

USAT BOARD OF DIRECTORS
Teleconference Call
June 30, 2007
2:00 p.m.

The Board of Directors met via teleconference call on Saturday, June 30. Rob Kasper, president, called the meeting to order at 2:00 p.m.

In attendance were:

Rob Kasper
Skip Gilbert
Celeste Callahan
Mike Greer
Melissa Merson
Joe Umphenour
Mark Fretta
Brian Harrington
Jeff Matlow
Andy Kelsey

Not in attendance were:

Jim Donaldson
Eric Averill

Melissa Merson moved to adopt the attached resolution for both Board approval and membership vote to move our state of incorporation from California to Colorado.

Brian Harrington seconded.

Melissa Merson stated that she is in favor of the resolution and thinks it is appropriate for USAT to be incorporated in the state where the U.S. Olympic Committee resides and where most other Olympic NGB's are located.

The motion was passed unanimously.

After a brief discussion on the logistics and strategies of electronic balloting, the meeting was adjourned at 2:13 p.m.

Subject: Changing Incorporation of USA Triathlon from California to Colorado

Background: USA Triathlon's roots are grounded in California, where the organization was initially formed as a California corporation. Although the National Offices of USAT moved to Colorado some years ago, it remains incorporated in California. Over the years this has created some complexity in handling legal issues and financial transactions, so it would be prudent at this time to change to a Colorado corporation. The steps involved would be to create a new Colorado corporation, secure tax exempt status, merge the California corporation with and into the Colorado corporation with the Colorado corporation surviving the merger and the California corporation being dissolved.

Financial Impact: Changing to a Colorado corporation would incur a one-time cost of approximately \$25,000. Continuing savings to USA Triathlon would be in excess of \$80,000 per year.

Relevant and Affected Bylaws, Rules, and Procedures

Bylaws

California Articles of Incorporation would be replaced by Colorado Articles of Incorporation

Whereas the Colorado act governing incorporation of non-profit organizations is more flexible than the California Code, making USAT governance issues easier and more economical to address; and

Whereas so long as USAT is incorporated in California but has its headquarters in Colorado, the laws of both jurisdictions will often have a material impact on USAT operations, and those laws may sometimes be in conflict; and

Whereas reincorporating in Colorado would reduce USAT's formal connections with California, thereby minimizing the degree of oversight California regulators could exercise over USAT; and

Whereas by reincorporating in Colorado, USAT would likely make interaction with local Colorado counsel more economical, as it would avoid the need to review governance and other issues under California law;

Now therefore be it resolved that the Board of Directors approves reincorporating USA Triathlon from a California corporation to a Colorado corporation;

And be it further resolved a proposal be placed on the 2007 ballot for membership vote to reincorporate USA Triathlon from a California corporation to a Colorado corporation.

Submitted by: Robert Kasper