

Board of Directors

April 19th, 2016, 1:30PM EDT

A. Welcome & Call to Order - Sally Lawing, President

I. Meeting Called to order at 1:32PM EDT

ii. In attendance: Ms. Sally Lawing, President, Dr. Rosanne Palermo, Vice President, Mr. Tim Sherman, Treasurer, Mr. Jack Vanderkooy, Secretary, Ms. Barb Renico, Director, Ms. Amy Austin, Director, Mr. Gerben Steenbeek, Director, Mr. Jason Tice, Executive Director

iii. Mr. Vanderkooy identified two items of business on the agenda which present a conflict of interest for him: the ABFP fee and the proposed change to Rule 2.3.3. Ms. Lawing stated she will move both items to the end of the agenda and Mr. Vanderkooy would be excused at that time.

iv. Mr. Vanderkooy alerts the meeting of item G. a. of the agenda, under Discussion Items. He stated that he believes it is improper for this item to be on our agenda since it is the matter of a personal letter of one member to another member. He further argues that the Board should only address letters which are specifically addressed to the Board.

After a brief discussion Sally Lawing moved and Amy Austin seconded a motion to remove item G. a. from today's agenda. The resulting vote was unanimously in favor of the motion.

v. Ms. Lawing informs the meeting she believes FHANA should have an official Grievance Procedure for our members to follow in case of a complaint. It was agreed that Ms. Lawing would draft a Grievance Policy for the Board to consider at a future meeting.

B. Secretary's Report - Jack Vanderkooy, Secretary

i. Approval of Minutes dated March 10th, 2016-These minutes were not presented.

C. Treasurer's Report-Tim Sherman, Treasurer

i. Mr. Sherman presented the financials for Month end March 2016

Balance Sheet

Total Assets: \$373,319.85

Total Current Liabilities: \$24,102.03

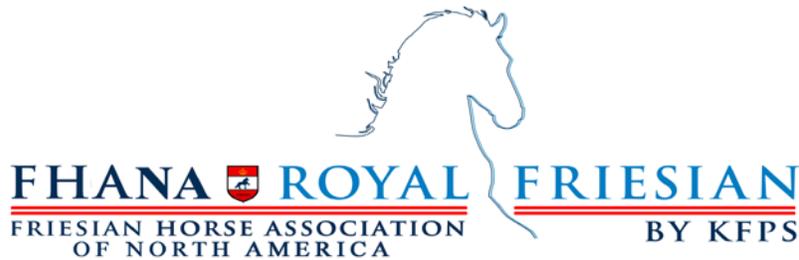
Total Equity: \$349,217.82

Total Liabilities & Equity: \$373,319.85

Profit & Loss-March 2016

Total Income: \$52,489.07

Total Expense: \$78,010.69



Net Income: \$(25,521.62)

Profit & Loss Year to Date/March 2016

Total Income: \$174,145.54

Total Expense: \$167,523.80

Net Income: \$6,621.74

ii. Mr. Sherman briefly commented on a number of details included with the Financial Reports provided to all Board member's pre this meeting by Mr. Tice, the Executive Director. It was pointed out that the major reason for this month's negative income was the cost of Website redevelopment (Actual \$44,597.44), an item approved earlier but not included in the 2016 Budget. It had been the Board's decision to fund this expense item from Reserves. Mr. Tice was asked to investigate whether this item could be posted in another manner so as not to skew our Budget figures. Mr. Tice reported that he has done everything he could to not dip into the reserve funds that was previously approved for the project last Summer. Unfortunately at this time he will need to cash in a Certificate of Deposit.

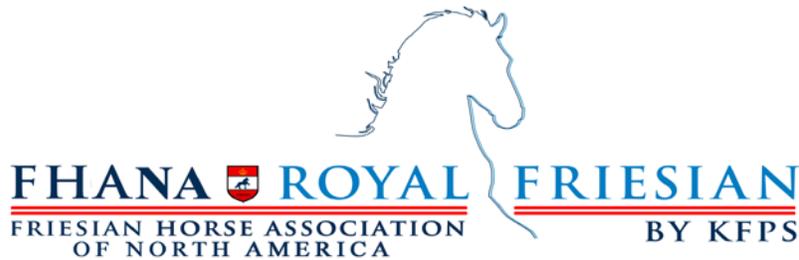
iii. Mr. Vanderkooy pointed out that this month's Financial Report also includes a summary of the financial results of our recent AGM in Fort Worth, Texas. Total Income was \$17,820.13 and Total expenses were \$17, 344.49 for a net of \$475.64.

iv. Mr. Vanderkooy asked for clarification regarding the Income and Expenses of the ABFP program on the YTD Financial Statement. Income states \$4,135.00 and Jason Tice explained the expenses are rolled into the Inspections category. After a brief discussion it was concluded that ABFP expenses require its own category as per earlier decision by the Board to help track these programs, similar to the AGM. It was also pointed out that our Executive Director has the authority to transfer funds from our Offspring Savings Account whenever the ABFP program is in an actual negative balance.

v. Ms. Renico requested clarification regarding the income split of Registrations between FHANA and the KFPS. Jason Tice explained for every registration FHANA receives \$225 and in turn the KFPS invoices FHANA \$46.30 in Euros.

vi. **Mr. Vanderkooy moved and Amy Austin seconded the motion to: accept the March 2016 Financial Report as presented by the Treasurer. Motion approved unanimously.**

D. Executive Director's Report - Jason



Mr. Tice reported the office is starting to come back together. Sarah has been a big asset in her first month. This is very welcome as things were starting to slip through the cracks. Now we can start to pull things together again. Jessica continues on a part time basis of 8-9 hours a week, Mr. Tice may need to stop this all together if our financial picture doesn't change soon. Mr. Tice is currently or will have by the time of this meeting have cashed in our CD from Chase bank. The amount of the CD is approximately \$75,000 and he has cashed out \$50,000 and left \$25,000 in the CD. This amount will cover the current KFPS bill this is approximately \$30,000. But this does not leave us a great deal of money in reserves. Please refer to your balance sheet. Mr. Tice suggested a need to establish a reserve minimum, this would be something for the Finance Committee to discuss and come back with a recommendation. We do not have any DNA issues at the moment. The BBII horses continue to come in and Jessica has picked up this responsibility. To date we have completed from start to finish 9 registration. There are a few more in house that we processing, but it is taking time to get their DNA and make sure they have implanted their microchip. We will continue to monitor. Foal registration have been slow to come in, I know they will pick up in May. We do have ROLEX coming up at the end of the month, Barb Renico, Gerben Steenbeek, Erin Miley, Stacy Posthumus, and Tiffany Reyenga will be participating this year and displaying the Friesian horse in the world of Sport. There are no other issues to report.

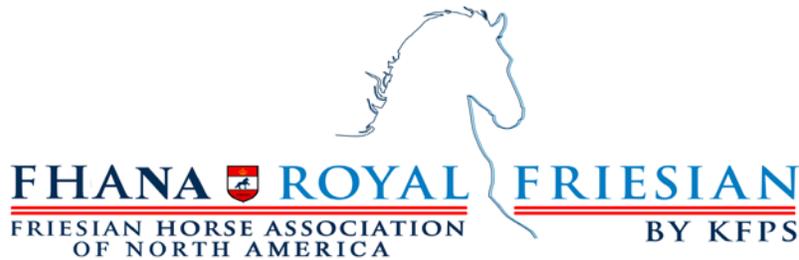
E. Committee Reports

i. 2016 Committee Assignments (Sally)-Ms. Lawing presented a list of committee assignments. Upon further discussion there were a number of FHANA members added to various committees. The complete list of Committees and committee members is included with these Minutes.

ii. Rules Committee: Committee is recommending revising outdated rule 2.3.3. See attachment for proposed new language. Refer to your hard copy or the website for existing language. Resolution of this issue appears on page 6 of these minutes.

iii. AGM Committee (Jack/Tim)-Mr. Vanderkooy presented the minutes of the March 28, 2016 meeting. This meeting acted as a recap of the recently held AGM in Fort Worth, Texas. Tim Sherman will be the new Chairperson of this committee as they plan for the 2017 AGM, to be held in Lexington, Kentucky.

a. Recap of 2016 event



b. 2017 AGM-Mr. Tice reported that the KWPN of N.A. is planning to also hold their 2017 AGM in Lexington, KY on the same weekend, March 3-4, at the Embassy Suites. This should allow the two AGM's to combine a number of events for each other's mutual benefit. This also creates some logistical challenges regarding a common Ex. Director to both organizations and how to designate his time between both.

c. Location for the 2018 FHANA AGM-Mr. Vanderkooy states that he is aware of the Michigan Chapter strongly contemplating being host of the 2018 AGM. Mr. Steenbeek comments that it may be time to think "outside the box" regarding our AGM's as attendance is falling and it is hard to keep member's interest from year to year. He asked could we not combine our AGM with our Mare Show or other events. It was agreed that this concern and suggestion would be placed on the agenda of our Strategic Planning Committee.

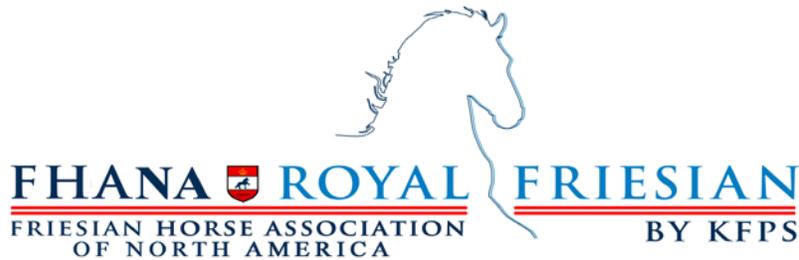
iv. Sports Committee (Gerben)-Please review the minutes dated 3.30.16

a. Mr. Steenbeek reported on the March 30, 2016 committee minutes. He stated the details of a Ride and Drive Award program need to be further refined before adoption by our Board.

v. I.T. Committee (Jason)-- Mr. Tice reported on the Committee's present work in addressing issues with the new Website launch. There were no minutes presented. He also reported on the actual costs incurred regarding the new Website, Webvanta (primary Company) \$37,932 and Softhouse (NL Company) \$20,265. Several members have pointed out the loss of our ability to create online membership lists and are requesting what can be done about it. Mr. Tice asked how much are we willing to spend to satisfy this request and how do we incorporate this feature into the new Website? Dr. Rosanne Palermo is willing to investigate possible solutions and report to the I.T. committee. The Chair asks the I.T. Committee to make further recommendations regarding these issues in the future.

vi Keuring Committee (Jason) Mr. Tice reports the KFPS has requested our two Circuits be divided into three Circuits to limit the length of time the Judges need to spend in N.A. He further reports he is having quite some difficulty in accomplishing the change due to sites having preferred venues and conflicts with other then prearranged dates. Mr. Vanderkooy offers his help with this and suggests we give it more effort to come up with a solution. He also suggested a net cost analysis be done of FHANA's annual Keuring program, especially now that we have an extra set of Judges.

F. Review Items



- a. Fall ABFP dates-Fall dates set for Oct. 17, 2016 at Performa Dressage.

b. BBII Registration-(Sally) Ms. Lawing reports she has placed this item on our Agenda due to the continued negative reaction of our members regarding the decision this Board made in November and December regarding this subject. The displeasure of many members was especially apparent at our recent AGM. She further stated that in talks with Ids Hellinga, of the KFPS, he offered to raise the fee that the KFPS assesses to N.A. BBook II registrations to match the cost of FHANA's regular registrations and in addition credit back to FHANA the difference between the registration fee and the KFPS holdback portion (~~46.30 euros~~).

After an in depth discussion Dr. Rosanne Palermo moved, seconded by Amy Austin that: Action taken in November and December, 2015, to openly facilitate the registration of B Book II horses will be rescinded. Further, applicable rules will be changed to their former status and no additional applications will be accepted by the FHANA office post marked later than April 30, 2016.

The motion carried unanimously. Therefore after April 30, 2016, North American B Book II registrations will only take place by applying to the KFPS office in The Netherlands, similar to pre November, 2015.

G. Discussion Items

- a. **Complaint of Nina Miller.** (Sally) This item has been struck from the agenda.

b. Regional Representation Map-(Sally) Please review the regional representation map included with these minutes.

Mr. Vanderkooy has left for the remainder of the meeting due to a "conflict of interest" for him with the remaining agenda items

Mr. Tice asked if a closed session was necessary. The Board discussed and decided this was not a closed session. Mr. Vanderkooy can know what we have discussed, he however cannot participate, vote, or influence the discussion. Seconded by Rosanne, the motion was adopted unanimously by the remaining board members

F. Review Items

- a. ABFP Fee-Sally



Effective May 1, 2016 a fee of Fifty Dollars will be assessed for each foal in North America to be registered in addition to the Two hundred twenty-five dollar registration fee. It will be a separate fee because it goes into the ABFP account. Motion made by Ms. Lawing: **As of May 1, 2016, FHANA will add a Fifty dollar ABFP fee to every new foal registration application to be reflected separately on the online invoice for the fee schedule for the registration of foals.** Motion seconded by Dr. Palermo and was voted on unanimously by the remaining board members.

d. Rule 2.3.3-Sally

Following the 2016 AGM, Mr. Hellinga, Executive Director of the KFPS, made the new FHANA president, Ms. Lawing, aware of a provision in the FHANA rules purporting to set breeding limits at the numbers lower than those set by the KFPS. The North American stallion Julius 486 bred more mares in 2015 than this number allowed in the FHANA rules, but was within the limit set for him by the KFPS. It was the general consensus of the FHANA Board that,

1. The breeding license is issued by the KFPS therefore only the KFPS has the legal right to determine the parameters of the license.
2. The authority of FHANA to impose penalties was discussed, to date, FHANA has the authority to suspend or remove members. FHANA has no authority to impose fines.

The FHANA Board needs to issue a letter to the general membership that the issue of rule 2.3.3 has come up, we have identified the rule as not being within our authority. We have determined we need to change something that was a mistake to begin with, it has been corrected. We are being as transparent as possible and letting everyone know that it has been corrected. We are assuming full responsibility for everyone not being aware of the rule. We have changed the rule to coincide with the KFPS, who issues the breeding license.

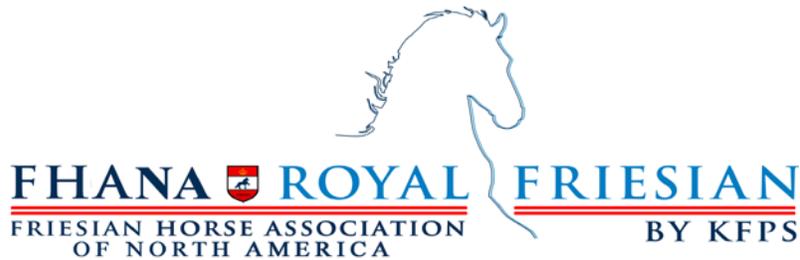
The Board determined that no action could or should be taken with regard to the number of mares bred by Julius 486 and that the rule should be changed to match the KFPS rules.

Motion made by Dr. Palermo: **The FHANA Board writes a letter to the general membership and posts it on the website, that the FHANA Board has realized there is a rule on our books that is not enforceable by the FHANA existing rules and regulations. The rule 2.3.3 refers to breeding limits for a license we do not issue. It is not enforceable by FHANA and therefore we are rescinding the rule.** Motion seconded by Mr. Sherman. A roll call vote was taken: Mr. Sherman-Yes, Mr. Steenbeek-Yes, Dr. Palermo-Yes, MS. Renico-No, Ms. Austin-No, Ms. Lawing-Yes. Motion passes 4-2.

Motion made by Dr. Palermo: **Adopt the proposed rule change to follow KFPS breeding limits and that the stallion owner/managers need to make themselves familiar with these limits to avoid penalties.**

Proposed Rule change

2.3.3 Stallion Breeding Limits: Different breeding limits are imposed by the KFPS on stallions not yet approved on offspring versus those stallions that are permanently approved for breeding after completion of their offspring testing. The KFPS may impose further limits on individual stallions who have not completed all their offspring testing within the prescribed time. These limits may be changed by the KFPS from time to time and stallion owners/managers are advised to keep



abreast of the applicable limits so as to avoid any penalty that the KFPS may impose for exceeding these limits.

2.3.3.1 Export of Stallions Approved at the North American Central Stallion

Examination: Stallions approved in North America by virtue of successfully completing the Central Stallion Examination here may not be exported out of North America until they have completed two full breeding seasons in North America. However, they may have semen frozen for use outside of North America, and they may ship cooled semen from North America in order to service mares abroad.

2.3.3.2 Stallions Approved at the North American Central Stallion

Examination will have the same rights as stallions approved in the Netherlands

The Motion was seconded by Mr. Steenbeek, a vote was taken by roll call Mr. Sherman - Yes, Mr. Steenbeek - Yes, Dr. Palermo - Yes, Ms. Renico - Yes, Ms. Austin - No, Ms. Lawing - Yes. The motion passes 5-1.

Ms. Lawing will put a summary of the board meeting on the website before the meeting information is posted on social media.

I. Board Round Table Discussion

J. Good of the Order

- a. Next Board Meeting
 - i. Date - Tuesday May 17th, 2016 at 1:30 PM EDT

K. Adjourn

- a. Meeting adjourned at 4:02PM EDT.