Cynthia Richardson, President called the Board of Directors meeting to order at 8:00 a.m., November 20, 2013, at the Hyatt Regency, Lexington, Kentucky.

PRESENT:

Cynthia Richardson  Mary Jane Brown  Frank Gaddie
Nancy Harvey       Tague Johnson      Gary Hooghiirk
Bob Fauls          Cheri Clark         Don Schwartz (8:05 a.m.)
Howard Pike        Chris Culbreth      Gerald McDonald
Dave Corning       Rusty Cook          Dan Cross
Jan Decker         Margo Smith Shallcross Terry Andreasen
Lance Walters      Laura Mickelson     Sue Meyer (8:05 a.m.)
Mary Ann Hughes    Angela O’Neill      Dick Reed
Jay Greenberg      Eric Wolfe          Russ Taylor
Steve Freeman      Cathy Gage

OTHERS PRESENT:
Glenn Petty, Executive Vice President; various members of the AHA staff; and various AHA members were present at the Board of Directors meeting.

APPROVAL OF AGENDA

MOTION by Jan Decker, That the Board of Directors agenda of November 20, 2013 be approved as amended.
Motion Passed Unanimously.  (Motion #1-11/20/13-BOD)

PRESIDENT’S COMMENTS
Cynthia Richardson, President, welcomed the directors, guests and staff present at the meeting. Ms. Richardson reported on her recent AHA travels, automatic versus earned top five’s and ten’s, national event surveys, investigating streamlining national show schedules, and requested that the delegates consider in their caucuses donating to the Arabian Horse Foundation.

CONSENT BOARD ITEMS

MOTION by Jan Decker, That the Board of Directors receive the Consent Board items.
Motion Passed Unanimously.  (Motion #2-11/20/13-BOD)

EXECUTIVE COMMITTEE MEETING
Jan Decker, Secretary, gave a synopsis on the August 23, 2013 Executive Committee vote; September 11, 2013 conference call; September 19, 2013 vote; October 24, 2013 conference call; October 29, 2013 conference call; and November 19, 2013 Executive Committee meeting.  (See Exhibit I).
ARABIAN HORSE ASSOCIATION
BOARD OF DIRECTORS MEETING
APPROVED MINUTES
Lexington, Kentucky
November 20, 2013

SUBMISSION OF BOARD MINUTES TO OFFICIAL BOOKS
MOTION by Jan Decker, That the August 2-3, 2013 Board of Directors meeting minutes that were approved on September 13, 2013 be submitted to the Official Books of AHA.
Motion Passed Unanimously.  (Motion #3-11/20/13-BOD)

TREASURER’S REPORT
The Treasurer’s Report was given by Dave Corning.  Mr. Corning reported on the status of the Association’s Financials.

MOTION by Dave Corning:
Whereas, The Fiscal Year 2013 audit of the Arabian Horse Association has been completed by JDS Professional Group; Therefore, Be It
Moved, To accept the March 2013 Audited Financial Statements.
Motion Passed Unanimously.  (Motion #4-11/20/13-BOD)

The Board of Directors gave a round of applause to Dave Corning, Treasurer; for all of his hard work on AHA’s finances.

MOTION by Dave Corning:
Whereas, The Arabian Horse Association Executive Committee did not anticipate the need for a January strategic plan meeting; and
Whereas, The Chair of the Budget & Finance Committee has talked to several members present from the committee to see if there were objections; Therefore, Be It
Moved, That the Board of Directors approve a $5,000 budget variance so that the Executive Committee can review the strategic plan with a view towards giving guidance to the Budget & Finance Committee as they review the budget, with the meeting to occur in January 2014.
Motion Passed Unanimously.  (Motion #5-11/20/13-BOD)

EXECUTIVE VICE PRESIDENT REPORT
Glenn Petty gave the Executive Vice President Report.  Mr. Petty reported on a meeting held with the Executives of sister breed associations, national show surveys, website rebuild and USEF grants to help finance this project, AHC Tax Handbook, and Oracle licenses.

Brad Short, Controller/Senior Director of Administrative Support Services, reported on staffing, newly created AHA staff Work Wiki Intranet, interfund balances, and bond investments and calls.

Chuck Aaron, Business Technology (BT) Senior Director, reported on staffing, business continuity and disaster recovery plan, Horse Registration System (HRS), website rebuild, new database servers, rotation purchase of staff desktops, and strategic planning initiatives.

Leslie Lockard, Competitions Services Senior Director, reported on show statistics, 2014 regional show applications, Distance Nationals sponsorships, and resolution amendments.
Debbie Fuentes, Membership & Registry Services Senior Director, reported on member club bios added to the revamped membership section of the AHA website, membership statistics, registration amnesty, registration statistics, and outreach and alliance activity.

Bill Harless, Marketing & Sales Senior Director, reported on activities that are helping to build a brand presence in the marketplace, magazine advertisers, growing social media, corporate sponsors and partners, trailer raffle, status of website rebuild, and staffing.

Shawna Strickland, Youth & Family Programs Director, reported on youth sponsorships, trailer raffle, tail programs at national shows, youth social media, FFA Convention, youth initiatives, youth membership statistics, Youth Judging Contest, and the silent auction.

JUDGES & STEWARDS COMMISSIONER REPORT
Stan Morey gave the Judges & Stewards Commissioner Report. Mr. Morey advised that there are 265 AHA judges of which 155 are National/Regional judges; also, there are 114 Stewards of which 10 are licensed for Competitive Trail and 19 are licensed for Endurance. Mr. Morey reported on his travels to regional and national shows this year. The 2013 Fall Exhibitors/Judges School and Judges Evaluation will be held December 5-8, 2013 in Scottsdale, Arizona. The Board members were also advised that the 2014 Judges Seminar and National/Regional Judges Testing will be held December 9-10, 2013 in Scottsdale, Arizona.

STANDING RULES OF THE AHA ANNUAL CONVENTION
Charles Bass, Agenda & Resolutions Committee Chair, presented the Standing Rules of the AHA Annual Convention to the Board members.

RESOLUTIONS RECEIVED AFTER DEADLINE
Charles Bass, Agenda & Resolutions Committee Chair, reported that one resolution was received after the deadline, however, the Committee did not deem it extraordinary, therefore, it will be presented to the delegates at the 2014 Convention. Mr. Bass reported that amendments were already in the works for some of the resolutions. The Board members were advised that due to the total restructuring of the AHA Bylaws as proposed in Resolution #1-13, a special workshop will be held today from 1:00 p.m. to 3:00 p.m. to address any questions or concerns. Mr. Bass advised that there will be a Resolutions Plenary Session tonight from 5:00 p.m. to 7:00 p.m. to review all of the resolutions and answer any questions or concerns that anyone might have.

CONVENTION INFORMATION AND ANNOUNCEMENTS/ANNUAL CONVENTION PLANNING COMMITTEE REPORT
Frank Gaddie, Board Liaison, welcomed everyone to Kentucky and gave the Annual Convention Planning Committee report. Mr. Gaddie reported on all of the activities planned by Region 14 for this year’s Convention. Heather Ellzey, Marketing Coordinator, made general administrative announcements and reviewed the Convention schedule.
ARABIAN HORSE ASSOCIATION
BOARD OF DIRECTORS MEETING
APPROVED MINUTES
Lexington, Kentucky
November 20, 2013

NOMINATING COMMITTEE REPORT
Peggy Weems, Chair, gave the Nominating Committee report. Ms. Weems advised that there is now only one candidate for Treasurer, Bob Nash, as Jonathan Howell declined his nomination. The Board members were advised that there are two candidates for the Vice President position: Pam Farly and Nancy Harvey. The Board members were also advised that there is one candidate for the Secretary position: Jan Decker. Ms. Weems advised that there will be a Meet the Candidates Forum on Friday from 1:00 p.m. to 2:00 p.m. to introduce and get to know the two candidates running for Vice President and any other contested Officer position that may occur.

NOMINATIONS
Boards/Commissions/Committees—The following members were nominated as candidates:

AHA Futurity Commission: Chuck Mangan (Region 8), and Deb Witty (Region 4); AHA National Distance Commission: Arthur King (Region 18); Arabian Breeders Sweepstakes Commission: Steve Freeman (Region 3), and Gary Millar (Region 17); Canadian National Show Commission: Gerald McDonald (Region 17); Commissioner’s Review Panel: Kathie Hart (Region 8) (Amateur), Cheryl McCally (Region 9) (Amateur), Debby Cain (Region 7) (At-Large), Liz Wheeler (Region 8) (Breeder), Richard Petty (Region 8) (Judge) (The Board members were instructed to cross off Jody LaSalle as a candidate for the Judge’s position as she has withdrawn her name as a candidate.), and Joe Reser (Region 13) (Trainer); Education/Evaluation Commission: Vickey Bowman (Region 7), Greg Gallun (Region 2), Lewis McKim (Region 17), Richard Petty (Region 8), Margaret Rich (Region 1), Andy Sellman (Region 10), Lori Conway (Region 10), and Juli Goder-Larson (Region 10); Ethical Practice Review Board: Janice Birk (Region 15), Van Jacobsen (Region 10) (Attorney), and Kimberly Verhage (Region 1); Internal Audit Committee: Terry Andreasen (Region 7), Eric Wolfe (Region 12), and Dan Cross (Region 18); Judges & Stewards Selection Committee: Tague Johnson (Region 5), Nancy Miller (Region 10), Phyllis Ryan (Region 5), and Lynne Ridgeway (Region 12); Market Development & Promotion Committee (Half-Arabian/Anglo-Arabian Representatives): Dan Stevenson (Region 3); Nominating Committee: Mary Ann Hughes (Region 1), Deb McGuire (Region 10), and Peggy Weems (Region 4); Probable Cause Panel: Charles Bass (Region 9); Registration Commission (AHA Representatives): Isaac Taylor (Region 7); Sport Horse National Show Commission: Cheryl Smith Ehrlick (Region 18), Vicky Rich (Region 2), and Mary Smith (Region 10); U.S. National Show Commission: Phil Bourgeois (Region 1), Stacey Dunn (Region 10), Tague Johnson (Region 5), Tim Moerbe (Region 8), and Dave Daugherty (Region 14); Youth National Show Commission: Lollie Ames (Region 10), and Sharon Richards (Region 3).

MOTION by Jan Decker, that the nominations for the AHA Futurity Commission be closed and that the uncontested ballot be accepted as the elected slate.
Motion Passed Unanimously. (Motion #6-11/20/13-BOD)

MOTION by Jan Decker, that the nominations for the AHA National Distance Commission be closed and that the uncontested ballot be accepted as the elected slate.
Motion Passed Unanimously. (Motion #7-11/20/13-BOD)
MOTION by Jan Decker, that the nominations for the Arabian Breeders Sweepstakes Commission be closed and that the uncontested ballot be accepted as the elected slate. Motion Passed Unanimously. (Motion #8-11/20/13-BOD)

MOTION by Jan Decker, that the nominations for the Canadian National Show Commission be closed and that the uncontested ballot be accepted as the elected slate. Motion Passed Unanimously. (Motion #9-11/20/13-BOD)

MOTION by Jan Decker, that the nominations for the Education/Evaluation Commission be closed. Motion Passed Unanimously. (Motion #10-11/20/13-BOD)

MOTION by Jan Decker, that the nominations for the Internal Audit Committee be closed. Motion Passed Unanimously. (Motion #11-11/20/13-BOD)

MOTION by Jan Decker, that the nominations for the Market Development & Promotion Committee (Half-Arabian/Anglo-Arabian Representatives) be closed and that the uncontested ballot be accepted as the elected slate. Motion Passed Unanimously. (Motion #12-11/20/13-BOD)

MOTION by Jan Decker, that the nominations for the Registration Commission (AHA Representatives) be closed and that the uncontested ballot be accepted as the elected slate. Motion Passed Unanimously. (Motion #13-11/20/13-BOD)

MOTION by Jan Decker, that the nominations for the Sport Horse National Show Commission be closed. Motion Passed Unanimously. (Motion #14-11/20/13-BOD)

MOTION by Jan Decker, that the nominations for the U.S. National Show Commission be closed. Motion Passed Unanimously. (Motion #15-11/20/13-BOD)

MOTION by Jan Decker, that the nominations for the Youth National Show Commission be closed and that the uncontested ballot be accepted as the elected slate. Motion Passed Unanimously. (Motion #16-11/20/13-BOD)

The board elected ballots for the various Boards, Commissions and Committees were collected for tabulation.

REGIONAL SHOW DATES
The Board members were reminded that all AHA Regional, Pacific Slope, East Coast, Eastern Canadian Breeders and Western Canadian Breeders shows must submit a Show Application form for AHA Show Recognition prior to the closing date of the AHA Annual Convention or a $100 fine will be charged.
POLICIES TO GOVERN AHA
Cynthia Richardson, President, reported that AHA Policies to Govern the Business Operations of AHA has been thoroughly reviewed and updated and is now ready for review and approval by the Board of Directors.

MOTION by Jan Decker to approve adding the November 20, 2013 amended addendums to the Board of Directors Reference Manual of Policies to Govern the Business Operation of Arabian Horse Association. Motion Passed Unanimously. (Motion #17-11/20/13-BOD) (See Exhibit II)

It was noted that Ms. Richardson will work with Terry Andreasen on making clarification revisions to the policies and it will be presented to the Board at the March 2014 Board of Directors meeting.

ARABIAN BREEDERS SWEEPSTAKES
Grace Greenlee, Chair, gave the Arabian Breeders Sweepstakes report. Ms. Greenlee gave an overview of the Sweepstakes program for the last 30 years (inception to date). The Board members were advised that Ms. Greenlee will step down as chair of the Sweepstakes Commission; however, she will remain on the commission.

MOTION by Jan Decker, to recess the AHA Board of Directors meeting and convene as the Arabian Breeders Sweepstakes Trustees. Motion Passed Unanimously. (Motion #18-11/20/13-BOD)

The Board of Directors held an Arabian Breeders Sweepstakes Trust session from 11:33 a.m. to 11:37 a.m.

MOTION by Jan Decker, to adjourn the Arabian Breeders Sweepstakes Trustees meeting and reconvene the AHA Board of Directors meeting. Motion Passed Unanimously. (Motion #19-11/20/13-BOD)

ARABIAN HORSE FOUNDATION (AHF)
Nancy Harvey, Secretary, gave the Arabian Horse Foundation report. Ms. Harvey introduced Terry Johnson who reported on the AHF’s new brochure which is now available and will be distributed to the Convention delegates. Ms. Harvey reported that the AHF will be meeting at Convention to approve funding for 2014 and stated that approximately $11,000 had been awarded in 2013 for research projects. The Board members were also advised that approximately $16,000 has been paid out in Scholarships for 2013. The AHF also awarded a UPHA and Arabian Horse Celebration scholarships this year.

MOTION by Mary Ann Hughes, to ratify the Arabian Horse Foundation’s re-appointment of Lollie Ames, Frank Galovic and Kathie Hart Terry Johnson to the Arabian Horse Foundation Board of Directors. Motion Passed Unanimously. (Motion #20-11/20/13-BOD)

Note: It was noted after the Board meeting that Motion #20-11/20/13-BOD should have reflected the ratification of Frank Galovic and Terry Johnson not Lollie Ames and Kathie Hart.
ARABIAN HORSE ASSOCIATION
BOARD OF DIRECTORS MEETING
APPROVED MINUTES
Lexington, Kentucky
November 20, 2013

CANADIAN NATIONAL SHOW COMMISSION
Gerald McDonald, Chair, gave the Canadian National Show Commission report. Mr. McDonald reported that the 2013 Canadian National Show was a success and gave statistics on budget, entries, and patronships. Mr. McDonald also reported on the facility and stated that WestJet Air flights are now going into Brandon. The Board members were advised that the Brandon facility contract goes through 2014 and the Commission will be sending out RFP's for 2015 and beyond. It was determined that discussion on the Canadian Foundation would be held after the lunch break.

LONGEVITY OF HORSE SHOWS
Mary Ann Hughes, Region 1 Director, reported that the AHA of Southern California's horse show will be celebrating its 70th year in 2014 and asked if any of the other regions had shows that had been held longer than this show. The Board members were requested to send to Ms. Hughes the name and year in which their earliest shows were held and she will prepare a spreadsheet which will be distributed to the Board of Directors. Glenn Petty, Executive Vice President advised that he would work with Ms. Hughes on obtaining a Heritage Show designation from USEF for this show.

CANADIAN NATIONAL SHOW COMMISSION
Gerald McDonald, Chair, reviewed the draft Canadian Foundation Bylaws which was provided to the Board members. Mr. McDonald presented a motion with amendments to the Bylaws to the Board members. After a lengthy discussion of the Bylaws and concerns expressed on the purpose of the Foundation and the appointment of the two additional members, it was determined that Mr. McDonald would withdraw the motion to make further amendments and bring it back to the Board of Directors for consideration later in the day.

COMPETITION ADVISORY COMMITTEE
MOTION by Gary Hooghkirk:
Whereas, The Competitions Department Advisory Committee and the Agenda & Resolutions Committee has reviewed the draft of the 2014 AHA Handbook and found it in compliance with the approved Board motions of 2013; Therefore, Be It
Moved, That the draft of the 2014 AHA Handbook be approved as amended; and, Be It Further
Moved, That the Competition Department be given the authorization to include the approved extraordinary motions of the Board and the approved resolutions into the 2014 AHA Handbook.
Effective: Immediately. (Extraordinary 2/3 vote)
Motion Passed Unanimously. (Motion #21-11/20/13-BOD)

AHA NATIONAL DISTANCE COMMISSION
Rusty Cook, Board Liaison, gave the AHA National Distance Commission report. Ms. Cook reported on the 2013 Distance Nationals were a success and gave statistics on entries. Ms. Cook advised that the rides were held in Illinois and managed by the Arabian Horse Distance Riders Association (AHDRA). The Board of Directors were advised that next year's ride will be held September 25-28, 2014 in Oreana Idaho. This year's ride included an exhibition of Competitive Trail Driving. Ms. Cook requested that everyone consider becoming a sponsor for next year's ride to help support the event. Discussion was held on the possibility of adding FEI
level rides at this event, which could lead to sponsorships and it was noted that this would be communicated to the Commission for consideration.

INTERNAL AUDIT COMMITTEE

**MOTION** by Steve Freeman:

Moved, That the Arabian Horse Association (“the Association”) Board of Directors approve the retention of the independent CPA firm of JDS Professional Group to audit the books and records and prepare the corporate tax returns of the Association for the fiscal year ending March 31, 2014.

Motion Passed Unanimously.  (Motion #22-11/20/13-BOD)

**MOTION** by Steve Freeman, That the Arabian Horse Association (“the Association”) Board of Directors approve the President’s expenses in the amount of $2,724.28 for the period July 1, 2013 through September 30, 2013. These expenses have been examined by the Internal Audit Committee and have been determined to be acceptable.

Motion Passed Unanimously.  (Motion #23-11/20/13-BOD)

CANADIAN NATIONAL SHOW COMMISSION

**MOTION** by Gerald McDonald:

Moved, That AHA establish the Arabian Horse Association (Canada); and, Be It Further

Moved, That the following amendments be applied to the presented Bylaws:

(1) Add definition: “Arabian Horse Association refers to the AHA located in Aurora, Colorado.

(2) Remove the words “being a member” from paragraph 8. Line 5.

(3) Amend the word “resolution” in paragraph 36 to read: “special resolution”.

; and, Be It Further

Moved, That the following additional amendments be reviewed with the Canadian attorney:

(1) Modify the purpose to reflect the support of competitions.

(2) Address how the two additional members can be appointed to the Association.

; and, Be It Further

Moved, That the final documents will be presented to the AHA Executive Committee for approval.

Motion Passed Unanimously.  (Motion #24-11/20/13-BOD)

MARKET DEVELOPMENT & PROMOTION (MDP) COMMITTEE

Gary Millar, Chair, gave the Market Development & Promotion Committee report. Mr. Millar reported that the Committee’s main focus continues to be on the website rebuild project. Mr. Millar also reported on the progress of the project and the benefits that will be obtained when this has been completed. Discussion was held on the outside funding AHA has received for this project.

PUREBRED ARABIAN TRUST (PAT) UPDATE

Bob Fauls, Vice President At-Large, gave the Purebred Arabian Trust update. Mr. Fauls reported on the October Trust meeting and advised that their next meeting is scheduled in April in conjunction with the Darley

Page 8 of 39
Awards in California. Howard Pike, Vice President At-Large gave an overview (inception to date) on the Arabian Horse Galleries in Lexington, Kentucky.

RACING COMMISSION REPORT
Sue Meyer, Board Liaison, gave the Racing Commission report. Ms. Meyer reported on the AJC booth in Abu Dhabi, IFAHR meeting and Qatar Arabian World Cup in Paris and the World Arabian Horse Racing Conference in Toulouse, France. The Board members were advised that next year’s Darley Awards will be held April 4-5, 2014 in Hollywood, California. Ms. Meyer also reported on the UAE Cup Grade 1 race held at Churchill Downs, and the UAE Cup Grade 1 race held at Breeder’s Cup at Santa Anita, the HH Sheikh Mansoor Arabian Flat Racing Festival, and the Abu Dhabi Global Festival. Cynthia Richardson, President, publicly thanked Ms. Meyer and Kathy Smoke (Racing Commission Chair) for their dedication in representing the Arabian horse in all of the Racing venues. Ms. Meyer and Ms. Smoke received a round of applause from the Board of Directors.

REGISTRATION COMMISSION
Bruce Johnson, Chair, gave the Registration Commission report. The Board members were advised that next year’s meetings/Breeding Forums will be held: May 2-3, 2014 in Payson, Utah at Taylor Ranch; and, September 12-13, 2014 in White Oak, North Carolina at Butler Farms. Mr. Johnson advised that the Commission is evaluating the current rules for name changes and will discuss this further at their meeting tomorrow.

SPORT HORSE NATIONAL SHOW COMMISSION
Cathy Gage, Board Liaison, gave the Sport Horse National Show Commission report. Ms. Gage reported that the 2013 Sport Horse Nationals in Lexington, Virginia was very successful and gave statistics on entries and reported on activities held at the show. Ms. Gage advised that plans are underway for next year’s show which will be held September 24-27, 2014 in Nampa, Idaho.

U.S. NATIONAL SHOW COMMISSION
Bill Hughes, Chair, gave the U.S. National Show Commission report. Mr. Hughes advised that the 2013 show was very successful and reported on entries, facility improvements, and special events.

WORKING WESTERN COMMITTEE
Michael Damianos, Chair, gave the Working Western Committee report. Mr. Damianos stated that if Resolution 12-13 passes there would be a need to include the Cutting rules in the AHA Handbook. The Board members were presented with the proposed Cutting rules.

MOTION by Dick Reed:
Whereas, The Working Western Committee has been working with The Arabian Cutting Horse Association (TACHA) to bring the Cutting rules into the AHA Handbook (Resolution 12-13, Cutting Rules); and
Whereas, The Cutting rules should not be a part of the resolution for ease of future change; Therefore, Be It
Moved, That the attached Cutting Rules be approved for inclusion into the AHA Handbook; and, Be It
Further
Moved, That the Competition Advisory Committee, along with AHA Staff and the Chair of the Working Western Committee, find the appropriate area to include these rules.


Motion Passed Unanimously. (Motion #25-11/20/13-BOD) (See Exhibit III)

AHA FUTURITY COMMISSION
Deb Witty, member of the AHA Futurity Commission, gave the report. Ms. Witty stated that if Resolution 12-13 passes the Commission would like to add the Futurity/Maturity Cutting classes/rules to the AHA Handbook.

MOTION by Steve Freeman:
Whereas, Based on Resolution 12-13, the AHA Futurity Commission would like to add the Cutting Performance Futurity/Maturity classes; Therefore, Be It

Moved, The Arabian Cutting Performance Futurity, Half-Arabian/Anglo-Arabian Cutting Performance Futurity and Arabian Cutting Performance Maturity and Half-Arabian/Anglo-Arabian Cutting Performance Maturity classes be added to the existing Performance Futurity/Maturity Program; and; Be It Further

Moved, Enrollment into the program will be based on the current payment schedule and fees for the Reining Futurity Program; and, Be It Further

Moved, Class specifications for the Cutting (Arabian Open and Half-Arabian/Anglo-Arabian Open) will be listed as:
   a. Entries to be shown and judged under the class specifications set forth in the NCHA Rule Book.
   b. Entries must be seven years old and under.

; and, Be It Further

Moved, That the AHA Handbook will be updated accordingly.


Motion Passed Unanimously. (Motion #26-11/20/13-BOD)

YOUTH NATIONAL SHOW COMMISSION
Mickey Hegg, Chair, gave the Youth National Show Commission report. Ms. Hegg stated that this year’s show was very successful and reported on horse and class entries, patrons, and sponsors. Ms. Hegg thanked all of the volunteers, Commissioners and staff who worked on this year’s show.

ARABIAN HORSE YOUTH ASSOCIATION (AHYA)
Nancy Harvey, Vice President, gave the Arabian Horse Youth Association report. Ms. Harvey reported that the AHYA convention has continually experienced a reduction in their convention attendance and is requesting that the eligibility requirement be eliminated. The Board members were presented with a motion on this matter, however, it was noted that it did not include a financial impact, therefore, it was tabled for later in the day so that this information could be gathered.
2014 BOARD OF DIRECTOR MEETING DATES
A lengthy discussion was held on whether or not the Board of Directors should have three or four meetings per year and it was determined for 2014 that there would not be a May meeting.

**MOTION** by Jan Decker to approve the following dates for the 2014 Board of Directors meetings:
March 14-15, Aurora, Colorado; August 1-2, Aurora, Colorado; and November 19, Denver, Colorado.
Motion Passed Unanimously. *(Motion #27-11/20/13-BOD)*

ARABIAN HORSE YOUTH ASSOCIATION (AHYA)
Nancy Harvey, Vice President, gave the Arabian Horse Youth Association report and presented the Board of Directors with proposed changes to the AHYA Constitution.

**MOTION** by Nancy Harvey:
Whereas, Article VII of the Constitution of the Arabian Horse Youth Association states that the constitution may be amended at any time by the Youth Board with the approval of the AHA Youth Advisory Board and the AHA Board of Directors; and
Whereas, The AHYA convention has been experiencing a reduction in participation on the part of individual clubs within Regions; and
Whereas, The current format for convention registration and verification is somewhat confusing and cumbersome; and
Whereas, The AHYA Board is very knowledgeable about which youth members are actually available and in attendance at the Youth National show and therefore the AHYA Convention; and
Whereas, The requirement for submission of delegates by individual clubs needs to be eliminated; Therefore, Be It
Moved, That the following be amended in the AHA Handbook:

**Chapter 22, Article III, Section 2.a.** The number and eligibility of Youth Delegates and alternates to the AHYA Annual Convention shall be based on the membership status of each affiliated youth member Organization as of the 1st day of June every year. Affiliated Youth Member Organizations are entitled to recommend as Delegates any youth members in good standing as of June 1st of the given year. Those affiliated Youth Member Organizations having between 7 to 15 youth members are entitled to one Youth Delegate; 16 to 30, two Delegates; 31 to 45, three Delegates, etc. The AHA office will supply the affiliated Youth Member Organization with a list of AHYA members in good standing and any Delegate or alternate sent to represent that Youth Member Organization at the Annual AHYA Convention must have their name on that list.

**Chapter 22, Article III, Section 2 b.** In cases where AHYA affiliated Member Organizations cannot send delegates to the AHYA Convention, the Region Youth Director shall be responsible for ensuring that their Region has delegate representation from their Region. *(BOD 8/01)*
Chapter 22, Article III, Section 2.c. The names of selected Youth Delegates and alternates shall be certified by the AHYA affiliated Member Organization President and approved by the AHA Youth Coordinator for that Member Organization. These names will then be presented to AHYA Credentials Committee.

Effective: December 31, 2013.
Motion Referred to AHYA. (Motion #28-11/20/13-BOD) (See Motion #1-11/21/13-BOD)

The following concerns were expressed regarding Motion #28-11/20/13-BOD: it would not encourage youth to be a member of a club and the intent of the motion is not clear and it is very confusing. It was also noted that there was no financial impact listed on the motion and the Board members were advised that there would be no financial impact. It was determined that this motion would be referred back to the AHYA for further study and clarification and brought back to the Board of Directors tomorrow morning. It was also determined that immediately following tomorrow’s General Session there will be a very brief Board of Directors meeting to address this matter.

**MOTION** by Terry Andreasen to refer Motion #28-11/20/13-BOD back to the Arabian Horse Youth Association for further clarification.
Motion Passed Unanimously. (Motion #29-11/20/13-BOD)

**RESOLUTION REVIEW**
The Board of Directors reviewed the following assigned resolutions:
- Resolution 1-13 approved
- Resolution 4-13 disapproved
- Resolution 20-13 approved
- Resolution 21-13 approved

**STRATEGIC PLANNING AD HOC COMMITTEE**
Nancy Harvey, Vice President, gave the Strategic Planning Ad Hoc Committee report. Ms. Harvey advised that the planning discussions resulted in the need for the Executive Committee to hold a separate retreat/meeting in January 2014 to focus on the long-term goals of the Association. Ms. Harvey reported on the progress that has been completed this year and stated she would report on further progress at the next Board meeting.

**ELECTION RESULTS**
AHA Futurity Commission: Chuck Mangan, Region 8 (2016); and Deb Witty, Region 4 (2016).


Arabian Breeders Sweepstakes Commission: Steve Freeman, Region 3 (2016); and Gary Millar, Region 17 (2016).

Canadian National Show Commission: Gerald McDonald, Region 17 (2016).

Internal Audit Committee: Terry Andreasen, Region 7 (2016); and Eric Wolfe, Region 12 (2014).


Sport Horse National Show Commission: Cheryl Smith Ehrlick, Region 18 (2016); and Vicky Rich, Region 2 (2016).


Youth National Show Commission: Lollie Ames, Region 10 (2016); and Sharon Richards, Region 3 (2016).

There being no further business, the meeting was adjourned at 4:55 p.m.

__________________________________________
Jan Decker, AHA Secretary

Approved: ____________________  ____________________
             Date                    Initials
EXHIBIT I

ARABIAN HORSE ASSOCIATION
EXECUTIVE COMMITTEE VOTE
APPROVED MOTIONS
August 23, 2013

YOUTH NATIONAL SHOW DATES
MOTION by Dave Corning, second by Howard Pike, that the dates of July 19-26, 2014 and the dates of July 18-25, 2015 for Youth Nationals in Albuquerque, New Mexico, be approved.
Motion Passed. (Motion #1-8/23/13-EC)

(Approve: Bob Fauls, Howard Pike, Dave Corning, Jan Decker and Lance Walters
Abstain: Nancy Harvey)

ARABIAN HORSE ASSOCIATION
EXECUTIVE COMMITTEE CONFERENCE CALL
APPROVED MOTIONS
September 11, 2013

WESTERN DRESSAGE AGREEMENT
MOTION by Jan Decker, seconded by Nancy Harvey, that the Executive Committee approve going forward with the proposed Western Dressage agreement.
Motion Passed Unanimously (Motion #1-09/11/13-EC)

ARABIAN HORSE ASSOCIATION
EXECUTIVE COMMITTEE VOTE
APPROVED MOTIONS
September 19, 2013

USEF REPRESENTATION
MOTION by Nancy Harvey, second by Lance Walters, that Jan Decker, Cecile Dunn, Myron Krause and Cynthia Richardson serve on the USEF National Affiliate Council beginning January 1, 2014 for one year. Further, Cynthia Richardson will serve on the USEF Board of Directors as the AHA representative.
Motion Passed Unanimously. (Motion #1-9/19/13-EC)

ARABIAN HORSE ASSOCIATION
EXECUTIVE COMMITTEE
APPROVED MOTIONS
October 24, 2013

BUDGET VARIANCE
MOTION by Lance Walters Moved, seconded by Nancy Harvey, that a FY 2013 Budget Variance of $95,421 be approved and paid prior to Monday, October 28, 2013, to address the Oracle compliance issues that were brought to our attention last week.
Motion Passed Unanimously (Motion #1-10/24/13-EC)
ARABIAN HORSE ASSOCIATION
BOARD OF DIRECTORS MEETING
APPROVED MINUTES
Lexington, Kentucky
November 20, 2013

EXHIBIT I, Continued

ARABIAN HORSE ASSOCIATION
EXECUTIVE COMMITTEE CONFERENCE CALL
APPROVED MOTIONS
October 29, 2013

CANADIAN AWARDS
MOTION by Jan Decker, seconded by Nancy Harvey, with the concurrence of Budget & Finance Committee the Executive Committee approves going forward with the same vendor and trophy for the 2014 Canadian National Show.
Motion Passed Unanimously.  (Motion # 1-10/29/13-EC)

ARABIAN HORSE ASSOCIATION
EXECUTIVE COMMITTEE MEETING
APPROVED MOTION
November 19, 2013

BANK ACCOUNTS
MOTION by Jan Decker, seconded by Howard Pike:
Move, That AHA remove the AHA Scholarship Fund checking account and the AHA Halter Futurity checking account from the Colorado Business Bank; and, Be It Further
Moved, That AHA shall open checking accounts in the Wells Fargo Bank for the AHA Scholarship and the AHA Halter Futurity and create a new checking account for the AHA Performance Futurity at the Wells Fargo Bank.
Motion Passed Unanimously.  (EC Motion # 1-11/19/13)
EXHIBIT II

Amended as of NOVEMBER 20, 2013

ARABIAN HORSE ASSOCIATION POLICIES
(Addendum to Board Reference Manual)

POLICIES TO GOVERN THE BUSINESS OPERATIONS OF AHA

TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Category I: Ends</th>
<th>Policy 1.0 AHA Ends Policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category II: Management Limitations</td>
<td>Policy 2.0 General Management Constraint</td>
</tr>
<tr>
<td></td>
<td>2.1 Treatment of Members</td>
</tr>
<tr>
<td></td>
<td>2.2 Treatment of Staff/Volunteers</td>
</tr>
<tr>
<td></td>
<td>2.3 Financial Condition and Activities</td>
</tr>
<tr>
<td></td>
<td>2.4 Asset Protection</td>
</tr>
<tr>
<td></td>
<td>2.5 Financial Planning/Budgeting</td>
</tr>
<tr>
<td></td>
<td>2.6 Investment Management</td>
</tr>
<tr>
<td></td>
<td>2.7 Emergency EVP Succession</td>
</tr>
<tr>
<td></td>
<td>2.8 Compensation &amp; Benefits</td>
</tr>
<tr>
<td></td>
<td>2.9 Communication and Support to the Executive Committee/Board of Directors</td>
</tr>
<tr>
<td>Category III: Board-Management Delegation</td>
<td>Policy 3.0 Governance-Management Connection</td>
</tr>
<tr>
<td></td>
<td>3.1 Unity of Control</td>
</tr>
<tr>
<td></td>
<td>3.2 Accountability of the EVP</td>
</tr>
<tr>
<td></td>
<td>3.3 Delegation to the EVP</td>
</tr>
<tr>
<td></td>
<td>3.4 Monitoring EVP Performance</td>
</tr>
<tr>
<td>Category IV: Governance Process</td>
<td>Policy 4.0 Governance Commitment</td>
</tr>
<tr>
<td></td>
<td>4.1 Governing Style &amp; Values</td>
</tr>
<tr>
<td></td>
<td>4.2 Executive Committee Job Description</td>
</tr>
<tr>
<td></td>
<td>4.3 Agenda Planning</td>
</tr>
<tr>
<td></td>
<td>4.4 President’s Role</td>
</tr>
<tr>
<td></td>
<td>4.5 Executive Committee Members’ Code of Conduct</td>
</tr>
<tr>
<td></td>
<td>4.6 Governing Committees</td>
</tr>
<tr>
<td></td>
<td>4.7 Governing Committee Principles</td>
</tr>
<tr>
<td></td>
<td>4.8 Governance Budget</td>
</tr>
</tbody>
</table>
ARABIAN HORSE ASSOCIATION
BOARD OF DIRECTORS MEETING
APPROVED MINUTES
Lexington, Kentucky
November 20, 2013

EXHIBIT II, Continued

POLICY 1.0 POLICY TITLE: ENDS POLICIES

1.0 Global Ends Statement:

AHA exists for
Growth in the Number of People Having
A Passion to Own and Enjoy the Arabian Horse

(Not reflecting any order of priority)

1. There is growth in the interest in and demand for the Arabian Horse.
2. The integrity of the breed is preserved.
3. There is increased participation in activities involving the Arabian Horse.
   A. There is growth in the membership of affiliated clubs.
4. The equine industry and general public recognize and value the attributes of the Arabian Horse.
5. Members have services and benefits that are valuable and convenient.

POLICY TYPE: MANAGEMENT LIMITATIONS

POLICY 2.0 POLICY TITLE: GENERAL MANAGEMENT CONSTRAINT

The EVP shall not cause or allow any practice, activity, decision or organizational circumstance that is unlawful, imprudent, or in violation of commonly accepted business and professional ethics and practices.

POLICY TYPE: MANAGEMENT LIMITATIONS

POLICY 2.1 POLICY TITLE: TREATMENT OF MEMBERS

With respect to interactions with AHA members, or those applying to become members, the EVP shall not cause or allow conditions or procedures that are unfair, unsafe, untimely, undignified or unnecessarily intrusive.

Accordingly, he/she shall:

1. Ensure that members/customers are treated with respect and courtesy.
2. Ensure that new members are placed in the appropriate membership categories.
   A. Encourage club affiliation
3. Ensure members benefit from club membership.
4. Not Collect, review, transmit, store nor destroy member information in a manner that fails to protect against improper access to that information/data.
   A. AHA considers records and financial information submitted to AHA to be confidential between the party and AHA.
      Copies of records and/or information are only released back to the person or party submitting the documents and only to the address recorded at AHA or listed on the paperwork received, with the following exceptions:
EXHIBIT II, Continued

B. INFORMATION WE WILL GIVE OUT

Arabian, Half-Arabian and Anglo-Arabian Horse Registries Information

- Horse Name
- Sire
- Registration Number
- Sire Registration Number
- Owner Name and Address
- Dam
- Foal Date
- Dam Registration Number
- Color
- Castration Date (if applicable)
- Markings
- Breeder Information
- Sex
- Transfer Information

Membership
- Current AHA Membership Number (to Show Officials only)
- Current AHA Member street address
- Telephone numbers and e-mail addresses ONLY for the following
  - Board of Directors
  - AHA recognized Arabian Judges & Stewards
  - Regional Officers
  - Event Secretaries
  - Committee Chairs
  - Event Managers
  - Committee Members
  - Youth Board of Directors
  - Club Contacts
  - Youth Committee Chairs
  - Commercial Exhibitors
  - Youth Committee Members
  - Advertisers

Programs/Events/Shows
- Verify entries in AHA Events
- Verify horse enrollment in AHA Programs
- Sweepstakes Payment Information on Status of Prize Money Payout

C. INFORMATION WE WILL NOT GIVE OUT

Member Telephone Number (except as listed above)
Member Email Addresses (except as listed above)
Member Social Security numbers

Membership
- Multiple AHA Members’ Addresses
  (must purchase labels – forward request to AHA)
- AHA Account Balances/Invoices/Statements/Delinquent Notices/Collection Notices
  (refer all requests for information to Accounting Dept.)

Employee (Past/Present) Information
- Requests for Employment Information (refer all questions to Human Resources Dept.)
EXHIBIT II, Continued

D. Non-Standard Information

Written Request Required
Board, committee and/or member requests for additional information must be submitted in writing to the EVP for evaluation. All requests should be made in good faith and for a proper purpose. The request should describe with reasonable particularity the purpose for the request and the records the member desires to inspect. Requests should not violate any individual’s right to privacy or due process and may require a court order or subpoena.

Appeal Procedure
If the EVP denies the request, the member may appeal the decision by sending the request to the Executive Committee for review at its next scheduled meeting. If the Executive Committee denies the request, the member may appeal that decision by sending the request to the AHA Board of Directors for review at its next regularly scheduled meeting. The BOD decision is final.

Associated Costs
AHA may impose a reasonable charge covering the costs of labor and material to produce any large copy project as a result of an information request.

5. Communicate to members a clear understanding of what AHA membership entitlements may be expected from the services offered.


POLICY TYPE: MANAGEMENT LIMITATIONS

POLICY 2.2 POLICY TITLE: TREATMENT OF STAFF/VOLUNTEERS

With respect to the treatment of volunteers and employees, the EVP shall not cause or allow conditions that are unsafe, unfair or undignified.

Accordingly,

1. Pertaining to volunteers, the EVP shall ensure that volunteers are informed of and execute agreements specifying mutual expectations and consideration.

2. Pertaining to employees, the EVP may not:
   A. Operate without a written personnel manual, approved by legal counsel, that clarifies personnel rules for employees, provides for effective handling of grievances, and protects against wrongful conditions.
   B. Fail to acquaint staff with this policy.
   C. Allow staff to be unprepared to deal with emergency situations (e.g. – fire, tornado, etc.)

3. Pertaining to employees and volunteers, the EVP may not retaliate against an employee/volunteer for reporting to management or to the Executive Committee acts or omissions by AHA personnel, management or the Executive Committee or Board of Directors that the employee/volunteer believes, in good faith and based on credible information, constitutes a violation of state or federal law or a governing policy of the Executive Committee.
EXHIBIT II, Continued

POLICY TYPE: MANAGEMENT LIMITATIONS

POLICY 2.3    POLICY TITLE: FINANCIAL CONDITION AND ACTIVITIES

With respect to financial condition and activities, the EVP shall not cause or allow the development of fiscal jeopardy, or a material deviation of actual expenditures from the Executive Committee’s Ends priorities.

Accordingly, the EVP shall not:

1. Expend more funds than have been approved in the budget as established by the BOD.
   A. The EVP may not incur any organizational indebtedness, with the exception of use of credit cards used for normal business purchases, which must be paid off on a monthly basis.
   B. The EVP may not allow cash and cash equivalents to drop below the amount established by the EC.
   C. Lease agreements and other asset purchases done on time may occur with the approval of the Executive Committee.

2. Fail to settle payroll obligations and payables in a timely manner.

3. Use restricted or designated funds for purposes other than stated.

4. Fail to maintain specific reserve fund balances as follows:
   A. Legal defense fund, or
   B. Major capital items/replacement fund, or
   C. Any other fund from time-to-time approved by the Executive Committee/Board of Directors.

5. Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.

6. Acquire, sell, encumber, or dispose of Headquarters building or any other material assets without Board of Director approval.

7. Fail to aggressively pursue material receivables within A/R policy as approved by the Executive Committee.

8. Fail to exercise adequate internal controls over receipts and disbursements to avoid unauthorized payments or material depletion of assets.

9. Fail to manage procurement procedures in conformance with Procurement Purchase Policy approved by the Executive Committee.

10. Fail to ensure that the valuation of assets is accurately recorded.

11. Pledge any of the assets of the Association as security within any contracts with the exception of purchase money security interests in an amount approved by the Executive Committee.
POLICY TYPE: MANAGEMENT LIMITATIONS

POLICY 2.4 POLICY TITLE: ASSET PROTECTION

The EVP shall not allow AHA’s assets to be unprotected, inadequately maintained or unnecessarily risked and shall not endanger the Association’s public image, its credibility, or its ability to accomplish Ends without the Executive Committee’s approval (e.g. — building upkeep that is unable to be funded such as carpet replacement, etc).

Accordingly, he or she shall:

1. Maintain facilities and equipment from improper wear and tear or insufficient maintenance.
2. Employ risk management practices to minimize exposure of the organization, its Board or staff to claims of liability.
   A. Against theft and casualty losses to at least replacement value; and
   B. Against liability losses to Board members, staff and the organization itself in an amount equal to or greater than the average for comparable associations.
   C. Against employee theft and dishonesty, or through the provision of trust or surety bonds for officers and employees.
3. Enforce the conflict of interest policy approved by the Board of Directors.
4. Protect intellectual property, information and files from loss or significant damage.
5. Maintain records in a manner consistent with a Records Retention Schedule established in accordance with recommendations from legal counsel.
6. Receive, process and disburse funds to meet the Board-appointed auditor’s standards.
7. Invest or hold operating capital in secure instruments or in interest-bearing accounts except where necessary to facilitate ease in operational transactions and manage long-term investments in accordance with the “Investment Management” policy (2.6).
8. Not change the name or logo of the Association, or of any of the major program components that are integral to AHA’s brand without BOD approval.
9. Not dispose of any real property outside of maintenance and/or out-of-date guidelines.

POLICY TYPE: MANAGEMENT LIMITATIONS

POLICY 2.5 POLICY TITLE: FINANCIAL PLANNING/BUDGETING

Financial planning for any fiscal year or the remaining part of any fiscal year may not deviate materially from the Board’s Ends priorities, risk financial jeopardy, or fail to be derived from a multi-year plan without EC/BOD approval.

Accordingly, the approved budget prepared and utilized by the EVP shall not:

1. Risk incurring those situations or conditions described as unacceptable in the Investment Management Policy 2.6.
2. Omit credible projection of revenues and expenses, separation of capital and operational items, cash flow projections, and disclosure of planning assumptions, demonstrating a three-year forecast as it relates to strategic (Ends) initiatives.
ARABIAN HORSE ASSOCIATION
BOARD OF DIRECTORS MEETING
APPROVED MINUTES
Lexington, Kentucky
November 20, 2013

EXHIBIT II, Continued

POLICY TYPE: MANAGEMENT LIMITATIONS

POLICY 2.5  POLICY TITLE: FINANCIAL PLANNING/BUDGETING

3.  Fail to provide adequately for reserve funds as set forth in the “Financial Condition and Activities” policy.

4.  Fail to provide adequate funding for the functions of approved Show Commissions budgets.

5.  Provide less for Board and Executive Committee activities and functions than is set forth in the Governance/Board Budget policy (see policy 4.8 in Governance Process).

POLICY TYPE: MANAGEMENT LIMITATIONS

POLICY 2.6  POLICY TITLE: INVESTMENT MANAGEMENT

With respect to the management of Board-designated reserve/investment funds, the EVP shall not fail to manage such funds in accordance with the following Investment Guidelines which may be changed with Board of Director approval:

1.  Cash assets shall be invested only in certificates of deposit that are fully insured against loss by an agency of the Federal government or in securities that are issued by, and guaranteed by, an agency of the U.S. government. Such allowable investments include, but are not limited to:
   A.  Certificates of deposit with commercial banks or savings and loan institutions in amounts not in excess of the amount secured by insurance by an agency of the U.S. government.
   B.  U.S. Treasury bills and U.S. Treasury notes
   C.  Yankee certificates of deposit
   D.  Federal Home Bank Certificates, and
   E.  Federal Farm Credit Bureau Certificates

2.  The maturity dates of any investments shall be monitored to insure that liquid funds are available when required.
   A.  Maturity dates. Maturity dates shall be managed so that budgeted cash outflows are covered by anticipated principal inflows and principal maturities.
   B.  Early redemption. Early redemption of investments is to be avoided whenever possible by appropriately managing maturity dates. When an early redemption is required, the selection process should be based on preservation of principal and the level of interest being earned by the various approved investments.
   C.  Investment parameters. Investment parameters should be defined by AHA management with the goal of making the necessity of an early redemption an improbable occurrence.

3.  The priorities for individual investment decisions shall be as follows:
   A.  Priority #1. Preservation of Principal.
   B.  Priority #2. Ensuring adequate liquidity, as described in paragraph #2 above.
   C.  Priority #3. Maximization of interest income.
   D.  Priority #4. Staggering of maturity dates and call dates (when applicable) to protect against interest rate volatility and call provisions.
   E.  Priority #5. Investment amounts will be limited to face values of $500,000 or less to further limit interest rate exposure, call provision exposure and liquidity exposure within the portfolio unless approved by the EC.
EXHIBIT II, Continued

POLICY TYPE: MANAGEMENT LIMITATIONS, CONTINUED

POLICY 2.6  POLICY TITLE: INVESTMENT MANAGEMENT

4. In compliance with the foregoing, the EVP shall develop investment parameters for cash determined to be available for investment.
   A. The investment parameters will be submitted to all investment consultants that have been approved by the EC, whole, except when:
   B. The EVP shall select the investment deemed to best match the investment parameters submitted and authorize the execution of the investment transaction by the approved investment consultant that submitted the investment alternative.

5. The Executive Committee shall review the recommendations for investment consultants submitted by the EVP and shall identify which of these investment consultants should be used in the bid process.
   A. Not more than three investment consulting firms shall be utilized at any given time to ensure that the investment consultants involved have a sufficient stake in the process to encourage their best efforts, and to help ensure adequate and accurate recordkeeping and management of AHA assets.

6. The AHA Budget and Finance Committee is charged with reviewing, at least yearly, the investments proposed by the approved investment consultants and the investment selections made by the management of AHA. The results of these periodic reviews and any recommendations are to be submitted to the Executive Committee at its next scheduled meeting, or sooner if deemed appropriate by the Budget and Finance Committee. (Handbook Chapter 5, CBP 116)

POLICY TYPE: MANAGEMENT LIMITATIONS

POLICY 2.7  POLICY TITLE: EMERGENCY EVP SUCCESSION

In order to protect the Board from sudden loss of EVP services, the EVP shall ensure that at least 1 other member of the management team is sufficiently familiar with Board and EVP issues and processes to take over with reasonable proficiency as an interim successor.

POLICY TYPE: MANAGEMENT LIMITATIONS

POLICY 2.8  POLICY TITLE: COMPENSATION AND BENEFITS

The EVP shall not cause or allow jeopardy to the Association’s fiscal integrity or public image when dealing with employment, compensation and benefits for employees, consultants, volunteers or contractors.

Accordingly, he or she shall not:

1. Change his or her own compensation.
2. Change his or her own benefits, except as his or her benefits are consistent with a package for all other employees.
3. Promise or imply anything other than “at-will” employment.
4. Establish current compensation ranges and benefits that deviate materially from the geographic and/or professional market value for the skills employed (using Mountain States Employer Council and/or ASAE salary surveys or comparable published entities).
EXHIBIT II, Continued

POLICY TYPE: MANAGEMENT LIMITATIONS

POLICY 2.8       POLICY TITLE: COMPENSATION AND BENEFITS

5. Establish or change retirement benefits so as to cause unpredictable or inequitable situations.

6. Propose or implement any policies that are in violation of applicable laws and regulatory requirements.

POLICY TYPE: MANAGEMENT LIMITATIONS

POLICY 2.9       POLICY TITLE: COMMUNICATIONS & SUPPORT TO THE EXECUTIVE COMMITTEE/BOARD OF DIRECTORS

The EVP shall ensure the Executive Committee and Board of Directors are informed and supported in their work.

Accordingly, the EVP shall:

1. Report to the Executive Committee, in a timely manner, an actual or anticipated noncompliance with any governing policy.

2. Submit monitoring data required by the Executive Committee (see Monitoring EVP Performance policy 3.4) on time and in an accurate and understandable fashion, directly addressing provisions of the governing policies being monitored.

3. Inform the Executive Committee of significant incidental information, including but not limited to, anticipated adverse media coverage, threatened or pending lawsuits, or material external and internal changes. Notification of planned material internal changes is to be provided to Executive Committee members in advance, when feasible.

4. Advise the Executive Committee if, in the EVP’s opinion, the Executive Committee or Board of Directors is not in compliance with governing policies on Governance Process and Executive Committee-Management Delegation, particularly in the case of Executive Committee or Executive Committee member, behavior that is detrimental to the working relationship between the Executive Committee and the EVP.

5. Provide the Executive Committee with all the necessary decision making information required, and inform the Executive Committee of relevant trends.

6. Present information in a clear and concise manner (summary) ensuring detailed information is available if requested.

7. Provide support for official Executive Committee, Board, officer or committee communications and functions.
   A. The EVP shall provide secretarial and administrative support who shall be responsible to the Executive Committee and Board of Directors for collating and distribution of Board and Executive Committee meeting agenda packets within the established deadlines; take the Minutes of Board and Executive Committee meetings, and provide administrative support for official Board and Executive Committee functions.

8. When addressing official Executive Committee business deal with the Executive Committee as a whole except when:
   A. fulfilling individual requests for information, or
   B. responding to officers or committees duly charged by the Executive Committee.
EXHIBIT II, Continued

POLICY TYPE: MANAGEMENT LIMITATIONS

POLICY 2.9 POLICY TITLE: COMMUNICATIONS & SUPPORT TO THE EXECUTIVE COMMITTEE/BOARD OF DIRECTORS

10. Supply for the Executive Committee’s consent agenda, along with applicable monitoring information, all decisions delegated to the EVP yet required by law, regulation or contract to the Board or Executive Committee-approved.

11. Be responsible to develop a procedure to establish and provide metrics:
   A. detailing his/her performance with regards to governing policies being monitored by the Executive Committee and the Board of Directors,
   B. detailing departmental and/or organizational processes against established Ends (goals).

POLICY TYPE: EXECUTIVE COMMITTEE-MANAGEMENT DELEGATION

POLICY 3.0 POLICY TITLE: GOVERNANCE - MANAGEMENT CONNECTION

The Executive Committee’s official connection to the operational organization, its achievements and conduct will be through an Executive Vice President(EVP), titled “EVP”.

POLICY TYPE: EXECUTIVE COMMITTEE-MANAGEMENT DELEGATION

POLICY 3.1 POLICY TITLE: ACCOUNTABILITY OF THE EVP

The EVP is the only staff person accountable to the Executive Committee for operational achievement and conduct.

Accordingly:

1. The Executive Committee shall not give instructions to persons who report directly or indirectly to the EVP.

2. The Executive Committee shall not evaluate, either formally or informally, any staff other than the EVP.

3. The Executive Committee shall view EVP performance as identical to organizational performance, so that organizational accomplishment of the Executive Committee’s stated Ends and compliance with Board and Management Policy Limitations will be deemed successful EVP performance.

POLICY TYPE: EXECUTIVE COMMITTEE-MANAGEMENT DELEGATION

POLICY 3.2 POLICY TITLE: DELEGATION TO THE EVP

The Executive Committee shall instruct the EVP through written governing policies that prescribe the organizational Ends to be achieved, and describe organizational situations and actions to be avoided, allowing the EVP to use any reasonable interpretation of these policies.
POLICY TYPE: EXECUTIVE COMMITTEE-MANAGEMENT DELEGATION

POLICY 3.2

POLICY TITLE: DELEGATION TO THE EVP

Accordingly:

1. The Executive Committee shall develop and maintain Ends policies instructing the EVP to achieve certain results, for and on behalf of the membership, at a specified worth or priority. These policies will be developed systematically from the broadest, most general level to more defined levels. All issues that are not Ends issues as defined here are Means issues.

2. The Executive Committee shall develop and maintain Management Limitations policies that limit the latitude the EVP may exercise in choosing organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels. To preserve accountability, the Executive Committee shall not prescribe organizational means delegated to the EVP.

3. The EVP is authorized to establish all operating policies, make operating decisions, establish operating practices and pursue delegated activities, as long as such are consistent with a reasonable interpretation of the Executive Committee's Ends and Management Limitations policies.

4. The Executive Committee may change its Ends and Management Limitations policies, thereby shifting the boundary between Executive Committee and EVP domains. By doing so, the Executive Committee changes the latitude of choice given to the EVP. However, as long as any particular delegation is in place, the Executive Committee shall respect and support the EVP's choices that are compliant with a reasonable interpretation of those policies.

POLICY TYPE: EXECUTIVE COMMITTEE-MANAGEMENT DELEGATION

POLICY 3.3

POLICY TITLE: MONITORING EVP PERFORMANCE

The Executive Committee shall systematically and rigorously monitor the EVP’s job performance to determine the extent to which Ends are being achieved and whether operational activities fall within boundaries established in Management Limitations policies.

Accordingly:

1. Monitoring is simply to determine the degree to which Executive Committee policies are being met. Information that does not address policy compliance will not be considered in the evaluation of EVP performance.

2. The Executive Committee shall acquire monitoring information by one or more of three methods:
   A. by internal report, in which the EVP discloses, in writing, policy interpretations and compliance data to the Executive Committee
   B. by external report, in which an external, disinterested third party selected by the Executive Committee assesses compliance with governing policies
   C. by direct Executive Committee inspection, in which a designated member or members of the Executive Committee assess compliance with the appropriate policy criteria.

3. In every case, the Executive Committee shall judge whether (a) the EVP’s interpretation is reasonable, and (b) whether data demonstrate accomplishment of or compliance with the EVP’s interpretation.
EXHIBIT II, Continued

POLICY TYPE: EXECUTIVE COMMITTEE-MANAGEMENT DELEGATION

POLICY 3.3  POLICY TITLE: MONITORING EVP PERFORMANCE

4. In every case, the standard for compliance shall be any reasonable EVP interpretation of the governing policy being monitored. The Executive Committee is the final judge of reasonableness, and will always judge with a “reasonable person” test (what a reasonably prudent person would do in that context).

5. All policies instructing the EVP shall be monitored at a frequency and by a method chosen by the Executive Committee. The Executive Committee may monitor any policy at any time by any method.

POLICY TYPE: GOVERNANCE PROCESS

POLICY 4.0  POLICY TITLE: GOVERNANCE COMMITMENT

The purpose of the Executive Committee, acting on behalf of the Board of Directors to govern AHA’s business operations, is to ensure that the Arabian Horse Association (1) achieves appropriate results for its membership at an appropriate cost (as specified in Board Ends policies), and (2) avoids unacceptable actions and situations.

POLICY TYPE: GOVERNANCE PROCESS

POLICY 4.1  POLICY TITLE: GOVERNING STYLE & VALUES

To fulfill its governance role on behalf of the Board of Directors, the Executive Committee commits to acting lawfully, observing Policy Governance principles, with an emphasis on (a) results for members, (b) encouragement of diversity in viewpoints, (c) strategic leadership rather than administrative detail, (d) clear distinction of Executive Committee/Board and chief executive roles, (e) collective rather than individual decisions, (f) future rather than past or present, and (g) governing proactively rather than reactively.

Accordingly:

1. The Executive Committee shall cultivate a sense of group responsibility. The Executive Committee, not the staff, will be responsible for excellence in governing. The Executive Committee shall be the initiator of governing policy. The Executive Committee shall not use the expertise of individual members to substitute for its judgment, although such expertise may be used to enhance the understanding of the Executive Committee as a body.

2. The Executive Committee shall direct, control and inspire the Arabian Horse Association’s business operations through the careful establishment of broad written policies. The Executive Committee’s major focus will be on the Association’s intended long-term impacts, not on the administrative or programmatic means of attaining those effects.

3. The Executive Committee shall enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continual development of governance skills. Although the Executive Committee can change its governance process policies at any time, it will scrupulously observe those currently in place.

4. All policies of the Executive Committee are contained in this document, and they remain in effect, unless amended or deleted by Executive Committee action.
EXHIBIT II, Continued

POLICY TYPE: GOVERNANCE PROCESS

POLICY 4.1  

POLICY TITLE: GOVERNING STYLE & VALUES

5. The Executive Committee shall orient new Executive Committee members in its governance process and these policies.

6. The Executive Committee shall not allow any officer, individual or committee of the Executive Committee to hinder or be an excuse for not fulfilling its commitments on behalf of the AHA Board of Directors.

7. The Executive Committee shall monitor and discuss its process and performance at each meeting. Self-monitoring will include comparison of Executive Committee activity and discipline to Governance Process and Executive Committee-Management Delegation policies.

8. The Executive Committee shall ensure that the Association’s activities, with the exception of personnel or other matters of a sensitive nature, shall be open and accessible to reasonable scrutiny by AHA’s membership.

9. The Executive Committee shall ensure that the Association, in its hiring and other activities, will not discriminate on the basis of race, creed, national origin, religion, age, handicap, political affiliation, sex, sexual orientation, or marital, parental or military status.

POLICY TYPE: GOVERNANCE PROCESS

POLICY 4.2  

POLICY TITLE: EXECUTIVE COMMITTEE JOB DESCRIPTION

On behalf of the Arabian Horse Association Board of Directors, the Executive Committee shall ensure appropriate performance of AHA’s business operations by assuming direct responsibility for the following:

1. The Executive Committee shall produce:
   A. Needs Assessment: In addition to consultations with the Board of Directors and contact with the Membership, Delegates, and Annual Convention, the Executive Committee shall assess the needs of AHA’s membership as they relate to the Association’s activities and scope of influence, and will develop Ends policies identifying the results the organization is to produce in addressing those needs.
   B. Advocacy: The Executive Committee shall be accountable to the membership regarding the organization’s expected future results, and its present accomplishments.

2. The Executive Committee shall develop and maintain written governing policies consistent with Board of Directors policy.
   A. ENDS: Organizational products, their effects and benefits, to our members and horses and their relative worth.
   B. MANAGEMENT LIMITATIONS: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
   C. EXECUTIVE COMMITTEE/MANAGEMENT DELEGATION: How authority is delegated to the EVP and his/her authority and accountability is properly monitored.

3. The Executive Committee shall retain, set forth terms of employment and oversee the EVP, and will assure successful EVP performance by assessing actual performance against policies on Ends and Management Limitations.

4. The Executive Committee shall approve an annual budget and submit it to the Board of Directors for approval each year during the month of March.
The Executive Committee shall prepare and follow an annual work-plan that includes (1) a complete review and, if appropriate, refinement of Ends policies and (2) continuous improvement in governance performance through governance education, enriched input and deliberation.

Accordingly:

1. The Executive Committee’s annual planning cycle will conclude each year no later than 2 weeks prior to the first day of Budget & Finance Committee’s annual budget meeting, so that administrative planning and budgeting can be based on accomplishing a one year segment of long-term Ends.

2. The Executive Committee’s planning cycle will start in April with the development of its work-plan for the next Fiscal year.
   A. The Executive Committee shall identify its priorities for Ends and other issues to be resolved in the coming year, and will identify the information gathering necessary to fulfill its role. This may include consultations with selected groups in the membership, meetings with other entities in the equine industry, other methods of gaining membership input, governance education, and other education related to Ends issues.
   B. The President shall, at the commencement of the Executive Committee’s annual planning cycle, prepare a tentative agenda plan for the following year’s meetings.

3. The President shall determine the agenda for any particular Executive Committee meeting, although Executive Committee members may request or recommend any appropriate matters for Executive Committee consideration.
   A. An Executive Committee member may recommend or request a matter for Executive Committee discussion by submitting the item to the President at least 30 days prior to the scheduled Executive Committee meeting.
   B. The meeting agenda and packet are to be received by Executive Committee members at least 14 days prior to the scheduled Executive Committee meeting.
   C. By an affirmative vote of a majority of the members of the Executive Committee, or of those present at a meeting, additional matters may be added to the agenda of any Executive Committee meeting.

4. The Executive Committee shall attend to consent agenda items (those items delegated to the EVP yet required by law or third-party to be Board-approved) as expeditiously as possible.

5. The Executive Committee shall act to approve/disapprove EVP monitoring reports received since the previous meeting. Additional EVP monitoring will be on the agenda if the Board, for any reason, chooses to arrange for direct inspection or third-party monitoring, or otherwise amend its monitoring schedule.

EVP remuneration will be determined in connection with the anniversary of hire date after a review and summary of monitoring actions taken during the past twelve months.)
As the Association’s top-elected officer, the President shall serve as its chief governance officer, ensuring the integrity of the Board’s and Executive Committee’s process and, secondarily, representing the Membership, Board of Directors and Executive Committee to outside parties.

Accordingly:

1. The President’s shall ensure that the Board and Executive Committee behave consistently with the Bylaws, their respective governing policies, and those legitimately imposed from outside the organization.
   A. Executive Committee meeting discussion content will include only those issues that clearly, according to Executive Committee policy, belong to the Executive Committee to decide or to monitor.
   B. Deliberation will be fair, open, thorough, timely, orderly, and to the point.

2. In the governance of AHA’s business operations, the President is authorized to make decisions consistent with the Executive Committee’s Governance Process and Board/Management Delegation policies. The President is hereby delegated the authority to use any reasonable interpretation of these policies.
   A. The President is empowered to preside at Membership, Delegates, Board of Directors and Executive Committee meetings with all of the commonly accepted power of that position. Robert’s Rules of Order, latest edition, shall serve as the rules of order for meetings of the Membership, Delegates and Board of Directors.
   B. The President may represent the Board and Executive Committee to outside parties in announcing Board-stated or Executive Committee-stated positions and in stating decisions and interpretations within the area delegated to her or him. The President may delegate this authority but remains accountable for its use.
   C. The President may appoint members to serve on Committees, unless specified otherwise in Bylaws or Board policies.

Powers and Duties of Officers. (Bylaws & Merger Agreement)
The President serves as the chief governing officer of the Association. The President ensures the fulfillment of the Board’s governance obligations and fiduciary duties, presides at meetings of the Board and Membership and shall fulfill other responsibilities as may be designated from time to time by the Board in its Governing Policies, or as designated by resolution.

   A. The President, unless otherwise specified, shall be the official spokesperson of the Association’s Membership and Board of Directors. The President’s authority to speak and/or make decisions on behalf of the Board is subject to the direction of the Board of Directors, as stated in its Governing Policies.

   B. Vice-President. In the event the President is absent, unable or refuses to act, the Vice-President shall fulfill the duties of the President. The Vice-President shall also fulfill other responsibilities as may be delegated by the Board of Directors in its Governing Policies.

   C. Treasurer. The Treasurer shall advise and update the Board and committees on matters of fiscal policy, and shall serve as an ex officio member of the Board’s Audit Committee.

   D. Secretary. The Secretary shall keep or cause to be kept at the principal office of the Association the minutes of all meetings of the Board and of all meetings of the Membership and shall ensure the accuracy of the effective Governing Policies manual of the Board. The Secretary shall perform or cause to be performed such other and
further duties as may be required by law or as may be prescribed from time to time by the Board of Directors or these Bylaws.

EXHIBIT II, Continued

POLICY TYPE: GOVERNANCE PROCESS

POLICY 4.4 POLICY TITLE: PRESIDENT’S AND OFFICER’S ROLE

E. Executive Vice President The Board of Directors shall employ an Executive Vice President (EVP), with terms of employment as the Executive Committee shall determine, and as the Executive Committee may set forth in an Employment Agreement. The EVP shall have the authority and responsibility for the day-to-day operations of the Association, in accordance with these Bylaws and the Governing Policies of the Board as amended from time-to-time. The EVP shall be responsible for the employment of staff in a manner consistent with the Governing Policies. The EVP shall be an ex-officio, non-voting member of the Board of Directors and Executive Committee.

POLICY TYPE: GOVERNANCE PROCESS

POLICY 4.5 POLICY TITLE: EXECUTIVE COMMITTEE MEMBERS’ CODE OF CONDUCT

The Executive Committee commits itself and its members to ethical, professional, and lawful conduct, including proper use of authority and appropriate decorum when acting as Executive Committee members.

Accordingly:

1. Executive Committee members must demonstrate loyalty to the interests of AHA’s membership, unconflicted by loyalties to staff, other organizations, sectors/regions within the membership or any personal interests as customers/members of the Association.

2. Executive Committee members must avoid conflict of interest with respect to their fiduciary responsibility.
   A. There must be no self-dealing or any conduct of private business or personal services between any Executive Committee member and the organization, except as procedurally controlled to assure openness, competitive opportunity, and equal access to inside information.
   B. When the Executive Committee is to decide upon an issue about which a member has a conflict of interest, that member shall disclose the conflict to the Executive Committee and absent herself or himself without comment from not only the vote but also from the deliberation.
   C. Executive Committee members must not use their positions to obtain staff employment for themselves, family members or close associates. Should an Executive Committee member apply for staff employment, he or she must first resign from the Executive Committee.

3. Executive Committee members must not attempt to exercise individual authority over the organization.
   A. Executive Committee members’ interaction with the EVP or with staff must recognize the lack of authority vested in individuals except when explicitly Executive Committee authorized.
   B. Executive Committee members’ interaction with public, media or other entities must recognize this limitation and that Executive Committee members are not to speak for the EVP, or to speak for the Executive Committee except to repeat explicitly stated Executive Committee decisions.
   C. Except for participation in Executive Committee deliberation about whether the EVP has achieved a reasonable interpretation of Executive Committee policies, Executive Committee members will not publicly express individual judgments of performance of employees or the EVP.

4. Executive Committee members must respect the confidentiality appropriate to issues of a sensitive nature.

5. Executive Committee members shall support the legitimacy and authority of the final determination of the Executive
EXHIBIT II, Continued

POLICY TYPE: GOVERNANCE PROCESS

POLICY 4.5 POLICY TITLE: EXECUTIVE COMMITTEE MEMBERS’ CODE OF CONDUCT

6. Executive Committee Members shall not cause nor participate in any practice, activity or circumstance that is unlawful under prevailing antitrust laws, regulations or applicable court decisions that affect the Arabian Horse Association.

7. An Executive Committee member aware of credible information that suggests that a governing policy has been violated, by either the Executive Committee, the Board or the EVP, has an affirmative obligation to bring the concern to the Executive Committee’s agenda for monitoring.

POLICY TYPE: GOVERNANCE PROCESS

POLICY 4.6 POLICY TITLE: GOVERNING COMMITTEES

POLICY 4.7 POLICY TITLE: GOVERNING COMMITTEE PRINCIPLES

The Audit Committee and other committees established by the Executive Committee, when used, will have one essential role — to strengthen and support the governance work of the Executive Committee as a whole. These “governing committees” are not to interfere with delegation from Executive Committee to the EVP, or from the EVP to other staff.

Accordingly:
EXHIBIT II, Continued

POLICY TYPE: GOVERNANCE PROCESS

POLICY 4.7       POLICY TITLE: GOVERNING COMMITTEE PRINCIPLES

1. Governing committees are to help the Executive Committee do its job, not to help, advise or exercise authority over staff.

2. Governing committees most commonly assist the Executive Committee by undertaking activities not delegated to the EVP, by preparing policy alternatives and implications for Executive Committee deliberation, or by performing specific monitoring functions. Governing committees will normally not have direct involvement with current staff operations.

3. Governing committees may not speak or act for the Executive Committee except when formally given such authority for specific and/or time-limited purposes. The Executive Committee shall carefully state its expectations and committee authority (in the “Governing Committees” policy) in order not to conflict with authority delegated to the EVP.

4. Governing committees must not exercise authority over staff. Because the EVP works for the Executive Committee, he or she shall not be expected to obtain approval of a governing committee before an executive action.

5. This policy applies to any group formed by Executive Committee action, whether or not it is called a committee and regardless of whether the group includes Executive Committee and/or Board members. It does not apply to committees formed under the authority of the EVP.

POLICY TYPE: GOVERNANCE PROCESS

POLICY 4.8       POLICY TITLE: GOVERNANCE BUDGET

The Executive Committee shall consciously invest in its ability to govern competently and wisely.

Accordingly:

1. Executive Committee skills, methods, and supports will be sufficient to assure governing with excellence.
   A. The Executive Committee shall invest in governance to orient new Executive Committee members, and to maintain and increase existing Board member skills and knowledge.
   B. Outside monitoring assistance, including fiscal audit, will be arranged as needed so that the Executive Committee can exercise confident control over organizational performance.
   C. Outreach/linkage mechanisms (e.g. surveys) will be used as needed to ensure the Executive Committee understands membership viewpoints and values.

2. Costs will be prudently incurred, but sufficient to ensure the development and maintenance of superior governance.
   Prior to the EVP’s development of the annual budget, the Executive Committee shall establish its governance budget for the next year, considering but not limited to items such as:
   A. Governance training and consultation, including publications.
   B. Executive Committee and Officers travel/reimbursements (attendance at conferences, workshops, Board meetings, etc.)
   C. Audit and other third-party monitoring of organizational performance.
   D. Executive Committee-initiated surveys, focus groups and opinion analyses.
   E. Executive Committee-hosted ownership linkage/outreach events.
   F. Governance committee(s) functions.
2. On behalf of the Board of Directors, the Executive Committee shall also ensure that the annual Budget provides adequate funding for Board of Directors functions, as well as the Executive Committee’s own governance functions.

EXHIBIT III

CUTTING RULES

RECOGNIZED CLASSES
Class Divisions: Eligibility is determined on January 1 of each year and will continue for the remainder of the current year regardless of winnings. See chart for determining eligibility.

1. AHA recognized cutting classes for Purebred Arabians are as follows:
   a. Arabian Cutting Open
   b. Arabian Cutting Junior Horse – Open to horses age 5 and under. EARNINGS DO NOT COUNT TOWARD NOVICE HORSE ELIGIBILITY.
   c. Arabian Cutting Youth (JTR 18 and under) Youth rider may ride any horse, regardless of ownership. No added money allowed in Youth classes.
   d. Arabian Cutting Non-Pro –Rider must own horse and qualify for Amateur status according to AHA and/or USEF rules.
   e. Arabian Cutting $1,500 Novice Horse – Novice horses can continue to compete in the same division throughout the current year, regardless of current year earnings.
   f. Arabian Cutting $5,000 Novice Horse- Novice horses can continue to compete in the same division throughout the current year, regardless of current year earnings.
   g. Arabian Cutting $5,000 Novice Horse Non-Pro
   h. Arabian Cutting $1,500 Novice Rider
   i. Arabian Cutting Futurity

2. AHA recognized cutting classes for Half-Arabians/Anglo-Arabians are as follows:
   a. Half-Arabian/Anglo-Arabian Cutting Open
   b. Half-Arabian/Anglo-Arabian Cutting Junior Horse – EARNINGS DO NOT COUNT TOWARD NOVICE HORSE ELIGIBILITY.
   c. Half-Arabian/Anglo-Arabian Cutting Youth (JTR 18 and under) Youth rider may ride any horse, regardless of ownership. No added money allowed in Youth classes.
   d. Half-Arabian/Anglo-Arabian Cutting Non-Pro –Rider must own horse and qualify for Amateur status according to AHA and/or USEF rules.
   e. Arabian Cutting $1,500 Novice Horse – Novice horses can continue to compete in the same division throughout the current year, regardless of current year earnings.
   f. Half-Arabian/Anglo-Arabian Cutting $5,000 Novice Horse – Novice horses can continue to compete in the same division throughout the current year, regardless of current year earnings.
   g. Half-Arabian/Anglo-Arabian Cutting $5,000 Novice Horse Non-Pro
   h. Half-Arabian/Anglo-Arabian Cutting $1,500 Novice Rider
   i. Half-Arabian/Anglo-Arabian Cutting Futurity

<table>
<thead>
<tr>
<th>Achievements Leveling Program</th>
<th>Cutting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level Category – Rider</td>
<td>Regionals/ Regular Competitions</td>
</tr>
<tr>
<td>Open</td>
<td>Eligible as an AHA member to compete in Open classes</td>
</tr>
<tr>
<td>Novice Open</td>
<td>Has not won more than $1,500 in rider lifetime earnings, or has not received more than 30 National Achievement points.</td>
</tr>
</tbody>
</table>

Page 34 of 39
### ACHIEVEMENT LEVELING PROGRAM

**Cutting**

<table>
<thead>
<tr>
<th>Level Category – Rider</th>
<th>Nationals</th>
<th>Regionals/ Regular Competitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non Pro – AOTR</td>
<td>Eligible as an AHA member to compete in Amateur Owner classes</td>
<td>Eligible as an AHA member to compete in Amateur Owner classes</td>
</tr>
<tr>
<td>Novice Rider – ATR</td>
<td>Has not won more than $1,500 in rider lifetime earnings, or has not received more than 30 National Achievement points.</td>
<td>Has not won more than $1,500 in rider lifetime earnings, or has not received more than 50 National Achievement points or has not “leveled out” of the National Novice Rider division.</td>
</tr>
<tr>
<td>Youth</td>
<td>Eligible as an AHA member to compete in Youth classes</td>
<td>Eligible as an AHA member to compete in Youth classes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Level Category – Horse</th>
<th>Nationals</th>
<th>Regionals/ Regular Competitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open</td>
<td>Eligible as registered to compete in Arabian or Half-Arabian/Anglo-Arabian classes. All earnings and placings count toward horse lifetime earnings/placings.</td>
<td>Eligible as registered to compete in Arabian or Half-Arabian/Anglo-Arabian classes. All earnings and placings count toward horse lifetime earnings/placings.</td>
</tr>
<tr>
<td>$1,500 Novice Horse</td>
<td>Has not won more than $1,500 in horse lifetime earnings, or has not received more than 30 National Achievement points.</td>
<td>Has not won more than $1,500 in horse lifetime earnings, or has not received more than 50 AHA Achievement points or has not “leveled out” of the National $1,500 Novice Horse division.</td>
</tr>
<tr>
<td>$5,000 Novice Horse</td>
<td>Has not won more than $5,000 in horse lifetime earnings, or has not received more than 80 National Achievement points.</td>
<td>Has not won more than $5,000 in horse lifetime earnings, or has not received more than 120 AHA Achievement points or has not “leveled out” of the National $5,000 Novice Horse division.</td>
</tr>
<tr>
<td>Junior Horse and Futurity</td>
<td>Horses 5 years old and younger and eligible as registered to compete in Arabian or Half-Arabian/Anglo-Arabian classes. Same judging and equipment rules as in the Open division. Earnings and placings do not count toward horse lifetime earnings/placings.</td>
<td>Horses 5 years old and younger and eligible as registered to compete in Arabian or Half-Arabian/Anglo-Arabian classes. Same judging and equipment rules as in the Open division. Earnings and placings do not count toward horse lifetime earnings/placings.</td>
</tr>
<tr>
<td>$5,000 Novice Horse – Non Pro – AOTR</td>
<td>Horse must meet the above $5,000 Novice Horse criteria, and rider must meet the above Non Pro – AOTR criteria.</td>
<td>Horse must meet the above $5,000 Novice Horse criteria, and rider must meet the above Non Pro – AOTR criteria.</td>
</tr>
</tbody>
</table>
CONTESTANTS:

1. No contestant or other person shall engage in any form of misconduct or harassment toward show management, judges, or show staff. Show management has the right to disqualify or refuse entry to any contestant for violation of this rule. In the event a contestant or other person is asked by show management to leave or withdraw from any AHA approved or sponsored show.

2. A contestant with appropriate documentation may drop out of any contest due to injury to himself/herself or his/her horse, or due to sickness or death in his/her family. Refund policy is based on the sponsoring show’s policy, but it is recommended that all monies with the exception of the office fee be refunded.

3. A contestant shall not at any time withdraw from any contest he/she is participating in due to dissatisfaction or grievance with the judge or judges, show management or other contestants without forfeiting all monies he/she may have won in previous go-rounds. Entry fees or any part thereof, will not be refunded after contest starts.

4. All contestants will work at the appointed time so designated by the draw or be disqualified for that go-round with no score. When a contestant is showing in multiple arenas and there is a conflict the cutting competition will hold until the conflict is resolved. If a contestant refuses to compete in the finals, any money won in previous go-rounds will be forfeited.

5. A contestant or any rider shall not enter the show arena at any time at a cutting horse contest recognized or sponsored by the AHA with any kind of training device, tack or equipment not permitted in the NCHA rule book.

6. The show management, representative, or judge must disqualify a contestant if he enters the arena with any such equipment, and all entry fees and/or premiums pertaining to said contestant shall be forfeited.

7. After the buzzer sounds, the cutter will discontinue working and ride his horse forward past the judges’ stands before dismounting, except to retrieve a lost article. Once the lost article is retrieved, the rider will remount and continue riding his horse forward past the judges’ stands. The bit may be inspected at the judge’s discretion, and in the event a violation of the rules is discovered, the entry will be disqualified.

8. All cutting horses must be ridden astride.

9. The following provisions regarding conduct shall apply to any AHA recognized or sponsored show:
   a. Training activities of any kind, including the use of any mechanical device, animal or person, while in the show arena or on the show grounds other than in designated practice facilities are prohibited.
   b. Inhumane treatment of a horse in any manner in the show arena or on the show grounds is prohibited.
   c. All rules as described or defined rules stated by other recognizing or approving organizations pertaining to the use of drugs or abuse shall be enforced.
   d. Un-sportsmanlike conduct in the show arena or show ground is prohibited. A contestant shall not talk with the judge(s) beyond the exchange of normal greetings, during a show, nor shall a contestant discuss with the judge any previous scores, events.
   e. A contestant shall make no comment, either positive or negative, within a judge’s hearing regarding any work taking place at a performance.
   f. No alcoholic beverages may be consumed or brought into the arena while at AHA approved or sponsored cutting horse contest is taking place.

10. Show management shall appoint a representative of the contestants or a liaison, to work between contestants and show management.
    a. Show management may hold a meeting of all contestants prior to the first go-round for the purpose of electing a representative to represent the contestants for the duration of the show. In the event the representative has to leave the show for any reason, he/she shall appoint a representative in his/her place for the duration of the show. Any representative so elected or appointed must be a contestant in the contest involved.
    b. It shall be the duty of the representative to:
        i. Represent all contestants with the show management and be the sole liaison with said management.
        ii. Report if he observes any horse being abused or if there are actions by any contestant detrimental to the best interest of the Association such as the following: loud and profane language, drunkenness or being under the influence of intoxicants, use of devices not permitted by NCHA rules, disrespect to judges, or any other infraction of AHA Rules.
EXHIBIT III, Continued

c. A representative shall have no contact or communication with a judge(s) beyond that permitted to any contestant.

NON PRO STATUS:
1. Riders of cutting horses may be classified as a Non-Professional.
   a. A Non-Professional in this Association is a person who has not received direct or indirect remuneration to work in any manner in the following activities on the premises of a cutting horse training operation: showing, training or assisting in training a cutting horse or cutting horse rider. For purpose of this rule, a cutting horse training operation is any facility where cutting horses are trained. Any person who has trained horses astride in any equine discipline for direct or indirect remuneration shall be considered a professional by this Association, with the exception of those who have been granted a change of status from professional to amateur.
2. Any horse exhibited in AHA Non-Professional cutting horse classes must be owned by the contestant showing the horse, or by the contestant’s family. Said minor child may ride a horse owned by either parent.
3. Proof of ownership shall be required on all horses ridden in AHA Non-Professional cutting horse classes. Said proof must be exhibited to show management prior to the start of the contest. The original registration certificate or a copy thereof showing current ownership shall be deemed proper proof of ownership.

JUDGES:
A judge shall conduct himself/herself in a manner fitting and proper to one afforded the honor of officiating at any AHA approved or sponsored contest. Any misconduct on the part of the judge at any AHA contest, the use of abusive language, showing favoritism to or discriminating against either an individual or a horse performing in the contest, or any other action unbecoming to one in his/her position, either on the grounds or elsewhere during the entire show will make the judge subject to review by the AHA Judges & Stewards Commissioner. The complaint must be submitted in writing by the show management or AHA steward or may be sent directly to the AHA Judges & Stewards Commissioner.

A judge may not judge his parents, children, spouse, spouse’s parents, relatives of either the judge or his spouse if they live in the judge’s household; or he may not judge his employer or employees. A judge may not judge a horse that he has owned, exhibited, trained, managed, or sold for direct or indirect remuneration within the thirty (30) day period immediately preceding any AHA approved or sponsored event at which said judge is officiating either in full or in part. A judge may not judge any individual rider, or horse owned by said rider, who has had training from or given training to said judge within thirty (30) day period immediately preceding the AHA approved or sponsored event at which said judge is officiating in full or in part. If such a horse, owner or rider is enterer in a contest, the entry fee shall be refunded and the entry not shown.

Each judge must sign his scorecard (Official Judges Card) and the Show Management shall post same in a conspicuous place immediately following each go-round and finals. There must not be any consultation between judges until scorecards are turned in. After judge’s cards are turned in, there will be no changes.

When two or more individuals are judging a cutting horse contest and one or two judges can not complete judging of the go-round, the score or scores of the remaining judge or judges who complete the go-round will be the sole basis of computing the go-round. Each judge must score each horse individually, and if any one of his scores is counted in a go-round, all of his scores must be counted except as provided herein; where five or more individuals are judging a cutting horse contest, the highest and the lowest scores for each horse may be discarded and the accumulated scores of the remaining judges used to compute the go-round. This rule shall also apply to finals.

When two or more individuals are judging a cutting horse contest of more than one go-round or with finals, and one or more judges becomes unable to continue between the go-rounds or finals, said judge or judges shall be replaced first by the alternate judge named for the contest and second by a judge acceptable to the majority of the contestants and to the show management. If the alternate judge is unavailable, the second option shall be used. At the US National Championship Show two (2) NCHA (AAA or AAAA) must be utilized in all classes.
EXHIBIT III, Continued

PAYOUTS:

If prize money is offered, it is to be divided into go-round money and finals money as follow:

- Go-round – not less than 70%
- Finals – not less than 30%

Any time there is more than one go-round; money will be paid in each go-round.

If entry fees are paid per go round than no division in payout will be needed.

Any show with more than $3000.00 added must have more than one go-round.

The number of horses entered, including scratches, in a class and the amount of money being competed for will determine the number of monies to be paid.

No added money can be offered for any of the Youth classes or Novice Rider classes.

When prize money is offered, cutting class go-rounds and/or semi-finals will be paid using the following schedule for each class. In classes with more than one go-round, the prize money is to be divided equally in each go-round, unless entry fee is charged per go-round.

<table>
<thead>
<tr>
<th>PAYOUT SCHEDULE</th>
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</thead>
<tbody>
<tr>
<td>2 entries</td>
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<td>3-4 entries</td>
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<tr>
<td>5-6 entries</td>
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<td>7-8 entries</td>
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<tr>
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<tr>
<td>15-16 entries</td>
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<tr>
<td>17-18 entries</td>
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<td>19 or more entries</td>
</tr>
</tbody>
</table>

U.S. National Payout

70% of the total class prize money will be paid to the go-rounds including the semifinals. The 70% will be divided equally among the number of go-rounds (i.e. one go round = 70%, two go-rounds = 35% each, etc.) The Finalist (Top Ten) (determined by final composite score of all go-rounds, unless finals are clean slate) will be paid 30% of the total class purse. All Finalists (Top Tens) will be paid prize money. When a full Top Ten is not awarded; money will be paid per payout schedule, in the non-working Finals, not to exceed ten (10) monies.
EXHIBIT III, Continued

PERCENTAGE OF ALLOCATED PRIZE MONEY ACCORDING TO NUMBER OF MONIES PAID

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<th>NUMBER OF MONIES</th>
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<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
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<tbody>
<tr>
<td>1st</td>
<td>100%</td>
<td>60%</td>
<td>50%</td>
<td>40%</td>
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The score from each go-round will be added together to get the top horses for the finals, if a working finals is offered.

CLASS PROCEDURES:

In a contest where there is a working final, the score a horse has made in go-round performances will be added to the score the horse makes in finals to determine the winner of the contest. Finals money shall be paid on accumulated scores of all go-rounds and finals, unless the finals are published as a “clean-slate” final.

In a contest where there is a non working final, the score of each go-round added together will determine the winner of that contest. Finals money shall be paid on accumulate scores of go-rounds.

An exhibitor may enter one or more horses. A rider may ride one or more horses. Each horse must have the same rider throughout the class. Under no circumstances can the same horse be shown by more than one rider in any class at an AHA recognized cutting contest.

Entry numbers shall not be used as the sole method of identifying horses at any approved contest. Announcers are required to make known the name of each horse, his owner and rider at the time he/she performs and to recognize winners in a similar manner at the conclusion of the contest.

The time allotted each horse to work is two-and-half (2 1/2) minutes; time to start when contestant crosses the time line. This gives the rider ample time to ride to the herd and work as many cows as the rider sees fit in the allotted time. If elimination is held, the same rider must ride in the elimination.

Judges must draw for places (working order of horses) or authorize show management to draw before go-rounds and finals. In the event that a horse is left out of the draw, a re-draw must be made. If a horse is duplicated, the judge or show management shall draw to determine which draw position is to be used.

The Show Management must determine how many horses will be worked in each group of cattle. After the draw, absent horses shall be counted toward cattle changes and horses will work as drawn in each group of cattle.