

USA Triathlon Board of Directors
Email vote – Action without a Meeting
July 18, 2017

Board Members Participating:

Staci Brode
Ben Collins
Chuck Graziano
Susan Haag
Kevin Haas
Judge Jones
Dave Kuendig
Jacqueline McCook
Joel Rosinbum
Erin Storie
Mike Wien

Email sent out July 12, 2017 at 9:46am CST.

Opening Remarks: Haas noted USAT has an approximately \$3 million dollar note on our building currently at 4.5% interest only loan that is due end of 2018. Deby Williams, our accountant, and the Finance and Audit committee have been reviewing refinance options over the past several months and have unanimously approved the following plan:

Line of Credit w/ Morgan Stanley

- Use \$10 million investment account as collateral for loan
- 7 year maturity with 30 year amortization
- 3.49% fixed interest rate
- No setup fees

Not only does this approach have a significantly lower interest rate than traditional building loans for which we also received bids, we will own the building outright and better leverage our conservatively structured investment account.

Our recommendation is also to make this transition as soon as possible since the rate from Morgan Stanley is lower than our current building loan, and most likely the future will only see increases in interest rates.

Haas moves that we establish a \$3 million line of credit with Morgan Stanley and pay off the current building note.

Voting by email is consistent with our Bylaws.

Establishing a \$3 million line of credit with Morgan Stanley and paying off the current building note is approved. Yes – 10, Abstain – 1.