

**National Reining Horse Association
Minutes of the Board of Directors Meeting
Renaissance Hotel & Convention Center
Oklahoma City, OK
January 29, 2009**

Approved April 4, 2009

Present: President Rick Weaver; and Elected Officers Mike Hancock, Greg Hill, Beth Himes, Dale Lopp, Mark Schols, and Regional Directors Judy Caton, Susan Camfferen, Nick Cornelissens, Julia Cowan, Andre DeBellefeuille, Mike Deer, Nancy Eppers, Tom Foran, Terry Griffin, Tim Lynch, Michael Martin, Dan McGregor, Guy Vernon, Judith Vetter (web), Josh Visser, Brett Walters.

Not Present: Vice President Allen Mitchels, Kit Cospers, Renzo Canciani, Rick Clark, Luis Cruz, Katarina Dorminy, Helmut Gerstenberg, Jennifer Hoyt, George King, Anat Kirshner, Raul Leal Cavazos, Matt Mills, Rick Ramsey, Helmut Schulz, Rosanne Sternberg, Woody Taylor, Monica Widh, Wim Van Gemert, Robert Welle.

Staff: Executive Director, Dan Wall; Chief Financial Officer, John Foy; Chief Operations Officer, Dennis York; Sr. Director of Publications, Carol Trimmer; RHSF Administrative Assistant, Krissy Colbath; Director of Marketing and Communications, Todd Barden; Manager of Marketing and Communications, Christa Morris; Supervisor Futurity/Derby Entries, Susie Trimmer; Manager of Events and Shows, Melanie Rinehart; Supervisor Judges Program, Michelle Wrigley; Accounting Manager, Dillard Moore; Youth & Outreach Manager, Brian Bendele; Director of Events, Brad Ettleman; Executive Editor, Kathy Swan; Affiliate/International Coordinator, Ashley Weyland.

Legal Counsel: Terry Wiens

Guests: Pat Feuerstein, Susy Baeck, Mandy McCutcheon, Jerry Kimmel, Doug McClelland, Emily Winegar, Tim McQuay, Colleen McQuay, Pat Mullins, Andrea Heikes, Marcia Hignett, Misty McAuliff.

CALL TO ORDER

President Weaver called the meeting to order at 1:15 p.m. Roll was called and a quorum was announced.

VACANT REGIONAL DIRECTOR SEATS

Due to a vacancy and a resignation, there was a need to fill the Southwest U.S Affiliate Region's two board seats.

Brett Walters moved that Tom Foran and Matt Mills fill the two vacant seats. Seconded by Dale Lopp. Motion passed.

BOARD RESOLUTION – NATIONAL ASSOCIATION AFFILIATE ELECTIONS

A resolution addressing the National Association Affiliate elections was discussed. Mike Hancock explained the problems requiring resolution. Terry Griffin asked what purpose the resolution would serve. Andre DeBellefeuille spoke to the problems last year and summarized the Board's decisions. Judy Caton informed that since everyone is talking about a bylaw it can't be changed now. The resolution is a way to do business until a new bylaw can be proposed to solve the issue. Mike Hancock said that if the process submitted is acceptable then seat is filled for remaining two years. Nic Cornelissens said the resolution was in violation of Belgium law. Judy Caton advised that the board needs to pass or defeat the submitted resolution. Terry Wiens asked if proper assessment of the information had already been submitted and finished. Assessment was completed but not accepted. Rick Weaver posed the question-can all NRHA members vote? Andre DeBellefeuille noted Germany as an example – many Germans are NRHA members but not members of an affiliate so it was possible that a non affiliate member could be the affiliate representative. He stated that he felt it should be up to the affiliate, so they are allowed to grow. Guy Vernon questioned how he can make an informed decision when he doesn't know their rules. Tim Lynch stated that the NAAs need to adapt to their local rules and determine their process. This resolution would allow for interim ability to go forward and conduct business. Terry Griffin asked if a resolution was possible that would keep existing representatives. Rick, yes but this resolution needs to be dealt with first. Terry Griffin asked if the International Committee finished their assessment. Dan replied that it was completed, but not accepted by the Executive Committee as being compliant with bylaws. Nick explained that most working boards come from membership of affiliates and he fears this resolution will be trouble and could go against the laws of their respective country. Andre DeBellefeuille stated that it seems the Executive Board made the decision before seeing the green binder containing the election process used by the submitting affiliates. He feels that the resolution was made without all the facts.

Greg Hill moved to approve the following resolution:

“Be it resolved that, in keeping with NRHA bylaws, 2008 and 2009 National Association Affiliates (NAAs) will be required to hold elections among all NRHA members in their respective countries to determine NRHA Board representatives. These elections may be absolute or representative, as determined by the NAA. NAA officers or selection committees duly elected by all NRHA members within each country may select the board representative as an alternative to an absolute election. Due to the late date of this resolution it shall be further resolved to seat any representative sent by each NAA until an election may be held. This provides NAA representation as outlined in both the 2008 and 2009 NRHA bylaws. The elections must be held within six months of the date of this resolution.”

President Weaver asked for a roll call vote: Mike Hancock – Yes, Greg Hill – No, Beth Himes – No, Dale Lopp – No, Mark Schols –No, Judy Caton – No, Susan Camfferen – No, Nick Cornelissens – No, Julia Cowan – No, Andre DeBellefeuille – No, John “Mike” Deer – No, Nancy Eppers – No, Tom Foran – No, Terry Griffin – No, Tim Lynch – No, Michael Martin – No, Dan McGregor – No, Guy Vernon – No, Judith Vetter – No, Josh Visser – No, Brett Walters – No.

The resolution was defeated. Judy Caton called for a 10 minute break.

Break 1:50 p.m.
Reconvene 2:05 p.m.

APPROVAL OF MINUTES

August 9-10, 2008 Meeting: Greg Hill moved to approve minutes. Seconded by Mike Hancock. Motion passed.

September 17, 2008 Conference Call: Guy Vernon moved to approve minutes. Seconded by Mike Hancock. Motion passed.

September 30, 2008 E-Vote: Dale Lopp moved to approve. Seconded by Mike Hancock. Motion passed.

October 6, 2008 Conference Call: Mike Hancock moved to approve the minutes. Seconded by Dale Lopp. Motion passed.

October 10, 2008 E-Vote: Guy Vernon moved to approve the minutes. Seconded by Mike Hancock. Motion passed.

October 12, 2008 Conference Call: Dale Lopp moved to approve. Seconded by Greg Hill. Motion passed.

December 2, 2008 E-Vote: Greg Hill moved to approve. Seconded by Dale Lopp. Motion passed.

December 11, 2008 Conference Call: Dale Lopp moved to approve. Seconded by Guy Vernon. Motion passed.

December 23 E-Vote: Mike Hancock moved to approve the minutes. Seconded by Dale Lopp. Motion passed.

January 16, 2009 Conference Call: Tim Lynch moved to approve. Seconded by Julia Cowan. Motion passed.

FINANCIAL REPORT

Audit Presentation – Fred Van Wieren

John Foy introduced Mr. Fred Van Wieren of Van Wieren & Jones, Inc., the audit firm that performs NRHA's annual audit. Foy distributed to the Board the June 30, 2008 Audit Report. Mr. Van Wieren reviewed the main communication and relationship between NRHA and the auditors, as well as explaining the auditing process. Mr. Van Wieren stated he would be glad to answer any questions the Board may have regarding the Audit. Foy then explained that the part of the Audit Report that the Board would be the most interested in is the 3rd paragraph of the Independent Auditor's Report and that the language in the current report is what is commonly referred to as a "clean opinion". Foy noted and discussed some key highlights of the audit report,

and then presented to the Board bar charts documenting NRHA's net assets for the past 5 years and also actual to budget performance for the last 5 years.

Investment Policy & Current Financial Statements

Foy stated that the goal of the Investment Committee is to bring an investment policy to the Board for approval at the next meeting. Foy stated that in 2008 the Executive Committee approved a new Investment Policy; however, the current bylaws require the investment policy to be approved by the Board. The NRHA is in compliance with the investment policy approved in 2008. Foy reviewed the 7/1/08 thru December 31, 2008 financial overview, explaining to the Board the different sections of report and the fact NRHA reports on a full accrual basis and the importance of this for NRHA> Foy detailed those items that need a watchful eye due to the economy, which included memberships, new Futurity / Derby Nomination Program (2,880 entries to date) 2009 Futurity entries, Derby, Sire & Dam Program, Futurity sales, investment balance, and Inside Reining advertising performance against budget. Andre DeBellefeuille asked what is being done with the money from the Futurity / Derby Nomination Program income. Foy advised that the Investment Committee needs to address this; however, the funds are currently in cash with the major advantage is that all non-interest bearing cash balances are 100% fully secured by the U.S. government currently.

BOARD RESOLUTION – NATIONAL ASSOCIATION AFFILIATE ELECTIONS (CONTINUED)

A rewritten resolution was handed out with a sentence added: Judy Caton read - **If the existing procedures are in compliance, the seated director shall serve the balance of the 2009-2010 term.** Andre DeBellefeuille stated that revisions had been made by Judy Caton. Terry Griffin questioned again why a resolution is needed – why can't the Board leave the Bylaw as it is and then submit a proposed Bylaw change for 2010? President Weaver explained that this resolution clarifies how NRHA can operate today and makes it understandable in writing. The question was asked if under this resolution the possibility exists for a member of NRHA Germany (not an NRHA affiliate) being the representative to which Dan answered, "Yes." Mike Hancock asked who determines if an NAA is in compliance?

Mike Hancock made a motion to amend resolution by adding **Compliance will be determined by the Executive Committee.** Seconded by Dale Lopp. Terry Wiens stated that all NRHA members must have the opportunity to vote. Terry Griffin stated that the International Committee should be included. Judy Caton said the focus should be getting through a vehicle to run business. Judy Caton called for previous question – amendment – motion passed. Terry Griffin, Nick Cornelissens, Susan Camfferman, Andre DeBellefeuille, and Judith Vetter objected to international members in attendance not being able to vote even though their affiliates had adhered to the guidelines and followed all conditions. Mike Hancock called for question. Nick Cornelissens asked if it can be determined if those international members in attendance are in compliance so they can vote. Mark Schols asked if the Board had to vote to seat with conditions.

Break 3:25 p.m.

Reconvene 3:35 p.m.

Mike Hancock moved to remove his last motion. Mike Hancock moved to postpone vote on resolution indefinitely. Seconded by Beth Himes. No further action was taken on motion and second. Mike Hancock referred to Board of Directors motion of August 2008 and presented the following revision: **Be it resolved that the action taken at the August 9-10, 2008 Board of Directors meeting to require each National Association Affiliate to submit their procedure to select its representative be further executed by seating those NAA representatives presented today.**

Mike Hancock moved to approve the resolution. Seconded by Beth Himes. Motion approved.

Brett Walters moved to adjourn the meeting. Seconded by Tom Foran. Meeting adjourned.

Adjourned for the day 3:44 p.m.