

STATUTES OF
THE GERMAN ASSOCIATION
FRANKFURT SKI, SNOWBOARD, SPORTS & SOCIAL CLUB

Article I
Name, Legal Form, Seat and Fiscal Year

- (1) **Name, Status, Seat.** The Frankfurt Ski, Snowboard, Sports & Social Club (hereinafter referred to as "Verein", "FSC" or "Club") is an Association under German civil law and has its legal seat in Frankfurt am Main.
- (2) **Registration.** The Club shall be registered in the Associations Register at the lower court of Frankfurt.
- (3) **Fiscal Year.** The fiscal year of the Club is the year starting on July 1 and ending on June 30. The first fiscal year shall be a short fiscal year and end on June 30, 2007.

Article 2
Purpose

- (1) **Purposes.** The Verein pursues exclusively and directly non-profit purposes in the sense of the section "tax-privileged purposes" of the German Tax Code ("Abgabenordnung"). The purpose of the Verein is the promotion of sports.
- (2) **Activities.** The purpose of the Club is primarily realized by:
 - a) the organization of and participation in sports events, in particular skiing and snowboarding events;
 - b) the arranging of qualified trainers;
 - c) the promotion of amateur skiing in Germany by making donations to other charitable organizations.
- (3) **Nonprofit Status.** The Verein is a non-profit organization; it does not primarily pursue its own commercial purpose. The funds of the Club may only be used for the designated statutory purposes. No person may benefit from expenditures that are inconsistent with the purposes of the Club or by receiving excessive compensation. Members shall not receive any payments from the Club's funds, except reasonable reimbursement of expenses and compensation in accordance with Section 8 (12).

Article 3
Membership in other Organizations

At a later point in time, the Verein may seek membership in State and/or National Sports Associations.

Article 4
Colors and Badges

- (1) Colors of the Club are blue and orange.
- (2) Each member has the right to purchase and wear the Club badge.

Article 5
Membership

(1) **Qualifications.**

The Verein may have the following members:

- (a) Ordinary contractually capable persons and legal entities (age of 18 years or older).
- (b) Honorary members.
- (c) Family members of Ordinary and Honorary members (Family members under 18 years old may only participate in trips if accompanied by a parent or designated guardian)

(2) **Application.** Application for membership must be made in writing.

(3) **Acceptance.** The Board ("*Vorstand*") decides on the acceptance as a member and also decides on the qualification and acceptance as an honorary member. Intended is an international membership structure, consisting of German and foreign citizens.

((4) **Resignation, Removal.** A member may resign as of the end of each fiscal year by filing a written resignation with the Secretary of the Association. The Vorstand may suspend a member for cause and especially for the following reasons:

- (a) Non-payment of the annual membership fee until August 31 of the new fiscal year.
- (b) Substantial violations of these Statutes.

- (c) Substantial and/or continuing acts against the Association's interests.
 - In case of a termination under (b) or (c) above, the member to be terminated must have the opportunity to be heard prior to the decision which must be provided to the terminated member in writing. The terminated member is entitled to have a group of 10 members, 5 chosen by the member and 5 chosen by the Board, review the Board's decision within 30 days of such decision with each member participating in such review having one vote. A majority vote is required to overturn the Board's decision.
- (5) Upon the member's departure all rights and obligations towards the Association cease.
 - (6) Upon the member's departure, the Verein has no obligations toward the member and all funds held by the Verein shall remain with the Verein to be used in accordance with the purposes as defined in Article 2 except in the event that the member is due a refund or other compensation previously approved; such refund or other compensation will be paid to such member.
 - (7) **Fees.** An annual membership fee must be paid. Its amount, due date and other details are determined by the Members' Assembly.

Article 6 Corporate Bodies

The Club's corporate bodies are:

- a) the Assembly of Members ("*Mitgliederversammlung*"); and
- b) the Board.

The Board may also establish committees and an Advisory Board ("*Beirat*").

Article 7 Assembly of Members

- (1) The Assembly of Members shall be called by the Board.
- (2) The annual Assembly of Members shall take place during the first five months of the fiscal year.
- (3) The invitation for the Assembly of Members must be made at least two weeks in advance in writing.

- (4) The agenda shall include:
 - a) Report of the Board;
 - b) approval of the Board's actions;
 - c) election of new Board members;
 - d) calendar of events;
 - e) discussion of proposed budget;
 - f) motions by members;
 - g) miscellaneous.
- (5) Motions of members which shall be dealt with as an agenda item for the Assembly of Members are to be made to the Board in writing at least one week in advance. Members have no right that any motions made at a later date will be put on the agenda.
- (6) The assembly shall be presided over by the President or its representative.
- (7) The Secretary must prepare minutes on the assembly which have to be signed by the presiding Board member and by the Secretary. The resolutions passed must be made part of the Minutes word by word.
- (8) Resolutions are made with simple majority of the votes made (abstentions do not count). Generally, votes will be made by show of hands ("Handzeichen"). The Assembly of Members, however, may decide that on a certain subject it must be voted differently. Elections of Board members are generally to be made in writing.
- (9) Amendments to the Articles can only be made with a majority of two thirds of the votes cast. The dissolution of the Club requires a majority of 75 % of the votes cast.
- (10) Extraordinary assemblies are called if required in the Club's interest or upon written motion with reasons brought by at least 20 % of the members. An extraordinary assembly has the same rights as the ordinary assemblies.
- (11) The Assembly of Members has a quorum when at least 10% of the members are present or represented by proxy. Each member has one vote and can be represented by another member by written proxy, whereby however a member cannot represent more than three other members. With the exception of elections to the board and resolutions on the amendments of the articles, attendance is also given when a member is present throughout the meeting by telephone conference or through other appropriate telecommunication means.
- (12) The Assembly can form committees and transfer authority to them.

Article 8 Board

- (1) **Composition.** The Board is the managing body of the Association. The Board shall have one President (“*Präsident*”), two Vice-Presidents (“*Vizepräsident*”), one Treasurer (“*Schatzmeister*”) and one Recording Secretary (“*Schriftführer*”).
- (2) **Number, Election, Tenure.** The Board members shall be elected for a term beginning upon their election and continuing until the next election for the respective Board position. If the election of Board members shall not be held at the annual Assembly of Members, such election shall be held as soon thereafter as it conveniently may be. Members of the Board shall be members of the Association and their Club membership shall continue for their entire term as a Board member. Each Board member shall hold office until his or her successor, if any, shall have been duly elected and shall have qualified, or until he or she shall resign or shall have been removed in the manner hereinafter provided. If a Board member retires during his/her term, the Board shall elect a replacement for the remaining term. Election of Board members shall not of itself create contract rights.
- (3) **Resignation, Removal.** A Board member may resign at any time by giving written notice to the Secretary. Any Board member may be removed with or without cause by the Assembly of Members, but such removal shall in either case be subject to the approval of the majority of the votes cast.
- (4) **Meetings.** Meetings of the Board may be called by the President or a majority of the Board members, for the purpose or purposes stated in the notice of the meeting.
- (5) **Place of Meetings.** The President may designate any place as the place of meeting for any meeting of the Board.
- (6) **Notice of Meetings.** Written notice stating the place, date, hour, and purpose of any meeting of the Board shall be delivered to each Board member entitled to vote at such meeting no less than 10 days and no more than 60 days before the date of such meeting. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. Any Board member may waive notice of a meeting before, at or after the meeting, orally, in writing, by electronic communication or by attendance. Attendance at a meeting is deemed a waiver of notice of the meeting unless the Board member objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and the Board member does not actively participate in the meeting.

- (7) **Written Action.** Any action required or permitted to be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the Board members entitled to vote with respect to the subject matter thereof.
- (8) **Quorum.** The presence of a majority of the Board members shall constitute a quorum at any meeting of the Board. If a quorum is present, the affirmative vote of a majority of the votes represented at the meeting shall be the act of the Board. Abstentions do not count as votes.
- (9) **Proxies.** Proxies shall be permitted on any vote of the Board.
- (10) **Voting.** Each Board member shall be entitled to one vote in each matter submitted to vote at a meeting of the Board. In the event of parity of votes, the President shall decide the outcome of the vote.
- (11) **Conduct of Meetings.** The President or Vice President shall preside at the meetings of the Board. Meetings may be held by electronic audio or video conferencing, provided that each participating member is able to hear all other participating members and to speak to all other participating members. Minutes of all such meetings shall be kept, and shall be signed by the presiding Board member and the Secretary.
- (12) **Reimbursement.** The Board members generally act in a voluntary capacity. They are entitled to cost reimbursement for reasonable expenses incurred as determined by the President and Treasurer. However, the Assembly of Members may authorize payment of reasonable compensation to those Board members who are involved in the day-to-day-business of the Association.

Article 9 Responsibilities of the Board

- (1) **Authority.** The Board Members, within the representation authority described in the following, have the authority to act on behalf of the Club and may employ and terminate employees on behalf of the Club. The President acting together with a Vice President or another member of the Board may execute documents or otherwise take action on behalf of the Club with respect to third parties.
- (2) **Limitations.** The Board shall manage the Club in accordance with the Club's purposes and Statutes.
- (3) **Liability.** By statute (Section 31 BGB), the Club can be held liable for any damages suffered by third parties as a result of the acts or failure to act by a Board member or other agent of the Club within the scope of his or her responsibilities to the Club. Board members shall be liable to the Club only for willful acts and gross negligence.

- (4) **Indemnification.** To the full extent permitted by law, the Club shall indemnify each person made or threatened to be made a party to any civil, criminal, or other proceeding by reason of the former or present capacity of the person as a Board member, member, or member of a committee of the Club against expenses incurred by the person in connection with the proceeding, if the person:
- a) has not been indemnified by another individual or entity for the same expense;
 - b) acted in good faith;
 - c) received no improper personal benefit and met all requirements for satisfying any applicable conflicts of interest law;
 - d) in the case of a criminal proceeding, did not have reasonable cause to believe the conduct was unlawful; and
 - e) in the case of acts or omissions occurring in the person's official capacity, reasonably believed that the conduct was in the best interests of the Association.

The Verein shall not, however, provide indemnification with respect to any matter as to which the person shall be adjudged to be liable to the Verein. The Verein may, to the full extent permitted by applicable law, purchase and maintain insurance on behalf of any person who is or was a Board member, member, member of a committee or advisory board member of the Verein against any liability and costs incurred by such person in such capacity.

Article 10 Committees and Advisory Boards

- (1) **Committees.** The Board, by resolution adopted by a majority of the Board members in office, may designate one or more committees, each of which will consist of at least one Board member and such other persons as the Board may designate. The committees, to the extent provided in said resolution and not restricted by law, shall have and exercise the authority of the Board in the management of the Association; but the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board, or any individual Board member, of any responsibility imposed on it, him or her by law.
- (2) **Advisory Boards.** Advisory boards not having and exercising the authority of the Board in the Club may be designated or created by the Board and shall consist of such persons as the Board designates. An advisory board may or may not have Board members as members, as the Board determines. The advisory board may not act on behalf of the Club or bind it to any actions but may make recommendations to the Board of the Club.

- (3) **Rules.** Each committee or advisory board may adopt rules for its own government to the extent they are consistent with these Statutes or with rules adopted by the Board.

Article 11 Amendments to the Statutes, Dissolution

- (1) **Amendments.** The power to alter, amend, or repeal the Statutes or adopt new Statutes shall be vested in the Assembly of Members unless otherwise provided in the Statutes and requires the majority of the valid votes cast excluding any abstentions. Such action may be taken at a regular or special meeting for which written notice of the purpose shall be given. The Statutes may contain any provisions for the regulation and management of the affairs of the Club not inconsistent with law.
- (2) **Dissolution.** Upon dissolution of the Club or cessation of the non-profit purpose, the Club's remaining assets shall be passed on to one or more tax-exempt, non-profit organizations selected by the Board, and such organizations shall directly and exclusively use such funds for purposes in accordance with Article 2 or other charitable purposes to be determined by the Board. Such remaining assets shall not be distributed to the members.

Article 12 Miscellaneous

- (1) **Deposit of funds.** All funds of the Club shall be deposited from time to time to the credit of the Club in such banks or other depositories as the Board may approve or designate, and all such funds shall be withdrawn only in the manner or manners authorized by the Board from time to time.
- (2) **Books and records.** The Club shall keep the following original documents of the Club, or complete and correct copies thereof: business correspondence and accounting records for the last ten years; the Statutes of the Club; and records of meetings of the Assembly of Members, the Board, and committees having any of the authority of the Board.

December 19, 2006

Robert Pinnington

Peter Jones