

1-16-07 BOD MEETING AGENDA

A. CALL TO ORDER

B. PRESIDENT'S REPORT

I wish to welcome all of you to our third North American Shagya-Arabian Society Board of Directors Conference Call since my inception as President. I sincerely hope that each of you enjoyed your holidays, and that you all had a nice bit of time away from work.

As you probably know, the holidays put a damper on the number and frequency of committee meetings that we could hold. So, now that we're beyond the festive season, we will begin to increase our numbers of committee conference calls. We have accomplished much to this point, but there is still a lot of work to be done. I will again ask our members: if you would like to participate in one of our committees, we welcome you with all sincerity – we can certainly use you!

Over the past few days, there have been a few emails wherein members of NASS have had questions with regards to the process of creating the new corporation and the selection of its name. In fact, before this meeting tonight, it was requested, and we indeed did have a “pre-meeting” to discuss these issues, so that the entirety of the Board of Directors questions' were answered.

We hope that the documents that we posted on our website, with the most recent one to the front page of our website, might provide some answers to each of your questions. Additionally, we have posted the minutes from each of our Board of Directors' meetings as well as all letters of correspondence that sent to the ISG, to keep them informed of the changes, as well. We have also welcomed all members to participate as listeners to every NASS Board of Directors meeting, so that the membership may hear the latest information "first hand".

First thing, regarding the name change - the name "NASS" could not remain the same. When the NASS Board of Directors voted "yes" to start up the 501(c)(5) corporation to house the new Registry and Membership, those of us tasked with the start-up began to explore the ramifications. We immediately found out that when we apply for 501(c)(5) status, we are legally unable to keep the same name. A new IRS identification number

1-16-07 BOD MEETING AGENDA

means that the new corporation must have a new name, to correspond with that new number. Therefore, the new corporation was prevented by Federal Law from retaining the same name. We did look into this, and that is when we found out that we would have to select a new name. So a name change is in order.

Regarding the final ISG approval of our new name, we are currently awaiting approval from the ISG Board of Directors. I am told that they will be meeting soon to discuss this topic.

Regarding whether or not NASS members were going to be allowed to vote, that was my reasoning for soliciting member input/votes – until I was legally advised otherwise.

Adel Furby, our esteemed founder, felt that she believed that the Board of Directors should have chosen the Caretaker Board – those are two completely separate corporations, and we were told by our incorporating attorney that for the current NASS Board of Directors to make this selection would have been an illegal act. If any of you feel similarly to Adele, that “this entire process is too rushed” – well, for the past several weeks we have not done very much. Indeed, we are reenergized from our Holiday Break and ready to start up again with committee meetings, while we wait for ISG approval of the new name. If it appears to you that there is a “tremendous amount of gossip and innuendo” about this changeover process please feel free to contact me directly and immediately. Any member that has any confusion should feel welcome to seek me out directly and I will gladly answer any question they may have. From the number of phone calls and emails I have answered, you should know that I am readily available. Please consider obtaining the information you seek “first hand”.

Adele goes on to state that the process by which we are legally pursuing our new 501c5 corporation is “radically different” than what was stated. I believe that through all of the meetings that we have held, and through all the documentation we have posted on our public website, that we are indeed proceeding along a clear path, just as we have stated. If we have confused any of you, please let us know immediately, so thank you Adele for pointing out confusion amongst the membership, we sincerely appreciate your feedback.

I would just like to remind our members, that on November 30, 2006, when

1-16-07 BOD MEETING AGENDA

the BOD and the Committee Chairpersons met via conference call to discuss, among other things, the 501 issue – they took a vote regarding starting up the new, and appropriate 501(c)5 corporation. We did not have a quorum on the night of that call, with only three BOD members present. All three did vote “yes” to start up the new 501(c)5 corporation. The other two “yes” votes came via email voting, the following day. Email voting is an established practice within our organization. With a quorum being reached, the decision was made to move forward with respect to forming the new Corporation, one that would be legal in tax status, and would also legally suit the needs of a Registry and Membership organization.

During our 12-13-06 Board of Directors conference call we advised the NASS Board of Directors, and the membership, that we expected to file the new (c)5 corporation, just after the New Year, so that we will have the entire year to decide what fiscal year time frame we will use, and have an entire year to prepare our first tax return.

Our attorney firm will act as the Incorporator and this attorney clearly stated that in such a situation:

- The President will appoint a five person “Caretaker Board”
- The Caretaker Board will provide finalized By Laws to the Incorporator
- the Incorporator will provide a copy of the “first minutes”, and will nominate the Caretaker Board
- “Caretaker Committee” will set up elections for the new corporation, then step down
- The term “Caretaker” is a legal term PER OUR INCORPORATION ATTORNEY
- The Incorporator will then send in the necessary paperwork, along with check, to the IRS. Money for incorporation fees being donated by Kathy Voyer

The Caretaker Board must be seen to be acting independently from the originating organization, to act any other way is illegal. Check Kenton, but I think the impartiality of a BOD must be ironclad or all kinds of insider stuff becomes problematic.

Because we truly wanted a representative name, many emails were sent to the membership, soliciting ideas for a name for the new organization.

1-16-07 BOD MEETING AGENDA

During this time I learned that according to direction from our Incorporating Attorney – I was directed to select not only a Caretaker Board but to also select a name for the new organization, adding that no vote could be taken on the name, because there was no membership belonging to this new organization.

So, after much careful consideration the Caretaker Board came to a consensus on a name. On **December 24, 2006** I wrote to the ISG Board of Directors, announcing the name for our new corporation. I explained that on behalf of the Caretaker Board for the New Shagya Corporation, we were pleased to announce that with much careful thought and consideration, and with all of the wonderful recommendations and ideas from our membership, we were ready to announce the name of the new corporation and Registry, for our Shagya-Arabians. We solicited and received much-needed input through the lively discussions that we had regarding the new name. We tried very hard to encompass the members' reasoning into the name selection and you will note that our logic for selecting the new name kept your reasons in mind, as you can see:

The members' greatest concern with naming the new Corporation was that it must represent our product, the Shagya-Arabian Horse, with simplicity and accuracy.

- 1) The membership also thought it wise not to draw a line geographically, keeping the name simple and welcoming to all.
- 2) Many members did not wish to be too closely named to the Arabian Horse Association, having the acronym "A.H.A." as part of the Corporation nomenclature, and was not seen as beneficial by many members.
- 3) One of the immediately recognizable benefits of the new Corporation name is that it closely resembles the letters that are contained within the "Shagya Sun" brand. One of instant marketing recognition!
- 4) Finally, we added our own touch, we wanted to be sure that the new name of the new c5 would be self-evident as to it's function and that it would also be closely linked in name with the c3 - Foundation.

We felt that a benefit to incorporating in Kentucky was that this is showing itself to be a trend with other breed organizations. As we discussed at the

1-16-07 BOD MEETING AGENDA

last BOD meeting, the Kentucky venue may present opportunities to receive donations from other 501(c)3's, such as Racetracks, etc.

We have received questions regarding the numbering of the Registration Certificates - I see no reason why numbering the certificates of registry needs to change. In fact, the current numbering system would be a nice way to honor our past by retaining NASS in front of the registration numbers.

Your Caretaker Board is currently in the process of reviewing the first drafts for the Articles of Incorporation and the By Laws, for the new Corporation, which I received yesterday from the Incorporating Attorney. We expect to work on these, to include all appropriate NASS committees.

In the meantime, the Caretaker Board will create a "sunset" date, a date when the newly elected BOD will take over. Thus, the primary task during the Caretaker Board's time of functioning will be to set up open elections for the new BOD. We are looking at a two to three month time frame for this to happen.

According to the attorney the Caretaker Board is not automatically excluded from being nominated for the first actual Board of Directors for the new corporation – but there are so many talented people in this organization, we would like to see persons, who are not necessarily involved now, step forward and take a leadership role, and help our new corporation grow.

We plan to issue a press release, and run some concurrent cooperative advertising along with our announcement. Anyone wishing to help us, to please contact the Marketing Committee if you are interested in participating.

Additionally, the Caretaker Board would ensure that there is not a complete turnover of BOD members every time we vote. We would like to see yearly elections turning over 1/2 the BOD each year. This action would create some continuity for our BOD efforts.

We also propose the addition of (2) new Regional Directors – one to represent Canada and the other to represent the Southeastern United States. We believe that we are adding greater cohesion, continuity and responsiveness to our members if we add these positions. Our new Corporation Board of Directors would consist of (9) persons. In addition to

1-16-07 BOD MEETING AGENDA

the 6 Regional Directors, we propose to add 1) ISG Interface Chair, 2) a Breeders Registry Chair, and 3) a Membership Chair – all board of directors members and “core function” members (ie President, etc) would be elected by the membership and would have clearly defined functions. Each BOD member would also have an administrative function within the 501(c)(5), for example each BOD member would sit on at least one of the committees. We feel that this would ensure work is being accomplished at many levels.

According to our attorney, once our new Corporation is filed, we may add new members to the “Caretaker Board” to help us complete the large number of tasks ahead of us. So please consider volunteering or helping us to move forward. We certainly do need your talents.

Once the new By Laws are finalized and included into the new Incorporation documents, we will forward them to the ISG so that they can see we have the same goals as in the past, but that we have made the By Laws better. ISG should also see that we have created more inclusive, definitive, and clear Rules and Guidelines. The 501(c)(5) will contain the same membership and will contain all of same NASS Registered and Approved horses.

The “bottom line” here is that even though the name changes, the membership and horses remain the same. We must simply come into compliance with our United States tax status laws.

We have also posted quite a bit of information to the website regarding Approved Stallions, Shagyas for Sale, Membership Information, Contacting NASS information (which contains contacts for all Committees and their members), and much more. Please take some time to navigate around our site, as it changes literally, from day to day. We see the website as they primary vehicle for keeping you informed.

I would personally like to thank those who are supporting the efforts of the folks who are selflessly devoting themselves to try and make a difference. Everything that your Caretaker Board has done is according to legal advice of our Incorporating Attorney and has been done with the best of intentions and good faith for our membership. Again, I would like to emphasize that we are trying to do our best to represent the whole organization, one horse owners, friendship members, and large breeders. It's a complex and different organization and very different from as little as 5 years ago.

1-16-07 BOD MEETING AGENDA

C. ROLL CALL – to include “silent listeners”

D. READING OF MINUTES FROM 12-13-06 MTG

- Minutes already approved (via email) and posted to website

E. TREASURER’S REPORT - Arlene Michaud

- Financial Status (Eric Nelson)

F. REPORT OF OFFICERS – BOD

Gwyn Davis (VP)

Libby Bickford (BM)

Hallie Goetz (NE RD)

Terry Hey (MW RD)

Lori Baker (NW RD)

Shelley Housh (SW RD)

G. REPORT OF COMMITTEES – Chairs to set meeting dates as soon as possible

1) 501 – Vince McCarty (Chair):

2) By Laws – Hallie Goetz (Chair):

3) Marketing – Vince McCarty (Chair):

4) Breeding Committee – Hallie Goetz (Chair):

- Need to work on new forms

- Finalize Rules & Guidelines

- Increase inspections to every (2) years?

- Include Performance Testing – both mares & stallions?

- Include “evaluation” of PB Arabian mares for breeding?

5) Advisory Council – Eric Nelson (Chair):

1-16-07 BOD MEETING AGENDA

- Insurance update
- Update re: Audit

- 6) Learner Judge – Kathy Richkind (Chair):
 - Need to finalize program(s)
- 7) Website – Jamie Buck (Chair) – Dan Shaw reporting

H. CONSIDERATION OF COMMUNICATIONS

- 1) Are there any NASS Board of Directors who wish to tender their resignation at this time?

I. UNFINISHED BUSINESS –

- 1) 2007 Stallion Auction – Adrianna Kostersitz – letters sent out
- 2) Awards – Becky McCarty – who will receive, and for what
- 3) CARETAKER BOARD REPORT – Eric to read
 - Historical
 - Timeline
 - Structure
 - Projects
 - Financial Standing

J. NEW BUSINESS

- 1) Membership update project- on website and will go out as mailer
- 2) ASAV Merger Committee – formed 1-11-07 – Mary Lehman is Chair
 - Next meeting on 1-18-07
- 3) Will form Arbitration & Ethical Standards Committee – Nancy to report
 - Different from Grievance Committee (level of issue)
- 4) **UPCOMING EVENTS** - PNER (1/26-1/28), AERC 2/23-2/24), Equine Affaire (2/1–2/4)
 - 5 ISG Meeting in Kabiuk, Bulgaria – 5/19 & 5/20) – group trip?
 - 6 Mailed checks from Carol Neubauer, via Certified mail to Arlene – confirm w/Arlene
 - 7 In London, Ontario (Canada) is the 2007 Can-Am Equine Emporium

K. Next BOD conference call meeting

L. MOTION TO ADJOURN