



LLAMA FUTURITY ASSOCIATION

MINUTES OF THE MEETING

March 22, 2004

Call to order by Dale Peterson, President

Those present for the conference call: Dale, Barb, Phil, Janet, Doug, Janine and John.

Because this was a “Special Meeting” called by Phil and Janet, minutes would not be read and approved from the last meeting. Financials also would not be reported.

Three items on the agenda: Celebrity Llama Sale & Show
Legal Counsel
Bylaws

Legal Counsel

The meeting began with the discussion of the current LFA Legal Counsel. After some discussion, Janet made a motion to dismiss our current attorney and hire Claudia Raessler. John seconded the motion and the motion passed. Dale suggested Janine write a letter to the current attorney advising of his dismissal. All agreed.

Phil brought up the need for a new LFA accountant as our current accountant resigned. We need to have our back taxes filed, as well as this year’s 990 form by May. We can also ask for an extension if needed. Several offered suggestions concerning a replacement, and it was agreed that further discussion/investigation would be needed to locate/hire a new accountant.

At this point in the meeting, we asked Claudia Raessler to join our call to introduce herself to the BOD and to answer any legal questions we might have.

Claudia introduced herself to everyone on the Board and gave a brief synopsis of her background, including her schooling. She has been practicing and focused on business and non-for profit tax-exempt organizations for the past 15 years. She reported her billing fees to be \$225.00 per hour and we were paying \$195.00 per hour.

Claudia also gave the Board the disclosures that she previously had a relationship and represented Janet and John. That relationship was terminated when Janet and John were brought back onto the Board.

LFA By-Laws

She also spoke to the LFA attorney, Russ K. briefly today. She said that he didn’t have a lot of documentation or recollection of the calls and activity as it related to the LFA. Russ commented that he did not recollect reviewing the bylaws and if they were ever approved.

Claudia then stated that because she has found no evidence that the By-laws that the BOD thought were in place, had never been voted on by the BOD or the Membership, they were never in effect. Arizona State Law governing Non-Profit Corporations then governs us. She noted that LFA was a legal non-profit corporation since February 2003. There was a brief discussion on whether we are a C3 or a C6 Corporation. Claudia will review these documents with Phil.



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Claudia recommended that we start working on By-laws by using some that John had developed in January of 2003. Janet made a motion that John and Claudia work together on the By-laws to get them ready for our approval. Barb seconded it. The motion passed. John will send his version of the By-laws to the Board Members who did not receive it earlier.

Points in the bylaws Claudia felt important to address:

- *Conflicts of Interest/disclosure of financial and business relationship concerns
- *Fiduciary responsibilities

Celebrity Spring Show & Sale

Janet opened a discussion concerning a call that Dale had made to Tom Simmons (Celebrity Llama Sale) following the March 15, 2004 Meeting. Dale explained what had occurred on the call from his perspective and recollection. Other board members provided input regarding the call based upon their personal conversations with Tom Simmons. Claudia advised that she had not seen a set of minutes where the Board voted to approve the bylaws, so legally there are no bylaws. Arizona law says the Board can remove any officer by a majority vote. Other discussion followed. A Motion was made and later redrawn. Dale offered to resign from the presidency of LFA. Janet made a motion to accept Dale's resignation as President. Barb seconded the motion. The motion carried.

Next, there were discussions and nominations regarding the President's position, with the following outcome: Phil made a motion to nominate John as President, and Janet seconded it. The motion carried.

Then a motion was made by John to nominate Janet as Secretary of the Board and Phil seconded it. The motion carried.

Respectfully Submitted,
Dale Peterson, Secretary

New Business

Claudia then gave the BOD her understanding of the legal obligations that the board members should be aware of and abide by as custodians of a non-profit organization:

- *Duty-act on behalf of the membership representing them as a prudent, reasonable person. This is what we will be judged by.
- *Loyalty-avoiding conflict of interest
- *Obedience-abides by the rules

Once the bylaws are completed and approved by the Board, a copy should be sent with the 990 as a 'house keeping' procedure. Claudia recommended that the LFA do this every year when filing. Any changes or amendments should be included with the 990.

The discussion of Directors and Officers insurance was brought up. Phil and Janine confirmed we have D&O insurance in place until September.

Claudia mentioned some areas in the Bylaws that we should pay particular attention to:



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- *Director's participation, function, authority and the rights of the members
- *Banking resolution-who has contractual ability for signing checks and contracts
- *Bylaws: if the BOD wants to ratify the initial set once they are complete or have them also ratified by the membership.

Top two areas the BOD must address:

- 1) Complete and ratify bylaws
- 2) Communicate to the membership

There was discussion and agreement to put an update on the website concerning changes that have been made. John said he would write a new letter tomorrow and get it to Sondra Shirk.

John set up a meeting for March 29, 2004 at 7:00 P.M. CST

A motion was made by Doug to adjourn the meeting and Janet seconded it.

Respectfully submitted by,

Janet Wilkins, Secretary