

2006 ANNUAL BOARD OF DIRECTORS MEETING REPORT

ADHOC COMMITTEE TO INVESTIGATE THE FEASIBILITY OF AN ASSOCIATION WIDE CENTRALIZED ELECTRONIC RECORD/FILE/APPLICATION SYSTEM (Electronic Records Committee)

COMMITTEE MEMBERS: Terry Eaton, Chair, Michelle Kuehner, Jamie Becker, Walt Dandridge, and Scott Doyle.

Since the Annual Board of Director's Meeting in Indianapolis, the Committee has made substantial progress in transforming various tasks and record keeping within AFTE into an electronic format. After the BODs met with Andrew Ryan, CEO, ARC Solutions on June 22, 2005 he was advised to provide the BOD with a contract proposal to provide AFTE with those modules the Committee felt would be of benefit to accomplish the Committee goals and objectives. Although at times the various preliminary steps seemed laborious the Committee feels that these negotiations were necessary and beneficial to AFTE. As of this date (11/27/05) we are awaiting the second negotiated SOW (Scope of Work) from ARC Solutions. I expect this document to be sent to us within the next week that will then be reviewed by the Committee. After the final SOW is signed, ARC Solutions will then begin development of AFTE's customized modules. At this point a conservative estimate for final deployment will be mid 2006. The following timeline provides the BOD with the various steps/accomplishments the Committee has achieved to date.

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| Aug 9 th : | ARC Solutions provided us with a contract proposal |
| Aug 16 th : | President Denio sent Lawton Yates, AFTE Legal advisor a copy of contract. |
| Aug 19 th : | Mr. Yates, Mr. Denio and I had a conference call and discussed various aspects of the contract. Mr. Yates suggested some points to be negotiated. |
| Aug 30 th - Sept. 3 rd | President Denio and I had a number of conference calls with Andrew Ryan, CEO, ARC Solutions involving contract negotiations. A compromise was reached satisfactory to both parties. |
| Sept 12 th : | The contract was presented to the BOD for an EVOTE (2005-10A-E) to include 5 modules (Membership, Accounts/Payments, Documents, Content, and Events). The BOD voted to accept the Membership, Accounts/Payments, and Documents modules. |

- Sept 15th The contract was signed by President Denio and forwarded to Arc Solutions.
- Sept 16th The BOD approved travel expenses for the Committee to meet with ARC Solutions for formation of the scope document.
- Oct 17th-19th On Oct 17th and 18th, the five Committee members met together in Maryland. The Committee members met for over 12 hrs. and discussed what they felt was needed in the scope document regarding the three modules. On Oct. 18th the Committee met with Andrew Ryan, CEO, ARC Solutions and discussed the needs of the MAP for AFTE. At the termination of the meeting, Mr. Ryan advised they would supply us with the SOW (Scope of Work) within 2-3 weeks.
- Nov 4th The SOW was received and distributed to the other Committee members for their review.
- Nov 7th I preliminary reviewed the SOWs over the weekend and felt there were some deficiencies within the documents. Scott, Jamie, and Walt (Michelle was out of town all week) also voiced their concerns on Monday morning. I sent an email to Mr. Ryan outlining our preliminary concerns. He responded on Nov. 9th and suggested we set up a conference call on Monday Nov. 14th with his Program Manager.
- Nov 14th A conference call involving Dom Denio, Jamie Becker, Terry Eaton, Andrew Ryan CEO, and Marc Thibault Program Manager was completed. Eaton and Becker voiced the general concerns of the Committee on the various deficiencies in the SOWs. Mr. Ryan acknowledged and understood our concerns and will be resubmitting revised SOWs based on this discussion and in future discussions with Michelle Kuehner after she has had a chance to review the Membership Module SOW. Mr. Ryan anticipated the revised SOWs would be completed prior to Thanksgiving.
- Nov 22nd I received an email from Marc Thibault, Program Manager advising that they are working on the SOW documents, but would be delayed due to the Thanksgiving Holiday. They anticipated sending the revised SOWs sometime during the week of Nov. 28th.

END OF MIDYEAR REPORT
2006 ANNUAL REPORT FOLLOWS

Dec. 16 th	The initial revised SOW documents were received by the chair and reviewed by the Committee. Committee members discussed and offered extended clarifications they desired in the documents.
Jan.-Feb 2006	For three (3) months numerous conversations between the Committee Chair and Arc Solutions were conducted. Statements of Work for the Master and the three (3) modules were agreed upon and signed by the Committee Chair on March 3, 2006.
March 3 rd	All SOWs were signed by the Chair.
April 14 th	The SOWs were signed by Andrew Ryan, CEO (delay due to the signed SOWs were sent to the previous company address in error by the Committee Chair)
April	At the initiation of Mr. Ryan, conversations took place regarding one of the Committee's primary requirements, that the MAP facilitate membership application flow. He advised that the next generation of software entitled "Gen5" will be able to accomplish this task much more efficiently than the current version. He inquired whether AFTE would agree to the possibility delaying implementation for approximately 60-90 days until Gen5 is available. By doing this, the Gen5 architecture could then be directly implemented rather than a total rework of AFTE's MAP when it did come available. Conversations between the Chair and fellow committee members resulted in a consensus that a short delay would be in the best interest of AFTE in the long term.
June 7, 2006	<p>A status report was received from Jonathan Falker. He stated that Gen5 planning and development is ongoing and expected completion date is November 1, 2006. The migration of AFTE's data is expected to begin in October. The remaining steps before deployment are:</p> <ul style="list-style-type: none"> Completion of Data Migration Plan Configuration of AFTE MAP Gen5 package Delivery of AFTE MAP5 package Testing Period Final Acceptance Launch <p>He has assured us that AFTE is at the top of the list of clients to be launched on Gen5.should begin</p>