

**IKF BOARD OF DIRECTORS
PHONE BOARD MEETING MINUTES
WEDNESDAY, AUGUST 16, 2006**

The IKF Board of Directors met via telephone conference on Wednesday, August 16, 2006, at 5PM (PST). The Meeting was called to order by President Lehmann. Present at roll call were Directors Mr. Jim McMillan, Mr. Jack Hoegerl, Mrs. Debbie Kuntze, Mr. John Motley, Mr. Jack Lehmann, Mr. Bill Hilger, Director Mr. Tye Smith, Director Mr. Wayne Brown, Mr. John Pence and IKF Office Manager, Pat Eldridge.

2006 2 Cycle Sprint Grand National

Brown opened discussion on the air box non-DQ at the event. The rule in Section 603.1.4 had been amended; you cannot tape or put decals on the air box. Motley states that it was a decision that he made and knew it was going to be controversial. States that he and Brown were in agreement. The rule says stickers, it is plural. Section 102.1.1 talks about “strained or tortured interpretation” of the rules. States that he felt that to disqualify a participant for one small advertising sticker on the box was wrong. Wrong because it was a single sticker not stickers, it did not violate the spirit and intent of the rule, the reason the stickers were mentioned was because they had participants that were covering their entire air box with stickers, and it would have required a “strained or tortured interpretation” of the rules for a DQ. Lehmann reads Section 603.1.4. McMillan states that they have been through this numerous times because there was a problem in Region 7; the rule has been changed a number of times to be exactly what they wanted it to be. Brown states that the intent of the rule is to keep people from insulating the air box. Lehmann agrees. McMillan and Brown ask why didn't they say that? Intent of the rule is not to insulate the air box. The participant had approximately a 3-1/2 x 2-1/2 sticker on the air box. Brown again states that the intent of the rule is to keep the air box from being insulated. The sticker had nothing to do with the intent and the purpose that the rule is written. States that basically the Rulebook is written for safety, procedure and legality. When they looked at this, it did not apply to the rule at all. Section 100 covers the “spirit and intent” of the rule. Brown and Motley agreed to not DQ the participant. Lehmann states that the rule was written for the specific reason that the stickers were not to cover the entire air box.

Brown discusses intent and not trying to beat the rule. Fair to use the rule but make sure what the intent of the rule is. Pence supports Brown with statement that there was a problem in Region 11 a few years ago with a karter who used aluminized stickers and they were outlawed. Pence agrees with Brown. Brown suggests that a statement be made at the driver's meeting that, if you think you have a sticker on there and it may violate the intent of the rule, go see the tech inspection/person in charge and they will make a ruling on it. Brown questions why no one had the courtesy to tell the competitor about the rule. Brown states that this type of sportsmanship really upsets him. States that he will continue to preach that we do not need this kind of racing. Brown states that he was chastised because of the ruling they made but felt that they were completely within the Rulebook. They had the power to make the ruling under Section 102.1.3. Brown states that he felt threatened. Brown states in Section 507 there are no protests for non-performance items and Section 102 Director has final decision and there is no litigation.

Motley states that the rules need to specify the intent of the rule.

Discussion by Board regarding the Veloz protest. Brown states that he spoke with Mr. Veloz yesterday. This was the only protest at the 2 Cycle Sprint Grand National. His son has had a problem in the last year or so with another competitor. Mr. Veloz is really concerned about this and wrote the protest. Brown feels that he has a valid reason for being concerned. His intention now is to contact the other competitor and get his side of the story. States that this situation needs to be worked out by the competitors. McMillan states that the attitude of the competitor at another recent IKF Grand National was terrible. Lehmann concurs. Discussion by Board. Concerning the availability of the protest form for Veloz, Motley states that he did not have his briefcase with the forms. Motley states that the event host had a big problem with the competitors group at the conclusion of the 2 Cycle Sprint Grand National Sunday night.

Discussion by Board regarding this incident. Brown stated a black flag was given to the driver in question. Brown asked Mr. Veloz to continue to make notes of incidents and let the Board know. Action will need to be taken if this continues. Statement by McMillan regarding another incident at recent Grand National by same competitor. Board states that there is a pattern here and the Board is going to have to take action. Board agrees for Brown to contact competitor. Hilger suggests meeting at the track with both competitors for resolution. Pence states that he was told by the regional coordinator that this has been escalating between them all season. Coordinator talked to Race Director and principles in the area and says that most of the support staff in the area will completely support putting the competitor on probation. Discussion by Board. Board agrees to discuss this matter at September Board Meeting. Board agrees that competitor should be put on probation based on behavior at the 2 Cycle Sprint and 4 Cycle Sprint Grand Nationals. The IKF Office will notify him of possible probation and that he can meet with the Board at the September Board Meeting.

Matta Probation

This matter was brought up at the 2 Cycle Sprint Grand National. Brown states that in Section 114.1.1 it states: All participants shall conduct themselves in an orderly manner. Physical violence, or threat of physical violence, to any individual (official, driver, crew member, interested bystander, or other) at any IKF event will subject the offender to immediate ejection from the event site, and possible probation or suspension of membership by action of the IKF Board of Directors. Brown states that Mr. Matta was not immediately ejected. Asks why Mr. Matta was not immediately ejected if it was thought that the offense was so serious that he needed to be immediately suspended? Kuntze states that the race director was at fault for not ejecting Mr. Matta.

Motley states that he contacted the race director and was told by the race director that he was on his way over to take care of it but was told by the regional coordinator that he was taking care of it. Brown states that when somebody hits somebody, they should be immediately ejected from the event with **possible** probation or suspension of membership by action of the IKF Board of Directors. It is not an immediate suspension offense. Brown states that it is their option at the time, based on facts, what they want to do - he

can be placed on probation. Apparently it is an assumption by many that if you hit somebody, you are automatically suspended. McMillan states that it should be an assumption. Lehmann and Brown clarify that is not what the Rulebook says. McMillan states that historically, the Board has had a zero tolerance for this and feels that they should. Brown states that the Board has the option of probation or suspension and they are going by the Rulebook. This matter will be resolved in September.

IKF 50th Anniversary

Brown to work on IKF 50th Anniversary decal and report to Board.

RFP

Motley brings the Board up to date on the progress of the RFP. He has the contracts from the law firm to sign. Discusses with Board the expense of reviewing and preparation of the RFP. Lehmann states that it is getting late in season. Motley states that the choices at this time are to do nothing, approve the contract with the law firm, delay another year or go without a RFP. Lehmann states that it should ride for another year. Kuntze asks if they should wait on getting the RFP done. Brown states that they need to have it done one way or the other; Kuntze agrees. Brown states that it will not be cheaper to wait another year to get it done. Kuntze agrees. Lehmann states to have it done but starting in the following year. Pence agrees with Lehmann but thinks that they need to put the RFP out now for the 2008 series. That would give the tire companies enough time to look at it, get it back in time for review by the Board, and award them. Timetable discussion by Board and understanding that the RFP is for the 2008 series. Brown asks for Motley's opinion. Motley does not share the opinion that it cannot be done at this time; thinks that the RFP needs to be done. Motley does not think that the timing is much of an issue because nobody is going to invent a tire for this; everybody has got the tire that they are going to submit. Lehmann states that big companies have to have their orders in now for next year. Pence states that the tire for 2007 needs to be in the 2007 Rulebook, which will be set at the September Board Meeting. Hilger states that the issue right now is whether or not they are going to pay for the RFP and get that going first. Brown states that they are going to do that. Motley states that there are two issues here, he does not agree with time frame issue but agrees that they need to move ahead on the RFP. Lehmann has no problem with that. Motley states that they need to make a Motion. Motley states that, upon approval, Lehmann will need to sign the Contract. Discussion by Board.

Motion by Brown re: Approve Contract with law firm for review and creation of the RFP. Second by Pence.

In Favor: Brown, Hilger, Kuntze, Motley, Pence

Opposed: Hoegerl, McMillan

Absent: Smith

Passed

Shifter Matters

Motley states that the Board will recall a discussion that they had about the 125 spec class. Much discussion about what cylinders were going to be approved for that class. Ultimately, against his personal opinion, they approved a local option class with a 99 cylinder only, which is what comes with the Honda kit engine. Brown states that it is the

local option class that NCK wanted. Motley says it is the set of rules that they came up with. There is now an issue – if you go today to buy a 99 kit engine or a 99 cylinder from Honda, which has had very sporadic availability all year, they have been mainly back ordered most of the year. So they approved a class that has been hard to get the legal cylinder. Now all of the back orders from Honda have been filled. Everything is ok until you open the box. They are 97 cylinders. From Honda's perspective, there is absolutely no problem because it fits and it works. It is just different porting inside. Hoegerl asks if the 97 and 99 are years; reply is yes. Motley states that they have a class for which they cannot buy any parts. He has received many phone calls on this and this is a huge problem. Different approaches have been voiced to him about what they are going to do about it. Fact is there is a printed rule that says what it is to be. Motley says that you cannot tell from the outside if it is a 97 or 99 cylinder. States that it is no problem at the Shifter National because they are running the ProKart/SKUSA set of rules, in which you can use a multiple year cylinder. Kuntze states that the problem is in Road Race. Motley states that it is a problem any place that they are using spec rules with 99's only. Kuntze states NCK. McMillan states that it is not a problem in his area; all teched karts at his recent race had 99 cylinders. Motley states that it is still a potential problem. Lehmann states that he has ten new ones – they are all 97's. Hoegerl asks why 97's are available and 99's aren't available? Brown states that is what Honda wants to sell. Motley says someone at Honda made that decision. States this is one of the problems we have in running a class for which we have no relationship with the manufacturer. Lehmann states that they were going 2-3 months without being able to get any cylinders. Hoegerl asks if they will eventually be out of 97's and 99's. Motley believes that to be true. Motley states the problem is, if you allow 97 cylinders in, there is absolutely no data to determine if 97's are faster, slower or the same as the 99's. Motley is not bringing this up now for action but wants the Board to be aware of this. If you run the ProKart/SKUSA formula, where they have been running through multiple years cylinders, they have had a very successful program with that and there is parity. Lehmann states that NCK and Region 6 pushed for it and it will have to go like the SKUSA program in Southern California. Motley states to him it makes the most sense because they know it works. Lehmann thinks they should stick with the one pipe. Motley does not care what they do on the pipe as long as the basic engine will meet all the requirements. Brown states that they cannot do anything about it this year as it has already been approved but will need to bring that point up next year. Lehmann states that it will be brought up at the September Board Meeting. Motley states that he has been approached by the Northern California people to do something about it now. Discussion by Board as to whether they can do anything right now. McMillan states that they do not have the facts to make a decision right now. Kuntze states that NCK was adamant about running with the 99 cylinder only; states that they told them to run it the ProKart/SKUSA way. Motley states that he brought it up so the Board would know what the issue was. Pence states that the rule says just 99 cylinder but Honda is selling whatever this cylinder is as a 99 cylinder. Lehmann agrees with Pence. Pence states that they have not written a port height or dimension specs so they have not put themselves in a box saying that the cylinder is illegal as long as it has the right part number on it. Let them run, let us get the data for the rest of the year and we will find out.

Thoughts are that it should be slower because the transfer ports are smaller. Motley says that once you take the cylinder off, you know it's different. Pence agrees. Motley states that only the Region 6 and Region 11 Road Race are involved. Motley again states that he brought this up so the Board is aware of it and do something about it if issues come up. Brown states that if it has the right part number and you have no specs, you cannot say that it is illegal. Lehmann clarifies that the box has the right part number on it, the cylinder does not. Pence asks if they stamp the part number on the cylinder. Motley states that the cylinders are visually identical until you turn them upside down. Clarified that the cylinders do not have part numbers on them. Brown agrees with Motley. Motley states that the Board should have a commonality of opinion on this. Lehmann states that they should let this ride for now and Motley to bring this up at the September Board Meeting.

Brief discussion by the Board regarding the 2006 Road Race Grand National Story for Karter News.

CIK Issues

Motley believes that he misspoke previously about the new for 2006 CIK rear crash protection. They are interchangeable with a steel bumper but they do not bolt to the existing steel bumper. The conclusion is the same, the importer of the kart can either specify whether he wants the crash protection or bumper. He cannot imagine an importer specifying those bumpers as their standard import. They are expensive. Clarifies that it was not a case of unbolting the plastics but you would actually have to put a new bumper in it.

Motley states that they have talked about what will be the new CIK engines. CIK has a whole new engine program coming for 2007. They are going to have a homologated junior exhaust on the JICA; everyone will be using the same exhaust. They are not going to have the oil pump in there but they are going to limit you to 3.4 ounces of oil per gallon. Motley states that JICA is run as a local option class in Region 7. Motley states that they will have the three RPM limiters: 16,000 RPM, 15,000 RPM, and 14,000 RPM, depending on the class. There will only be one engine per manufacturer and the basic engine must be suitable for the Junior, ICA or Formula A. They will start seeing these. The engines must all have cast iron liners. Have to be reborable. All to reduce the cost of running the engines. Hoegerl asks and Motley clarifies that this is for year 2007. Motley states that, as far as he knows, Stars is going to allow the current engines to run one more year to see how it works out for the CIK. The CIK is going to allow, after one year, a re-homologation of minor parts in case they run into issues because it is such a radical change from what they have had. They are all electric starts and liquid cooled.

K & N

Motley states that he was hoping to have revised Contract from K & N for meeting. K & N is proposing the Contract to run from 2007-2008-2009. McMillan states that he thought they had been invoiced already. Motley states that he will update Board after he speaks with K & N. Hoegerl asks about air boxes provided for Grand National events – Motley states that this provision is still in the Contract. Board discusses provisions of the

Contract. Upon receipt, Motley is to forward the Contract to President Lehmann and the IKF Office.

2006 & 2007 Grand National Matters

Discussion by Board regarding financial matters related to the 2006 Grand Nationals.

Board to be updated on financials for the events.

Discussion by Board regarding 2007 Grand Nationals. Further discussion and decisions to be made at the September Board Meeting.

Board discusses the combination of the 2 and 4 Cycle Speedway Grand Nationals in the future.

2007 Director Appointment

Brown asks when the 2007 Director will be appointed by the Board. Hilger states that the appointment must be done at the January 2007 Board Meeting. Board agrees.

2007 IKF Rulebook Advertisers

Hoegerl asks Board to contact advertisers they are familiar with to advertise in the 2007 IKF Rulebook.

Motion to adjourn by Kuntze.

Second by Pence.

Meeting adjourned at 6:45 PM.