

MINUTES OF USTU BOARD OF GOVERNORS MEETING
November 3, 2004

Sheraton Hotel-Colorado Springs CO

1. Steve Locke, Chair of the USTU Governance and Management Committee (GMC) called the meeting to order at 9:05 am.
2. At the request of Sammy Pejo, Chair of the National Athletes Advisory Council (AAC), Mr. Locke then adjourned the meeting for fifteen minutes, so that the AAC could meet.
3. When the meeting was reconvened, Steve Locke introduced Ms. Loretta Simonson, who served as Parliamentarian for the meeting.
4. Virginia Witte, GMC member, announced the roll of registered delegates, and noted that the registration desk would remain open until the time of voting to accommodate late arrivals. A list of the registered delegates is attached to these minutes as Appendix A. No objection was lodged to the seating of any delegate.
5. The Chair then introduced Jim Scherr, Interim CEO of the United States Olympic Committee (USOC), who gave an overview of USOC strategic planning initiatives and how they will affect sport in the US.
6. Mr. Scherr introduced Steve Roush, USOC Interim Chief of Sport Performance, who spoke about the future of taekwondo and sport competition.
7. The Chair introduced Taekwondo's Olympic medalists, Steven Lopez and Nia Abdallah, who made brief remarks about their Olympic experience and thanked the organization for their support.
8. Juan Moreno, GMC member, and Bob Gambardella, USTU CEO, presented a brief overview of 2004 competitions and operations of the organization, reviewing the successes and challenges encountered during the year.
9. Ms. Witte, GMC member, and pursuant to her responsibilities under the remediation plan, gave the unaudited financial report for the year to date, attached to these minutes as Appendix B.
10. The Chair then opened the floor to unfinished business. There was no unfinished business to discuss.
11. Jill J. Chalmers of Holme, Roberts and Owen, legal counsel to USTU, provided an update on the transfer of USTU's corporate status from Ohio to Colorado, which had previously been approved by the Executive Committee and Board of Governors. Ms. Chalmers explained that the Ohio Corporation would be merged into the newly formed Colorado nonprofit corporation named USA Taekwondo, Inc. Ms. Chalmers also explained that USTU had entered into a license agreement with USA Taekwondo, Inc., so that USTU could use for a time certain USA Taekwondo's name and corresponding logo.

12. Tony Baggiano, GMC member, outlined the proposed governance changes to USTU, attached to these minutes as Appendix C. Mr. Baggiano stated that the proposed plan would streamline the governance structure of USTU to bring it in line with governance reforms adopted by the USOC. Mr. Baggiano also explained how the Governance Proposal would rectify problems in USTU's current governance structure that had prevented USTU from effectively governing the sport of taekwondo.
13. Following a question and answer period, Juan Moreno, GMC member and Board of Governor delegate, made a motion that the Board of Governors approve the following resolution, which was duly seconded:

That the Board of Governors;

- (i) accept and approve, and that the USTU adopt, the Governance Proposal, which was distributed to the USTU membership and outlined by Mr. Baggiano, attached to these minutes as Appendix C;
- (ii) authorize the Governance and Management Committee and the Chief Executive Officer to take all necessary steps to finalize and implement the reincorporation of the USTU as a Colorado corporation as previously approved by the Board of Governors and the Executive Committee; and,
- (iii) authorize and empower the Governance and Management Committee to act on behalf of the Board of Governors to draft and adopt, as the amended and restated bylaws of USTU, new bylaws that implement the Governance Proposal and that contain all other required and necessary provisions.

After discussion, a vote was taken on the resolution by a show of voting paddles, which had been handed out to voting delegates. The resolution was defeated by a vote of 22 approving the adoption of the resolution and 27 rejecting the adoption of the resolution.

14. Following the vote, Mr. Scherr addressed the Board of Governors and explained the ramifications of the Board of Governor's rejection of the Governance Proposal.
15. The Board of Governors then adjourned for 45 minutes during which time informal discussions occurred among the members of the Board of Governors.
16. When the meeting reconvened, the Board of Governors determined to again take up discussion on the Governance Proposal, attached to these minutes as Appendix C. Mr. Herb Perez, Board of Governor delegate, made the following motion, which was duly seconded:

That the Board of Governors reconsider the resolution offered by Mr. Moreno and which previously was defeated.

After discussion, the motion passed unanimously by voice vote.

17. Further discussion was then had on the Governance Proposal, attached to these minutes as Appendix C. Mr. Herb Perez, Board of Governor delegate, then made a motion that the Board of Governors approve the following resolution, which was duly seconded:

That the Board of Governors;

- (i) accept and approve, and that the USTU adopt, the Governance Proposal, which was distributed to the USTU membership and outlined by Mr. Baggiano, attached to these minutes as Appendix C, except that of the two grass roots director positions on the Board of Directors, one be elected by USTU member clubs and the other be elected by representatives of the states;
- (ii) authorize five members of the Board of Governors, to be determined by consent of the Board of Governors and the Governance and Management Committee, a period of thirty days to present to the Governance and Management Committee an acceptable proposal for determining how the states would elect a director to the Board of Governors;
- (iii) authorize the Governance and Management Committee and the Chief Executive Officer to take all necessary steps to finalize and implement the reincorporation of the USTU as a Colorado corporation as previously approved by the Board of Governors and the Executive Committee; and,
- (iii) authorize and empower the Governance and Management Committee to act on behalf of the Board of Governors to draft and adopt, as the amended and restated bylaws of USTU, new bylaws that implement the Governance Proposal, and that contain all other required and necessary provisions.

After discussion, the resolution passed unanimously by voice vote.

18. There being no other business, the meeting adjourned at 1:15 pm.

Date

Steven M. Locke
Chair, USTU Governance and Management Committee