

March 18, 2009

To Reining Alberta Members:

In an attempt to clarify misinformation that is being circulated regarding Reining Alberta's request to remove National Affiliate Association (NAA) status from Reining Canada (RC), we feel the need to assure the Reining Community in Alberta that Reining Alberta strongly supports the NRHA. We are very proud to be the largest NRHA affiliate in Canada. We believe that NRHA membership and participation will increase in Alberta once mandatory dual membership is eliminated.

This can only be achieved if NAA status is removed from RC. In fact if Canada did not have a NAA at all, Canadians would only have to pay a NRHA membership to participate in all NRHA shows and programs, including the North American Affiliate Circuit (NAAC) and benefit from the many NRHA member services.

By having a NAA in Canada, we must have dual membership according to NRHA Bylaws.

NRHA BYLAWS Art. II. Membership. Section 6.)

No exhibitor or owner may be required to be a member of any organization other than the National Reining Horse Association in order to compete in an approved reining event or class. Exception: NRHA/National Equestrian Federation or Fédération Equestre Internationale dual approved events, breed association events and National Association Affiliate of the country the member resides in.

The benefit for a country in having a NAA is that it may become part of the International Affiliate Program (IAP). This program is a better fit for the European countries (where countries compete against each other) than for Canada where we compete based on regions within the North American Affiliate Circuit. The IAP enables each country to charge a dual membership, obtain a \$20 rebate for each NRHA member in the country, one-half of the 5% of show fees NRHA collects from each NRHA show in the country and one position on the NRHA Board of Directors.

If Canada was not part of the IAP and did not have a NAA, we would no longer be subject to mandatory dual membership, we would not receive the monies associated with rebates and we would not have a position on the NRHA Board. However, with a very simple change to the NRHA bylaws, Canada could be recognized as two Affiliate Regions (Eastern and Western Canada) with the all the same rights held by every other Affiliate Region in the U.S. Under this scenario, Canada would secure the right to elect two representatives to the NRHA Board.

Canada would not receive the rebate money, but overall, the cost of membership to the NRHA, would be much less. Currently, Reining Canada receives \$80 for each RC membership, plus \$20 from the NRHA, plus 2.5% of the show fees for NRHA approved shows in Canada. Last year in 2008, that would have totalled an estimated \$120,700 in membership fees and rebates, plus the NRHA show fee rebates across Canada. That represents a significant amount of money being collected by Reining Canada!

Reining Alberta and its members have received virtually no support or benefits from the relationship between NRHA and RC. Within the past 2 years, NRHA members in Alberta have generated an estimated \$14,000+ to RC through the NRHA membership and show fees rebates. In addition, another \$43,680 dollars (estimate based on number of RC/NRHA memberships at \$80 per membership) were collected by Reining Canada from the province of Alberta.

Reining Alberta, received a total of \$825 from Reining Canada in 2008; broken down as \$500 for our NRHA affiliate status, \$150 for hosting 3 Affiliate Circuit shows (at \$50 per show) and \$175 for the SPIN program (a \$5 rebate for every new NRHA member). Reining Alberta did not receive any money from Reining Canada in 2007.

Over the last two years, we estimate that Alberta has generated in excess of \$57,680 to Reining Canada and received \$825 in return. If the intention of the NAA and IAP program is to disperse funds to the affiliates to help them promote and grow the sport at a local level, this clearly is not happening in Alberta.

Alberta's contribution to Reining Canada through the NRHA, International Affiliate Program Membership and Show Fees Rebate

Year	Reining Members Alberta	NRHA Members	Reining Canada Member Rebate	Show Fees paid to NRHA (5%)*	Reining Canada Show Fees Rebate (2.5%)	Total Contribution from Alberta for 2007 and 2008
2007	468	282	\$5,640	\$2,248.33	\$1,124.17	
2008	500	264	\$5,280	\$3,991.82	\$1,995.91	
Total			\$10,920		\$3,120.08	\$14,040.08

* This only represents the three NRHA shows hosted Reining Alberta. There are other NRHA approved shows in Alberta that would add to the total of show fees paid to NRHA.

Questions & Answers

1. Why did Reining Alberta ask NRHA to remove RC as the National Association Affiliate (NAA)?

There are two reasons:

A. Our members continue to be concerned with the cost of the RC/NRHA membership at \$175 per adult. The only way, according to NRHA rules, to remove the burden of mandatory dual membership is to remove NAA status from Reining Canada. It is the NAA status bestowed on Reining Canada that enables it to charge the mandatory dual membership.

NRHA General Rules: Section 2. (Page 33)

*a) The National Association **may elect to** establish a joint membership between the NAA and NRHA*

B. RC does not have a mandate to represent Canada at the International level of our sport. This responsibility has been taken back by Equine Canada.

NRHA General Rules: Section 3. (Page 33)

a) NRHA recognizes the NAA as the organization to provide governance and leadership for the sport of Reining on a national level within that country.

2. Why didn't the Reining Alberta Board go to the membership for direction on this issue?

Reining Alberta members elect their Board of Directors to act on their behalf and in the best interests of the membership. We believe we did that. The membership has the opportunity at each AGM to elect their representatives. We all stand accountable to the membership.

3. Does Reining Alberta want to eliminate Reining Canada?

Reining Alberta wants to eliminate mandatory dual membership. According to the rules of the NRHA, the only way this can happen is if RC loses National Affiliate Association status. Reining Canada should be able to exist based on voluntary membership.

4. Does Reining Alberta want to replace Reining Canada as the NAA?

Absolutely not! That is not our mandate. We represent Reiners in Alberta and are committed to promoting our sport and encouraging the Reining industry in Alberta to grow at all levels and sectors; from open and non-pro, to breeders and trainers.

5. Does Reining Alberta want Equine Canada (EC) to become the NAA?

No. Equine Canada is our National Federation recognized by FEI for all international and Olympic equestrian events. It would not be appropriate for EC to fall under the NRHA as a NAA. We would prefer that Canada does not have a NAA at all.

6. Is Reining Alberta moving away from the NRHA?

No. Reining Alberta is very proud to be the largest NRHA affiliate in Canada. We have worked very hard with the NRHA to bring NRHA approved shows to our members (RA Classic Show series), provide a North American Affiliate Circuit (NAAC) and host educational seminars using existing NRHA programs. We currently have 500 reining members and of those approximately 300 (60%) are also NRHA members. We are trying very hard to provide opportunities, such as the Branch Circuit Shows, Ring Smart Program and RA sponsored Adult and Youth Clinics, for our non-NRHA members to advance up to NRHA level competition and become NRHA members.

7. Does Canada have to have a National Association Affiliate to participate in the North American Affiliate Program?

No. The NRHA does not require a country to have a NAA in order to participate in any of NRHA programs. Only if your country has a NAA, are you required to have dual membership to participate in NRHA programs and services. So, if RC was not our NAA, we would only have to pay the NRHA membership fee to compete in NRHA approved shows and affiliate circuits. For example, an NRHA member from the U.S. can compete in a NRHA show in Canada without being a Reining Canada member as long as they aren't competing for an affiliate in the NAAC program. The U.S. rider would only have to pay the NRHA membership fee. If we didn't have an NAA, we wouldn't pay dual membership.

2009 North American Affiliate Program Conditions

*11. Affiliates may not require memberships in the local affiliate for participation in an affiliate circuit show; however, the rider must be a member of their local affiliate and their National Association Affiliate **where applicable** at the time of competing for points to count towards regional finals qualifications....*

8. What is the International Affiliate Program (IAP)?

The IAP is a voluntary program that an individual country may choose to become involved. By doing so, the country may charge a dual membership fee, is granted rebates based on NRHA membership and show fees and allows for representation on the NRHA Board of Directors.

Through this program, Reining Canada is enabled, as Canada's NAA, to charge a mandatory dual membership.

NRHA General Rules: Section 2. NRHA INTERNATIONAL AFFILIATE PROGRAM RIGHTS and RESPONSIBILITIES (page 33)

a) The National Association may elect to establish a joint membership between the NAA and NRHA Section 3. (Page 33)

b) NRHA will rebate to the NAA \$20.00 for each member in their country that has NRHA membership.

c) NRHA will rebate to the NAA 50% of NRHA's show fees for every show that is NRHA approved and held either inside of the country's geographic borders, or run under the auspices of that NAA.

NRHA BYLAWS ARTICLE VII. BOARD OF DIRECTORS

b) Each National Association Affiliate (NAA) with 100 members shall elect one director to the NRHA Board provided that country has at least four (4) NRHA approved shows with a full slate of classes. One additional director seat shall be elected when that NAA reaches 1,000 members and another seat shall be elected for each additional 500 members. Membership numbers and qualifying shows as of December 31 of the prior year will be used to determine current year director seats available to National Association Affiliates.

9. Does Reining Canada have to charge a mandatory dual membership?

No. The "National Association may elect to establish a joint membership between the NAA and NRHA". Reining Canada has chosen to charge a mandatory dual membership fee and they determine the amount of the fee. Canadians currently pay \$175 for a 2009 adult RC/NRHA membership. This is broken down to \$95 for the NRHA portion which enables the member to participate in NRHA approved classes, the NAAP, tracking of both horse and rider earnings and other NRHA programs and services. The additional \$80 is charged by Reining Canada.

10. Is it necessary for Canada to belong to the International Affiliate program?

No. Reining Canada has chosen to be a part of the International Affiliate Program. The main benefits of this program, is NRHA will provide a membership rebate of \$20 per NRHA member and 2.5% of the show fees collected in each country. This amounts to significant amount of funding directly to Reining Canada from the NRHA. In addition, Reining Canada based on the number of NRHA members in Canada, are allocated two seats on the NRHA Board of Directors. There is currently controversy on how Reining

Canada appointed directors to the NRHA Board rather than having an election where all Canadian NRHA members could have cast a vote.

11. If Reining Canada is not the NAA, Canada won't be able to compete internationally?

International reining has always been under the jurisdiction of Equine Canada. Equine Canada, through the *Sport Agreement* allowed Reining Canada the responsibility for the reining at FEI level events in Canada. That role has now been taken back by Equine Canada and its newly formed Canadian Reining Committee.

12. Without Reining Canada, will we lose representation on the NRHA Board?

Currently RC, as the NAA, has two positions on the NRHA board. If NAA status is removed, it is possible that these two positions would be removed. However, based on the NRHA Rules & Regulations that describe election procedures for Affiliate Regions in the U.S. , it is possible that each Affiliate Region in Canada; Western Canada and Eastern Canada could elect their NRHA Board representative, IF a bylaw were passed that would recognize the regions of Western Canada and Eastern Canada as equivalent to the U.S. Affiliate Regions.