

August 5, 2007

To: The NASS Board of Directors:

From: Concerned NASS Members

We have consulted a Montana corporate attorney who specializes in nonprofit corporations, regarding concerns which have developed in the recent NASS restructuring effort to conform to current IRS tax requirements. We consulted a Montana lawyer because NASS was incorporated in Montana and has a legal history with that state. We felt that the NASS board of directors, and the many NASS members serving on working committees, were not appropriately informed by the NASS president of ongoing activity in the restructuring effort. This activity was not conducted in an open, democratic and transparent manner, nor was it directed to the best interests of the NASS general membership.

During this entire period several of us, as individual members and as members of the BOD, have repeatedly asked specific questions to the president; questions such as, "Was your selection and payment of the Kentucky attorney without a BOD decision to do so a conflict of interest?", and "Why did you unilaterally choose a new corporate name without the consent from the NASS BOD and membership?", and "Are there more legal fees forthcoming, since the invoice for the Kentucky attorney's legal fees only covered until the end of January?", and "Why did you file articles of incorporation without the advice and consent of the NASS BOD?" These questions remain unanswered.

We discussed with the attorney the actions that have occurred thus far, whether our concerns are valid ones, and we discussed what NASS needs to do to go forward, and in that regard, we asked the following questions and received the following information:

Q: Can NASS still file an application in order to ensure recognition by the IRS as a tax exempt entity?

A: Yes

Q: Does NASS need to reorganize in another state to do this?

A: No

Q: Does NASS have to form a new corporation to file the application ensuring tax exempt status with the IRS?

A: No.

Q: Does NASS need a new name to do this?

A: No, in fact it is preferable to keep the original name.

Q: Does NASS need to elect a new BOD, or to change its Articles of Incorporation or Bylaws to do this?

A: No, NASS only needs to make some minor changes to the original formation documents (the Articles of Incorporation and/or Bylaws), but in essence, NASS will need to prepare and file appropriate paperwork to ensure tax exempt status with the IRS.

In view of this new information, we request that the NASS BOD does not take any action on behalf of NASHR and that NASS take up no affiliation with NASHR. Instead, we propose that NASS engage the services of a Montana attorney to complete the preparation and filing of the proper forms to ensure that NASS is viewed by

the IRS as a tax exempt entity. There appears to be no need to change corporate entities to accomplish any of this. Had the NASS BOD been fully informed of this last fall, NASS funds and members' efforts would have been saved and the tax designation with the IRS could have easily been in place.

We also request that the NASS committees which have been inactivated, under the improper circumstances referenced above in anticipation of the impending transition be reactivated and continue their efforts on behalf of the NASS membership. The last year has seen valuable activity and input from many NASS members on these committees and we do not want to lose that input and enthusiasm.

Thank you for your consideration of these requests.

Concerned NASS Members,
Arlene Michaud, Adele Furby, Lori Baker, Elaine Kerrigan, Kathy Richkind, Terry Hey, Gwyn Davis, Jamie Buck, Dan Shaw, Beverly Thompson, Martha Cherry, Barbara Abrams