MEMORANDUM AND ARTICLES OF ASSOCIATION

LUMBUNG KAMPUNG DAMAI INDAH JAYA GILI AIR (L.K.G.A.)

§ 1 name and headquarters/place of business

Headquarters of the association is Gili Air, Indonesia.
Name of the association is:

LUMBUNG KAMPUNG DAMAI INDAH JAYA GILI AIR (L.K.G.A.)

It will be applied with the registry of associations at the local court in Mataram (NTBA).

§ 2 purpose of association

The **LUMBUNG KAMPUNG DAMAI INDAH JAYA GILI AIR** is religiously and politically independent. It is a not for profit association. With its seat in Gili Air exclusively and directly pursues aims in the true sense of the following:

a. Development of economic and ecological infrastructure enabling inhabitants of Gili Air to pay for their own costs of living.
b. Building foundation, constructing and maintenance of a hospital on Gili Air including all relevant matters, personnel, infrastructure and maintenance.
c. Further-Construction of school with all necessary technologies for learning, including tele-learning enabling pupils and students to reach international standards.
d. Building of fund for people in need and during illness.
e. Building of court of arbitration for problems of Gili Air's inhabitants.
f. Development and undertaking of island fund for public tasks.
g. Support of traditional dances and events.
h. Development and undertaking of actions for the protection of corals and, beaches and vegetation.
i. Furthering of planting and growing, marketing and sales of local medical plants.
j. Protection of animals living on Gili Air.
k. Development of information brochures for tourists.
l. Assistance of preventative measures against damages to the environment.
m. Representing Gili Air's specific interests at government.
n. Setting up a foreign people's council to represent foreigners living on Gili Air.

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Deutsch-Indonesische Vereinigung zur Förderung von Wirtschaft, Wissenschaft, Tourismus und Kulturaustausch e.V.
Lauinger Str. 39 ■ D-80997 ■ Munich ■ phone: +49-89-143 90 659 ■ fax: +49-89-143 90 658
bank: Stadtsparkasse München ■ BLZ: 701 500 00 ■ account: 902 100 072
BIC: SSKMDEMM ■ IBAN: DE97701500000902100072
president: Stefan Miller ■ vice president: Ursula Buchner ■ vice president finance: Joerg Praetorius
registered assosiation at local court Munich: VR 17954

§ 3 financial year

The financial year shall be the calendar year

§ 4 Organs of the association

Organs of the association are:

a. the board
b. the general meeting
   plus, if established:
c. the advisory board
d. board of trustees

To look after private and corporate interests which financially or intellectually support **L.K.G.A.** a board of trustees and / or an advisory board can be established through the general meeting procedures.

This board of trustees advises and supports the organs of **L.K.G.A.** in its work.

§ 5 membership categories

The association has

a. full members
b. supporting members
c. honorary members

Full members have all legal powers and duties of an association member. Supporting members assist the activities of the association through advise and payment of membership fees / donations, without all legal powers and duties of a full association member.

Honorary members support the association through their expertise, without all legal powers and duties of an association member.

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§ 6 membership process

Any person living on Gili Air can be a full member. New full members shall be approved in a general meeting with approval of single majority (number of votes in favour are larger than number of votes against) of all full members present at general meeting. There is no right to become a member. Membership begins upon approval.

Any person or legal company can become a supportive member. A single majority in a general meeting decides approval of new supportive members. Admission to the association depends upon payment of membership fee, which minimum amount is set by the general meeting.

Honorary members are selected by a board's decision with single majority.

§ 7 Exemption rule

DIV e.v. (German-Indonesian Federation for the advancement of economy, science, tourism and cultural exchange e.V.)
registered at local court Munich, Germany, VR 17954

PERSATUAN JERMAN-INDONESIA UNTUK PENINGKATAN BIDANG EKONOMI, ILMU PENGETAHUAN DAN PERTUKARAN KEBUDAYAAN e.V.
Berkedudukan die Muenchen/Jerman: VR 17954

is part of **L.K.G.A.** board with one person as first vice chairman. This person is chosen about from board of **DIV e.v.** being full member of **L.K.G.A.** with all statutory rights and obligations.

This paragraph (§ 7) of this articles of association may only be changed in accordance with board of **DIV e.v.**.

Financial investments and expenditures of **L.K.G.A.** are only allowed in accordance (acceptance necessary in advance) with this first vice chairman (**DIV e.v.** chosen person – or person authorized in writing by **DIV e.v.**) of **L.K.G.A.**. **L.K.G.A.** reserves the right to delegate these decisions to another person in writing.

§ 8 membership fees

Membership fees and due dates are set by the general meeting.

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§ 9 termination of membership

1. Membership ceases through resignation becoming effective, dissolution of the association, death, or expulsion.
2. Resignation proceeds in writing to the board
3. Resignation is only possible at the end of each calendar year with six month notice period.
4. In case of important reasons termination of a membership of full member from **L.K.G.A.** can be decided by the board in a general meeting. This is not valid for person according to § 7 of these articles of association. For decision about expulsion of membership of full member - decision 3/4 of all present votes are needed as minimum.
5. In case of important reasons termination of a membership of sponsoring member or honorary member from **L.K.G.A.** can be decided by the board in secret voting. For decision about expulsion of membership of sponsoring member or honorary member decision 2/3 of all board members votes are needed as minimum.

§ 10 the board

1. The board consists of three members, the chairman, his vice chairman (being part of board of **DIV** e.v.) and one further member. All full members are entitled to vote. The period for which a person is elected is three years. Re election of full board members are possible. The association is represented by two board members together. Vice chairman as veto-right.

2. The board is responsible for all affairs of the association, unless those affairs are not transferred through the articles to another body of the association.

Mostly its duties are:

a) execution of decisions made at the general meeting
b) Preparation of financial budgets, yearly report and yearly closing of accounts
c) Preparations of general meetings
d) Convening and chairing of ordinary and extra ordinary meetings; posting of meeting agendas.
e) Administration and financial management of the association's assets.
f) Convening of board of trustee meetings and advisory board meetings.

3. The Board has the right to participate in meetings of the board of trustees and advisory board meetings.

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§ 11 ordinary general meeting

1. Annually after completion of the yearly report for the previous year an ordinary general meeting must be held. This meeting must be held during first six months of following year.

2. Ordinary general meetings must be called in by board in writing or through media or notice boards generally used within Gili Air, with agenda minimum of four weeks prior to meeting. Agenda items must be submitted to the board in writing minimum two weeks prior to meetings.

3. Single members suggestions for agenda items must be submitted to the board in writing with small explanation minimum two weeks prior to meetings.

4. Entitled to vote are only full members, supportive members have the right of speech and the right of filing an application. Every full member has one vote. Right to vote can be transferred in writing to other full members.

§ 12 areas of responsibility of general meetings:

1. General meetings have following tasks:

a) Receipt, approval and discharge of the board's annual written report and closing of yearly accounts. Approval of board's members.
b) Decision on financial budgets
c) Calling of members to the board according to § 10 Point 1
d) Board Members discharges
e) Assignment of Board of Trustee Members
f) Pricing of admission and membership fees for full members and supporting members.
g) Decision of new full member admissions and expulsions
h) Decision of changes to the articles of association and the voluntary dissolution of the association
i) Signing of rental agreements or leasing agreements
j) Hiring and firing of employees

2. The general meeting is a quorum when more than half of its full members are present. If there is no quorum at a general meeting the board is responsible to call in a new meeting with the same agenda within four weeks. At this general meeting decisions can be made with a single majority of present full members; this needs to be informed in the invitation to the general meeting.
Above is not applicable for changes to the articles of association.

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3. The passing of a resolution is made, unless otherwise stipulated in its articles or the law, with the single majority of present full members. In equality of votes the resolution will not pass. Hiring and firing of employees, signing of rental agreements and investments exceeding the capital of the association need a three quarter majority of present full members.

4. Negotiations and decisions need be recorded in the minutes, which needs to be signed by the chairman.
   In case of his absence the vice-chairman must sign.
   In case of his absence the third board member must sign. The secretary is requested to sign additionally.

5. General meetings are in principal chaired by the chairperson. In case of absence by the vice-chairman, respectively his representative. In case of absence of all the above the treasurer shall chair the meeting.

6. Passing of decisions are made by a show of hands.

7. A motion of three present members needs to be voted on confidentially and in writing.

§ 13 extraordinary general meetings

1. The board can call for an extraordinary general meeting if deemed as necessary by the board or when at least 49% of full members request so in writing with reasons and a meeting agenda.

2. All regulations applicable to standard general meetings apply to extraordinary general meetings.

§ 14 management of the association

Unless otherwise indicated in § 12, the chair is responsible for the complete management of the association.

§ 15 liability

The liability of all organs and members of the association is limited to its assets.

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§ 16 profit

1. The association derives no profits. In particular no one must benefit from non related expenses or unreasonable high allowances.

2. The funds of the association, including donations, school fees, seminar fees, proceeds from association businesses can only be used as stipulated in the articles of the association.

§ 17 Services of L.K.G.A.

All services (social / financial) are only available for members of **L.K.G.A.** according to financial power of **L.K.G.A.** at time of decision about individual request. There is no legal entitlement for any services.

§ 18 dissolution of the association

1. In case of dissolution of the association, its fund shall be transferred to community of Gili Air.

2. The chair liquidates the association.

All donations / membership fees for L.K.G.A. and returns of L.K.G.A. are solely used for social purposes on Gili Air.

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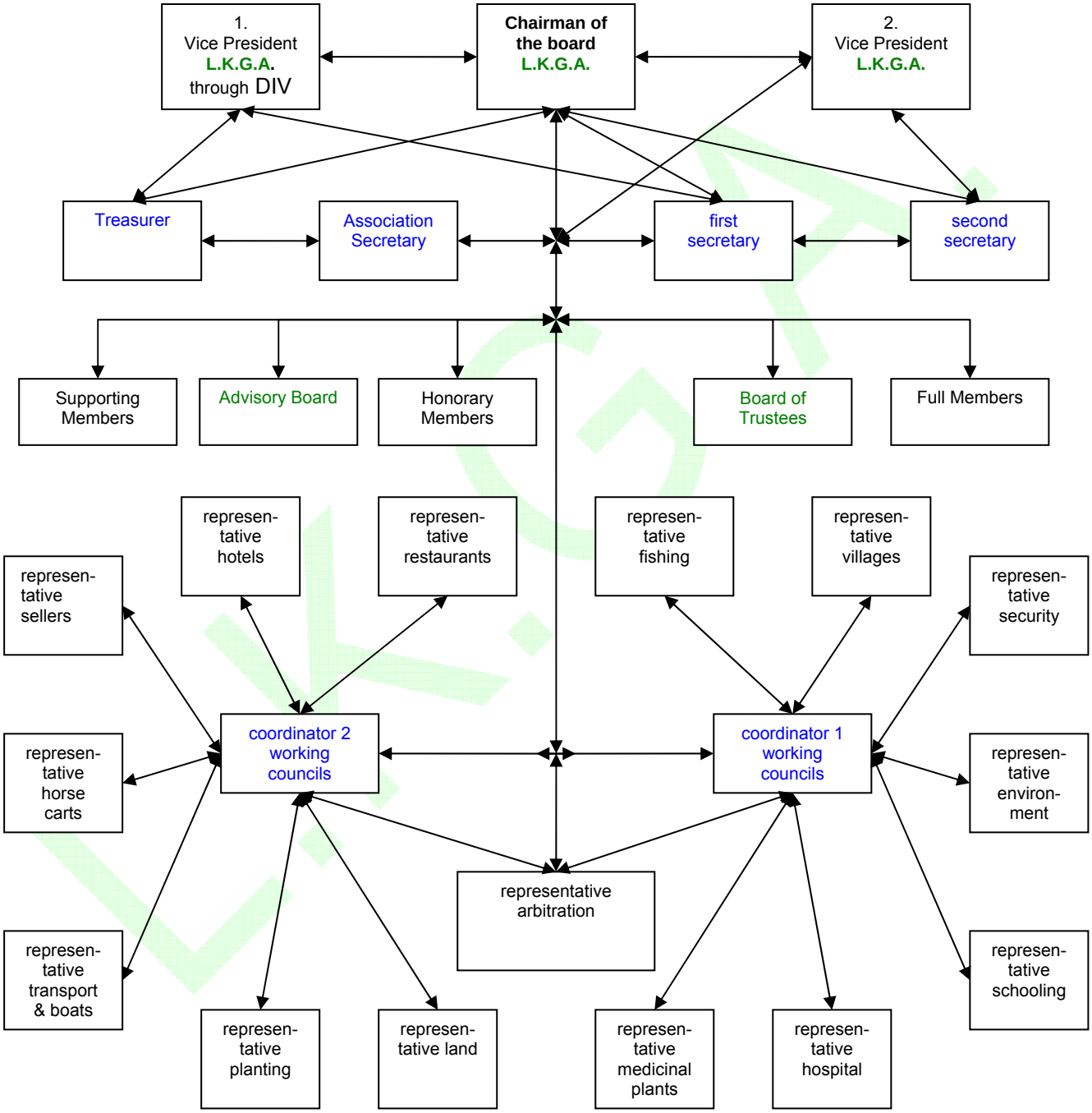
Structure of L.K.G.A.



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