International Association of Baggage System Companies

Fourth Meeting Minutes: August 8, 2007
Hackberry Creek Country Club
Irving, Texas
10:00 am – 1:00 pm

Hosted by FKI Logistex

Attendees:

Mike Malkowski	President and CEO	Five Star Airport Alliance
Darrin Ramsey	Legal Affairs Officer	Five Star Airport Alliance
Matt Williams	CEO	Glidepath LLC
Del Hollingsworth	VP Operations	Glidepath LLC
Mike O'Connor	Director Airport Systems	FKI Logistex
Bruce McMickle	Manager Airport Projects	Forbo Siegling LLC

Others Present:

Debbie Talbert	Administrator

Absent (Companies Not Represented):
Siemens

List of Action Items:

- Everyone: Provide Matt Williams at Matt.Williams@GlidepathGroup.com with suggestions for "Elevator Pitch" and Mission Statement.
- Siemens: Complete Membership Application, or submit written objection, reasoning.
- Everyone: Submit mark up and comments on sample Bylaws.
- Darrin Ramsey: Revise Bylaws officer descriptions to include Public Relations Officer.
- Siemens: Submit your Top 10 List of Priorities.
- Everyone: Research possibility of joining Material Handling Industry of America at www.MHIA.org.
- Regarding Associate Levels: Write one paragraph describing each category. This task is assigned as follows:

  Suppliers = Bruce McMickle
  Consultants and Architects = Bruce McMickle
  General Contractors = Mike O'Connor
  Government = Mike Malkowski
  Airports = Mike Malkowski
  Airlines = Mike Malkowski
  Education = Mike Malkowski

Deliver items to Debbie Talbert at dtalbert@IABSC.org or by fax at 972-389-6256.

Meeting Agenda:

- Review of Previous Meeting Minutes
- Membership Applications
    - Review of Written Objections, Reasoning (if any)
- Affirm Last Meeting's Votes
- Elect Directors / Appoint Officers
- Budget / Forecast
- Elevator Pitch
- Mission Statement / White Paper
- Membership Levels - Define Specifically
- Continuation of Formalizing Bylaws
- Continue Discussion of Standardized Contract
    - Review Each Company's Top Ten Priorities List
- Establish objectives and priorities of next meeting

Proceedings:

The Administrator asks if anyone objects to the recording of the Meeting.
[No one objects – the meeting was recorded]

The meeting was called to order at 10:00 a.m. by Chair, Mike Malkowski. Roll call was taken.

The Chairman pointed out that absent from participation today is Siemens. All other member companies are represented.

Legal Disclaimer:

Darrin Ramsey read the list of the steps of legal disclaimer that the Association should live by.

- The Agenda should be specific and avoid topics that may cause anti-trust problems such as discussions on pricing, production, markets, selection of customers/suppliers.
- The minutes of all meetings should be kept accurately report any actions, if any, that take place. For that reason, this meeting is being recorded. After the minutes have been distributed to everyone, the recording will be destroyed and will not be stored.
- We should not discuss any prices or features that can impact prices such as discounts, costs of common inputs, inventory outputs, salaries or profit margins of the projects.
- We should not discuss division of customers, markets, territories or the sharing of data concerning fees, prices, sales, bids, costs or customer credit.
- We should not agree to refuse to deal with any certain suppliers, customers or others – although we can set up an objective rating system but we can't encourage to either work with or not work with another customer or supplier.
- Unscheduled, informal or sidebar meetings held in conjunction with this regular meeting should be avoided.
- We should not discuss or agree to refuse to deal with certain suppliers, customers, or others.

Regarding Vanderlande Industries:

The Chairman advised that we received notice from Vanderlande that at this particular time they are going to decline membership in the IABSC but would like the opportunity to join at a later date. We can extend them that opportunity, however, that decision eliminates a Director position. Should Vanderlande decide to join in the future, a special committee will decide, at their discretion, if a new Director position will be created for Vanderlande.

Review of Previous Meeting Minutes:

The Chairman reviewed the previous meeting minutes:

- Membership Applications. We have everyone's applications except Siemens. Mike Malkowski will call Gary Cline and ask that Siemens submit its application. He will also advise him about Vanderlande and make sure it doesn't effect Siemens' position.

- Delegates. All delegates have been determined and how the membership is going to be broken down at the top level.

- Bylaws. The Chairman stated that he believes Siemens has completed its bylaw review and they have comments, nothing major.

- Interim Budget: $500 per month was voted upon. Due to Vanderlande's decision not to join at the time, the vote taken at the last meeting can now be ratified.

- Darrin Ramsey had advised that Texas provides a Grace Period before incorporation to receive money and hold a bank account which we may rely upon for a short time. Darrin Ramsey notes that it is important that we move quickly to incorporate once we start to collect money as it is considered transacting business.

<u>MHIA</u>:

Bruce McMickle interjects to discuss the possibility of us, the baggage system suppliers, joining the Material Handling Industry of America (MHIA.org) – the leading non-profit trade association representing the materials handling logistics industry.

- Rick Lee trying to recruit us to be members of the MHIA.
- Because of two big companies not joining, Webb and Vanderlande, we might want to consider this as another option.
- The MHIA would put us in a baggage handling category, kept separate from other members with a separate budget. We would have access to funding of a well established international organization.
- They hold regular monthly meetings at different locations, nice places.
- Dues are collected from hundreds of companies. Would lighten our financial load.
- Because of the ability to be kept separate from other members, we could focus on our own issues.

Matt Williams: We should think about this more. It may allow us to have an organization that's already set up. It might be an opportunity to get more acceptance in the industry.

Mike O'Conner: We would want to have autonomy with the decision making we're going through right now – such as, deciding terms and conditions.

Darrin Ramsey: We need to make sure if entering the MHIA not only that we have the autonomy but also the right to excise ourselves from them should we choose to and if we did that, what rights would we have (i.e., taking our members, our intellectual property, things we've developed – applications, speakers, etc.).

Mike Malkowski: We should do some independent investigation but keep moving forward as we are.

Del Hollingsworth: Maybe we could join that organization as an association.

Bruce McMickle suggests we ask Rick Lee to attend our next meeting and give us a presentation. Mike O'Conner and Matt Williams agree that we should take the pro active approach and ask Mr. Lee to speak at the next meeting. Before we talk to Mr. Lee, Mike Malkowski would like to get Siemens opinion.

Review of Previous Meeting Minutes (continued):

The Chairman continued the review of the previous meeting minutes:

- Monthly Contribution. The vote regarding monthly contribution of $500 per member was ratified. We need to establish a bank account and draft a Practices of Use for the initial checks until our Treasurer is appointed.

- Special Director's Position. We decided to put in place a special director's position for Bruce McMickle as one of the founders, however, at his departure it would be up to the remaining directors to determine if that position is filled or permanently vacated.

- Levels of Participation for Associate Members.

    - Identified levels as Suppliers, Consultants, Architects, General Contractors, Government, Airports, Airlines and Education. Will discuss further in today's meeting.

    - Motivation for Consultants to join as Associate Members. Requires more discussion.

    - Will different Associate levels have different rights and privileges or will they all be grouped together? For example, does airlines and airports represent a different place than contractors and suppliers.

- Officers. Nomination Form was distributed for the officer positions of President, Vice President, Secretary/Treasurer and Public Relations. Everyone was to complete the form and return to Debbie Talbert to tally nominations and put those persons with the majority of nominations up for vote before the directors. Each company is to be represented by an officer and a director so to be equal across the board.

- Bylaws. Darrin Ramsey prepared descriptions of officer duties to be formulated in the Bylaws and provided copies to those present to be reviewed in today's meeting. Darrin has yet to receive comments on the Bylaws from anyone. Discussion in these meetings has resulted in the decision not to change the voting requirements in the Bylaws from majority to unanimous which could prevent us from making changes in the future should that become necessary. Public Relations Officer and its description of duties will be added as an additional position. Agreed upon description of the remaining officer duties will be revised after this meeting.

- Contracts. It was decided that we would use the AIA contract as our foundation and begin making modifications to develop a standard contract for the Baggage Handling industry. Darrin Ramsey and Steve Graviet from Glidepath have begun discussions. For comparison, Darrin Ramsey will gather samples of the AIA contract and more stringent contracts such as the United Red Book, Hensel Phelps or Turner for our review. Darrin agreed to provide us with the GC contracts (names redacted).

- White Paper and Mission Statement. It was proposed by Matt Williams at the last meeting that these be prepared as soon as possible. We will discuss further in this meeting.

New Business:

Bruce McMickle opened a discussion regarding Consultants. He noted that at previous meetings the decision was made not to include Consultants as officers or directors. Bruce suggests that since the other two baggage companies have decided not to join, we should consider changing our position. If we got Consultants to join, who would follow?

Mike Malkowski believes we are placing too much emphasis on two companies not participating who have a history of non-participation. Membership should not be open to Consultants. Mike O'Connor concurs.

Del Hollingsworth suggested that maybe we should allow them to participate on some level so they would not attempt to interfere with our progression. The Chairman notes that because of Consultants having a different agenda, they could not participate at the officer/director level. If they did, voting would need to be changed from unanimous to majority rules. Discussion ensued regarding power, control and balance if we allowed Consultants to be a part of this organization. It was agreed this discussion will be continued at a later time.

Membership Applications; Review of Written Objections (if any).

All Membership Applications have been received except for Siemens. Gary Cline has advised the Chairman that Siemens' application is complete and will be submitted.

Ratification of 7/11/07 Meeting's Votes

INITIAL FUNDING

All companies present voted in favor of each company contributing $500 per month.

Because Vanderlande, who was absent, has declined participation in the Association at this time, ***the vote is hereby ratified***.

SPECIAL DIRECTOR'S POSITION FOR BRUCE McMICKLE

All companies present voted in favor of creating a special director's position for Bruce McMickle as one of the Association's founders. However, at Bruce's departure it would be up to the remaining directors to determine if that position is filled or permanently vacated.

Because Vanderlande, who was absent, has declined participation in the Association at this time, ***the vote is hereby ratified.***

Elect Directors / Appoint Officers

We have all but Siemens' Nomination Forms.

[Siemens' submitted its Nomination Form via email which was received on the day of this meeting after adjournment.]

Because of Vanderlande's non-participation, all companies present agreed to consolidate the Secretary and Treasurer positions.

Debbie Talbert will tally nominations and list those persons with the majority of nominations for each officer position. The named directors and results of the officer nominations will be brought before the next meeting for formal election and appointment.

Darrin Ramsey noted that we need at least 3 officers appointed before we can incorporate. It is not required by Texas to have Bylaws in place before incorporating, but Darrin recommends that we do.

Budget / Forecast

The Chairman noted that homework on this item has not been completed so we will need to postpone detailed discussion.

After appointment of the officers at the next meeting, the Secretary/Treasurer's initial assignment will be to begin working on our forecast and budget.

Minutes. Currently time consuming. Professional transcription is expensive. We will continue to find ways to minimize the cost and preparation time. Debbie Talbert will continue to provide this service until we find an alternative method or solution.

Elevator Pitch; Mission Statement; White Paper

Matt Williams brought this to everyone's attention at previous meetings. The Chairman noted the importance of focusing on this as we move to creating an IABSC website.

- Elevator Pitch: To let everyone know what we're up to.
- Mission Statement: Will be short and describe what we're trying to accomplish.
- White Paper: Will be more lengthy, detailed. We will develop this as we build this Association.

One Page Brochure. Mike Malkowski offered to provide the graphics processing and personnel within Five Star. He suggests that we have a one page flyer or brochure available for handout at the ACI meeting in Kansas City, September 28^{th} through October 3^{rd}.

Matt Williams points out the importance of having a unified response to questions each of us are receiving from others in our industry. To expedite preparation, the Chairman proposes that each company write a paragraph or two of its vision to give to Matt Williams for consolidation.

Glidepath agrees to draft an Elevator Pitch and Mission Statement from a blend of everyone's thoughts. Everyone agrees to provide their thoughts/suggestions to Matt Williams within two weeks from today. Debbie Talbert will send out a reminder email next week.

Matt Williams agrees to deliver to everyone a draft of the Elevator Pitch and the Mission Statement prior to the next meeting.

Membership Levels - Define Specifically

The Chairman noted that we agreed at the last meeting to define specifically what the membership levels are going to be. At the last meeting levels were identified.

After discussion, the person listed below after each Associate Level offered to draft a paragraph describing each category – due in 2 weeks.

Suppliers = Bruce McMickle
Consultants and Architects = Bruce McMickle
General Contractors = Mike O'Connor
Government = Mike Malkowski
Airports = Mike Malkowski
Airlines = Mike Malkowski
Education = Mike Malkowski

Discussion continued.

Do we lump them all into one Associate group or do we have levels of Associates, for example Gold Level, Silver Level, Bronze Level, etc.?

Do we have different functions for different levels where we may invite one group of Associates but not another? You're not going to want Education Associates present when you're meeting and listening to General Contractor Associates – they're too different and have nothing in common.

Do we have our Annual Meeting and invite independently each group of Associates at this meeting and devote the last hour of the meeting to discuss and address their issues?

Levels and Categories; Fee Structure

Darrin Ramsey notes the Supreme Court's Copperweld Exceptions: which companies can collude and which cannot? Wholly owned subsidiaries, sister company can collude but competitors cannot. The Supreme Court defined it as "who has a unity of economic interest. . ." Do airports and airlines have a unity of economic interest? If they're opposed then they go into a new category. Students, for example, have a different economic interest. That may help us decide if there should be different categories or levels.

The Chairman questions if it is feasible to have so many sub-categories or sub-levels.

Del Hollingsworth notes that we may have Students as an Associate category where they don't have to pay anything, or other levels where there are no dues, and other groups that fit into that category. He feels we are making unnecessary divisions at this stage unless we are going to attach a different pay structure or price structure to those groups.

The Chairman states that Education should be free, no matter what role they play. Long term we should be an organization that would offer educational scholarships. Government, that should always be free - we would offer them their memberships for free.

Del Hollingsworth notes that ACI bases its dues on the size of your organization. The bigger your organization, the more you pay. He feels too much attention is paid on what people's motives are. In any association, the members have many different motives but they all have some common shared interest or they wouldn't be participating in that association.

Mike O'Conner clarifies that we are just identifying who would want to join our Association. What we need to concentrate on is the different levels and the structures – what they're going to get for the money they're paying. How many levels do we have? What is the cost for each level? What is the power they will be getting? We need to make it simple.

The Chairman suggests that maybe we don't call non-paying members Associates. The Associate level would be paying members, maybe you break out airports as something different. Suppliers, consultants and architects, general contractors would have to pay because, in the end, they also reap the benefits.

Would they all pay the same amount of dues?

The Chairman offers to call someone he knows who is the owner of a small installation company for our industry to ask him what he would be willing to pay for dues. That would probably give us the lower side of what companies are willing to pay to join.

After discussion, everyone agrees that, in the beginning, all Associate Membership Fees should be the same for everyone. We can develop a more complex fee structure as we grow.

<u>Continuation of Formalizing Bylaws</u>

Darrin Ramsey has made the changes to the Board of Directors; the majority vote is still there; he will change the officers to add the Public Relations position and will combine the Secretary and Treasurer.

With respect to voting, although we have agreed to adhere to unanimous vote, the Bylaws should remain as currently drafted, requiring a majority vote for board of director and officer decisions; and a 2/3 majority vote for ratification or changes/amendments to the Bylaws.

Once again, please provide Darrin Ramsey with any questions or suggested changes to the Bylaws. He has not received any comments to date. Siemens has indicated that their legal department had a few suggested revisions. FKI is still under review. Glidepath has completed their review and has no comments.

<u>Continue Discussion of Standardized Contract</u>

As mentioned earlier, within the next couple of weeks Darrin Ramsey will get three GC contracts, the preferred AIA and at least one or two consultant contracts to have in everyone's hand. We will then determine if we individually want to review these sample contracts in preparation for developing our own contract using the standard AIA contract as our foundation.

Everyone agrees to review/mark up the draft contracts and return them to Darrin Ramsey.

Darrin Ramsey offers to work individually with Steve Graviet and perhaps the other companies' legal representation, to see what he can get done before the next meeting. If Darrin receives the marked up contracts from everyone at least 3 days before the next meeting, he will be able to provide us with an initial working draft at the next meeting.

<u>Review Each Company's Top Ten Priorities List</u>

These lists are essential in the development of our contract. We have received lists from Glidepath, Five Star and Bruce. Mike O'Connor stated that all FKI's top ten priorities are contained in those lists already submitted. We will review at next meeting after receiving priorities list from Siemens.

<u>Establish Objectives and Priorities of Next Meeting</u>

- Formal Election of Directors; Appointment of Officers
- Bylaws: Status
- Finalize Elevator Pitch, Mission Statement and White Paper
- Review Descriptions of Associate Categories
- Work Towards Standardized Contract
    - Review of Top Ten Priorities Lists

Siemens is scheduled to host the next meeting to be held on a Wednesday in mid to late September convenient to all participants at a place TBD.

The Chairman moves to adjourn the meeting. Bruce McMickle seconds the motion.

The Meeting was adjourned at 1:00 p.m.

These Minutes prepared by: Deborah Talbert