

11/16/10

To: NCHA Directors, Members of the Executive Committee and NCHA Executive Director Jeff Hooper

Re: Conference Call to Assist with 2011 NCHA Weekend Event Budgeting Process

**Facts stated in letter to directors:**

7% decline **overall**.

2010 expenses managed well within NCHA.

Sponsorship 2011 dedicated to weekend activities \$214,175

Total revenue related to 2011 weekend activities \$790,484

Total expenses related to 2011 weekend activities \$1,072,916

**Questions raised:**

Where are the **complete 2010 books**? Can any good decisions be made without this information? Are numbers accurate?

In 2010 (as indicated in letter) expenses were managed well. How was this done?

The letter indicates that expenses have exceeded revenues on the 'weekend' side for numerous years. How long? Why was this issue not addressed sooner? Exactly when did expenses start exceeding revenues on the 'weekend' side, and what was different when the 'weekend' portion of the NCHA was operating in the 'black'?

How many NCHA members are there?

How many NCHA members are active, that have shown in Weekend LAE or Weekend Classes (rider or owner) 2008, 2009, and 2010?

How many NCHA members are active that have competed in "Triple Crown" or major limited age events (rider or owner) 2008, 2009, and 2010?

Are NCHA's 'weekend limited age events' counted on the weekend revenue side?

How are **ALL** NCHA employees salaries divided into the annual budget?  
What does the compensation & taxes of employees (\$241,791) dedicated to weekend shows include?

How are ALL NCHA sponsor dollars divided? How much time, effort, and capital is spent by ALL NCHA staff or directors to obtain sponsorship dollars for NCHA "Triple Crown" or other major limited age events?

How much of the NCHA's time, effort and capital is spent to obtain sponsorship for the Weekend events?

According to NCHA 2009 financials the association had around 8million in reserves. Where did these revenues come from?

What budget category are weekend 'specialty' events such as Ogden, Jackson, Youth Scholarship Cutting or World Finals placed in?

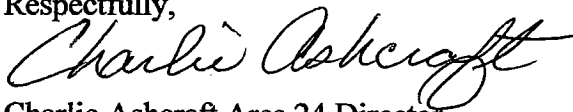
**My thoughts:**

The items regarding this budget we are asked to address are multifaceted and complex. I do not think we have the information needed to address these budget issues. The conference call time to advise or solve such issues is limited. Any quick decisions in change of the NCHA 2011 budget could be devastating to the NCHA 'Weekend' events. This process can be used as a start to get the ball rolling and improve not only the NCHA budget, but the entire NCHA as it relates to 'Weekend' competition. It is my opinion that in order to do so we need to look at and ask more of the following type questions:

1. Are complicated, cumbersome and contradictory rules restricting weekend competitors and weekend shows? Are these same rules that do not apply limited age events allowing less obstruction to the LAE shows resulting in them being more prosperous with better payouts? What is the age of all the standing rules? Are the rules antiquated and need revision?
2. Is the lack of a level '**playing fields**' and **goals** in weekend competition a problem? Absence of World Finals for all levels of competitors and lack of sticking to the NCHA mission statement more problems and more issues?
3. What is the impact of the 'World Series' shows? What is the impact of the 'World Series' shows having payouts different than any of the other approved weekend shows and apparent exemptions from rules? Is this what members thought the top 15 contest in WEEKEND Championship Open and Non Pro Classes was all about? What is the impact of these different payouts never being published in the NCHA Rules and Regulations 2009 or 2010? Currently there is 1 horse out of 15 in the Open "top 15" that did not win money this year at the Mecuria World Series shows and 2 out of 15 in the Non Pro. What does this tell us?
4. What impact will the new rule of only being able to win 50% of a cutters said earnings in one pen or location have on the the entire outcome of NCHA weekend member participation? What impact will it have that the 'World Series' shows are being exempt from this new 50% 2011 rule?
5. How many NCHA Affiliates and shows have we lost in the past 12 months? Why?

I produce and manage shows continuously, the wide variety of shows that I am involved in producing and managing allows me to bring a good prospective to each of you. I speak to NCHA Weekend contestants daily. All of the above questions that I have posed and asked you to consider are ones that I have heard repeatedly from members for some time. Questions need to be asked and answers given so that we can best evaluate the Weekend Shows and activities to help assist in making them financially self supporting. We all must take responsibility to make the weekend events the best that they can be and do this by always keeping the cutters and current economy in mind. By working hard together to support and promote every event at the weekend level this can be accomplished. I feel retracting anything (via budget limitations )related to the weekend cuttings is a mistake unless we can replace it with significant events or ideas such as competitions with better purses and or awards that will attract the members to these said weekend events and activities. Creating better events, purses, goals and promoting actions and ideas will in turn allow the NCHA to once again gain the needed revenues that are currently in question and continue to deliver the best 'bang for the buck' to its members.

Respectfully,

A handwritten signature in cursive script that reads "Charlie Ashcraft". The signature is written in black ink and is positioned above the printed name.

Charlie Ashcraft Area 24 Director