

MINUTES OF THE ANNUAL BUSINESS MEETING

ROAD RUNNERS CLUB OF AMERICA (RRCA)

Saturday, May 14, 2005

***APPROVED at the June 8, 2005, Board meeting;
General membership approval is needed
at 2006 annual business meeting***

The Road Runners Club of America (RRCA) conducted its annual business meeting in the Riverside Room complex of the Hampton Inn – Convention Center, New Orleans, Louisiana. The following Officers and Directors were present: President Bee Andrews; Vice President Tom Downing; Secretary-Treasurer Todd Neville; Directors David Epstein, John Farrow, Beth Onines, David Samuel, Chuck George, Lisa Paige, Brent Ayer, and David Williams. Also present was Executive Director Becky Lambros.

Call To Order. A quorum being present, President Bee Andrews called the session to order at 3:41 p.m. CDT. President Andrews welcomed all to the business meeting, along with her hope that we are having a good time. Thanks were passed on to those who have supported the convention, esp. Messrs. Stewart and Darman, who again did a fine job with the auction last night. Gatorade, Dermik, Michelob Ultra, and Our Logo Shop were also thanked for their sponsorship.

Approval of 2004 Convention Minutes. The minutes of the 2004 Lake Tahoe convention were provided for review. A copy is appended to these minutes. Jim Stasaitis moved, and John TenBroeck seconded, to approve the minutes as presented. The motion passed by unanimous voice vote.

Treasurer's Report and Presentation of the 2005 Budget. Secretary-Treasurer Todd Neville referred to the audit report and financial statement, which are attached to these minutes. He noted that the Board wanted to install more controls over the financial system, and build a 6-month operating reserve. With regard to the former, a principal aspect is the segregation of duties in the national office. Also, we approved a tentative operating budget last October, and it will be presented for approval today. Monthly financial statements have been prepared for the Board.

Building an operating reserve sounds simple, but it will prove to be an ongoing challenge. That said, we are off to a good start toward having the magnitude of reserve previously referenced.

Secretary-Treasurer Neville referenced the audit, and noted that it is a "clean audit". It showed we now have a positive level of net assets. As of April 30,

2005, we are right on track with our operating expenses and have brought in more revenue than the budget shows. John TenBroeck moved, and David Cotter seconded, to approve the 2005 budget as presented. The motion passed by unanimous voice vote. President Andrews thanked Secretary-Treasurer Neville for his able service, and noted that he will be stepping down from the office.

Directors' Reports. Incorporated by reference in the convention booklet.

Committee Reports. Incorporated by reference in the convention booklet.

Old Business. None.

New Business. Past President Darman turned over to RRCA the sum of \$15,000, the balance of AARC bank account, with conditions attached pertaining to redesign of the RRCA web page and logotype, financial support of the State Rep program, and continued Board training.

Director Brent Ayer spoke to the work of the Communications Committee. The principal task before this group is the resurrection of a quarterly hard-copy publication by this fall. He explained what is proposed to happen over the next few months. The committee will make a recommendation to the Board in July, again with the result being a hard-copy publication being in the members' hands by fall.

Director Lisa Paige provided a recap on our Executive Director Search effort. The task kicked off on May 2 and will be complete by the end of June. To date, we have received an impressive 50 responses to the request for solicitation. She noted that the Board will do interviews by July 1, with a decision on a candidate by mid-July. The new Executive Director is expected to be in place by the first of August. Director Paige used the opportunity to ask the membership to help solicit applications from qualified people. President Andrews noted that Directors Paige and Ayer will provide continuity in the office following Becky's and Kate's departure later this month.

President Andrews announced the 2006 National Championship Races: Debbie Green 5-K, Wheeling, West Virginia; HEB Bayou City Classic 10-K, Houston, Texas; Parkersburg Half-Marathon, Parkersburg, West Virginia; Napa Valley Marathon, Napa, California; and Tahoe Rim Trail 50-K Ultramarathon, Lake Tahoe, California. Gatorade will provide ten jackets to the administrators of each of the championship races.

Bylaw and Articles of Incorporation: Proposed Amendments. Proposed amendments to the RRCA Bylaws and Articles of Incorporation are attached to these minutes. President Andrews noted that this meeting constitutes the final step in the AARC-RRCA merger. She went through a brief summary of each proposed item. There was discussion on proposed Article VI-H of the bylaws,

pertaining to conducting business by alternate means such as postal mail or electronic mail. Past President Jeff Darman spoke to the issue. It is not clear as to how much power a for-profit club will have when they join. Has there been some analysis as to how much revenue a for-profit club will generate? Past President Darman mentioned that USATF has for-profit clubs as members. A for-profit event club will get one vote, the same entitlement as a not-for-profit event club. As it currently stands, a for-profit running club would be entitled to the same number of votes as a not-for-profit running club, i.e., the sliding scale of votes with a maximum number of 18 for any single running club. The number of votes that a for-profit running club gets could be amended later, if so desired. He also noted that RRCA can always exercise its right to deny membership to an applicant. The matter of admitting for-profit clubs was considered as part of the RRCA-AARC merger negotiations. It was asked, does this amendment have any tax implications to the RRCA? Past President Darman replied there were none whatsoever. It was asked, is the Board prepared to market this scenario? President Andrews replied that the Board would be remiss if it did not move on this opportunity.

The Board was asked to consider the potential of an amendment regarding caps on votes by for-profit clubs.

The proposed amendment will not affect the ability to make officer or director nominations from the floor of the business session.

Typographical errors were noted as follows: In Part 1 of 2, on Page 4, line 4 from the top of the page, the word "must" is removed between the words "proxies" and "can". In Part 2 of 2, "Treasurer" is inserted on page 2, Amend to Read, Group 2, in front of the words "Southern Director". A like correction is made on Page 3 in the Amend to Read section.

Jim Stasaitis moved, and Tom Fort seconded, to accept the Bylaws and Articles of Incorporation as proposed. The motion passed by voice vote, with Norm Haines casting the sole vote against the motion.

Election of Officers. Chairman Michael Hughes of the RRCA Nominating Committee presented the following slate of officers for 2005 – 2007 terms on the RRCA Board of Directors: Western Region Director Lisa Paige; Southern Region Director Chuck George; Director at Large John Farrow; Director at Large David Epstein; and Director at Large Bob Holmes. There were no nominations from the floor. It was moved by John TenBroeck, and seconded by Jim Stasaitis, to accept the committee's recommended slate of officers. The result was a unanimous voice vote in favor of the motion.

Adjournment. There being no further business to come before the Board, the session was adjourned at 4:33 p.m. CDT by President Bee Andrews. Jim

Stasaitis moved, and Tom Fort seconded, to adjourn the meeting. A vote was taken, and there were no objections.

Respectfully submitted,

David B. Epstein
Director-at-Large
Road Runners Club of America

RRCA Amendments

(Part 1 of 2)

Note: If passed by the RRCA membership at its 2005 annual meeting, each of the proposed amendments set forth below will become effective upon passage.

Article III

Amend Article III, B, 1 Organization, which reads:

B. Member Clubs

1. The RRCA shall encourage the formation and development of local road running clubs, event clubs and other allied organizations to carry out its goals and will lend technical assistance to local road runner clubs, event clubs, allied organizations, umbrella organizations, and non-member clubs or individuals who support RRCA purposes and goals. The references to "member clubs" in these bylaws shall include local road runner clubs, event clubs, allied organizations and corporate members.

Amend to Read:

B. Member Clubs

1. The RRCA shall encourage the formation and development of local road running clubs, event clubs and other allied organizations to carry out its goals and will lend technical assistance to local road runner clubs, event clubs, allied organizations, umbrella organizations, and non-member clubs or individuals who support RRCA purposes and goals. The references to "member clubs" in these bylaws shall include local road runner clubs, event clubs, allied organizations, corporate members, for profit running clubs and for profit event clubs, all of which are more particularly described in Article IV, below.

Reason for Change:

The reason for this change is described below following the proposed changes to Article IV.

Article IV

Amend Article IV, Membership preamble, which reads:

Membership of the RRCA shall be local road runner clubs, allied organizations, event clubs, corporate members, honorary members, umbrella organizations and individual members, as more particularly described below.

Amend to Read:

Membership of the RRCA shall be local road runner clubs, allied organizations, event clubs, corporate members, honorary members, umbrella organizations, individual members, for profit running clubs and for profit event clubs, as more particularly described below.

Further Amend Article IV to Add a New Subparagraph H, which will read:

H. For Profit Running Clubs and For Profit Event Clubs. The continuing requirements for RRCA membership by a for profit running club or a for profit event club are that such organizations be legally organized and in good standing at all times under the laws of the state(s) where such organizations are incorporated and/or doing business.

Reason for Change:

This change was recommended to the RRCA Board by the AARC/RRCA Board Restructuring Task Force. It allows the RRCA to expand its membership base by including for profit organizations as members. Currently, the only membership category available to for profit organizations is corporate membership. This change would allow for profit running and event clubs to become RRCA members so long as they are legally incorporated and in good standing in accordance with the laws of the states where such organizations are incorporated and/or doing business.

Articles of Incorporation

Amend Articles of Incorporation, Section 3, which reads:

THE CORPORATION IS TO HAVE THE FOLLOWING CLASS(ES) OF MEMBERS:

Local road running clubs, allied organizations, event clubs, corporate members, honorary members, umbrella organizations and individual members.

Amend to Read:

THE CORPORATION IS TO HAVE THE FOLLOWING CLASS(ES) OF MEMBERS:

Local road running clubs, allied organizations, event clubs, corporate members, honorary members, umbrella organizations (collectively, "Member Clubs"), and individual members. Member Clubs may be profit or non-profit organizations. The privileges and obligations of Member Clubs and individual members shall be set forth in the bylaws.

Reason for Change:

The reason for this change is the same as that outlined above for Article IV.

Article V

Amend Article V, Dues, which reads:

A. The amount of annual dues for local road runner clubs shall be determined by the RRCA membership. The number of members as of September 30 shall be the total on which annual dues for the following calendar year for local road runner clubs shall be determined. For the purpose of calculating dues only, membership of a local running club is defined as a household.

Amend to Read:

A. The amount of annual dues for local road runner clubs shall be determined by the RRCA Board, provided, however, that the any proposed increase in dues shall not exceed

five percent (5%) in any year. In the event that a proposed dues increase shall exceed five percent (5%) in any year, the amount of the annual dues for local road runner club shall be determined by the RRCA membership. The number of members as of September 30 shall be the total on which annual dues for the following calendar year for local road runner clubs shall be determined. For the purpose of calculating dues only, membership of a local running club is defined as a household.

Reason for Change:

Empowering the Board to raise dues up to no more than five percent per year provides the RRCA with the flexibility needed to deal with financial exigencies quickly. The five percent per year allows the board to increase dues modestly and also allows an opportunity for the membership to address objections to any further dues increase during the next board and officer election cycle.

Article VI

Amend Article VI, B, Membership Meetings, Special Meetings, which reads:

B. Special Meetings. Other meetings may be conducted as deemed necessary by the President. The President shall call a membership meeting upon the written request of not less than twenty-five percent of the total membership.

Amend to Read:

B. Special Meetings. Other meetings may be conducted as deemed necessary by the President. The President shall call a membership meeting upon the written request of not less than twenty-five percent of the total membership or by a majority of the RRCA Board.

Reason for Change:

This change allows a majority of the RRCA Board to compel the calling of a special membership meeting. Currently, only the President or a majority of the membership may do so.

Article VI

Amend Article VI, E, 1 and 2, Membership Meetings, Proxies, which reads:

E. Proxies

1. Local road runner clubs and event clubs not having delegates in attendance at the membership meeting may designate a member of another local road runner club or event club in their state as proxy.

2. The RRCA Board shall establish procedures governing the voting by proxy including exceptions related to a club not being in a state or to a club being located in more than one state.

Amend to Read:

E. Proxies

1. Local road runner clubs and event clubs not having delegates in attendance at the membership meeting may designate an individual member of another local road runner club or event club in their state as proxy.
2. An individual gathering proxies must can only solicit or receive proxies from clubs located within the state in which the individual resides. The individual must also be a member of an RRCA club organized within the state in which the individual resides. For purposes of this paragraph 2, if an individual resides in more than one state, he or she shall be deemed to reside in the state where he or she maintains his or her principal or primary residence.
3. The RRCA Board shall establish procedures governing the voting by proxy including exceptions related to a club not being in a state or to a club being located in more than one state.

Reason for Change:

The proposed amendment tightens proxy provisions. As proposed, an individual soliciting or accepting proxies must be a resident of the same state where proxies are solicited or received and a member of an RRCA running club organized in that same state. Because some individuals reside in more than one state, the provision has been modified to define residence as being the place of principal or primary residence.

Article VI

Article VI, Membership Meetings, add a new paragraph H, which reads:

H. Informal Action. Any action required or permitted to be taken at a meeting of members may be taken without a meeting if a consent or consents in writing setting forth the action so taken, shall be signed by the members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all members having a right to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those members who have not consented in writing.

Reason for Change:

This proposal simply reflects modern corporate practice. It allows flexibility to allow membership action to occur without the time, expense and formality of an in person membership meeting. Safeguards are provided by requiring that any proposed action without a formal meeting be approved by at least that number of members who would be required to approve action if a meeting was held.

Article VII

Article VII, Board of Directors, add a new paragraph N, which reads:

N. Any action required by law to be taken at a meeting of the RRCA Board, or any action that may be taken at a meeting of the RRCA Board, may be taken without a

meeting, if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors.

Reason for Change:

Like the change described above, the proposed change conforms to modern corporate practice. It enables the board to take action without the formality and expense of a meeting. It provides a built in safeguard by requiring that all directors sign a consent resolution.

Article VIII

Article VIII, Meetings of Board of Directors, add a new paragraph E, which reads:

E. The board of directors may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through, use of any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

Reason for Change:

This change conforms to current practice and permits the Board to meet via conference telephone call. This provides a more efficient and economical means by which the Board can conduct its business. It also allows a Board member who is otherwise unable to attend a face-to-face meeting to participate in the board meeting by conference call.

RRCA Amendments

(Part 2 of 2)

Note: If passed by the RRCA membership at its 2005 annual meeting, each of the proposed amendments set forth below will become effective upon passage. To provide an adequate transition period, the amendments will be utilized for RRCA officer and director elections beginning with the officer and director elections held at the 2006 annual meeting.

Article VIII

Amend Article VIII. C, Meetings of Board of Directors, which reads:

C. Quorum. Six members of the RRCA Board shall constitute a quorum for the transaction of business. Each member of the RRCA Board shall be required to vote, and the act of the majority of those present at a meeting at which there is a quorum shall constitute the action of the RRCA Board.

Amend to Read:

C. Quorum. Five* members of the RRCA Board shall constitute a quorum for the transaction of business. Each member of the RRCA Board shall be required to vote, and the act of the majority of those present at a meeting at which there is a quorum shall constitute the action of the RRCA Board.

*Note: reduced by one to reflect amendment reducing the size of the Board.

Article IX

Amend Article IX, A and B, Officers and Directors, which reads:

A. Board Membership. The RRCA Board shall be composed of an elected President, an elected Vice-President, a Secretary-Treasurer appointed by the President subject to approval by the RRCA Board, and eight elected directors. The elected officers and elected directors shall be divided into groups for election in alternate years as follows:

Group 1. President, Vice-President, three directors numbered one through three;

Group 2. Five directors numbered four through eight.

The term of the elected officers and the directors shall be two years. The elected officers and the directors shall be elected for no more than two consecutive terms. The Secretary-Treasurer shall serve at the pleasure of the RRCA Board.

B. Geographical Requirements.

1. Four Directors shall reside in the following geographical areas, respectively:

DIRECTOR 1: EAST - Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Maryland, Delaware, West Virginia, Virginia and the District of Columbia.

DIRECTOR 3: CENTRAL - Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Ohio, Indiana, Michigan, Illinois, Wisconsin and Minnesota.

DIRECTOR 5: WEST - Montana, Wyoming, Colorado, New Mexico, Washington, Oregon, California, Nevada, Idaho, Utah, Arizona, Alaska, Hawaii and Pacific Islands.
DIRECTOR 7: SOUTH - North Carolina, South Carolina, Georgia, Florida, Kentucky, Tennessee, Alabama, Mississippi, Arkansas, Louisiana and Texas.
2. Directors 2, 4, 6 and 8 may reside in any geographical area.

Amend to Read:

A. Board Membership. The RRCA Board shall be composed of an elected President, an elected Vice-President, an elected Treasurer, and a Secretary appointed by the President from the elected At Large Directors subject to approval by the RRCA Board, and six elected directors. The elected officers and elected directors shall be divided into groups for election in alternate years as follows:

Group 1. President, Vice-President, Central Director and Eastern Director, each such position being elected in even numbered years;

Group 2. Southern Director, Western Director, and two (2) At Large Directors.

The term of the elected officers and the directors shall be two years. The elected officers and the directors shall be elected for no more than two consecutive terms.

B. Geographical Requirements.

1. Four Directors shall reside in the following geographical areas, respectively:

a. East Director - Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Maryland, Delaware, West Virginia, Virginia and the District of Columbia.

b. Central Director - Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Ohio, Indiana, Michigan, Illinois, Wisconsin and Minnesota.

c. West Director - Montana, Wyoming, Colorado, New Mexico, Washington, Oregon, California, Nevada, Idaho, Utah, Arizona, Alaska, Hawaii and Pacific Islands.

d. South Director - North Carolina, South Carolina, Georgia, Florida, Kentucky, Tennessee, Alabama, Mississippi, Arkansas, Louisiana and Texas.

e. At Large Directors may reside in any geographical area.

Articles of Incorporation

Amend Articles of Incorporation, Article 4, which reads:

THE DIRECTORS OF THE CORPORATION SHALL BE ELECTED AS FOLLOWS:

The RRCA Board shall be composed of two (2) elected officers, one (1) appointed officer and eight (8) elected directors. The elected officers shall consist of a President and Vice-President. The Secretary-Treasurer shall be appointed by the President subject to approval by the RRCA Board. The elected officers and elected directors shall be divided into two (2) groups for election purposes as follows:

A. President, Vice President, three (3) directors numbered one (1) through three (3);

B. Five (5) directors numbered four (4) through eight (8);

The term of the elected officers and directors:

The term of the elected officers and directors shall be two (2) years and said elected officers and directors may be elected for no more than two (2) consecutive terms. The Secretary-Treasurer shall serve at the pleasure of the RRCA Board.

Group 1 shall be elected for two (2) years; and
Group 2 shall be elected for one (1) year. Each subsequent election shall be for two (2) years.

Geographical requirements: A Director to be eligible to hold office shall be from the following geographical areas:

Director 1: East – Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Maryland, Delaware, West Virginia and the District of Columbia.

Director 2: At-large

Director 3: Central – Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Ohio, Indiana, Michigan, Illinois, Wisconsin and Minnesota.

Director 4: At-large

Director 5: West – Montana, Wyoming, Colorado, New Mexico, Washington, Oregon, California, Nevada, Idaho, Utah, Arizona, Alaska, Hawaii and Pacific Islands.

Director 6: At-large

Director 7: South – North Carolina, South Carolina, Georgia, Florida, Kentucky, Tennessee, Alabama, Mississippi, Arkansas, Louisiana and Texas.

Director 8: At-large

Amend to Read:

THE DIRECTORS OF THE CORPORATION SHALL BE ELECTED AS FOLLOWS:

The RRCA Board shall be composed of three (3) elected officers, and six (6) elected directors. The elected officers shall consist of a President, Vice-President, and Treasurer. The Secretary shall be appointed by the President from among the At Large Directors subject to approval by the RRCA Board. The elected officers and elected directors shall be divided into two (2) groups for election purposes as follows:

Group 1. President, Vice President, Central Director and East Director, each such position being elected in even numbered years;

Group 2. South Director, West Director, and two (2) At Large Directors, each such position being elected in odd numbered years;

The term of the elected officers and directors:

The term of the elected officers and directors shall be two (2) years and said elected officers and directors may be elected for no more than two (2) consecutive terms.

Geographical residency requirements for directors shall be as set forth in the Bylaws.

There is no geographic residency requirement for elected officers.

Reason for changes:

The RRCA Board appointed a task force to consider the following provisions of the Letter of Agreement between the RRCA and the American Association of Running Clubs:

“Not later than July 1, 2004, the RRCA must establish a Task Force to review the structure of the RRCA Board of Directors, which shall include a review of whether to remove or minimize Regional Director responsibilities so that they are free from regional operational duties and have time to focus more on the traditional requirements of Board members. This approach, which is strongly recommended, will permit Regional Directors to be able to better contribute more broadly to the overall strategies and needs

of the club as a whole instead of being burdened with duties that might better be handled by staff or other volunteers. The RRCA Task Force must provide a report to the RRCA Board by January 5, 2005, including recommended Bylaw changes that would be submitted to the membership for a vote at the 2005 RRCA Membership Meeting.”

The task force made the following recommendations described below which were adopted by the RRCA board. At the Board’s direction, the amendments described above were drafted to formalize the recommendations. The recommendations and proposed bylaw and articles of incorporation amendments will accomplish the following:

A. Board Size: A gradual reduction in size from the current eleven person board to nine. This should be phased in over two steps in 2006 and 2007 to assure staggered terms remain, completion of current terms and a smooth transition. Two At-Large seats would be eliminated to reach this level, and the numbering of board seats modified to reflect this reduction. One at large position is eliminated in 2006 and the second is eliminated in 2007.

The recommendation to eliminate the two seats is based on our assumption that many day-to-day Regional Director (RD) duties will be transferred to staff, freeing RD’s to assume a more traditional board role. It is our assumption this will also make it easier to recruit RDs who will now have a broader role more akin to the role of At-Large directors. This will necessitate recruiting RD’s with a broad range of experiences.

Benefits of a smaller board in addition to obvious financial ones (some of the board expense savings could be channeled into other areas) include making the recruitment effort easier for the nominating committee, which we hope, will result in even stronger future boards.

B. Secretary/Treasurer: The role of the Treasurer is quite specific and requires specific skills in budget and finance. We recommend the currently appointed and combined Treasurer and Secretary position become divided into two seats. The RRCA board has determined that the treasurer position needs to be one elected by the membership. The job description for this position needs to be enhanced to require demonstrable skill and experience in the preparation and understanding of financial controls and reports.

The role of the Secretary is more that of overseer of corporate records, minutes, etc. and many of the individual functions can be preformed by staff (Assistant Secretary). The Secretary should be appointed by the RRCA President from among the two At-Large board members, subject to the approval of the RRCA Board.

C. Housekeeping: Several of the changes described above are housekeeping in nature. For example, under current articles and bylaws, each board of director’s position was numbered. Over time, little, if any, attention has been paid to the number. The amendment lists the directorship by region or as at large, consistent with common practice. In addition, the bylaws and articles each listed the geographic residency

requirements for regional directors. The proposed amendment to the articles would simply refer to the geographic designation contained in the bylaws.

How does this work?

At the 2005 RRCA annual meeting, members will be asked to approve these bylaw and articles of incorporation amendments. If passed, the first impact of the election will occur in 2006. At the 2006 annual meeting, members will elect a president, vice president, Central Director and East Director. The at large directorship which would have been elected in 2006 but for the amendments (and currently held by David Williams) is eliminated.

At the 2007 annual meeting, members will elect a Treasurer, South Director, West Director and two at large directors. One additional at large directorship is eliminated in 2007. The at large directors currently elected in odd numbered years are David Epstein, John Farrow, and Chuck George.

The net effect is the elimination of one At Large Director in 2006 and one At Large Director in 2007.