

NCHA EXECUTIVE COMMITTEE MEETING MINUTES
APRIL 18-20, 2022
NCHA OFFICE – FORT WORTH, TX

A meeting of the Executive Committee of the National Cutting Horse Association was held Monday through Wednesday, April 18-20, 2022 beginning 9:00AM on Monday and 8:00AM each day after. All times are based on central standard time.

All Executive Committee members were present each day: President Ora Diehl, President-Elect Ted Sokol, Vice President Toddy Pitard, Kristen York, Rock Hedlund, Kirby Smith, Byron Green, Sharon Overstreet, Tommy Williams, Skip Jones, Matt Miller, Ernie Beutenmiller, Casey Green and Tatum Rice. NCHA Executive Director Jay Winborn, NCHA Treasurer Denise Seiz, Director of Shows Shianne Megel, Director of Membership Julie Davis, Stallion Foal/Circuit Program Manager Allison Walker and Cathy Marie Aleff were also in attendance for this meeting. NCHA Legal Counsel Jim Morris was also present for a portion of the meeting.

MONDAY – APRIL 18, 2022

The Executive Committee meeting was called to order at 8:57AM and roll call was taken.

President Ora Diehl welcomed the members of the Executive Committee and opened with prayer. Message and prayer emphasized positive relationships and through peers and work with a reading from James 1:15.

Immediately following, At Large Member Ernie Beutenmiller addressed the Executive Committee by reciting the NCHA mission statement.

Mission Statement

The National Cutting Horse Association promotes and celebrates the cutting horse, whose origin on Western ranches allows us to support ranching and its Western heritage. By establishing rules for the conduct of cutting horse shows, NCHA strives to give cutters a level playing field and a progressive class structure which accommodates everyone from the beginner to the advanced competitor. NCHA draws on the diverse talents and background of its members and encourages their participation in helping it achieve these goals.

APPROVAL OF MINUTES

A **MOTION** was made by Ernie Beutenmiller and **SECONDED** by Byron Green to approve the minutes from the March 17, 2022 Executive Committee call. **MOTION PASSED.**

The Executive Committee made the decision to omit the March 25, 2022 call minutes as the entire meeting was held in executive session.

PRESIDENT REPORT – ORA DIEHL

President Ora Diehl addressed the members of the Executive Committee with an update for the upcoming convention. Past Presidents have recommended the return of the Hall of Fame Gala

with emphasis this year only on the Members Hall of Fame, all other categories would continue to be recognized at a ceremony during the Futurity. Members Hall of Fame inductees for 2022 will be joined by the class of 2020 and 2021 at this Gala for full recognition of this highest honor award. In addition to the convention schedule, there will also be a Past President's Seminar for all members attending to be able to ask questions under a recorded session for historical preservation. At the Gala, there will also be a couple more awards to recognize by the President.

A recommendation from the Executive Committee was to provide the Directors with their expectations on attendance and to consider recording some of the meetings to be able to playback for any unable to attend.

Also, please watch for a membership email forthcoming with regards to the AED/CPR Training program with information. There is an effort to raise the funds needed to provide these units for our affiliates.

EXECUTIVE DIRECTOR REPORT – JAY WINBORN

Executive Director Jay Winborn addressed the Executive Committee by first acknowledging the accounting department for a record job in getting the finalist checks out during and immediately following the Super Stakes.

Jay updated the Executive Committee on a recent meeting with Will Rogers facility to address the requests for maintenance changes and upgrades for our members. Jay also highlighted some changes to the MERP program that could potentially be an advantage to the NCHA.

Jay provided an update to the EC on some personnel changes with the transition of Allison Walker from contract to a full-time employee as the Stallion Foal Program is modified and announced two new hires in Charly Petrek as Manager of Shows and a Manager of Marketing, Anna Laurent to join that team. Additionally, there are some changes coming in the Youth department as Director of Youth Mike Simmons recently tendered his resignation. Jay will be providing an update on how that vacancy will be addressed in the days to come.

TASK FORCE UPDATES

President Ora Diehl welcomed each of the EC task forces subcommittees to provide a report of their updates.

Amateur Task Force – Kristen York reported that the task force has been combining their efforts to educate our members on showing in the unlimited amateur class and offer assistance to our affiliates on how to run concurrently with other classes.

Non Pro Task Force – Sharon Overstreet reported that the Non Pro Task Force Subcommittee was working diligently to find a solution on how to increase entries with emphasis on the weekend shows. Efforts stalled a little during the Super Stakes but anxious to dive back in. A survey is under construction so that the subcommittee can report by

convention.

Stallion/Foal Task Force – **Rock Hedlund** stated that this task force is concentrating on the stallion and foal subscription fees. Allison Walker from the office has been assisting this task force from the office in providing the necessary data to evaluate this information and develop their recommendations. Goal is to develop a plan to capture the loss of foal subscriptions and stallions that have dropped out of the program and have something to report at convention.

Small Futurity – **Rock Hedlund** described that this committee is operating in a hold pattern to see what the NCHA does with entries for the upcoming Futurity and how it will be levelled.

GOVERNANCE COMMITTEE UPDATES – SKIP JONES/SHARON BEACH

1. Training

- a. Reviewed by Sharon Beach at April EC meeting. Sharon will continue to represent the GC on the Training Team.
- b. The GC will continue to monitor feedback and support the Training Team as needed.

The Executive Committee welcomed Vice Chair of the Governance Committee Sharon Beach to provide an in-depth update to the training efforts being developed for the annual meetings in June. Sharon alluded to the fact that there are pamphlets being updated and prepared for handouts with approved guidelines and tips to be more effective Directors and Standing Committee Chairs and Vice Chairs while serving for the National Cutting Horse Association.

Sharon elaborated on the 30-minute training that is being prepared for the convention and mentioned that it would be a positive movement to hold each Director accountable for attending and acknowledging consent of this information.

Sharon has tasked the Regional Directors on the Executive Committee to forward any information on outstanding Area Directors in their region so that we can get some testimonies on what they do for the association and how they communicate with the local members in their areas.

As for the standing committee chair, vice chair and member training, we will duplicate the training process and hold another 30-minute training session at the beginning of the convention prior to meetings kicking off for some guidance and tips to help conduct those meetings in a more productive manner. All members are welcome to attend this training.

After the training sessions occur at the convention, all will be evaluated for further implementation.

The Executive Committee confirmed that this training is a work in progress and will be presented at the upcoming Convention for the Board of Directors and Standing Committee Chairs/Vice Chairs/Members.

2. VP nomination process

- a. The GC continues to stand by their previous position in that the President (and VP) should come from directly from the EC. The GC will continue to develop ideas to improve the process of recruiting officers and developing them to serve as officers. This will be a subject of discussion at our Convention committee meeting.

This information was provided to the Executive Committee as informational purposes only during discussions.

3. Recommend clarification to the situation where an elected director becomes President and cannot vote as a director. When does that change happen – when taking office?

- a. Tabled for future consideration at or after the Convention.

The Executive Committee has made the decision to TABLE this recommendation as presented by the Governance Committee.

4. EC requested that the GC review Districts and Region sizes and form recommendation on changes.

- a. Pertains to Bylaw Article V (b) and (c).
- b. Request comes in light of potential discontinuation of AL positions to make sure good and current member population distribution around the country is represented accurately.
- c. Districts are already evaluated annually in accordance with the Director representation.
- d. However, for Regions, GC recommends that they be re-evaluated, and Jay and staff empowered to assemble the data and recommend changes. GC recommends that rulebook/bylaws be amended to require this be done at least every 5 years, starting asap.

The Executive Committee has made the decision to take NO ACTION on this recommendation with regards to evaluating the district areas as this is an operational study for equal number of members and any changes are recommended by the President and brought to a vote of majority by the members during an annual meeting.

5. Bylaw recommendations

- a. Following pages detail four (4) bylaw recommendations by the GC that Jim Morris has reviewed and provided verbiage for.

6. Monitor EC, directors, and members feedback to the tabled bylaw change regarding quorums and provide input for any changes to the proposal.

- a. Current pertaining to Members Meetings
 - i. Called by President, majority of BOD, or 10% of members. Those members present constitute a quorum and majority of votes prevails.
- b. Current pertaining to BOD Meetings

- i. Special called by President or 30% of BOD. Quorum requires at least 40% of seated BOD and majority of those votes prevails.
- c. Previously recommended by GC
 - i. Ten percent (10%) of the members of fifty percent (50%) of the regions are required to call a special membership meeting to reverse or modify EC or BOD rule changes for the year following the rule's original adoption; or to adopt, modify, or repeal Rules, Bylaws, or Articles.
 - ii. Twenty percent (20%) of members of fifty percent (50%) of the regions are required for a quorum of a special membership meeting and required to call a vote. Decisions are approved by a simple majority.

The Executive Committee has made the decision to take NO ACTION on this recommendation with regards to a proposed change in quorums needed to call a special meeting for the association.

Per Jim Morris

Article III - MEMBERS

a. Existing Section

Section Two. Special meetings of the members may be held whenever called in writing by direction of the President or by a majority of the Board of Directors, or by the written direction of not less than ten percent of the members in good standing. Said notice shall state the date, time, place and purpose of said meeting and shall be given not less than ten days nor more than fifty days prior to the date of said meeting. Only such business as is set forth in the written notice of said special meeting shall be transacted at said meeting.

b. Proposed Revisions

Section Two. Special meetings of the members may be held whenever called in writing by direction of the President or by a majority of the Board of Directors, or by the written direction of not less than ten percent of the members in good standing. *However, the following additional requirements apply in order to call a special membership meeting in which membership will consider a vote to reverse, affirm, amend or modify a change to NCHA Rules, Bylaws or Articles made by the Board of Directors or the Executive Committee in the year preceding such meeting: (i) the meeting must be called at the written direction of not less than ten percent of the total NCHA members in good standing; and (ii) the members calling the meeting must be comprised of at least ten percent (per region) from fifty percent of the NCHA regions. Further, in connection with such meetings, twenty percent of the total NCHA members in good standing of fifty percent of the regions, are required for a quorum and decisions at such meeting must be approved by a simple majority of that quorum.* Said notice shall state the date, time, place and purpose of said meeting and shall be given not less than ten days nor more than fifty days prior to the date of said meeting. Only such business as is set forth in the written notice of said special meeting shall be transacted at said meeting.

7. Study the benefits and/or disadvantages of discontinuing the At Large Directors positions with the GC to review and make our recommendation.

- a. Recommended at Oct, 2021 EC meeting to discontinue At Large positions and let them "term out" to wind down. GC reaffirmed that this is our recommendation at our March committee meeting.
- b. In any event, the 2022 AL position must be filled as required by the Bylaws.

A **MOTION** was made by Toddy Pitard and **SECONDED** by Kirby Smith to adopt this recommendation of discontinuing the At Large positions on the Executive Committee and taking it to the Convention for an overall vote of the Board of Directors. **MOTION PASSED by majority with two (2) opposed and one (1) abstained.**

8. Recommend clarification to Article 5, section 1 of the bylaws determining if the term limits as outlined apply if an EC member is elected Vice President after serving a full 2 terms.

- a. A strict interpretation of current verbiage could mean that after an EC member serves into their 2nd term, they could not become VP.
- b. Should the GC recommend changing this to clarify that the VP, President-Elect, and President's term should extend their EC term if necessary? GC recommends that this should be sent to Jim Morris, attorney, to clarify that any EC term should be extended if needed for an incoming officer.

Per Jim Morris

Article V – EXECUTIVE COMMITTEE

Section One. There shall be an Executive Committee composed of the President, the President-Elect, the Vice President and such Regional Directors as described herein and at-large members as described herein as shall be elected from among the Directors and the Life Directors. The President, President-Elect and Vice President shall each serve on the Executive Committee during their respective terms of office.

(a) Beginning with the June 1998 meeting of the Board of Directors, the Association shall phase in a revised system for the election of the Executive Committee which shall endeavor to promote diverse geographical representation on the Executive Committee. At that time, the Association shall establish eight geographically based Regions of approximately equal membership, from which certain members of the Executive Committee shall be elected. The revised Executive Committee Election process incorporating regional representation shall be phased in over a three-year period. At the completion of such phase-in period, the Executive Committee shall thenceforth consist of fourteen members and shall be composed as follows:

- (i) eight Regional Directors consisting of one Regional Director from each Region, each of whom shall have been nominated and elected by the Directors residing in such region from among the eligible Directors and Life Directors residing in such Region;
- (ii) three executive officers, consisting of the President, President-Elect and Vice President; and
- (iii) all at large members elected to serve on the Executive Committee at or prior to the June 2022 Convention shall serve out the remainder of their existing three year terms. No at large members shall be elected to the Executive Committee after the June 2022 Convention. three at-large members, each of whom shall have been nominated and elected by the entire Board of Directors from among the Directors and Life Directors. No at-large members will serve on the Executive Committee after June 2025.

(b) The Association shall establish eight geographically based Regions of approximately equal Association membership, from which the Regional Directors shall be elected. The eight Regions initially so established shall be as follows:

Region I: Washington, Alaska, Colorado, Montana, Oregon, Idaho, Utah, Wyoming, Western Canada, Central Canada.

Region II: California, Hawaii, Arizona, Nevada.

Region III: North Dakota, South Dakota, Nebraska, Kansas, Minnesota, Wisconsin, Iowa, Missouri, Illinois.

Region IV: Michigan, Ohio, Indiana, Kentucky, Delaware, Maryland, Virginia, West Virginia, Maine, Connecticut, New Jersey, Pennsylvania, Rhode Island, Vermont, New York, Eastern Canada, Massachusetts, New Hampshire, District of Columbia, Europe. Region V: Georgia, Florida, Tennessee, Alabama, South Carolina, North Carolina.

Region VI: East Texas, Louisiana, Mississippi, Arkansas.

Region VII: West Texas, South Texas, New Mexico.

Region VIII: North Texas, Oklahoma.

(c) If the above listed Regions shall cease to contain approximately equal numbers of Association membership, appropriate adjustments may be made upon the recommendation of the President and the approval of a majority of the members of the Association at an annual or special meeting of members pursuant to Article III hereof. In the event that such adjustment shall become necessary, every effort shall be made to retain the basic geographical structure of the initial Regions. In addition, any Director District composed of a foreign country (other than Canada) may be assigned to any of the above Regions as deemed appropriate, by and upon the recommendation of the President, with the approval of the Executive Committee.

(d) Because of the staggered terms of membership on the Executive Committee, the election system shall work as follows:

(i) Commencing with the June 2003 annual meeting of the Board of Directors and thereafter, all [at-large members](#) and Regional Directors shall rotate off the Executive Committee as their respective three-year terms shall expire. Upon the expiration of their respective terms, [each at-large member shall be replaced by an at-large member](#), and each Regional Director shall be replaced by a Regional Director elected from that same Region. Each [at-large member](#) and [each](#) Regional Director so elected shall receive a three-year term.

(ii) At each annual meeting of the Board of Directors thereafter, the Board of Directors shall elect as many members of the Executive Committee as shall be necessary to fill the expiring terms.

(e) Except as otherwise provided herein, all [at-large members](#) and Regional Directors who are elected to the Executive Committee shall serve on the Executive Committee for staggered three-year terms. [Elections to fill all ordinary vacancies of at-large members of the Executive Committee shall be by the Directors and the Life Directors and shall be held at the annual meeting of Directors.](#)

(i) [Nominees for all at-large members must complete an At-Large Nominee application form and return the completed form to the Executive Director by March 1 in order to be eligible for the At- Large Election. A digital picture should accompany the application for website posting, if possible. Distribution to Directors of the completed applicant form should take place by April 15 either by posting on the NCHA website or by email to the Directors. Voting for the at-large members at the annual meeting of Directors will be by show of hands or written ballot as determined by the President. Those nominees receiving the highest number of votes from the Directors and the Life Directors shall become the new at-large members of the Executive Committee.](#)

(ii) [Nominees for all Regional Directors shall complete a Regional Director application form and return the completed form to the Executive Director 90 days before the Regional Director Election in order for the Nominee to be eligible for the Regional Director Election. Nominee forms should be distributed to specific region directors 60 days ahead of Regional Director Election. Nominations from the group of candidates qualified for the Regional Director Election shall be taken from the floor of certain special regional nominating committee meetings \(held during the annual meeting of the Directors\) by the Directors and the Life Directors of any Region with respect to which a vacancy shall exist in a Regional Director position. Such special regional nominating committee meetings shall be conducted and supervised by the officers of the Association. Voting shall be by show of hands, or, upon the request of any Director or Life Director from such Region, by written ballot. The nominee receiving the highest number of votes from the Directors and Life Directors resident in such Region shall become such Region's Regional Director and shall serve as a member of the Executive Committee.](#)

(iii) [During their term of service, any member of the Executive Committee who misses two consecutive meetings of the Executive Committee shall be immediately terminated as a member of the Executive Committee unless the Executive Committee member has been granted an excused absence with respect to any such meeting by the President. The President may grant excused absences for illness or other emergency or other good cause, as determined in the President's sole discretion. In no event may a person be elected to serve as a member of the Executive Committee for more than two consecutive three-year terms, or for more than eight consecutive years. However, this section does not prevent a member from serving past the eight consecutive year mark if such additional years of service are to serve as an elected officer of the Association.](#)

Section Two. Any Executive Committee member who was elected to the Executive Committee as a Regional Director [or an at-large member](#) and who is then elected to the office of President, President-Elect or Vice President of the Association shall, upon assuming such office, be deemed to have vacated their Executive Committee position as a Regional Director or at-large member. The unexpired term of the vacated Executive Committee position shall be filled pursuant to an election conducted in accordance with Section One (e) of this Article V.

The Executive Committee approves the language prepared and presented by our NCHA Legal Counsel Jim Morris for consideration at the annual meeting.

9. Review the VP nomination and election process and make recommendations.

- a. Regarding the current process, time for Nominating Committee to find recruits is too short and time for subsequent election is too long. Bylaws should be updated to reflect more time for the search and less time for campaigning for the election. GC recommends that one month be added to the NC search time and one month be taken out of the VP campaign time.

Per Jim Morris

Article VI – OFFICERS AND DUTIES

Section One. There shall be three elected officers of the Association: The President, President-Elect, and Vice President. Such officers shall be elected as follows:

(a) Prior to each annual meeting of the members, a Nominating Committee consisting of eight members shall be appointed by the Executive Committee for purposes of electing a Vice President. Four members of the nominating committee shall be from the Executive Committee. Four members of the Nominating Committee shall be from the Board of Directors, each of whom shall be from a different director district, and no more than two of whom may be from the same region. The Nominating Committee shall elect a chair for among its members. The Nominating Committee shall meet **at least 120 days** prior to each annual meeting of the members of the Association and shall nominate two candidates **at least 60 days prior to each annual meeting** for the office of Vice President. The candidates nominated for the office of Vice President must have been a member in good standing continuously, without suspension or probation, for a period of seven 7 years prior to nomination. The candidates must have completed three 3 years of continuous service as a director of the Association on or before the date of assuming the office of Vice President or have served as a member of a Standing Committee for three 3 continuous years within 10 years of nomination. In determining the nominees for the office of Vice President the Nominating Committee shall solicit recommendations from the Board of Directors. The Vice President shall be elected to a one-year term.

A **MOTION** was made by Kristen York and **SECONDED** by Ted Sokol to adopt this recommendation of allowing more time to research candidates and less time for the actual election by approving the language prepared and presented by NCHA Legal Counsel Jim Morris for consideration at the annual meeting. **MOTION PASSED.**

CATTLE

After discussions about the increase in cattle costs for our affiliates, a **MOTION** was made by Rock Hedlund and **SECONDED** by Ernie Beutenmiller to give the Executive Director and/or the Director of Shows the authority to approve cattle surcharges proposed for approved shows with our affiliates if it fell within the 30 day written rule as determined on a case by case basis.

MOTION PASSED.

FINANCIAL REPORT – DENISE SEIZ

NCHA Treasurer Denise Seiz addressed the Executive Committee with the current state of the February financials for the association and also provided the January summary as well. Denise reiterated what Jay mentioned and praised the accounting department on their efforts in addition to the IT department on getting the payouts out so quickly for the Super Stakes.

February Financials

National Cutting Horse Association
Finance Commentary
February 2022

Statement of Position

The Association ended the month with total assets of \$22.9 million which represents an increase of around \$2 million from the previous month. Below is a summary of what constitutes this increase:

Cash had an increase of \$2.1 million in Operating and an increase of \$35K in Stallion Foal

The primary reason for the increase in operating cash is due to the receipt of entry fee payments for both Super Stakes & Eastern Nationals. The primary reason for the increase in Stallion Foal cash is foal & stallion nominations coming in during the month.

Accounts receivable decreased by \$159K

The decrease in accounts receivable is primarily due to sponsors from the prior month paying their balances due as well as the Foundation reimbursing us for their part of the commercial.

Prepaid expenses increased by \$14K

The increase in prepaid expenses is primarily due to the purchasing items for Eastern Nationals. The largest piece is \$13K in awards.

Total liabilities increased \$2.1 million from the previous month. The majority of the increase was noted in event deferred revenue due to entry fees being received for the 2022 Super Stakes & Eastern Nationals. There were also increases noted in the Stallion Foal deferred revenue accounts of \$43K due to receiving nominations for stallions & foals. There was a \$226K decrease in the Accounts Payable – Operating account due to paying the remaining commercial expenses that were outstanding the previous month of \$180K as well as \$30K for Futurity/WF saddles. Lastly, PAC fees were up mainly due to receiving PAC fees through Super Stakes entries.

Net assets decreased by approximately \$65K which represents the net loss for the month of February.

Statement of Activities

Through five months of FY 2022, the Association has posted net income of \$1,964,717 which is \$1,479,131 or 304.61% better than budgeted YTD income of \$485,586. For the month of February, the Association posted a net loss of \$65,166 while the budget anticipated a net loss of \$162,849. As such, the Association's net loss for the month was more favorable than the budget by \$97,683.

The favorable position for the month was driven by a couple of things. First, sponsorship revenue had a favorable variance of \$23,825 due to three new sponsors who were not budgeted for as well as two sponsors who renewed for amounts larger than we budgeted for. There was also a favorable variance in approved shows revenue of \$61K due to more activity than originally expected as well as an increase in Chatter advertising revenue of \$26,705 due to increases in advertising prices. There was a decrease in membership revenue but this offsets the favorable variance we had in January for membership revenue showing it is just timing of

renewals. The remaining revenue streams remained fairly consistent with our original budgeted expectations.

From an expense standpoint, the majority of the expense categories continue to stay relatively in line with the planned budget with the exception of awards, show marketing expenses, salaries/payroll taxes, legal expenses, and bank charges. Awards expense showed a favorable variance of \$19K due to the timing of purchasing of circuit awards. Show marketing expenses show a favorable variance of \$9K due to the marketing department not incurring expenses they thought they would in the month of February. Salaries/payroll expenses show a favorable variance due to the Association being down 2 employees. Legal expenses show an unfavorable variance of \$14K which was due to budgeted expectations of reducing legal fees each month. However, the amount paid is the same retainer we have been paying. Lastly, bank charges showed an unfavorable variance of 13K. This is due to budgeted expectations of reducing the credit card fees we pay which is something we are still working on reducing.

January Financials

National Cutting Horse Association
Finance Commentary
January 2022

Statement of Position

The Association ended the month with total assets of \$20.9 million which represents an increase of around \$2.2 million from the previous month. Below is a summary of what constitutes this increase:

Cash had an increase of \$1.7 million in Operating and an increase of \$295K in Stallion Foal

The primary reason for the increase in operating cash is due to the receipt of entry fee payments for both Super Stakes & Eastern Nationals. The primary reason for the increase in Stallion Foal cash is foal & stallion nominations coming in during the month.

Accounts receivable increased by \$80K

The increase in accounts receivable is primarily due to the billing of marketing sponsorships at the end of the month as well as a few approved shows billings.

Prepaid expenses increased by \$93K

The increase in prepaid expenses is primarily due to the purchasing/preordering of awards for Super Stakes & Eastern/Western Nationals from Gist. \$68K (the majority) relates to Super Stakes awards.

Total liabilities increased \$1.9 million from the previous month. The majority of the increase was noted in event deferred revenue due to entry fees being received for the 2022 Super Stakes, 2022 Futurity, & Eastern Nationals. There were also increases noted in the sponsorship deferred revenue accounts of \$256K mainly relating to receiving the title sponsor amount of \$250K from Rocking P Ranch for 2022 Futurity as well as an increase of \$304K in the Stallion

Foal Deferred Revenue accounts due to receiving nominations for stallions & foals. There was a \$390K decrease in the Accounts Payable – Operating account due paying the remaining of the Futurity 2021 related expenses that were outstanding at the end of the prior month. The largest expenses paid related to the last dirt bill, hotel expenses, and awards expenses. There was a \$567K decrease noted in accrued expenses, primarily due to paying for the summer show facility bill (\$320K), stall & ticket tax from 2021 Futurity, and the remaining commercial expenses of \$180K. Membership deferred revenue was down \$282K due to recognizing membership renewals for 2022 that were renewed prior to January 2022. Lastly, PAC fees were down mainly due to moving the funds from Futurity 2021 over to the PAC cash account.

Net assets increased by approximately \$285K which represents the net income for the month of January.

Statement of Activities

Through four months of FY 2022, the Association has posted net income of \$2,029,882 which is \$1,381,447 or 213.04% better than budgeted YTD income of \$648,435.

For the month of January, the Association posted a net profit of \$284,660 while the budget anticipated a net profit of \$358,463. As such, the Association's net profit for the month was less favorable than the budget by \$73,803.

The unfavorable position for the month was driven by a couple of things. First, sponsorship revenue had an unfavorable variance of \$58,500 due to two sponsors who had not renewed by the end of January, one sponsor who had two payment options (one pay up front or a payment plan) and selected the payment plan although we had budgeted assuming they'd pay up front, and a \$25K sponsor we ended up billing a month early in December. We did see a favorable variance in approved shows revenue due to more activity than originally expected as well as an increase in membership revenue due to more renewals occurring in January than originally expected. The remaining revenue streams remained fairly consistent with our original budgeted expectations.

From an expense standpoint, the majority of the expense categories continue to stay relatively in line with the planned budget with the exception of awards, show marketing expenses, legal expenses, printing, and bank charges. Awards expense showed an unfavorable variance of \$13K due to the show department not being able to order achievement buckles from Oct-Dec due to a metal shortage at Gist. Show marketing expenses show a favorable variance of \$22K due to the marketing department not incurring expenses they thought they would in the month of January. Legal expenses show an unfavorable variance of \$14,650 which was due to budgeted expectations of reducing legal fees each month. However, the amount paid is the same retainer we have been paying. Printing shows an unfavorable variance of \$7,885 which is in the membership cost center. This is due to timing of expenses. The membership department incurred costs in January they were expecting to pay in December. Lastly, bank charges showed an unfavorable variance of 56K. This is due to there being higher transaction activity than there was in the same month in the prior year. This is due to the changing of the timing of the payments for the Super Stakes & Futurity shows.

MEMBERSHIP DEPARTMENT UPDATES – JULIE DAVIS

Director of Membership Julie Davis provided an update to the Executive Committee with regards to the latest renewal efforts for the association.

Julie reported that we currently have 11,530 members. Renewals have been strong and continue to come in as members show at weekend events. Membership is steadily increasing.

As Julie presented her data on the membership trends, a discussion was initiated on how to follow up with new members and members that haven't renewed. Julie will continue to send out a quarterly report to all Regional Directors that will have a breakdown of the area districts membership activity. At large members will receive data for all eight regions to assist with efforts of retaining our members.

In conclusion, Jay added that he would work with the membership department to consider adding a resource to help with follow up and enhance the customer experience for our members.

President Ora Diehl would like to challenge the Growth and Development Committee to develop a plan to retain members even if they are no longer showing.

SHOW DEPARTMENT UPDATES – SHIANNE MEGEL

Director of Shows Shianne Megel presented updates from the Show Department to the Executive Committee during the meeting.

Recap of Super Stakes

- Show was up 20% in 4 YO and 5/6 YO
- 2,138 entries in 197 sets over 24 days
- Utilized 10,735 head of cattle
- Settling averages were Open 36 minutes, Non Pro 30 minutes, and Amateur 22 minutes

Overall, the show was successful.

Summer Spectacular Updates

Schedule does have one additional day as compared to last year and the 2022 Super Stakes. US Cutting will continue to keep their dates at the beginning of the show. We currently have 177 entries post the first payment with second payment coming up May 15th.

Futurity Updates

Reminder that the Futurity payments are now on a four (4) payment schedule instead of six (6) payments. Entries to date are approximately as follows: Open with 693 as compared to 492 at second payment last year, Non Pro with 129 as compared to second payment last year of 123 entries.

After much consideration, there is a suggestion to add 2 days to the beginning of the tentative dates for the 2022 Futurity which would start on Monday, November 14th.

Revised Amateur Entry Structure Proposal

AMATEUR – Riders have two choices when entering more than one level.

1. Entering Two Levels

- a. Option 1 = **Separate Entries**. Entry can be made into two separate levels. The rider will ride twice into the herd. Example, Rider A enters the Amateur Top Tier and the Limited Amateur separately. They receive 2 draws within the first go round and 2 separate scores. The horse will not be drawn twice in the same set.
- b. Option 2 = **Combo Entry**. Entry can be made into a combo for the 2 levels where the rider receives only 1 draw within the first go and only 1 score for both levels. Example, Rider B enters the Amateur Top Tier and the Limited Amateur Combo. They receive 1 draw within the first go round and that 1 score counts for both levels.

2. Entering Three Levels

- a. Option 1 = **1 Separate Plus 2 Combo**. A horse cannot show more than twice in the same division. Entry can be made into one level separately and the other two as a combo. Example, Rider C enters the Intermediate separately and the Amateur Top Tier and Limited Amateur Combo. They receive 2 goes in the division go round. The score for the Intermediate stands alone and the score for the Amateur Top Tier and Limited Amateur Combo counts for both the Amateur Top Tier and the Limited Amateur.
- b. Option 2 = **All 3 as a Combo**. A rider only wants to ride to the herd 1 time but wants to enter all 3 levels. They enter the Amateur – Intermediate – Limited combo. Example, Rider D enter the triple level combo. They will receive only 1 draw for the division and that 1 score will count for all 3 levels.

Amateur	\$100,000 or more
Intermediate Amateur	\$25,001 - \$99,999*+
Limited Amateur	\$0 - \$25,000

a. Exceptions:

- ii. There is no exception that allows a rider to return to the Limited level.
- iii. +Senior Exception: Riders aged 70 and older as of date the level begins can enter the Intermediate level in all divisions regardless of earnings or rider rankings.
- iv. *Intermediate Revolving Door Exception: Open, Non-Pro or Amateur riders not on the Top 100 money earning rider list for the previous two-point years in any division, may enter the Intermediate level in their respective division(s).
- v. Amateur Earnings Cap
 1. Amateur Competitors 70 and older as of the day the 1st go of the Amateur begins may enter the top tier Amateur or the Intermediate Amateur.
 2. Qualified Amateur competitors who are 60-69, may compete in the top tier Amateur class regardless of Limited Age Non-Pro earnings.
 3. Amateur competitors under the age of 60 remain subject to the \$250,000 LAE Non-Pro Cap earnings cap. If eligibility limits are surpassed during

the show, the exhibitor can complete the show in that specific level or division.

vi. Non-Pro competitors remain subject to Standing Rule 50.d.6.

1. If Open eligibility limits are surpassed during the show, the exhibitor can complete the show in that specific level or division.

TOP TIER AMATEUR (Stand Alone)

DEADLINE AND AMOUNT DUE:		PAYMENT BREAKDOWN		
	TOTAL	Jackpot*	Office	Payment & Penalty* (after deadline)
On/Before Aug 1 st	\$800	\$800		\$1,200
On/Before Oct 1 st	\$1,120	\$600	\$500	\$1,650
Total	\$1,920*	\$1,400		

* Top Tier Amateur includes optional \$20 PAC Fee.

INTERMEDIATE AMATEUR (Stand Alone)

DEADLINE AND AMOUNT DUE:		PAYMENT BREAKDOWN		
	TOTAL	Jackpot*	Office	Payment & Penalty* (after deadline)
On/Before Aug 1 st	\$700	\$700		\$1,050
On/Before Oct 1 st	\$1,020	\$500	\$500	\$1,500
Total	\$1,720*	\$1,200		

* Intermediate Amateur includes optional \$20 PAC Fee

LIMITED AMATEUR (Stand Alone)

DEADLINE AND AMOUNT DUE:		PAYMENT BREAKDOWN		
	TOTAL	Jackpot*	Office	Payment & Penalty* (after deadline)
On/Before Aug 1 st	\$650	\$650		\$975
On/Before Oct 1 st	\$870	\$350	\$500	\$1,275
Total	\$1,520*	\$1,000		

* Limited Amateur includes optional \$20 PAC Fee

COMBO: AMATEUR + INTERMEDIATE + LIMITED*

DEADLINE AND AMOUNT DUE:		PAYMENT BREAKDOWN		
	TOTAL	Jackpot*	Office	Payment & Penalty* (after deadline)
On/Before Aug 1 st	\$1,700	\$1,700		\$2,550
On/Before Oct 1 st	\$2,420	\$1,900	\$500	\$3,600
Total	\$4,120*	\$3,600		

* This Combo includes optional \$20 PAC Fee.

COMBO: AMATEUR + INTERMEDIATE*

DEADLINE AND AMOUNT DUE:		PAYMENT BREAKDOWN		
	TOTAL	Jackpot*	Office	Payment & Penalty* (after deadline)
On/Before Aug 1 st	\$1,300	\$1,300		\$1,950
On/Before Oct 1 st	\$1,820	\$1,300	\$500	\$2,700
Total	\$3,120*	\$2,600		

* This Combo includes optional \$20 PAC Fee.

COMBO: AMATEUR + LIMITED*

DEADLINE AND AMOUNT DUE:		PAYMENT BREAKDOWN		
	TOTAL	Jackpot*	Office	Payment & Penalty* (after deadline)
On/Before Aug 1 st	\$1,250	\$1,250		\$1,875
On/Before Oct 1 st	\$1,670	\$1,150	\$500	\$2,475
Total	\$2,920*	\$2,400		

* This Combo includes optional \$20 PAC Fee.

COMBO: INTERMEDIATE + LIMITED*

DEADLINE AND AMOUNT DUE:		PAYMENT BREAKDOWN		
	TOTAL	Jackpot*	Office	Payment & Penalty* (after deadline)
On/Before Aug 1 st	\$1,150	\$1,150		\$1,725
On/Before Oct 1 st	\$1,570	\$1,050	\$500	\$2,325
Total	\$2,720*	\$2,200		

* This Combo includes optional \$20 PAC Fee.

Amateur Division – Based on Entry counts at time of draw:

# of Entries	ADVANCING TO SEMI-FINALS ⁺	ADVANCING TO FINALS
AMATEUR		
0 – 24	None	Non Working Mandatory
25 – 99	None	Top 20% Max 30
100+	Top 50% Composite Max 75	Top 20% Max 30 (2 sets of cattle)
INTERMEDIATE AMATEUR		
0 – 24	None	Non Working Mandatory
25 – 99	None	Top 20% Max 30
100+	Top 50% Composite Max 75	Top 20% Max 30 (2 sets of cattle)
LIMITED AMATEUR		
0 – 24	None	Non Working Mandatory
25 – 99	None	Top 20% Max 30
100+	Top 50% Composite Max 75	Top 20% Max 30 (2 sets of cattle)

⁺There will be payouts to all semi finalists.

After review of the Amateur Entry Structure Proposal presented by Director of Shows Shianne Megel, the Executive Committee made a **MOTION** by Ernie Beutenmiller and **SECONDED** by Ted Sokol to approve the proposed entry structure as presented for the Futurity.

Western Nationals Updates

After a surprised update on the number of entries to date for the qualified Western Nationals, the Executive Committee made the decision to table this until further in the meeting.

EUROPEAN DIRECTORS’ RECOMMENDATIONS – BYRON GREEN

Region 4 Member Byron Green addressed the members of the Executive Committee with some recommendations that came forward on a recent European Directors call. The European Directors would like the following recommendations to be considered.

- \$25K Amateur instead of a \$50K
- Allow riders to show two (2) horses in the Non Pro, this would help out due to the limited number of horses available in these countries
- Establish a European Circuit

After discussions about these recommendations, the Executive Committee agreed to direct these concerns to the Weekend Show and Affiliate Officers Committees to discuss at the annual convention. This call was well received, and all parties agreed on an effort to continue on quarterly basis.

GRIEVANCE COMMITTEE UPDATES – ROCK HEDLUND

Chairman of the Grievance Committee Rock Hedlund addressed the Executive Committee once President Ora Diehl placed the meeting in Executive Session to continue these discussions.

ADJOURNMENT

The first day of the meeting was adjourned by President Ora Diehl and is scheduled to reconvene Tuesday, April 19th at 8:00AM central time.

TUESDAY – APRIL 19, 2022

The Executive Committee meeting reconvened and was called to order at 7:55AM by President Ora Diehl and roll call was taken. All members of the Executive Committee reported for the second day of meetings with the addition of our NCHA Legal Counsel Jim Morris.

MEDICATION REVIEW COMMITTEE – JIM MORRIS

NCHA Legal Counsel Jim Morris briefed the Executive Committee with some clean up to the language in Standing Rule 35A.5 and Standing Rule 35A.6.d for approval. These drafts being presented were dated March 8, 2022 by legal.

35A.5

5. Emergency Medication

The NCHA Medication Rules allow for administration of emergency medication by a veterinarian (who is a member in good standing of the American Association of Equine Practitioners and licensed to practice veterinary medicine in the state where the event is being held) under certain limited circumstances where a true emergency situation exists. In the case of a sick or injured horse, appropriate therapeutic doses of only lidocaine, mepivacaine or flunixin meglumine (Banamine) may be given by a licensed veterinarian under actual observation by event management or a designated NCHA representative (if after show hours, the exhibitor must provide a statement from the treating veterinarian) to treat a condition/illness/injury that would not prevent the horse from safely competing following treatment. Please note that for a veterinarian to be authorized to treat or administer medication to a horse on NCHA show grounds, they must be an Approved Veterinarian under the provisions of section 4 above.

An emergency medication report form, **which is available on the NCHA website and from show management**, must be filed with show management before exhibition of the horse that is being administered emergency medication under this rule. Flunixin meglumine (Banamine) administered at therapeutic levels permitted by NCHA medication rules can be used for the treatment of colic. Administration of lidocaine or mepivacaine is also permitted for the purpose of surgical repair of minor skin lacerations which, by its very nature, would not prevent the horse from competing following the surgery. Under no circumstances can this Emergency Medication provision of the NCHA Medication and Drug Rules be applied for an examination or treatment in which a local anesthetic is used to provide full or partial anesthesia (block) of an extremity or joint within 24 hours of the horse competing.

Filing of an emergency medication report form does not automatically excuse the horse from the consequences associated with a failed drug test. If an emergency medication report is filed for a horse, the NCHA designated veterinarian may examine any skin lacerations and the skin sensation of that horse and

that horse may be drug tested under the provisions of Standing Rule 35A.5 at the sole discretion of the Executive Director. If a horse that has been administered emergency medication under this rule is tested under NCHA rules and tests positive, the Medication Review Committee will take into consideration the emergency medical report form on file. However, if the Committee determines that the emergency medication was administered above appropriate therapeutic levels or if the test results show the presence of medications not disclosed in the emergency medication report form that are not allowed or exceed the levels allowed by the NCHA Medication and Drug Rules and Guidelines, the Committee may take all disciplinary actions provided for under these rules for such failed test. Additionally, all emergency reports filed under this rule will be reviewed by the Medication Review Committee and all veterinarians submitting such reports are subject to inquiry by the Medication Review Committee.

A **MOTION** was made by Ernie Beutenmiller and **SECONDED** by Rock Hedlund to adopt this recommended change in the language to Standing Rule 35A.5 with regards to medication rules. **MOTION PASSED.**

35A.6

6. Medication Testing

- d) **HORSES MUST BE MADE AVAILABLE FOR TESTING** Every exhibitor and/or owner shall, upon request of show management or an NCHA representative, permit specimens of blood to be taken for testing. All blood samples taken pursuant to this rule will be taken by a licensed veterinarian selected by the NCHA in its sole discretion. An exhibitor will be informed that their horse has been selected for testing immediately after competing in the arena. The request sheet shall be initialed by the exhibitor, owner or the owner's authorized agent acknowledging time of receipt and immediately returned to the NCHA representative or testing veterinarian who gave you the sheet.

THE EXHIBITOR MUST TAKE THE HORSE IMMEDIATELY TO THE TESTING STALL FOR TESTING AS DIRECTED BY THE NCHA TESTING VETERINARIAN. UNDER NO CIRCUMSTANCE SHALL THE HORSE BE DELIVERED FOR TESTING LATER THAN 15 MINUTES AFTER RECEIPT OF THE REQUEST FOR TESTING.

The samples will then be sent to a certified laboratory for testing with results sent back to NCHA. If a horse is randomly tested, all medication reports for that horse must be on file with the NCHA prior to the time of the test in order to be considered.

Refusal to comply with the request for testing will result in the disqualification of the horse from further participation at the show. Bringing the wrong horse for testing is considered a serious offense and constitutes a refusal to comply with a request for testing under this rule. Failure to comply with the 15-minute time period described above will also constitute a refusal to comply with the request for testing. Any horse in violation of this rule may also be barred from participation in future NCHA approved events or shows for a period of time as determined by the Executive Committee or other appropriate committee. A refusal to comply with a request for testing also is grounds for suspension of NCHA membership. Any harassment, verbal abuse, physical abuse or misconduct of any kind toward the testing veterinarian (or anyone assisting the testing veterinarian in the taking of blood samples or specimens) shall be considered a violation of NCHA Standing Rule 35 and treated under the disciplinary guidelines in Rule 35.B.3. The NCHA may also, in its sole discretion, refer any potential violation of this rule to the Grievance Committee to consider disciplinary action under Standing Rule 35 against all responsible parties.

A **MOTION** was made by Rock Hedlund and **SECONDED** by Skip Jones to adopt this recommended change in the language to Standing Rule 35A.6.d with regards to medication rules. **MOTION PASSED.**

LEGAL UPDATES – JIM MORRIS

NCHA Legal Counsel Jim Morris also addressed some outstanding recommended rule changes for the Executive Committee to consider for approval.

Upon discussions, a recap on bylaws was provided to NCHA Legal Counsel Jim Morris from actions taken by the Executive Committee on Monday, April 18th addressing the recommendations from the Governance Committee presented by Region 7 Member Skip Jones.

Standing Rule 50.d.4

PROPOSED CHANGES TO STANDING RULE 50.d.4

Standing Rule 50.d.4: A Non-Professional will only transfer ownership or receive a transfer of ownership of a horse for purposes of competing in NCHA contests on a bona fide, permanent basis; permanent shall mean to own with an intent to retain ownership and no present intent to transfer ownership. The following provisions apply in connection with this rule:

1. A Non-Professional may purchase a horse on time provided a copy of the written sales agreement, signed by both parties, is provided to NCHA and it states the name of the horse, the sales price, date of sale and terms of payment.
2. A Non-Professional will not transfer or receive transfer of a horse pursuant to any arrangement in which (1) the Non-Professional or any third party is to have any express or implied present or future interest in the ownership of the horse for the purpose of showing the horse at NCHA contests; (2) any part of the winnings, profits or expenses are to be shared, directly or indirectly, between the Non-Professional and any other person; or (3) all or part of the purchase price is to be paid from the winnings of the horse. All parties to any transaction in violation of this paragraph are subject to disciplinary actions by the NCHA.
3. If a horse is transferred, sold, or gifted back to the previous owner within 1 year, that horse cannot be shown by the previous owner or their immediate family in any NCHA sponsored or approved amateur or non-professional competition for the 6-month period following the transfer back to the previous owner.
4. The Executive Committee, the Non-Pro/Amateur Review Committee or any other committee appointed by the NCHA President under NCHA rules shall have the right to review and fully investigate any transaction regarding the purchase, gift, or sale of a horse by a holder of an NCHA Non-Professional card. There shall be an automatic review of any age horse that is repurchased, given back, or resold to the prior owner. For any horse three years old or older, computed on the basis that a horse reached one year of age on January 1 of the year following the foaling and adds an additional year on each subsequent January 1, the seller must notify the NCHA if a horse returns to their ownership or their immediate family's ownership within 1 year and shall give full disclosure including, but not limited to, methods of procurement, all transfer records, cancelled checks and deposit slips. All parties to a transaction in violation of these NCHA rules are subject to disciplinary action, including fines, probation and/or suspension, by the Non-Pro/Amateur Review Committee, the Executive Committee and any other committee appointed by the NCHA President under NCHA rules. Any horse received as a gift must be reported in writing to the NCHA by the recipient within thirty, (30) days of receipt.

5. Upon purchase or gift of a horse (for the purpose of verifying non-pro horse ownership), the transfer of such horse must be reflected in the breed association's records within 30 days of the date that the transfer papers are submitted to the NCHA. In the case of an unregistered horse the following document evidencing ownership are required: (i) a completed NCHA Unregistered Horse Application; (ii) verified bill of sale; and (iii) photos front and back (both sides) and a vet statement attesting to age. These items must be provided to the NCHA before the horse is shown.

6. For horse transfers that have not been recorded by the breed association for horses that have been shown in Non-Pro and/or Amateur classes at NCHA *approved or* produced events, premium moneys won will not be distributed by NCHA until such transaction is received in the breed association's records. If the breed association's records do not reflect the transfer within 60 days of the NCHA's receipt of the transfer papers, the NCHA will not record the member's amateur or non-pro earnings on the horse until the breed association has recorded such transfer and the member has paid a \$1,000 fine to the NCHA. If the transfer is not received by the breed association by the 90th day after NCHA receives the transfer papers: an additional \$2,000 fine will be assessed to the member; all non-pro/amateur earnings won by that member on that horse from the date that the NCHA received the transfer papers through the 90th day will be permanently deleted from the NCHA records; and the member will have their Non-Professional or Amateur status immediately suspended by the NCHA. The member may request a reinstatement of his amateur and/or non-professional status from the Non-Pro/Amateur Review Committee. The burden of proof is on the member disciplined under this rule to show good cause why his non-pro/amateur status should be reinstated. Any decision of the Non-Pro/Amateur Review Committee on these issues is subject to appeal pursuant to NCHA Standing Rule 38.

7. This section applies in cases where the horse at issue was allegedly transferred to a professional and shown by a member of the professional's family as a non-professional or amateur under Rule 51.a.4 (family ownership rule). For horse transfers that have not been recorded by the breed association for horses that have been shown in Non-Pro and/or Amateur classes at NCHA *approved or* produced events, premium moneys won will not be distributed by NCHA until such transaction is recorded in the breed association's records. If the breed association's records do not reflect the transfer within 60 days of the NCHA's receipt of the transfer papers to the professional owner, the NCHA will not record Non-Pro/Amateur earnings of any family member that showed that horse until the breed association has recorded such transfer, and the professional owner has paid a \$1,000 fine to the NCHA. If the transfer is not recorded by the breed association by the 90th after NCHA receives the transfer papers; an additional \$2,000 fine will be assessed to the professional owner; all Non-Pro/Amateur earnings won by any family member on that horse will be permanently deleted from the NCHA records; and any family member who showed that horse in amateur and/or non-pro events will have their Non-Professional or Amateur status immediately suspended by the NCHA. The member may request a reinstatement of his amateur and/or non-professional status from the NCHA Non-Pro/Amateur Review Committee. The burden of proof is on the member disciplined under this rule to show good cause why their non-pro/amateur status should be reinstated. Any decision of the Non-Pro/Amateur Review Committee on these issues is subject to appeal pursuant to NCHA Standing Rule 38.

A **MOTION** was made by Ernie Beutenmiller and **SECONDED** by Matt Miller to adopt this recommended change in the language to Standing Rule 50.d.4 as presented by legal.

MOTION PASSED.

Financial Disclosure Policy and Procedure

NATIONAL CUTTING HORSE ASSOCIATION'S AMENDED FINANCIAL DISCLOSURE POLICY AND PROCEDURE

In order to facilitate access to the books and records of the National Cutting Horse Association (“NCHA”) by its members, as provided by law, the Association adopts the following policy and procedure. As a not for profit corporation formed under the laws of the State of Texas, the NCHA is governed by Chapter 22 of the Texas Business Organizations Code governing Non-Profit Corporations (the “Act”). Section 22.351 of the Act states:

“Members Right to Inspect Books and Records. A member of a corporation, on written demand stating the purpose of the demand, is entitled to examine and copy at the member’s expense, in person or by agent, accountant, or attorney, at any reasonable time and for proper purpose, the books, records of the corporation relevant to that purpose.”

The NCHA publishes statements of financial position from time to time on its website in order to inform its members of its financial affairs. To the extent that any member wishes available information of the type which is published by the NCHA, a member can request that information at any time and the most current published information available will be provided for inspection and copying at the NCHA offices during normal business hours.

A member desiring more detailed information than that which is published by the NCHA, may request information from the Association pursuant to Section 22.351 of the Act. The member will direct a written request to the NCHA Executive Director stating the specific information that the member wishes to review and stating the proper purpose for which the information is requested. The NCHA Executive Director shall determine whether a proper purpose has been stated and, if so, shall make arrangements to provide the requested information on a reasonable basis as determined by the Executive Director without revealing the protectable confidential information of the NCHA and its employees, contract labor personnel, contractors, business partners, sponsors, vendors, independent contractors or suppliers (the “**Confidential Information**”). Any deficiency in a request as determined by the Executive Director will be communicated to the requesting member.

Appropriate agreements will be required to protect against the disclosure of any Confidential Information made available to members. If any request from a member is received to review the Confidential Information, any and all such action as may be necessary to protect the interest of parties involved (i.e.- employees, contract labor personnel, contractors, business partners, sponsors, vendors, suppliers, etc.) shall be taken before any records containing Confidential Information are revealed to the requesting member. Such actions may include but are not limited to, requiring the requesting member to execute a Confidentiality Agreement protecting the Confidential Information from further disclosure. If a proper purpose for disclosure is stated but satisfactory arrangements cannot be made with the requesting party for the protection of Confidential Information, the Executive Director shall take any and all action reasonably necessary to obtain protection for the confidential information from a court or agency of appropriate jurisdiction.

This policy amends and supersedes the Financial Disclosure Policy and Procedure adopted by the NCHA on June 4, 2004 and which has been continuously in effect since that date.

A **MOTION** was made by Ernie Beutenmiller and **SECONDED** by Matt Miller to approve the National Cutting Horse Association’s amended *Financial Disclosure Policy and Procedure* as prepared and presented by legal counsel. **MOTION PASSED.** This document will be executed by the President as a matter of record for the association.

Policy Concerning Treatment of Confidential Information

NATIONAL CUTTING HORSE ASSOCIATION POLICY CONCERNING TREATMENT OF CONFIDENTIAL INFORMATION

The National Cutting Horse Association (“NCHA”) adopts this written policy to memorialize what has been its practice for many years relating to the treatment of certain Confidential Information (as defined herein) that is the property of the NCHA, its employees, vendors, sponsors, suppliers, independent contractors and business partners.

a. The Confidential Information

During its over 70 years in business, the NCHA has devoted substantial amounts of money, time and effort into developing its own methodology for developing competition formats, payout structures, methodologies for identifying and procuring materials, facilities and cattle, running associated trade shows and for staging and staffing shows. All that information is considered unique and proprietary to the NCHA. Those processes and procedures give the NCHA a competitive advantage in the marketplace for producing equine competitions. The NCHA has devoted substantial time, effort, and money into developing those processes and procedures and also in developing its relationships with its vendors, suppliers and business partners in the industry (collectively, “NCHA Business Partners”). The NCHA has agreed to keep confidential certain commercial, financial, contractual, and trade secret information of the NCHA Business Partners as described herein. The NCHA also maintains as confidential all information concerning the identity and personal information of its members. All of the foregoing information constitutes part of the NCHA's trade secrets, contracts, confidential and proprietary information that has been developed over the course of many years.

As part of its business of producing cutting horse shows, the NCHA receives the confidential and proprietary information from the NCHA Business Partners, including, but not limited to: (1) economic analysis and models generated by its third-party economist; (2) contracts and invoices between the NCHA and the NCHA Business Partners, which include confidential terms relating to pricing, estimates, quantities of goods or services, supplies, delivery arrangements and other; (3) agreements, invoices and check requests between the NCHA and contract labor reflecting confidential payment information which give the NCHA Business Partners commercial advantage in the marketplace. The NCHA has agreed to keep that third party confidential and proprietary information confidential. All of the foregoing commercial, financial, trade secrets and confidential and proprietary information of the NCHA and the NCHA Business Partners is collectively referred to herein as the “**Confidential Information.**”

There is no way for the competitors of the NCHA or the NCHA Business Partners to know about or independently duplicate the Confidential Information without being given access to the Confidential Information. In essence, the Confidential Information provides all of the data and details necessary to duplicate the NCHA's template for producing a horse show, including who it contracts with, the goods and services they supply and the prices they charge. If the Confidential Information is released, it would be extremely harmful to the competitive advantage that the NCHA and the NCHA Business Partners enjoy in the marketplace. The NCHA and the NCHA Business Partners would thereby be deprived of the benefits of the substantial amounts of time, effort, and money that they have expended in developing that Confidential Information.

The Confidential Information has great value to the NCHA because it enables the NCHA to produce the best equine competitions in the marketplace. It is also of great economic value to the NCHA that its competitors in the marketplace do not have access to the Confidential Information. The same is also true for the NCHA Business Partners who consider their contractual agreements, pricing, estimates, quantities, services, volume, and terms to be confidential and proprietary to them and to afford them a competitive

advantage in the marketplace. Therefore, the NCHA has agreed to keep the Confidential Information in a confidential manner pursuant to this policy to the fullest extent allowed by law.

b. Protecting the Confidential Information from Disclosure

The NCHA shall keep all Confidential Information in strict confidence and will not publish or disclose any Confidential Information to any third party. The Confidential Information is only made available to employees at the NCHA on a need to know basis who have agreed in advance to keep such information confidential, as part of the terms of their employment. It is also the NCHA's policy to take all reasonable steps to protect such information from disclosure, including objecting to the disclosure of the Confidential Information in response to any third party requests for such information including, but not limited to, subpoenas duces tecum and requests made under the Texas Public Information Act. Such steps may include, but are not limited to, filing objections to the production of the Confidential Information, seeking protective orders to protect the Confidential Information and filing motions to quash the production of the Confidential Information with the appropriate agency or court.

A **MOTION** was made by Rock Hedlund and **SECONDED** by Ernie Beutenmiller to approve the National Cutting Horse Association's amended *Policy Concerning Treatment of Confidential Information* as prepared and presented by legal counsel. **MOTION PASSED.** This document will be executed by the President as a matter of record for the association.

Confidential Information Clause to the Employee Handbook

Confidential Information

"Confidential Information" includes, but is not limited to, computer processes, computer programs and codes, member lists (actual and potential), member preferences and personal information, NCHA financial data, marketing strategies, proprietary production processes, research and development strategies, pricing information, business and marketing plans, vendor information, software, databases, and information concerning the creation, acquisition or disposition of products and services.

Confidential information also includes any information considered to be the intellectual property of NCHA. Intellectual property includes, but is not limited to, trade secrets, ideas, discoveries, writings, trademarks, and inventions developed through the course of your employment with NCHA and as a direct result of your job responsibilities with NCHA.

The Confidential Information also includes any confidential and proprietary information received by the NCHA from its vendors, suppliers, sponsors, independent contractors and other business partners ("NCHA Business Partners"). including, but not limited to: (1) economic analysis and models generated by its third-party economist; (2) contracts and invoices between the NCHA and the NCHA Business Partners, which include confidential terms relating to pricing, estimates, quantities of goods or services, supplies, delivery arrangements, payments, and other business terms; and (3) agreements, invoices and payments between the NCHA and contract labor reflecting confidential payment information. The NCHA has also agreed to keep this information in a confidential manner.

A **MOTION** was made by Skip Jones and **SECONDED** by Toddy Pitard to approve the National Cutting Horse Association's amended *Confidential Information Clause in Employee Handbook* as prepared and presented by legal counsel. **MOTION PASSED.**

ADJOURNMENT

The second day of the meeting was adjourned by President Ora Diehl and is scheduled to reconvene Wednesday, April 20th at 8:00AM central time.

WEDNESDAY – APRIL 20, 2022

The Executive Committee meeting reconvened and was called to order at 8:05AM by President Ora Diehl. Roll call was taken and all members of the Executive Committee were present.

MEETING PROCEDURES

The Executive Committee adopted and unanimously approved the following meeting procedures as presented by NCHA Legal Counsel Jim Morris effective April 20, 2022.

PROCEDURES FOR MEETINGS OF NCHA BOARD OF DIRECTORS, EXECUTIVE COMMITTEE AND STANDING COMMITTEES

The following procedures apply to meetings conducted by the NCHA Board of Directors, the NCHA Executive Committee and all Standing Committees of the NCHA (referred to generally herein as “Committee”):

A. NCHA Bylaws and Rules Control

To the extent that the NCHA Bylaws or NCHA Rules contain any processes or procedures relating to the conduct of a meeting by any NCHA board or committee that is contrary to the procedures outlined herein, the provisions of the Bylaws and/or Rules shall control.

B. Scheduling Meetings

1. Unless otherwise provided in the NCHA Bylaws or NCHA Rules, Committee meetings may be called, cancelled or rescheduled in accordance with the following rules.
2. Meetings may be called by the Chairman of the Committee (“**Committee Chair**”) or at the request of a majority of the members of the Committee.
3. If a meeting is called by the Committee Chair, it may be cancelled or rescheduled by the Committee Chair on reasonable notice to the Committee members.
4. If a meeting is called at the request of a majority of the Committee members, it can only be cancelled or rescheduled by a majority vote of the Committee members.

C. Notice of Meetings

1. Notice of any meeting (“**Notice**”) should be given at least 72 hours prior to the meeting, except as otherwise provided in NCHA Rules or Bylaws.
2. The notice must contain the date, time, and location of the meeting as well as an agenda containing the specific items that will be discussed and considered at that meeting.

D. Quorum and Meeting Attendance

1. A quorum of the Committee must be present to call a meeting to order. Quorum requirements for the Board and various Committees are contained in the NCHA Bylaws and NCHA Rules.
2. Non-members or ex-officio members may attend and participate in a meeting at the discretion of the Committee Chair. Under no circumstance may a non-member or ex-officio member make a motion or vote on a motion.

E. Behavior at Meetings

1. Committee members are expected to be prepared and to actively participate in all meetings.
2. Each Committee member is expected to act in a civil and courteous manner. Committee members will respect the rights of other members, to have opinions, and to voice those opinions that are germane to the topic being discussed.
3. Any Committee member who fails to act in a civil and courteous manner is subject to being removed from the meeting by the Committee Chair.

F. Confidentiality of Discussions

In order to encourage a full sharing of all viewpoints and to protect the interests of the member and the NCHA, discussions and deliberations by the Committee are considered confidential business information of the NCHA. Committee members shall not discuss such matters with or disclose such matters to persons outside the Committee or on any social media. Violations of this rule will not be tolerated and are grounds for removal from the Committee. The members of some Committees are already subject to separate written Confidentiality Agreements. In such cases, this provision supplements (and does not replace) those agreements.

G. Items Considered at Meetings

1. The Committee should only consider items specifically included in the Notice for the meeting.
2. Only in emergency circumstances should the Committee consider any item not specifically described in the Notice. In such emergency cases, the Committee may consider an item not on the agenda if it requires immediate attention and a Motion to consider such item is made and approved by two thirds vote of the Committee members in attendance.
3. The Committee Chair may choose to go into executive session (where only voting Committee members are present). Executive sessions should only occur when the Committee is discussing a confidential matter under the Association's policies, the evaluation or compensation of an employee or to seek or receive advice from legal counsel.

H. Conduct of Meetings

1. The Committee Chair calls the meeting to order in accordance with the notice.
2. The NCHA staff liaison or Committee Chair shall call roll to determine attendance and ensure that a quorum exists for the meeting.
3. The Committee Chair has the discretion to determine the order in which the items contained in the Notice are discussed.
4. No member shall speak unless first recognized by the Committee Chair. All members' comments should be limited to the topic being discussed.
5. The Committee Chair will seek input from all members.
6. Each member should limit their comments to three (3) minutes or less, unless other time limits are established by the Committee Chair.
7. A Committee member must disclose the existence of any actual, potential, or perceived conflict of interest before the Committee considers any subject matter on which the

conflict of interest may exist. The disclosure shall be made to the Committee chair, who shall in turn inform the other Committee members of the disclosed conflict of interest. The member will be given the opportunity to disclose all material facts relating to the potential conflict so that the Committee can decide whether that member should be recused from participating in the discussion. A majority of the members of the Committee present at such meeting will make that decision. The members of some Committees are already subject to separate written Conflict of Interest Agreements. In such cases, this provision supplements (and does not replace) those agreements.

I. Motions

1. Motions made at any meetings are handled in the following manner:

a. Motions may be made by any voting member of the Committee, other than the Committee Chair. Motions should be kept as simple as possible.

b. Motions may be seconded by any voting member of the Committee other than the Committee Chair.

c. Committee Chair then calls for discussion, questions, and comments on the motion. Discussion should stay focused on the motion that is on the table and each person speaking should limit their comments to 3 minutes or less.

d. Any Committee member who has a conflict of interest (as defined in the NCHA's Conflict of Interest Policy) should inform the Committee Chair and refrain from discussing or voting on the motion.

e. Committee members may propose a "friendly amendment" to the motion on the floor (i.e., "I can approve the motion if we . . .")

f. Committee Chair may ask the member making the motion if this amendment is acceptable. If so, the NCHA staff liaison alters the motion and reads it back to the group.

g. If the member making the motion does not agree to the friendly amendment, the Committee Chair proceeds with the motion as is.

h. Committee Chair calls for a vote on the motion. Unless other forms of voting are required by the NCHA Bylaws or NCHA Rules, the Committee Chair asks, "All in favor" and Committee members voting affirmatively raise their hands and say "aye." Committee Chair asks, "All opposed" and

Committee members voting no raise their hands and say "nay." Committee Chair asks for any abstentions and all those abstaining raise their hands. Votes are recorded by the NCHA staff liaison. i. Unless provided otherwise in the NCHA Bylaws or NCHA Rules, the Committee Chair only votes in cases of a tie.

j. NCHA staff liaison ensures that the motion has been recorded properly in the minutes, along with the names of the board members making and seconding the motion.

k. Unless otherwise specified in the NCHA Constitution or NCHA Rules, a majority vote of the members present at the meeting are needed for a motion to pass.

l. Committee Chair states the outcome: "Motion passes." "Motion fails." .

2. Motions to reverse actions previously taken by the Committee should only be made in rare and extreme circumstances. Any such motion will require the vote of two-thirds of the voting Committee members in attendance in order to pass.

J. Closing the Meeting

1. When all business contained in the Notice has been concluded, the Committee Chair calls for a motion to adjourn.
2. When the motion to adjourn is made, seconded and passed, the meeting is adjourned.

K. Minutes of Meetings

Meeting minutes should be brief and should not reflect every discussion that occurs. The only items that must be noted in the minutes are the date and time; a list of who is present; and a record of motions, seconds, and whether or not the motion carried. The way that the individual members voted on motions shall not be recorded in the minutes. Reports submitted at the meeting may be attached as part of the meeting minutes.

CONGRESS CUTTING UPDATE – BYRON GREEN

Region 4 Member Byron Green updated the Executive Committee with the latest in regard to the Congress Cutting in Ohio. The 2022 Quarter Horse Congress Cutting is a major LAE and scheduled for October 5-9 in Springfield, OH. The Congress is continuing to produce this show and will be providing the Congress awards to finalists.

NATIONAL CIRCUIT PROGRAM – ALLISON WALKER

Circuit Program Manager Allison Walker provided updates for the National Circuit Program and some changes that the Circuit Program Task Force subcommittee is proposing.

As part of her presentation of updates to the Executive Committee, Allison gave an overview of how she would like the program to move forward by addressing some issues. Top emphasis and efforts have been set in place on the awards and getting those in the hands of the finalists in a timelier manner. Allison provided some supporting measures to ensure a smoother transition for this action in the future.

Immediately following the Executive Committee meeting, the Circuit Program Task Force Subcommittee will meet to discuss any outstanding items with Allison and create an action plan on how to address those concerns.

Jay Winborn added that he would like for the task force to consider re-evaluating the process for dual sanctioned shows approvals.

The Executive Committee expressed thanks to Allison Walker and look forward to working with her as we continue the success of the National Circuit Program.

STANDING RULE 50.d.6 DISCUSSION – CASEY GREEN

At Large Member Casey Green addressed the Executive Committee with a letter from a member inquiring about the current rule and if there is still a need with our current levelling structure.

The Executive Committee made the decision to assign directives to the Amateur, Non Pro, Professional Trainers and LAE Committees to add this topic of evaluating Standing Rule 50.d.6 to their agendas for the annual convention. At Large Member Casey Green will give a brief presentation during these committee meetings at convention.

CATTLE UPDATES – BRONC WILLOUGHBY

NCHA Cattle Manager Bronc Willoughby provided the Executive Committee with some updates on cattle for our produced shows.

At the recent Super Stakes, 26 suppliers were contacted for use of cattle. In order to meet the demand for 10,000 to 11,000 cattle at the Super Stakes, we need to make arrangements to secure about 13,000 head. With the rise in fuel and shipping costs, this was a challenging exercise at our current rate of \$45 a head. It takes time to build these relations and we need to be supportive with the industry standards.

After much discussion and the approval of a recent Finance and Audit Committee call, an approved increase in the rate per head is now at \$50 dollars which will help out with the supply demands for the Summer Spectacular and the Futurity and moving forward.

In addition to these updates, Bronc also informed the Executive Committee that three (3) members of the Cattle Committee tendered their resignations at the Super Stakes including the chairman.

In conclusion, Bronc proposed a concept of building a facility and managing our own grow yard close to our produced shows. The Executive Committee was entertained with this concept and is interested in discussing further.

WESTERN NATIONALS UPDATE – SHIANNE MEGEL

Director of Shows Shianne Megel provided the latest update with regards to the entries for the Western Nationals which are concerning. As of today, 6,246 invites were issued and as of April 20th we only have 61 entries.

As a result of this information presented, the Executive Committee made the decision in the form of a motion to cancel the Western Nationals show in Reno, NV. **MOTION** was made by Rock Hedlund and **SECONDED** by Skip Jones to cancel the 2022 Western Nationals in Reno, NV. **MOTION PASSED UNANIMOUSLY.**

NCHA is contractually obligated to a certain amount. After that obligation is met, the monies

allocated to the Western Nationals will now be evenly distributed amongst the 13 affiliates hosting the NCHA Days for our weekend cutters.

OLD BUSINESS

- At a recent Finance & Audit Committee meeting, the recommendation was made for the Executive Committee to consider adding an entry surcharge on future payments to help offset the increased costs for our NCHA produced shows.

A **MOTION** was made by Casey Green and **SECONDED** by Ted Sokol to approve and incorporate a \$30 dollar increase to the 2nd payment of the Summer Spectacular for all Open and Non Pro entries. **MOTION PASSED by majority with one (1) opposition.**

- President Ora Diehl reminded the committee members that the Vice President election closes at midnight on May 13th. There was an additional 1,039 or so ballots mailed out this year to accommodate the increase in eligible members voting.
- President Ora Diehl brought up a reminder from Chairman of the Youth Committee Amy Lippincott, to help support the youth on their attire for the officers at convention as they are still short.
- More discussion was brought up regarding the NCHA Days and issuing the affiliates the additional funding which led to a motion. A **MOTION** was made by Rock Hedlund and **SECONDED** by Sharon Overstreet to grant the Executive Director Jay Winborn the authority to approve any show approval entry fee adjustments with regard to the NCHA weekend. **MOTION PASSED.**

NEW BUSINESS

- Toddy Pitard suggested that we create a process to allow the Executive Committee agendas to go out to the Board of Directors ahead of the meetings to allow them time to comment on the agenda items up for discussion.
- President Ora Diehl announced that the next EC Conference call is scheduled for Tuesday, May 10th at 10:00am tentatively.

ADJOURNMENT

There being no further business to come before the committee, a **MOTION** was made by Ernie Beutenmiller and **SECONDED** by Matt Miller to adjourn the meeting. **MOTION PASSED UNANIMOUSLY.**