

**NCHA EXECUTIVE COMMITTEE MEETING MINUTES
MARCH 17-18, 2021
WILL ROGERS – FORT WORTH, TX**

A meeting of the Executive Committee of the National Cutting Horse Association was held Wednesday and Thursday, March 17-18, 2021 beginning 8:00AM central time.

All Executive Committee members were present: President Steve Norris, President-Elect Ora Diehl, Vice President Ted Sokol, Kristen York, Rock Hedlund, Kirby Smith, Byron Green, Sharon Overstreet, Toddy Pitard, Skip Jones, Matt Miller, Ernie Beutenmiller, Lachlan Perks and Tatum Rice. NCHA Executive Director Jay Winborn, Director of Shows Shianne Megel, Manager of Shows Joshua Valdez, Manager of Marketing and Communications Callie McCarthy and Cathy Marie Aleff were also in attendance for this meeting. NCHA Legal Counsel Jim Morris also attended a portion of these meetings.

WEDNESDAY – MARCH 17, 2021

The Executive Committee meeting was called to order at 8:03AM and roll call was taken.

President Steve Norris welcomed the attendees and opened the meeting by leading the group with an invocation and a reading from Proverbs 24:3-4.

APPROVAL OF MINUTES

At this time, there are no current minutes that require approvals.

PRESIDENT REPORT – STEVE NORRIS

President Steve Norris addressed the members of the Executive Committee with a heartfelt message on his reflection as President this past year.

A few members of the EC recommended that Steve consider sharing that message with the entire membership.

As President Steve Norris is preparing for his term to end, he is beginning the transition of his duties to President-Elect Ora Diehl. Also, Steve gave the Executive Committee some ideas to consider as this great association moves forward.

This year, 2021 marks the 75th anniversary of the National Cutting Horse Association which was established in 1946.

DIRECTOR ELECTION UPDATES

President-Elect Ora Diehl addressed the members of the Executive Committee with the latest updates in our contested election areas. As of March 16th, the followings stats have been

provided on the number of votes in each of these areas for a total of 24.1% overall participation.

- Alabama – we have received 82 of 222 for 36.9%
- Michigan – we have received 46 of 144 for 31.9%
- Missouri – we have received 86 of 264 for 32.6%
- North Carolina – we have received 48 of 162 for 29.6%
- North Texas – we have received 333 of 1681 for 19.8%

Results of the elections in these five (5) districts will be announced before the Super Stakes as the election is scheduled to close at midnight on March 19th.

NCHA CIRCUIT PROGRAM UPDATES – JOSHUA VALDEZ

Manager of Shows Joshua Valdez addressed the Executive Committee with updates to the Executive Committee on a priority that came out of the January EC Meetings of assigning producers/locations for the circuit finals.

Joshua Valdez is pleased with the amount of excitement amongst our affiliates and the number of proposals to consider as these selections are being finalized. National Circuit Finals selections are as follows:

1. Circuit Finals

Announced

- Big Sky – Gillette, WY (Wyoming CHA) Oct. 1-3
- Appalachian – Logan Township, NJ (Penn. CHA) Oct. 23
- Heartland – Lincoln, NE (LG Productions) Oct. 28-31
- Oiler – Sweetwater, TX (PCHA, PDCHA, BCCHA) Oct. 15-17
- Red River – Ardmore, OK (Cen. OKCHA – Della Hillerman) Oct. 28-31
- Sunshine – Swainsboro, GA (Wateree CHA) Nov. 5-7
- Cotton – West Monroe, LA (Southern Futurity, Cotton Stakes, Affiliates) Nov. 5-7

To be announced

- Aurora – Stavelly, AB (Canadian CHA/ AB CHA) Oct. 9-10
- Alamo – Belton, TX (Bell County CHA) Nov. 11-14
- Great Lakes – Du Quoin, IL (Illinois CHA) Oct. 22-24

Outstanding (Likely to be selected)

- Redwood - Eltopia, WA (Cascade Cow Cutters) Nov. 10 - 14
- Cactus - Queen Creek, AZ (AZCHA) Nov. 2-7

2. Joint Circuit Shows

State	Seeking Approval Count	Seeking Approval Circuit	59 Shows Count	Percent
OH	12	Alamo	2	3%
UT	6	Big Sky	3	5%

TX	18	Cactus	3	5%
MO	7	Great Lakes	12	20%
NM	3	Heartland	11	19%
CO	2	Oiler	16	27%
OK	6	Red River	6	10%
KS	2	Redwood	6	10%
MT	3	Aurora	0	0%
Sunshine	0			0%
Appalachian	0			0%
Cotton	0			0%

3. Circuit Finals Awards

- Buckles (Champion and Reserve Champions)
- Jackets (Championship)
- Additional Awards (possibly saddle blankets or splint boots)

4. Youth at the NCHA Circuit Finals

- NCHA Circuit Merchandise (youth members sell merchandise for donation to NYCHA)

5. Year End Review

- NCHA Staff to re-evaluate program at year end.

SEE the latest [NCHA Circuit Program Policy and Rules](#) on the NCHA website.

FINANCIAL REPORT – MARK SENN/DENISE SEIZ/NANCI GATES

Chairman of the Finance and Audit Committee Mark Senn addressed the Executive Committee with a summary of the enclosed financial reports for the month of January FY2021.

In addition to the monthly financial reports, the Finance Committee had two guests join the Executive Committee meeting.

1) Rob Jones, Vice President of Frost Wealth Advisors, provided a presentation of the asset re-allocation strategy for both the long term investment and stallion foal investment portfolios. The objective of the investment funds is to continue to sustain funds in preparation for self-operation without the dependency of the MERP program. Historically, the Association has conservatively invested mostly in bonds. Given the current market conditions, it was determined that the asset allocation between bonds (fixed income) and equities needed to be adjusted and this re-allocation strategy accomplished this objective. In conjunction with this strategy, the Finance and Audit Committee recommended changing the NCHA investment portfolios to reflect the following:

Asset Classes Allocation in Percentages

Cash Equivalents	0-10
Fixed Income	30-60
Equities	40-70

A **MOTION** was made by Lach Perks and **SECONDED** by Ernie Beutenmiller to approve the revised NCHA investment policies as presented by the Finance and Audit Committee with Frost Bank on March 17th, 2021. **MOTION PASSED.**

2) Noah Farnham, FiServ Sr. Business Consultant, provided a presentation on credit card processing and how the Association could improve operational efficiencies and reduce the cost of credit card processing. NCHA Staff anticipate having these cost savings efficiencies and the option of members paying via ACH in place by May 1, 2021.

President Steve Norris expressed thanks to Mark, Denise and Nanci for their efforts in presenting this financial data to the Executive Committee.

Statement of Position Trend

National Cutting Horse Association Statement of Position Trend Through Sunday, January 31, 2021					
	2020 September	2020 October	2020 November	2020 December	2021 January
Cash	\$1,884,934.19	\$2,695,991.46	\$3,070,822.74	\$1,433,488.94	\$1,076,377.51
Frost Investments	5,634,680.33	5,642,327.77	5,646,383.64	5,727,739.03	5,732,832.53
CASH AND INVESTMENTS	7,519,614.52	8,338,319.23	8,717,206.38	7,161,227.97	6,809,210.04
Stallion Foal Cash	1,180,500.00	1,233,476.45	1,350,210.71	1,692,650.71	1,919,715.71
Stallion Foal Investments	2,588,881.74	2,592,365.43	2,597,871.00	2,613,401.18	2,619,007.93
STALLION FOAL CASH & INVESTMENTS	3,769,381.74	3,825,841.88	3,948,081.71	4,306,051.89	4,538,723.64
Accounts Receivable - Operating	2,040,101.80	2,037,317.17	2,000,832.91	3,760,017.17	2,883,321.85
Foundation Due To/Due From	37,776.25	7,290.65	8,123.39	14,735.21	8,205.35
Accrued Interest Receivable	4,715.38	6,026.74	4,865.90	7,133.50	4,696.82
ACCOUNTS RECEIVABLE, NET	2,082,593.43	2,050,634.56	2,013,822.20	3,781,885.88	2,896,224.02
Property, Plant & Equipment	6,040,719.51	6,040,719.51	6,040,719.51	6,040,719.51	6,040,719.51
A/D - PP&E	(4,513,076.27)	(4,521,958.27)	(4,530,801.27)	(4,539,644.27)	(4,548,487.27)
PROPERTY, PLANT & EQUIPMENT, NET	1,527,643.24	1,518,761.24	1,509,918.24	1,501,075.24	1,492,232.24
Prepaid Insurance	96,974.53	85,070.63	73,166.72	61,262.73	78,746.18
Prepaid Postage	1,220.64	593.14	1,225.92	167.81	6,239.37
Prepaid Other	224,136.32	456,097.65	620,125.58	178,265.62	188,661.27
PREPAIDS	322,331.49	541,761.42	694,518.22	239,696.16	273,646.82
TOTAL ASSETS	15,221,564.42	16,275,318.33	16,883,546.75	16,989,937.14	16,010,036.76

National Cutting Horse Association Statement of Position Trend Through Sunday, January 31, 2021					
	2020 September	2020 October	2020 November	2020 December	2021 January
LIABILITIES					
Accounts Payable	93,941.34	403,345.89	184,894.20	339,484.39	32,739.18
Accrued Expenses	335,398.16	184,113.00	301,289.67	1,173,975.53	623,448.19
Membership Deferred Revenue	314,254.00	314,254.00	314,454.00	299,676.00	299,676.00
Sponsorship Deferred Revenue	246,405.00	262,810.00	556,032.22	42,900.00	88,435.00
Event Deferred Revenue	3,455,766.28	4,385,402.28	4,917,383.91	446,422.67	629,505.93
Stallion & Foal Program Deferred Revenue	3,609,382.00	3,659,582.00	3,779,982.00	4,121,682.00	4,348,082.00
PAC Fund	45,628.00	75,775.00	76,685.00	77,365.00	2,967.00
Frost-Line of Credit	0.00	0.00	0.00	2,000,000.00	1,050,000.00
TOTAL LIABILITIES	8,100,774.78	9,285,282.17	10,130,721.00	8,501,505.59	7,074,853.30
Unrestricted Net Assets	6,778,958.63	6,749,607.45	6,749,607.45	6,749,607.45	6,749,607.45
Designated for Youth Funds	371,182.19	371,182.19	371,182.19	371,182.19	371,182.19
Net Income	(29,351.18)	(130,753.48)	(367,963.89)	1,367,641.91	1,814,393.82
TOTAL NET ASSETS	7,120,789.64	6,990,036.16	6,752,825.75	8,488,431.55	8,935,183.46
TOTAL LIABILITIES & NET ASSETS	15,221,564.42	16,275,318.33	16,883,546.75	16,989,937.14	16,010,036.76

Statement of Activities Commentary

National Cutting Horse Association

Finance Commentary for Statement of Activities

For the Month of January 2021

The Association posted a net profit of \$446,752 for the month of January which fell shy of the anticipated budget of \$535,871 by \$89,119 or 16.63%. The shortfall was primarily attributed to cash sponsorship revenue (\$144,582 unfavorable variance) that did not materialize. A more detailed explanation of this shortfall is discussed below. On a positive note, for FY 2021, the Association shows a net profit of \$1,814,394 which is better than budgeted YTD profits of \$1,593,295 by \$241,099 or 15.32%.

For the month of January, cash sponsorship revenue fell short primarily because the following sponsor revenue did not materialize:

Rocking P Ranch	\$100,000
North Texas Chevy Dealers	\$25,000
McAllister Assets	<u>\$4,500</u>
	\$129,500

Management anticipates that these sponsor payments will be received in February.

Other revenue items worth noting:

Revenue from approved shows continue to exceed budget as shows entries across the country remain strong.

Membership revenue driven by higher than budgeted competition memberships exceeded budgeted estimates for January.

Advertising revenue, while fell short of budget by \$3,723, showed it's strongest month for FY 2021 with \$26,278. Management continues to work diligently to meet budget expectations.

Youth Activity Revenue for the Association posted higher than budgeted revenue from the Youth Stallion Auction of \$20,182. This favorable variance was due to 10 additional stallions participating in this year's auction.

From an expense perspective, overall, the Association continues to do a good job as actual expenses are in line with the budget. However, higher than budgeted legal expenses continue to be the most significant unfavorable variance. For the month, legal expenses totaled \$25,000 compared to a budget of \$10,000.

YTD Statement of Activities

National Cutting Horse All Departments Statement of Activities - For the Four Months Ending

	Actual	Budget	\$ Var	% Var
REVENUES				
Entry Fees	\$3,439,376	\$3,510,393	(\$71,017)	(2.02%)
Show Fees	1,101,472	1,030,656	70,816	6.87%
Office Charge				0.00%
Practice Pen	240,618	274,735	(34,117)	(12.42%)
Foal & Stallion Nominations				0.00%
Stalls	401,313	378,219	23,094	6.11%
Boxseat & Ticket Sales	276,936	78,000	198,936	255.05%
Booth/Exhibit Rent	234,525	151,103	83,422	55.21%
Promo Fee				0.00%
Scoreboard Advertising	18,600	40,000	(21,400)	(53.50%)
NCHA PRODUCED SHOW REVENUE	5,712,840	5,463,106	249,733	4.57%
Sponsorship - Cash	886,903	966,648	(79,745)	(8.25%)
Expense Allowance	15,000	75,000	(60,000)	(80.00%)
Event Sponsorship				0.00%
SPONSORSHIP REVENUE	901,903	1,041,648	(139,745)	(13.42%)
Western Bloodstock Commissions	823,644	639,200	184,444	28.86%
HORSE SALE COMMISSION REVENUE	823,644	639,200	184,444	28.86%
Approval Fees - Other				0.00%
Approval Fees - Weekend (8%)	180,966	145,240	35,726	24.60%
Approval Fees - Small LAE(8%)	63,446	49,243	14,203	28.84%
Approval Fees - Major Premier (2%)	62,233	77,132	(14,899)	(19.32%)
Approval Fees - Major LAE (3.5%)	22,185	8,868	13,317	150.17%
Senior World Tour Fee	6,253	7,800	(1,547)	(19.83%)
Senior World Tour Fee - Youth Novice	42	8,364	(8,322)	(99.50%)
Challenger Approvals	2,400	2,050	350	17.07%
Regional Challenger Fee	696		696	0.00%
NCHA Championship Fee				0.00%
NCHA W/E Fee Share	220		220	0.00%
Affiliate Software				0.00%
APPROVED SHOWS REVENUE	338,441	298,697	39,744	13.31%
Spectator Membership	25,430	28,255	(2,825)	(10.00%)
Competitor Membership	393,560	388,380	5,180	1.33%
Other Membership	22,848	3,570	19,278	540.00%
MEMBERSHIP REVENUE	441,838	420,205	21,633	5.15%
Advertising - Chatter	130,426	182,500	(52,074)	(28.53%)
ADVERTISING REVENUE	130,426	182,500	(52,074)	(28.53%)
Interest Earned	82,884	77,985	4,899	6.28%
Gain/Loss on Investments	59,478		59,478	0.00%
Gain/Loss on Sale of Assets				0.00%
INVESTMENT PORTFOLIO INCOME	142,362	77,985	64,377	82.55%
Youth Week - Live Auction				0.00%
Youth Week - Silent Auction				0.00%
Youth Week - Raffle				0.00%
Youth Week - Misc				0.00%

	<u>Actual</u>	<u>Budget</u>	<u>\$ Var</u>	<u>% Var</u>
Donations - General	3,480		3,480	0.00%
Youth Stallion Auction	109,187	90,000	19,187	21.32%
Youth Scholarship Cutting				0.00%
YOUTH ACTIVITY REVENUE	112,667	90,000	22,667	25.19%
Tapes & DVDs	80	334	(254)	(76.17%)
Misc	7,058	800	6,258	782.23%
Projects				0.00%
Printing - Program				0.00%
Trophies	(1,124)	26,831	(27,955)	(104.19%)
Seminars & Clinics	575	9,999	(9,424)	(94.25%)
Show Days				0.00%
DVD Viewing				0.00%
City of Scottsdale WestWorld - Food Sales Credit				0.00%
Program Sales				0.00%
Signs and Banner Sales				0.00%
Protests & Fines	11,650	12,400	(750)	(6.05%)
Convention Revenue				0.00%
OTHER INCOME	18,239	50,364	(32,125)	(63.79%)
TOTAL REVENUE	8,622,360	8,263,705	358,654	4.34%
EXPENSES				
Premiums	4,041,941	3,746,680	(295,261)	(7.88%)
Summer Spectacular .				0.00%
PREMIUM EXPENSE	4,041,941	3,746,680	(295,261)	(7.88%)
Awards - Buckles				0.00%
Awards - Saddles				0.00%
Awards - Jackets	77,004	76,496	(508)	(0.66%)
Awards	26,290	54,359	28,069	51.64%
Awards	229,887	290,911	61,024	20.98%
AWARDS EXPENSE	333,181	421,766	88,585	21.00%
Cattle	569,207	585,545	16,338	2.79%
CATTLE EXPENSE	569,207	585,545	16,338	2.79%
Exhibit Hall Space	62,073	80,711	18,638	23.09%
Facilities & Stalls	434,329	429,434	(4,895)	(1.14%)
Dirt	99,880	146,230	46,350	31.70%
Arena Deodorant	3,281	2,500	(781)	(31.25%)
Equipment Rent	1,305	4,782	3,477	72.70%
Soundmen	5,000	5,000		0.00%
SHOW FACILITIES EXPENSE	605,868	668,657	62,789	9.39%
Banners & Signs	80	13,000	12,920	99.38%
Promotions	2,841	8,127	5,287	65.05%
Advertising				0.00%
Parties	1,277	7,173	5,896	82.19%
Advertising	317	1,000	683	68.26%
Promotions	6,015	8,840	2,825	31.96%
Webcast Expenses	57,071	48,000	(9,071)	(18.90%)
Hospitality Room				0.00%
Sponsor Cost	7,149	11,500	4,351	37.84%
Signage	18,958	15,350	(3,608)	(23.51%)
SHOW MARKETING EXPENSE	93,708	112,990	19,282	17.07%
Telephone	2,760		(2,760)	0.00%

	Actual	Budget	\$ Var	% Var
Drug Testing	29,121	31,500	2,379	7.55%
Veterinarian	23,419	16,000	(7,419)	(46.37%)
Judges	169,890	184,015	14,125	7.68%
Practice Pen Labor	35,544	34,350	(1,194)	(3.48%)
Security & Paramedics	54,554	54,500	(54)	(0.10%)
Slot Cutting Expenses				0.00%
Show Staff	122,439	146,223	23,784	16.27%
Stalls Labor	33,294	39,024	5,730	14.68%
Supplies - Show	6,561	6,413	(148)	(2.31%)
Bank Fees - Credit Card Processing				0.00%
SHOW OPERATING EXPENSE	477,582	512,025	34,442	6.73%
Salaries	655,886	643,567	(12,320)	(1.91%)
Employee Bonus/Merit Increase				0.00%
Payroll Taxes	48,203	56,244	8,041	14.30%
Insurance	72,966	80,137	7,171	8.95%
401k Match	23,836	21,891	(1,945)	(8.89%)
Employee Relations	2,592	800	(1,792)	(224.02%)
Seminars & Training				0.00%
Vehicle Allowance	4,763	4,800	37	0.77%
Payroll Processing	4,297	6,900	2,603	37.72%
Travel, Hotel & Meals	5,534	7,868	2,334	29.67%
Contract Labor	51,423	55,946	4,523	8.09%
Employee Cell Phone	4,167	4,600	432	9.40%
Feature Stories	1,220	800	(420)	(52.49%)
Temporary Labor				0.00%
Monitor Fees	30,864	34,800	3,936	11.31%
PERSONNEL EXPENSE	905,751	918,353	12,601	1.37%
Consultant - Highland	35,000	52,167	17,167	32.91%
Morris Media	72,000	72,000		0.00%
Legal	122,867	40,000	(82,867)	(207.17%)
Lobbyist				0.00%
Accounting	9,130	16,668	7,538	45.22%
Other				0.00%
PROFESSIONAL FEES	238,997	180,835	(58,162)	(32.16%)
Off site storage/rent expense	2,166	(744)	(2,910)	391.12%
Repairs & Maintenance	14,219	18,904	4,685	24.78%
Utilities - Electric & Telephone	14,291	25,740	11,449	44.48%
Ad Valorem Taxes	19,482	18,800	(682)	(3.63%)
Office Rental Revenue				0.00%
HOME OFFICE FACILITIES EXPENSE	50,158	62,700	12,541	20.00%
Assets < \$1,000	149		(149)	0.00%
Depreciation	35,411	35,411		0.00%
Office Supplies	6,682	7,949	1,267	15.94%
Postage	28,042	58,536	30,494	52.10%
Printing	71,754	72,100	346	0.48%
Bad Debt	(1,754)		1,754	0.00%
Dues, Fees & Subscriptions	9,427	8,850	(577)	(6.52%)
Insurance	52,678	50,000	(2,678)	(5.36%)
Stallion/Foal Program Expenses (Non-Show Related)				0.00%
IT/Software	53,285	61,935	8,650	13.97%
Hosted Services				0.00%
Bank Charges	89,680	77,988	(11,692)	(14.99%)
OFFICE EXPENSE	345,354	372,769	27,415	7.35%
Convention	1,534	1,500	(34)	(2.24%)

	<u>Actual</u>	<u>Budget</u>	<u>\$ Var</u>	<u>% Var</u>
Hall of Fame Expenses				0.00%
Collection Costs				0.00%
Chatters On-Line				0.00%
Committees	25,706	23,700	(2,006)	(8.46%)
Horse Records				0.00%
NCHA Weekend				0.00%
Photos & Cover				0.00%
Misc Expenses				0.00%
Projects	187	6,250	6,063	97.00%
Scholarships				0.00%
Bank Charges				0.00%
DVD Viewing/Sales Expenses				0.00%
Entertainment		750	750	100.00%
AZ Transaction Privilege Use / Sales Tax				0.00%
Stallion Interest Expense				0.00%
Stallion/Foal Program Expenses (Show Related)				0.00%
Tickets	18,777	10,677	(8,100)	(75.86%)
Video Production		4,500	4,500	100.00%
YWF Scholarships				0.00%
TOTAL OTHER EXPENSES	46,204	47,377	1,174	2.48%
TOTAL EXPENSES	7,707,951	7,629,697	(78,258)	(1.03%)
NET PROFIT / (LOSS) BEFORE MERP	914,409	634,008	280,396	44.23%
MERP	899,989	939,287	(39,298)	(4.18%)
NET PROFIT/(LOSS)	1,814,398	1,573,295	241,099	15.32%

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SPONSORSHIP UPDATES – TODD BARDEN

Director of Sponsorship Todd Barden addressed the members of the Executive Committee with sponsorship updates for the association.

New Opportunities

1. Complimentary Videos to Competitors
 - a. 2021 Super Stakes (Platinum Performance – Official Video Provider)
2. Additional Webcast Capabilities
 - a. 2021 Super Stakes
 - i. Herd Cam
 - ii. Cattle Change Commercial Program – 12 Advertisers
3. NCHA Ranch Partnerships
4. Awards & Recognition Sponsorships

Corporate Partner Updates

1. New Official Custom Hat of NCHA – Western Legacy Hat Company
2. Livestock Nutrition Center – 5,305 tons of growth first year
3. Kubota Tractors – working with local dealers to support circuit finals
4. Rod's Western Palace – support circuit finals
5. Platinum Performance
6. Western Bloodstock

A variety of others pending renewal.

NCHA Sponsor Updates

1. Home2 Suites (Cultural District) – Official Host Hotel
2. Ghostwood Distilling Co.
3. South Texas Tack
4. S. Sylvester Photography
5. Dennis Moreland Tack
6. Holiday Inn Express
7. Springhill Suites

AMATEUR COMMITTEE RECOMMENDATIONS – TODDY PITARD/BYRON GREEN

Executive Committee Members Toddy Pitard and Byron Green addressed the other members with a recommendation from the Amateur Committee of which they currently serve.

5yr/\$250K Unlimited Amateur Exception

Unlimited Amateur **5-Year/\$250,000** Exception: An applicant may be granted **Unlimited** Amateur status if the applicant has never been involved as a trainer or assistant trainer of cutting horses for direct or indirect remuneration in any amount and has never been an apprentice cutting horse trainer AND the applicant for more than a **five-year period prior to the date of application**: (i) has not been married to a person had a cohabitational relationship with a person or resided with a person who is engaged in activities that would require that person to be classified because of the activities then occurring as a

professional by the provisions of Rule 51.a.3; (ii) has not resided with or on the premise with a parent, step-parent or foster parent who was, during the previous five-year period, a Professional; (iii) has not been directly or indirectly employed by a Professional and performed the duties of employment on the premises of a horse training operation astride a horse; **AND** (iv) **has not received \$250,000 or more in lifetime earnings** in cutting horse competition and breed associations of all types. This includes cutting horse winnings in all breed associations and any and all cutting competitions regardless by whom such competitions are produced, sponsored or approved. **Additionally, anyone that has previously exceeded the limit for the Unlimited Amateur and declared to move to Non Pro only may not apply under this exception.** A person applying for **Unlimited Amateur** classification under this 5-Year/\$250,000 exception shall obtain an **Unlimited Amateur 5-Year/\$250,000 Exception Rule Application** from the NCHA membership department, complete the application, have it notarized and signed by a director and return the application to the NCHA office for review by the Non-Pro Amateur Review Committee. In addition, the person shall provide to the NCHA any and all additional information as the NCHA may request related to documenting the status of the applicant. There is no right to classification as an **Unlimited Amateur** and this classification may be granted based upon an evaluation of all circumstances considered relevant by the NCHA, with the decision of the Non-Pro/Amateur Review Committee, subject to any appeal, to be final.

A **MOTION** was made by Matt Miller and **SECONDED** by Rock Hedlund to table this item until later in the meeting for an opportunity to change the verbiage by incorporating leveling language. **MOTION PASSED UNANIMOUSLY.**

A **MOTION** was made by Byron Green and **SECONDED** by Tatum Rice to approve the revision to the unlimited amateur recommendations from the Amateur Committee as presented. **MOTION PASSED.**

NCHA STAFF UPDATE – JAY WINBORN

Executive Director Jay Winborn introduced and welcomed a new member of the staff to the Executive Committee, Kelley Hartranft. Kelley will be assisting with the IT and Show Departments and various other special projects around the office.

LEGAL UPDATES – JIM MORRIS

NCHA Legal Counsel Jim Morris addressed the Executive Committee with updates on bylaw revisions and legal matters.

President Steve Norris placed the Executive Committee Meeting in executive session.

A **MOTION** was made by Ernie Beutenmiller and **SECONDED** by Ora Diehl to assign the Governance Committee with the task of preparing a revision on Article 5, Section One and rewrite to accommodate current times. **MOTION PASSED UNANIMOUSLY.**

A **MOTION** was made by Ernie Beutenmiller and **SECONDED** by Byron Green to assign the Governance Committee with the task of preparing a revision on Article 5, Section Two and review/rewrite term language. **MOTION PASSED.**

COMPETITION COMMITTEE RECOMMENDATIONS – FRANK MERRILL

Chairman of the Competition Committee Frank Merrill addressed the members of the Executive Committee with his committee's recommendations.

Second Chance Concept

After getting input from Limited Age Events, Professional Trainers and Growth and Development Committees, the Competition Committee reported that a motion passed unanimously to follow the advice of the other committees and recommend to the Executive Committee to NOT implement the Second Chance Concept.

Alternate Open Entry/Payout for Summer Spectacular

Competition Committee reported to recommend to the Executive Committee to implement the Alternate Open Entry and Payout system for the upcoming Summer Show.

Frank Merrill opened the floor to Casey Green and Angie Highland to address any questions.

Member Casey Green with the assistance of Angie Highland presented some additional information to the members of the Executive Committee to support the alternate open entry/payout for Summer Spectacular. For more clarification, the presentation incorporated actual numbers from the 2021 Super Stakes to demonstrate the results if this concept had it been implemented for the Super Stakes.

President Steve Norris expressed thanks to Frank, Casey and Angie for their efforts in presenting this Competition Committee's input to the Executive Committee.

After much discussion, a **MOTION** was made by Matt Miller and **SECONDED** by Rock Hedlund to accept the one entry fee proposal concept as presented for Open class division at the 2021 Summer Spectacular. Following a roll call vote of the members, the **MOTION PASSED by majority.**

VP ELECTION UPDATES – ORA DIEHL

President-Elect Ora Diehl addressed the members of the Executive Committee with a status update on the upcoming NCHA VP Election which will run from April 2nd through April 30th.

We are in the process of setting up Regional Directors Calls to allow each candidate to highlight their campaign and address questions. Calls will take place the week of March 22-25, 2021.

ADJOURNMENT

A **MOTION** was made by Kristen York and **SECONDED** by Rock Hedlund to adjourn the first day of the meeting and reconvene Thursday, March 18th at 8:00AM central time. **MOTION PASSED UNANIMOUSLY.**

THURSDAY – MARCH 18, 2021

The Executive Committee meeting reconvened and was called to order at 7:58AM by President Steve Norris.

At Large Director Ernie Beutenmiller addressed the members of the Executive Committee by reciting the NCHA mission statement.

REGIONAL REPORTS

President Steve Norris addressed the members of the Executive Committee that we will hear from each of the Regions and the At Large Directors with updates.

Region 1 – Kristen York reported that her region has pulled together to raise funds for a cutting family in need and presented the family with \$33K.

Region 2 – Rock Hedlund reported that cutting has been strong in Region 2, with some big shows in Arizona and Southpointe. A different technique was used to pre-settle the cattle in different pens and eliminate time during sets which went well. PCCHA had a cutting in CA with a fundraiser that included a 3-day show that resulted in a great turnout.

Region 3 – Kirby Smith reported that cuttings in Region 3 are just getting started, having to deal with a lot of show cancellations due to the weather.

Region 4 – Byron Green reported that cuttings are much like Region 3 and getting started. Byron encouraging his region to back up and consider supporting the National Circuit program.

Region 5 – Sharon Overstreet reported that cuttings are going strong in Region 5, affiliates are working well together. A recent show at the Grand Oaks Resort was a wonderful experience and well received by the equestrian industry.

Region 6 – Toddy Pitard reported that cutting is strong and positive. Region 6 grateful to have Eastern and attend the show in Jackson.

Region 7 – Skip Jones reported that there have been a couple of huge shows in Region 7, cutting is strong. Members looking for a location change for the Western Nationals.

Region 8 – Matt Miller reported that cutting has been good. Cattlemen's had great turnout, heard Arbuckle was strong too. A lot of new players coming into the industry that we need to try and retain.

At Large – Ernie Beutenmiller reported that quite of few affiliates are very positive and supporting the circuit program. It was created a lot of interest in what we are doing.

At Large – Lach Perks reported that respectable members have recently raised concerns with some of our judges, not the program. Also concerns with the Super Stakes schedule and helping trainers with servicing their customers in two separate arenas.

At Large – Tatum Rice reported that it seems that more people are putting more value on time versus their money. Need to fully look and utilize how we manage the show schedules. Our rules may be impinging overall performance rather than assisting cutters.

SHOW DEPARTMENT UPDATES – SHIANNE MEGEL

Director of Shows Shianne Megel addressed the Executive Committee with updates from the show department.

2021 Eastern Summary

Shianne Megel praised Joshua Valdez, Manager of Shows for a job well done in representing NCHA and wrapping up the Eastern Nationals in Jackson, MS. Entries were positive and we also had an opportunity to test some new scoreboard technology, which provided us some feedback to fine tune that program. Weekend classes offered were well received and will be considered at future shows.

A **MOTION** was made by Rock Hedlund and **SECONDED** by Sharon Overstreet to re-evaluate the qualifying rules for the Eastern/Western Nationals and task the Weekend Show committee with further review and bring it back to the Executive Committee for approval by our next meeting. **MOTION PASSED.**

2021 Super Stakes

NCHA is making all the necessary arrangements to accommodate cutters in both arenas. Watt has been scheduled to run fewer sets per day and will start an hour later than the coliseum. Gwen Couie will be managing the announcers stand and the score board in the Watt arena. Running two arenas is due to a positive outcome with the increased number of entries at our show.

USCHA has added a day at their show at the request of their membership and the positive experience they had cutting at the Futurity.

Back numbers will continue to be used at the Super Stakes for all competing horses. All details will be provided in the digital exhibitor's packet for our competitors.

Shianne wanted to bring the EC up to date with staff changes for Super Stakes, Connie Rust will be managing the practice pen alongside Patti Willoughby in the John Justin arena. Also, Tyler Cornett (Coliseum) and Allen Morehead (Watt) will be the announcers for the 2021 Super Stakes.

Exhibit Hall will open with a slight delay due to the dog show that will be taking place at the front end of our show. This will be communicated appropriately from the office.

Shianne presented a recommendation for the Super Stakes 5 year old Open to 35 places, a **MOTION** made by Lach Perks and **SECONDED** by Matt Miller to approve payouts to 35 for the Special 5 year old class at the 2021 Super Stakes. **MOTION PASSED.**

Stallion Owners and Breeders Committee Recommendations

Current rules for Stallion & Foal awards:

2. SIRE AWARDS (4-year-olds only): Starting in 2017, 15% of the Stallion Subscription funds will be used for the sire award. Award split equally between Open, Non-Pro, Limited Non-Pro, Unlimited Amateur and Amateur classes paying the Subscriber of the Sire for the top 5 placings plus ties in each class based on the unit system.

3. FOAL AWARDS (4-year-olds only): 15% of the Foal Nomination funds will be used for the foal nominator award. Award split equally between Open, Non-Pro, Limited Non-Pro, Unlimited Amateur and Amateur classes paying the Nominator of the Foal for the top 7 placings plus ties in each class based on the unit system.

Recommendation for leveled shows:

2. SIRE AWARDS (4 & 5 year olds only): 15% of the Stallion Subscription funds will be used for the sire award. Award will be split equally between the current 9 levels (Open, Intermediate Open, Limited Open, Non-Pro, Intermediate Non Pro, Limited Non-Pro, Amateur, Intermediate Amateur and Limited Amateur) and pay the Subscriber of the Sire for the top placing horse plus ties in each level.

3. FOAL AWARDS (4 & 5 year olds only): 15% of the Foal Nomination funds will be used for the foal nominator award. Award will be split equally between the current 9 levels (Open, Intermediate Open, Limited Open, Non-Pro, Intermediate Non Pro, Limited Non-Pro, Amateur, Intermediate Amateur and Limited Amateur) and pay the Nominator of the Foal for the top 3 placings horses plus ties in each level based on the unit system.

This recommendation was made by a consensus decision during a Stallion Foal Committee meeting on March 16th due to a lack of a quorum.

After explanation of the rule change to accommodate a leveled show, a **MOTION** was made by Tatum Rice and **SECONDED** by Matt Miller to approve this recommendation as presented. **MOTION PASSED.**

Expedited Show Approval Timeline

Shianne Megel addressed the members of the Executive Committee by reminding them that a previous decision regarding the expedition of show approvals exception rule was scheduled to expire at the end of March in case they wanted to make any changes or pass another extension to that provided service.

After discussion, a **MOTION** was made by Kirby Smith and **SECONDED** by Skip Jones to extend the 15-day expedited show approval process for an additional 90 days after the March 31st date due to expire on July 31st. **MOTION PASSED.**

Shianne Megel shared a situation with an affiliate in Ohio that is asking the NCHA to consider approving an exception to the rule for them to alter the cattle fees for an upcoming show in

March due to underlying circumstances, a **MOTION** was made by Skip Jones and **SECONDED** by Lach Perks to deny this exception. **MOTION PASSED.**

YOUTH DEPARTMENT UPDATES – MIKE SIMMONS/AMY LIPPINCOTT

Director of Youth Mike Simmons addressed the Executive Committee with updates from the youth department. Amy Lippincott, Youth Committee Vice Chair also presented the NYCHA Mentoring Program in detail.

NYCHA Youth Officers & Directors

- AQHYA (Outreach Committee)
- NHSRA (Membership Growth)
- Horse of the Year
- Student Athlete of the Quarter – American Hat Company
- Equine Athlete of the Quarter – Dennis Moreland Tack

NYCHA Fundraisers

- 2021 NYCHA Stallion Auction
 - \$108,340
- 2021 NYCHA Raffle
 - 2022 World Finals Championship Raffle
- NYCHA PayPal Donation
 - Single Donation
 - Reoccurring Donation
- QR Code

2021 Braveheart & Regional Championship Shootout

- Veterans Appreciation Day
 - Veteran Profile
- 2-Day Clinic
- 1-Day Clinic
- Performance

2021 Youth Convention Week

- NYCHA World Finals
- NYCHA Scholarship Cutting
- NYCHA Youth Convention Week
 - General Meeting
 - Election
 - Officers Leadership Class
 - NCHA Professional Men's and Women's Forum

NYCHA Executive Committee Mentoring Program

Amy stated that they started this Executive Committee Mentoring Program with their Senior officers and now have added their Junior officers, the officers are working hard and are very anxious to mirror the day of an NCHA Executive Committee member at our annual convention.

Youth Committee is looking for sponsors to contribute to the youth mentoring program to provide each of their youth officers with a Youth Director package which is about \$1,500 each. This package includes a NYCHA jacket, belt buckle, American Hat, Cinch shirt and a backpack. There are currently 13 of these youth members that have earned this recognition.

President Steve Norris expressed thanks to Mike and Amy for their efforts with our youth and presenting these updates to the Executive Committee.

EXECUTIVE DIRECTOR REPORT – JAY WINBORN

Executive Director Jay Winborn addressed the Executive Committee with a presentation on where our association has been this past year with the current times following a worldwide pandemic and the direction, he would like to lead us for growth opportunities. The presentation highlighted membership trends and how the world continues to evolve with the migration of our western heritage, the cowboys and the horses.

Jay shared an exciting new concept with the Executive Committee for consideration to lead us down that path for growth and development. This new concept was well received by the members of the Executive Committee with full support and authorized him to move forward.

2021 NCHA ANNUAL CONVENTION (POSTPONED)

After much discussion and honoring requests that have come in from membership to have a annual convention, a **MOTION** was made by Ernie Beutenmiller and **SECONDED** by Skip Jones to host business meetings for the Board of Directors and membership during the Summer Spectacular in July at Will Rogers Memorial Center located in Fort Worth, TX with staff responsible for inclusion in show schedule. **MOTION PASSED.**

In addition to hosting annual NCHA business meetings at the 2021 Summer Spectacular, the members of the Executive Committee also addressed with a **MOTION** made by Ernie Beutenmiller and **SECONDED** by Skip Jones to honor and recognize this year's Hall of Fame inductees again at the 2021 Futurity. **MOTION PASSED.**

More information to follow from the NCHA office on upcoming dates and events surrounding 2021 NCHA Convention.

ADJOURNMENT

There being no further business to come before the committee, a **MOTION** was made by Ora Diehl and **SECONDED** by Ted Sokol to adjourn the meeting. **MOTION PASSED UNANIMOUSLY.**