration of Double and Triple Point Awards**
5. **Approval of 2010 Licenses**
 - a. **Tote Provider**
 - (1) Am Tote International – Renewal
 - (2) Las Vegas Dissemination, Inc. - Renewal
 - b. **State Service Provider – New and Renewals**
 - (1) Lien Games Racing, LLC - Renewal
 - (2) Premier Turf Club, LLC - Renewal
 - (3) Silks Corporation – Renewal
 - (4) WatchandWager.com LLC - Renewal
 - (5) Megatote, LCC - Renewal
 - (6) Avatar Ventures, LLC - Renewal
 - (7) Trifecta Consulting Group LLC - New

- c. Simulcast Sites (Site Operators/Charities)– Renewals**
 - (1) Development Homes Inc. – Grand Forks
Rumors, Grand Forks
 - (2) Horse Race North Dakota – Fargo
Howard Johnson's Hotel, 301 3rd Ave. N, Fargo
ND Horse Park, 5180 19th Ave. N, Fargo
The NP site, 601 N P Ave., Fargo
The N Broadway site, 226 North Broadway, Fargo
 - (3) ND Association for the Disabled, Inc. – Grand Forks
Chips Casino & Lounge, Bismarck
Howard Johnson's, 301 3rd Ave. N, Fargo
 - (4) Turtle Mountain Band of Chippewa - Belcourt
Skydancer Hotel & Casino, Belcourt
 - (5) American Gold Gymnastics, Fargo
6. **2009 Live Race Track Reports**
 - a. **Outdoor Recreation Development Association – Belcourt**
 - b. **Horse Race North Dakota – Fargo**
7. **Accountant's report of the 2009 Chippewa Downs and ND Horse Park Race Meets**
8. **Live Race Date Requests for 2010**
 - a. **Outdoor Recreation Development Association**
Chippewa Downs – Belcourt
 - b. **Horse Race North Dakota**
ND Horse Park – Fargo
9. **Possible Purse Fund Requests**
 - a. **ORDA**
 - b. **Horse Race North Dakota**
 - c. **ND Grass Roots Stallion Stakes**
 - d. **ND Quarter Horse Racing Association**
10. **Possible Promotion Fund Requests**
 - a. **ORDA**
- Track Improvements
 - b. **Horse Race North Dakota**
 - c. **ND Quarter Horse Racing Association**
 - d. **ND Thoroughbred Association**
 - e. **Personal Management Services Inc.**
11. **Update on Worldwide Account Wagering**
- David Bernsen
12. **Approval of the 2010 ARCI Membership Dues – General Fund**
- Due January 1, 2010 - \$5,000
13. **ND Futurity – Condition Book**
14. **ND Horse Park Race Meet Deficit**
15. **ND Horsemen's Council Issues or Recommendations**
16. **Proposed Charity Application – ND Cowboy Hall of Fame**
17. **Any other business which may PROPERLY come before the commission**
18. **Adjournment**

1. Welcome and Introduction of New Commissioners

New commissioners appointed by the Governor were introduced: Mr. Andrew Maragos of Minot. Mr. Maragos is a business man and a former legislator for 14 years. Mr. Jim Ozbun of Dickinson will replace Patrick Weir as Chairman. Mr. Ozbun is a rancher and the former president of NDSU in Fargo, ND.

2. Approval of Minutes – August 21, 2009 Meeting

All commissioners had previously received a copy of the August 21, 2009 commission meeting minutes.

A motion was made by Commissioner Maragos and seconded by Commissioner Frederick to approve the minutes of the August 21, 2009 meeting as presented. All commissioners voted aye and hearing no negative vote, the motion was carried.

3. Director of Racing Position

Chairman Ozbun asked Acting Director, Winston Satran to provide the commission with an update regarding this position. Acting Director Satran stated that this position has been open since the previous Director had resigned. The Governor had appointed Duane DeKrey as the racing director. The Attorney General's office advised the racing commission office that Mr. DeKrey could not fill the position because of a state law prohibiting former legislators to take a state government position when they voted for state employee salary raises. At that time the racing office submitted advertising for the position in state papers and national magazines. Nine applications were received from individuals living out-of-state.

After further consideration of the position, Acting Director Satran submitted a plan to the commissioners for the position and if the plan was accepted, he would take the job as a temporary full-time employee. Discussion and questions regarding this position were heard from meeting attendees.

Chairman Ozbun stated that he had interviewed Mr. Satran and went over several issues that the Racing Commission is undergoing at this time. Chairman Ozbun said he is very satisfied that Mr. Satran will do the best possible job on behalf of horse racing in North Dakota.

A motion was made by Commissioner Secrest and seconded by Commissioner Frederick to approve the plan submitted by Acting Director Satran to fill the position of Director of Racing for the North Dakota Racing Commission as a temporary full-time employee for one-year. All commissioners voted aye and hearing no negative vote, the motion carried.

4. Breeders Fund Distribution for 2009 Race Season

a. Approval of payment of the 2009 Breeders Fund Awards

Contracted Breeders Fund Administrator, Gail Hrdlicka, reported that the horse race results were being compiled and she would provide this information to the contracted accountant, Roger Thompson, by December 1 for his calculation of the awards distribution.

A motion was made by Commissioner Frederick and seconded by Commissioner Secrest to approve the payment of 2009 Breeders Fund award dollars of \$85,863.88 (\$686,911.06 x 12.5%) to be allocated for the 2009 Breeders Fund awards. All commissioners voted aye and hearing no negative vote, the motion carried.

b. Consideration of Double and Triple Point Awards

Director Satran stated that double points are paid for purse amounts \$10,000 - \$25,000 and triple points for over \$25,000. Mr. Thompson explained to the commission how point awards are determined and paid. Attorney Peterson suggested that when the commission changes their rules that they consider making this item a permanent allotment.

A motion was made by Commissioner Secrest and seconded by Commissioner Maragos to approve the payment of double and triple point awards for the 2009 racing year. All commissioners voted aye and hearing no negative vote, the motion was carried.

5. **Approval of 2010 Licenses**

a. **Tote Provider**

(1) Am Tote International – Renewal

Director Satran reported that this provider has submitted the necessary paperwork to renew their license.

A motion was made by Commissioner Secret and seconded by Commissioner Maragos to approve the license renewal for Am Tote International. All commissioners voted aye and hearing no negative vote, the motion was carried.

(2) Las Vegas Dissemination, Inc. – Renewal

Director Satran reported that this provider has submitted the necessary paperwork to renew their current license.

A motion was made by Commissioner Secret and seconded by Commissioner Frederick to approve the license renewal for Las Vegas Dissemination, Inc. All commissioners voted aye and hearing no negative vote, the motion was carried.

b. **State Service Provider – New and Renewals**

(1) Lien Games Racing, LLC – Renewal and request to change Ernie Dahlman's partnership name to Trackside Inc.

A motion was made by Commissioner Secret and seconded by Commissioner Maragos to approve the license renewal of Lien Games Racing and approve the name change of their partner Ernie Dahlman to his business name Trackside Inc. All commissioners voted aye and hearing no negative vote, the motion carried.

(2) Premier Turf Club, LLC – Renewal

Director Satran reported that some questions had come up over the process that was being utilized with Premier Turf and the charities. After investigating this it was determined to allow them to continue working the way they have been until our legal counsel can research the meaning of regulations and the law.

A motion was made by Commissioner Secret and seconded by Commissioner Frederick to approve the license renewal for Premier Turf Club, LLC. All commissioners voted aye and hearing no negative vote, the motion carried.

(3) Silks Corporation – Renewal

A motion was made by Commissioner Secret and seconded by Commissioner Frederick to approve the license renewal for Silks Corporation. All commissioners voted aye and hearing no negative vote, the motion carried.

Roger Thompson reported that the Silks Corporation owes the racing commission \$88.80. A bill will be submitted to them from the racing commission office.

(4) WatchandWager.com LLC – Renewal

A motion was made by Commissioner Frederick and seconded by Commissioner Secret to approve the license renewal for WatchandWager.com LLC. All commissioners voted aye and hearing no negative vote, the motion carried.

(5) Megatote, LCC - Renewal

A motion was made by Commissioner Secret and seconded by Commissioner Frederick to approve the license renewal of Megatote, LCC. All commissioners voted aye and hearing no negative vote, the motion carried.

(6) Avatar Ventures, LLC – Renewal

Director Satran asked Mike Cichy to give a brief report on the future operation of this company.

A motion was made by Commissioner Secret and seconded by Commissioner Frederick to approve the license renewal of Avatar Ventures, LLC. All commissioners voted aye and hearing no negative vote, the motion carried.

(7) Trifecta Consulting Group LLC – New
Robert Holmes, representing Trifecta, handed out materials to the commission relative to his company and how it operates. Mr. Holmes spoke briefly on what kind of online wagering they can bring to North Dakota.

A motion was made by Commissioner Secret and seconded by Commissioner Frederick to submit the Trifecta Consulting Group LLC application for review and make a decision at the next commission meeting. All commissioners voted aye and hearing no negative vote, the motion carried.

Mr. Lance Hagen, a member of the audience, asked the commission to be sure that consideration was made as to how much money from these companies is actually going into the fund. He feels that without live horse racing, racing in North Dakota would be dead.

Director Satran stated that he understood Mr. Hagen to say that we are getting in over our head with lots of wagering. He said he had explained before that the information he had received from account wagering firms was that they would not have any players if we did not change the tax laws. No other mechanism is in place to fund horseracing in North Dakota other than through simulcast and advanced wagering. Since the tax law was changed we have licensed four(4) companies and we have three(3) more interested in applying for licenses. If anyone has another way to finance live horseracing in North Dakota we would be glad to hear it. Mr. Hagen stated that he does agree that there is no other way to fund horseracing, but he wants the simulcast companies to keep us informed of what is coming into the fund.

c. Simulcast Sites (Site Operators/Charities)– Renewals

(1) Development Homes Inc. – Grand Forks
Rumors, Grand Forks

Director Satran reported that all necessary paperwork for this company was in order.

A motion was made by Commissioner Secret and seconded by Commissioner Frederick to approve the 2010 simulcast site license for Development Homes Inc. of Grand Forks. All commissioners voted aye and hearing no negative vote, the motion carried.

(2) Horse Race North Dakota – Fargo

Administrative Staff Officer, Helen Tessmann reported that Horse Race ND will not have a simulcast site at the ND Horse Park at 5180 19th Ave. N. Horse Race ND applications for the 2010 simulcast sites are as follows:

ND Horse Park, 5180 19 th Ave. N, Fargo	(no site application)
The NP site, 601 N P Ave., Fargo	(Premier Turf site)
The N Broadway site, 226 North Broadway, Fargo	(Silks site)
10 N. 8 th St. site, Fargo	(Avatar site)

A motion was made by Commissioner Secret and seconded by Commissioner Frederick to approve the 2010 simulcast site licenses for Horse Race ND, Fargo for The NP site, The N Broadway site and the 10 N. 8th St. site. All commissioners voted aye and hearing no negative vote, the motion carried.

(3) ND Association for the Disabled, Inc. – Grand Forks
Chips Casino & Lounge, Bismarck
Howard Johnson's, 301 3rd Ave. N, Fargo

The Administrative Staff Officer, Helen Tessmann reported that all paperwork necessary for approval has been submitted and is in order.

A motion was made by Commissioner Secret and seconded by Commissioner Frederick to approve the 2010 simulcast site licenses for the ND Association for the Disabled, Inc, Grand Forks. All commissioners voted aye and hearing no negative vote, the motion was carried.

(4) Turtle Mountain Band of Chippewa - Belcourt
Skydancer Hotel & Casino, Belcourt

The Administrative Staff Officer, Helen Tessmann reported that all paperwork necessary for approval has been submitted and is in order.

A motion was made by Commissioner Secret and seconded by Commissioner Frederick to approve the 2010 simulcast site license for Turtle Mountain Band of Chippewa, Belcourt. All commissioners voted aye and hearing no negative vote, the motion was carried.

(5) American Gold Gymnastics, Fargo

The Administrative Staff Officer, Helen Tessmann reported that all paperwork necessary for approval has been submitted and is in order.

A motion was made by Commissioner Secret and seconded by Commissioner Frederick to approve the 2010 simulcast site license for American Gold Gymnastics, Fargo. All commissioners voted aye and hearing no negative vote, the motion was carried.

*** A short break was taken and the meeting was resumed at 11:15 am. ***

6. **2009 Live Race Track Reports**

a. **Outdoor Recreation Development Association – Belcourt**

Board member, Blaine DeCoteau reported on the 2009 race meet in Belcourt, ND. New board members for ORDA in attendance were Blaine DeCoteau, Robert Wilson, Wayne Slater and Blaine Malaterre and not in attendance was Richard Parisien. Commissioner Maragos asked Mr. DeCoteau if they had any plans for changes in the future. Mr. DeCoteau indicated that they are making improvements at the race track. Director Satran stated that he has been working with this ORDA board regarding the improvements and ORDA has submitted applications for funds to help cover costs. ORDA has a five-year plan in making these improvements.

A motion was made by Commissioner Frederick and seconded by Commissioner Secret to accept the report provided by the ORDA Board. All commissioners voted aye and hearing no negative vote, the motion carried.

b. **Horse Race North Dakota – Fargo**

Heather Benson, General Manager of Horse Race ND, passed out a letter she had prepared and read to the commissioners. Some highlights of the letter were as follows: her present relationship with the racing commission and the Director; her personal accomplishments; her concerns; the financial position of Horse Race ND; her explanation of under-budgeting the 2009 race season; her decision not to resign as General Manager; her hopes for live racing in North Dakota and other items she felt pertinent to this report. (see ATTACHMENT A)

The floor was open to comments and questions. Members of the audience spoke about the positive aspects of the ND Horse Park and Heather Benson.

A motion was made by Commissioner Frederick and seconded by Commissioner Secret to approve the report provided by Horse Race North Dakota. All commissioners voted aye and hearing no negative vote, the motion was carried.

*** A second break was taken for lunch at this time. The meeting was resumed at 1:00 PM. ***

7. **Contract Accountant's report of the 2009 Chippewa Downs and ND Horse Park Race Meets**

Roger Thompson, contract accountant for the ND Racing Commission, reported his findings from the report that was submitted to the commission prior to the meeting.

A motion was made by Commissioner Secrest and seconded by Commissioner Frederick to approve the 2009 Chippewa Downs report. All commissioners voted aye and hearing no negative vote, the motion carried.

A motion was made by Commissioner Frederick and seconded by Commissioner Secrest to approve the 2009 ND Horse Park report. All commissioners voted aye and hearing no negative vote, the motion carried.

A motion was made by Commissioner Frederick and seconded by Commissioner Secrest to approve the 2009 Harness Race report. All commissioners voted aye and hearing no negative vote, the motion carried.

8. Live Race Date Requests for 2010

a. Outdoor Recreation Development Association

Chippewa Downs – Belcourt

A motion was made by Commissioner Frederick and seconded by Commissioner Secrest to approve the 2010 license application and requested race dates for June 11-12, 19-20 and 26-27 being held at Chippewa Downs, Belcourt. All commissioners voted aye and hearing no negative vote, the motion carried.

b. Horse Race North Dakota

ND Horse Park – Fargo

Director Satran reported that there is a deficit of \$155,447 accrued by Horse Race North Dakota for the 2009 racing season. A meeting with Horse Race ND board is necessary to determine where this money is going to come from to satisfy the debts. The Promotion Fund dollars are not available in this amount; therefore a plan must be put into place before the 2010 race dates can be set. There have been issues submitted to the ND Racing Commission office that indicate an overall and complete review needs to be made by the commission to make sure the rules and regulations are being followed and enforced. Director Satran has suggested that this part of the agenda be tabled until the next commission meeting so that all the necessary steps can be taken to satisfy the questions and financial issues that have been brought to the Racing Commission office.

Julie Cardwell, President of Horse Race ND, reported that the amount that they are requesting is approximately \$74,000, at this time, to pay the vendors. She also states that more participation and sponsorships need to be promoted to assist with the expenses incurred by running the harness races. Ms. Benson stated that they are expecting approximately \$70,000 in receivables that have not been received to-date.

A motion was made by Commissioner Secrest and seconded by Commissioner Frederick to approve to table this agenda item and further agenda items presented at this meeting in regards to Horse Race ND until the next commission meeting. The Commission has designated Director Satran to work with Horse Race ND in determining how the issues in this matter will be resolved successfully.

Heather Benson handed out additional documentation in reference to some of the issues pertaining to the comments made by Director Satran.

Commissioner Secrest commended Director Satran for taking charge of the racing commission office when there was no one else available. Director Satran has proven he has what it takes to manage this office with utmost character and integrity.

9. Possible Purse Fund Requests

The Administrative Staff Officer reported that the current balance is \$131,070 in the Purse Fund and an estimate of \$7,200 is added each month from account wagering.

a. ORDA

ORDA Board members, Wayne Slater & Blaine DeCoteau, requested \$115,500 for their 2010 purses. ORDA was awarded \$88,000 in the year 2009. Director Satran suggested that the commission award ORDA \$88,000 at this meeting and then in February 2010 ORDA can come before the commission to request the balance of the \$115,500. This will allow the racing office to have a better idea of the monthly income being generated by the wagering companies.

A motion was made by Commissioner Secrest and seconded by Commissioner Frederick to approve the \$88,000 from the Purse Fund to ORDA and revisit the balance needed by ORDA in February, 2010.

b. Horse Race North Dakota

This agenda item will be reviewed at the next commission meeting. Refer to Agenda Item #8b motion.

c. ND Grass Roots Stallion Stakes

The Administrative Staff Officer reported that no application was submitted to the Racing Commission .

d. ND Quarter Horse Racing Association

The Administrative Staff Officer reported that no application was submitted to the Racing Commission.

Additional Possible Purse Fund Requests made at this meeting:

Norman Glinz, President of the ND Harness Racing Association, asked the commission to consider purse money for the **Harness Meet** as well. He stated that he was willing to contribute to the advertising costs so that this racing entity could get more participants in the future.

Leigh Backhaus asked the commission to consider purse money for the thoroughbred association going by the name of **TOBA**, for the 2010 racing year.

A motion was made by Commissioner Secrest and seconded by Commissioner Frederick to table the additional Purse Fund requests. All commissioners voted aye and hearing no negative vote, the motion carried.

10. Possible Promotion Fund Requests

The Administrative Staff Officer reported that there is \$244,668 in the Promotion Fund and approximately \$5,200 monthly income from account wagering.

a. ORDA

- Track Improvements

Director Satran reported that he had visited with the track veterinarian on suggestions for improving the ORDA race track. Director Satran took these suggestions to the ORDA Board for their input. A list of these improvements and costs in the amount of \$21,500 was submitted to the commissioners prior to this meeting.

A motion was made by Commissioner Secrest and seconded by Commissioner Maragos to approve \$21,500 from the Promotion Fund to ORDA for track improvements. All commissioners voted aye and hearing no negative vote, the motion carried.

- Operation Funds

ORDA is requesting \$65,000 for operating costs for the 2010 horse race season.

A motion was made by Commissioner Secrest and seconded by Commissioner Frederick to approve \$65,000 from the Promotion Fund to ORDA for operating expenses. All commissioners voted aye and hearing no negative vote, the motion carried.

b. Horse Race North Dakota

This agenda item will be reviewed at the next commission meeting. Refer to Agenda Item #8b motion

The Administrative Staff Officer reported that no applications for funds were submitted by the following parties prior to this meeting:

c. ND Quarter Horse Racing Association

d. ND Thoroughbred Association

e. Personal Management Services Inc.

A motion was made by Commissioner Secret and seconded by Commissioner Frederick to table Promotion Fund requests from ND Quarter Horse Racing Association, ND Thoroughbred Association and Personal Management Services, Inc. until applications are received. All commissioners voted aye and hearing no negative vote, the motion carried.

11. Update on Worldwide Account Wagering

- David Bernsen

Director Satran introduced Mr. Bernsen with Global Wagering Group LLC and asked him to provide everyone with a brief explanation of what is involved in worldwide account wagering. Mr. Bernsen provided the commission with information on how his organization operates and estimated millions of dollars that could possibly be generated in North Dakota. Director Satran stated that Mr. Bernsen would be meeting with him at the Governor's office the next day to update them on the future of horse racing in North Dakota.

12. Approval of the 2010 ARCI Membership Dues – General Fund

- Due January 1, 2010 - \$5,000

Director Satran explained that this organization provides the ND Racing Commission with professional information, drafting of rules, etc. The NDRC has been a member in the past and the 2010 dues are \$5,000. This money can come from the Operating Fund.

A motion was made by Commissioner Secret and seconded by Commissioner Frederick to approve \$5,000 from the Operating Fund to pay for the 2010 ARCI membership dues. All commissioners voted aye and hearing no negative vote, the motion was carried.

13. ND Futurity – Condition Book

Director Satran reported that at the May 20th meeting the ND Horse Park condition book was brought before the commission to have the condition book changed to correct the number of Furlongs. The condition book did not get changed as requested by the Racing Commission, therefore horseman paid too much money to ND Horse Park. This item is being brought before the Commission again because there needs to be a decision made on what to do with the additional money. There were approximately 7 horseman that paid, totaling \$1200.

A motion was made by Commissioner Secret and seconded by Commissioner Maragos to table this issue along with the other agenda items being tabled for Horse Race ND until the next Racing Commission meeting. All commissioners voted aye and hearing no negative vote, the motion carried.

14. ND Horse Park Race Meet Deficit

This agenda item will be reviewed at the next commission meeting. Refer to Agenda Item #8b motion

15. ND Horsemen's Council Issues or Recommendations

Heather Benson asked the Commission to advise the Horsemen's Council of any issues or recommendations they need the Council to address. The commission did not have anything at this time.

16. Proposed Charity Application – ND Cowboy Hall of Fame

Director Satran stated that the ND Racing Commission does not have a process for selecting charities. ND Cowboy Hall of Fame submitted a letter to be put on a list for future consideration. Legal Counsel, Bill Peterson stated that charities should only be considered if they benefit live horse racing. Director Satran asked Attorney Peterson to assist the Racing Commission with setting up procedures and guidelines

necessary to determine what charities can be considered. Attorney Peterson stated that it isn't up to the commission to determine what charity contracts with a service provider.

A motion was made by Commissioner Secret and seconded by Commissioner Frederick to have the Racing Commission staff research and develop procedures for charity participation and present their findings at the next meeting. All commissioners voted aye and hearing no negative vote, the motion carried.

17. Any other business which may PROPERLY come before the commission

Scott Horst asked if there isn't going to be horse racing in Fargo, horseman need to know so they can plan ahead. Director Satran stated that a decision could not be made now because the Commission needs to determine how Horse Race ND is going to pay the debt for 2009.

Lance Hagen asked the Commission to consider scheduling regular meetings so that everyone is aware in advance. Chairman Ozburn stated he thought this was a good suggestion and the Commission would take it under advisement.

18. Adjournment

A motion was made by Commissioner Secret and seconded by Commissioner Maragos to approve the adjournment of the meeting at 4:00 pm. All commissioners voted aye and hearing no negative vote, the motion carried.

Heather J. Benson

15452 29th St SE
Casselton, ND 58012
218-831-1027

To Whom It May Concern:

I began my term as General Manager of the North Dakota Horse Park in March 2008 fully aware of the limited funding and potential lack of a long-term future for the track, but was excited to have the opportunity to attempt to change the "end of the story" for the racing in North Dakota. I brought with me to this position a passion for both horses and horse racing and the firm belief that horse racing was a great spectator sport that lacked only marketing and management drive to make it back to the elite of American entertainment venues. I feel that the accomplishments I have had in the past 19 months, including a 50% increase in handle and 250% increase in corporate sponsorships are a testament to the effort I have put forth in making live racing in North Dakota a successful endeavor. I have made what I felt were positive strides in horsemen's relations, including more than a dozen unanimous decisions by the formerly defunct and dysfunctional North Dakota Horsemen's Advisory Council since being appointed HRND's representative in February of 2009. I also have received positive support from legislators on both sides of aisle, including an invitation to the September 16, 2009 meeting of the Interim Judiciary Committee wherein the tone from the legislators was "how can we help", a significant change from the prevailing 2008 attitude of "we're tired of hearing from you, leave us alone". I am proud of these accomplishments and will treasure their place in my personal history.

I am also well aware of the fact that as General Manager, and indeed as a young and inexperienced manager, I have a great many areas in which growth and change are needed. I recognize that I have made mistakes in Condition Book issues, budgetary decision making and even small items such as timelines for returning of phone calls, but I am eager to take guidance offered to me by leadership from my board, the Racing Commission, the horsemen and the public in addressing these problems and resolving them. It is my firm belief that the only hope of survival that horse racing in North Dakota has is for each and every one of these groups to work together on making the future not only a possibility, but a bright one and I wish to be a part of that future.

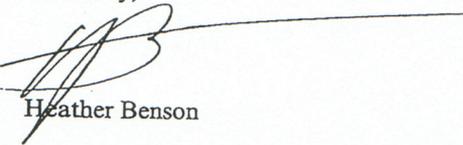
It was not until approximately week ago that I was apprised of the fact that the November 3 North Dakota Racing Commission meeting was not to be a meeting to discuss the mutual solutions of forward progress for the NDRC and HRND, but instead a trial at which I was expected to defend my every action as General Manager of the North Dakota Horse Park in 2009.

Over the past 10 months, primarily since the 2009 legislative session, I feel I have been the subject of greatly increased scrutiny by the members of the North Dakota Racing Commission, in particular Mr. Winston Satran. I have managed to take the criticisms in stride; believing that the intent and purpose behind each of my actions to be an attempt at doing the right thing for racing in North Dakota and taking what guidance I was given to heart and making the best improvements within my capability. I have found my actions attacked on every front; from my support of amendment made to the Commission's HB 1551 to the policies and procedures surrounding 2009 racing officials and condition books to the public relations with harness horsemen during the 2009 race meet. I have answered the Commission's requests, made changes as notified and sought guidance in pertinent situations. I have attempted in every way to comply with what has been asked of me over the past ten months, however, it would seem that these actions are not enough. Thus, I have come to a position wherein I feel that I am unable to make any "right moves" in the eyes of Mr. Satran or the Commission under his guidance and feel that I have run out of the mental resources with which to address these issues further.

Thus, on October 8, 2009, I attended the Executive Board meeting of Horse Race North Dakota with the full intent submit them a letter informing them of my personal decision to not renew my employment contract for 2010. The bleak financial future for horse racing in North Dakota, coupled with several months of difficult interactions with members of the North Dakota Racing Commission and the Horse Park's ADW partners, had led me to the decision that renewing my contract beyond January 31, 2010 would perhaps not be the best decision for myself, my family or my future.

The meeting of the Executive Board of Horse Race North Dakota caused me to take a pause in my plans. The amazingly staunch support of my board members, coupled with months of enthusiastic support by many North Dakota horsemen and legislators led me to not yet submit that letter. Therefore, I humbly ask the guidance of the Racing Commission members, the Executive Board of Horse Race North Dakota and the horsemen of North Dakota on all matters related to my performance as General Manager and would like to reaffirm my enthusiasm and willingness to do anything necessary to make live horse racing in North Dakota the stunning success that it deserves to be.

Sincerely,



Heather Benson