



ALPACA & LLAMA
SHOW ASSOCIATION, INC.

August 12, 2015

Debi Garvin
221 Hatchery Road
Inwood, WV 25428

Sean Hart
1771 N 200 E
Rushville, IN 46173

Karen Baum
1484 Wandering Acres Road
Huddleston, VA 24104

Harvey Pool
191 Deerwood Circle
Fort Valley, GA 31030

Linda Hayes
60 Meadow View Lane
Glenwood Springs, CO 81601

Philip Feiner
450 West 24th Street, No. 11E
New York, NY 10011

Dear ILR Board Members and Mr. Feiner,

Please accept this invitation to meet with us on Wednesday, October 21, 2015, at the Best Western Wichita North, 915 E 53rd N, in Park City, Kansas. The purpose of this meeting will be to discuss ways in which ALSA and the ILR can work together to strengthen and unify the llama show community. In order to make the best use of our time, we propose that both parties come prepared to facilitate due diligence by making full disclosures and bringing the following documents:

1. Corporate records including a current Certificate of Good Standing issued by the state of incorporation, Articles of Incorporation, Bylaws with any amendments thereto; and any meeting minutes not published on your website;
2. IRS letter ruling or other documents to confirm current tax-exempt status;
3. Copies of state and federal tax returns for the past five years;
4. Proof of payment of all withholding and sales taxes due for the past five years;

5. Copies of bank statements from all checking, savings and investment accounts for the past five years, including those from any separate account established for the Gathering;
6. Balance sheets and itemized profit and loss statements for the past five years;
7. Appraisals or other documentation to establish the fair market value of the assets listed on your current balance sheet;
8. Copies of all current contracts with employees or independent contractors;
9. Copies of all promissory notes, security agreements, deeds of trust and other documents relating to outstanding financial liabilities;
10. Copies of all leases, listing agreements or other contracts relating to real property owned or rented;
11. Membership list indicating which members belong to the Registry, which belong to the Show Division and which belong to both;
12. List of all sanctioned shows for the years 2014, 2015 and 2016.
13. Specific written proposal of how to best work together for the mutual benefit of our memberships.

As to the profit and loss statements requested above, we would appreciate it if they could include a breakdown between the Registry, the Show Division, the Gathering and building-related income and expenses. Everyone who attends the meeting will be asked to sign a nondisclosure agreement and to maintain the confidentiality of all financial and propriety information exchanged and the specifics of negotiations until a final agreement has been reached.

Please let us know as soon as possible if you will be able to join us for this meeting. The hotel is offering a special rate for the Grand National Show of Champions, but may fill up quickly, so don't delay in making your room reservations. Thank you.

Alpaca and Llama Show Association, Inc.

By

Paul Schwartz, President