

**AMERICAN SADDLEBRED HORSE ASSOCIATION
MINUTES OF MEETING OF BOARD OF DIRECTORS**

July 10, 2012

A regularly-scheduled meeting of the Board of Directors (the “Board”) of the American Saddlebred Horse Association was held on Tuesday, July 10, 2012, commencing at 12:30 p.m. EDT pursuant to written notice dated June 29, 2012. The following Directors of the Board were present in person at this meeting: Betsy Boone; Randy Cates; Bret Day; Bob Funkhouser; Minna Hankin; Chuck Herbert; Carl Holden; Margaret McNeese; Bill Marple; Scott Matton; Tandy Patrick; David Rudder; Lisa Siderman; Judy Werner; Kenny Wheeler; and Bill Whitley. Director Redd Crabtree did not attend. The following invited guests were also in attendance at the meeting: Germaine Johnson (Executive Committee), John Long (CEO of the USEF); Fred Sarver (the saddlebred representative on the Kentucky State Fair Board); Ashley Hallock (representing the Young Professionals group); Laurel Nelson (President of the American Saddlebred Museum); Tammie Conatser (representing the UPHA); Jonathan Lang (Alltech); Jeff Hagerman (Chair of the Marketing Committee); and Karen Winn, new Executive Director of the ASHA. Steve Specht of Merrill Lynch attended the Financial Report portion of the meeting.

The staff of the ASHA joined the Board for lunch prior to the meeting, and staff members each introduced themselves to the Board and briefly described their role at the ASHA.

The meeting then proceeded as follows:

1. QUORUM; ADOPTION OF AGENDA; MINUTES; EXECUTIVE DIRECTOR. Tandy announced that with 16 of the 17 Directors in attendance, there was a quorum for the meeting; the Board approved the proposed Agenda for the meeting pursuant to a Motion made by Bill Whitley and seconded by Carl Holden. Upon Motion made by Judy Werner and seconded by Bob Funkhouser, the Board approved and ratified all Minutes of prior meetings. The new ASHA Executive Director, Karen Winn, was introduced to the Board with a warm welcome by Board members.

2. TECHNOLOGY/COMPUTER UPGRADE PROJECT. The Board briefly discussed the need for a special Committee or Task Force to lead a fundraising effort for the new technology/computer upgrade project; Board members agreed to try and identify good people for this effort.

3. NATIONAL HORSE SHOW. Jonathan Lang from Alltech, the title sponsor of the National Horse Show, gave a brief presentation about this year’s event, which will include some saddlebred classes. Jonathan explained that a program/prize list should be out by the end of July, and that Jim LaHood was serving as an advisor with respect to saddlebred class offerings.

4. 2012 WCHS. Fred Sarver gave the Board an update regarding this year’s WCHS, including news on the 4-year old sweepstakes, and payment of Kentucky incentive funds. Fred also indicated that horse show management, as well as the Advisory Committee for the WCHS,

intended to review and revisit the qualification for park/pleasure horses, and possibly suggest changes to the qualifying rules. The group discussed the recent change regarding the disqualification of “added” classes, and the need to provide ample advance notice of this and any other changes to all participants.

5. AS MUSEUM. Laurel Nelson reported that the 50th anniversary of the Museum would be the theme of the Museum’s party at the WCHS this year. Laurel also shared her recent participation on various saddlebred museum presentations to a blog talk radio show program (Ashford), which the Board agreed is a great marketing and outreach effort for our industry.

6. MARKETING. Jeff Hagerman, Chair of the ASHA’s Marketing Committee, led a Power Point presentation on various efforts of the Committee over the past few months, including the new ASHA stall at the Kids Barn, the new ASHA booth and various brochures, and the upcoming BreyerFest event.

7. FIRST TIMER RIBBONS. Director Randy Cates explained the new “first timer” ribbon program, a joint venture between the ASHA and the UPHA, pursuant to which first time trainers and first time exhibitors will complete a form when they check in at the horse show office at Louisville, and they will then receive a commemorative blue ribbon with ASHA and UPHA names. The ribbons are being donated by World Champion Equipment, and will serve as a “welcome” for all first-timers. Upon Motion made by Ken Wheeler and seconded by Bob Funkhouser, the Board unanimously approved the “First Timer” ribbon program as presented, and agreed that a “first timer” exhibitor should be someone who has not been in the show ring at Louisville for at least 20 years, and a “first timer” trainer is someone who has not previously signed an entry form as a trainer. Randy mentioned that it would be helpful to have Directors volunteer to assist on sign up in the horse show office. We hope to provide a venue for presentation of the ribbons at Louisville (perhaps at the Museum’s party); more on this to follow.

8. ELECTION OF NEW DIRECTOR. Upon Motion made by Bill Whitley and seconded by Minna Hankin, the Board unanimously elected Germaine Johnson as a new Director, to serve the remaining unexpired term of Lisa Duncan who resigned from the Board prior to being named the Registrar of the American Saddlebred Registry.

9. REPORT FROM REGISTRY. Lisa Duncan reported that the new President of the Registry is Scott Matton, and the new Director of the Registry, to serve the remaining unexpired term of Lisa Duncan, will be Lisa Sideman; both of these were elected at the Registry’s board meeting on July 9th. Lisa reported the good news, that year-to-date registrations are up by 137, and that year-to-date transfers are up by 156. Lisa mentioned that the Registry has formed a new Committee composed of Margaret McNeese and Brian Curran, to work on a proposed new mission statement for the Registry. The Registry has adopted a new policy on ‘bad debt’, and Lisa mentioned the need for the Registry and the ASHA to have separate, ‘stand alone’ policies on bad debt; the ASHA Finance Committee will need to review the ASHA’s bad debt policy and remove any references to the Registry. Lisa also explained that the Registry has adopted a policy regarding naming of horses, such that the mere addition of “A”, “And” or “The” in front of an existing name will not suffice as to enable someone to use an existing name.

10. REPORT FROM UPHA. Tammy Conatser reported on UPHA activities, including Equestrian Life, and this year's American Royal Horse Show. This will be the last year for the Pink Ribbon program at the Royal; it will be replaced by a new program called "Iron Will" which benefits victims of all types of cancers. The UPHA's 2013 Convention will be held on January 3 – 5, at Caesars Palace in Las Vegas. The UPHA's Equitation Committee now has a new pattern book available for purchase. The Board complimented the UPHA on its signs designating a "*Proud Member of the UPHA*", which are available through the UPHA Chapter Chairs. The UPHA needs volunteers to help at the "meet and greet" pony stall area at the WCHS, and to answer questions; if anyone is willing to help, please forward info to us.

11. FINANCIALS. Treasurer Carl Holden presented recent financial statements to the Board, showing that while we continue to have concerns over declines in membership revenue and publication costs, from a cash flow statement, we appear to have stabilized, with April and May being 'break even' months. The Finance Committee presented a Financial Policies and Procedures document which addresses items mentioned in the recent audit of the ASHA, as well as a proposed new Investment Policy. The new investment policy will apply to all of the ASHA Portfolio Funds with specific guidelines for "Low Risk Liquid Funds" and the donor-restricted endowment funds which will be invested in moderate risk investments with a primary goal of preservation of capital and the preservation of buying power. The Investment Policy also contains a "Spending Policy" section for the endowment funds. The Board expressed a desire for these funds to be utilized for the purposes for which they were intended; some funds may be available now for funding of youth programs, for example. Upon Motion made by Bill Marple and seconded by Ken Wheeler, the Board unanimously adopted the proposed new Investment Policy and the new Financial Policies and Procedures document. Carl noted that the investments of the ASHA are reviewed on a quarterly basis by the Finance Committee. The Board also heard a brief presentation from Merrill Lynch regarding the issuance of a line of credit, to be utilized very conservatively to assist on short term cash flow needs of the ASHA. Following discussion, and upon Motion made by Ken Wheeler and seconded by Bill Marple, the Board unanimously agreed to proceed with obtaining the line of credit as presented, with the understanding that the Finance Committee shall have the right to approve draws on the line of credit up to \$50,000, and that any draws in excess of \$50,000 must be approved by the full ASHA Board, with no draws in excess of \$100,000 unless there is an emergency situation approved by the full ASHA Board. Tandy will draft a separate Resolution regarding the line of credit memorializing the above, after consultation with Carl and the Merrill Lynch representatives, which will be presented to the full ASHA Board. Tandy also presented a summary of 2012 ASHA contributions year-to-date, and encouraged all Directors to make a donation to our association, with the goal of having "100% participation" from our Board.

12. PUBLICATIONS. Director Randy Cates, on behalf of the Publications Committee, made a presentation to the Board regarding the ASHA's current publications, which consist of the magazine, the Reference Directory, and the Dailies published each day during the WCHS. The magazine lost approximately \$90,000 in 2011, and has lost about \$45,000 year-to-date in 2012. The Publications Committee believes the magazine is out of date, and it is very difficult for the magazine to succeed in today's very competitive and changing media environment. The Publication Committee feels that the Dailies can be profitable and provide high profile exposure for the ASHA at the WCHS, and that the Reference Guide could be converted into a journal and include stallion advertising. We also need to look at production, and whether an outside

publishing company would be a better option. Upon Motion made by Scott Matton and seconded by Bret Day, the Board unanimously voted to suspend publication of the magazine, and to expand the Reference Guild and explore other alternatives, including an email-based newsletter.

13. PLANNING COMMITTEE. Committee Chair Tandy Patrick presented the Planning Committee's suggested new Mission Statement for the ASHA, which is as follows, to be discussed and considered further by the Board:

The mission of the American Saddlebred Horse Association is to promote, improve and protect the American Saddlebred's grace, intelligence and versatility, and to provide programs and services supporting our members, while fostering public awareness of the breed.

14. AUDIT COMMITTEE. Committee Chair Margaret McNeese reported on the recent meeting of the Audit Committee, which included recommendations from the Audit Committee to finalize the Investment Policy (which has been done) and to approve the Financial Policies and Procedures document (which has been done). The Audit Committee also suggested that the Finance Committee might consider the adoption of an additional policy setting a dollar threshold for 'high item' expenditures not included in the budget (which would provide that any expenditure in excess of some number that is not in the budget must be approved by the ASHA Board).

15. PRESIDENT'S REPORT. President Tandy Patrick presented a Memorandum of Understanding among the USEF, the ASHA, and Richfield Video (R.H. Bennett) regarding the webcasting of the 2012 WCHS, pursuant to which all performances of the 2012 show will be Webcast for free using Richfield's feed on the USEF Network. The ASHA will pay for the one-time cost of the KSF's vendor for the broadband service to be utilized by all parties (cost of \$5,000); the ASHA will also reimburse Richfield up to \$10,000 for the additional equipment costs of Richfield attributable to the Webcast out of sponsor revenues. The ASHA and the USEF will work together on sponsorships for the Webcast over the next few weeks; we need to focus efforts on advertising for the Webcast and for the Dailies. Upon Motion made by Scott Matton and seconded by Randy Cates, the Board unanimously voted to approve the proposed MOU as presented.

16. YOUTH COMMITTEE. Committee Chair Germaine Johnson advised the Board of the three new scholarship recipients, and also explained the new policy for scholarship recipients, requiring them to maintain their junior membership in the ASHA and to also provide some 'community service' in an area that will benefit the ASHA and its mission. The Board agreed that revenues generated from auction items that were donated with the expectation that the proceeds would go to youth advancement should go to fund scholarships.

17. ADJOURNMENT; NEXT MEETING. There being no further business to come before the Board, the meeting was adjourned at approximately 3:45 p.m. The next regularly-scheduled in person meeting of the Board will be on Tuesday and Wednesday, October 30/31. We will have a meeting starting at 6 p.m. on Tuesday which will include dinner, and we will also meet on Wednesday morning, October 31. Further details about these meetings will follow.

There will be telephonic conference calls for Executive Committee, and Board members are urged to participate in these also, on the second Monday of each month starting at 5:30 p.m. EDT; remaining dates in 2012 for these calls are August 13; September 10; October 8; November 12; and December 10.

Submitted by:

Tandy Patrick, President
American Saddlebred Horse Association

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