

USSA BOARD OF DIRECTORS' MEETING MINUTES

USSA Center of Excellence
2nd Floor, Borgen Swartz Education Resource Center
1 Victory Lane, Park City, UT

Sunday, May 22, 2011, 7:30 a.m. – 10:30 a.m.

USSA BOARD OF DIRECTORS' ATTENDANCE

Dexter Paine – Chairman

FOUNDATION

John Bucksbaum, absent

John Cumming

Andy Daly

Jeanne Jackson, absent

Kipp Nelson, teleconference

Hank Tauber

SPORT REPRESENTATIVES

Alpine Representative: Bob Dart

Snowboard Representative: Jon Casson

Freestyle Representative: Glenn Eddy

Cross Country Representative: Jon Engen

Jumping/Nordic Combined Representative: Joe Holland

ATHLETES

Alpine Athlete: Scott Macartney

Snowboard Athlete: Danny Kass

Freestyle Athlete: Landon Gardner

Cross Country Athlete: James Southam

Jumping/Nordic Combined Athlete: Willy Graves

CEO

Bill Marolt

AT-LARGE

Greg Boester, teleconference

EX-OFFICIO/NON VOTING

USOC Athletes' Advisory Council Representative: Andrew Johnson

NSAA President/Chair: Michael Berry, absent

SIA President/Chair: David Ingemie, absent

FIS Representative: Bill Marolt

USOC Representative: Bill Marolt

COUNSEL

Alex Natt

GUESTS

Luke Bodensteiner

Calum Clark

Walt Evans

Andrew Judelson

Tom Kelly

Mark Lampe

1. Chairman Convenes the USSA Board Meeting: Dexter Paine

Dexter Paine opened the meeting and provided instructions to the board on how to use the microphones.

2. **Chairman's Introduction of Board Members: Dexter Paine**

Alex Natt took the roll call and confirmed the presence of a quorum.

Paine then asked Natt to go through the first few motions.

3. **USSA Agenda Approval: Dexter Paine**

Natt asked for a motion to approve the USSA Board of Directors' agenda as submitted.

Motion # 1: To approve the USSA Board of Directors' meeting agenda.

M/S/C – Andy Daly/Bob Dart, approved by acclamation

4. **USSA October 2010 Meeting Minutes' Approval: Dexter Paine**

Natt asked for a motion to approve the October and December 2010 USSA teleconference meeting minutes.

Motion # 2: To approve the USSA Board of Directors' meeting minutes as presented.

M/S/C – Scott Macartney/Andy Daly, approved by acclamation

5. **Chairman's Report: Dexter Paine**

Paine requested a moment of silence for Bud Little, a long-time FIS member who had been a huge supporter of USSA and skiing. He died last June.

He said that he would make his chairman's report brief. The first thing he wanted to do was to introduce the new USSA board members. Landon Gardner, freestyle athlete, Montana native and competing on the team since 2004, he said he appreciated Landon's feedback to date and looked forward to working together. He introduced Danny Kass, new snowboarding athlete, a New Jersey native, although currently living in Portland, OR and New York City and two-time silver medalist in the halfpipe and a successful entrepreneur as well. He introduced Willy Graves, jumping/nordic combined athlete representative, son of Peter Graves and long-time skier, a Vermont native, and a retired member of the team attending Westminster College. He noted that it was great to have them on board and he reiterated that he looked forward to working together.

He thanked staff for their great efforts over the year. He stated that FY 10/11 was a post-Olympic year and despite that, we had tremendous athletic successes across all the sports, which would be discussed later. We had the introduction of a number of new sports, he said. The IOC approved ski halfpipe for men and women and women's ski jumping for inclusion in the program for Sochi. Slopestyle and the team event in alpine would be discussed later on. These new events were sports in which the US did well and we were excited about them. The world championships were hosted here in Slopestyle. Paine commented that he had never been to a Slopestyle competition before and went to the event and reported that it was great viewing and exciting. He stated that there was an effort to broaden the sports to reflect what kids were doing on the hill today.

He said that Mark Lampe would discuss the budget but suggested that, when you take five-six new sports and the same budget, it leads to tough decisions. He said that the organization was working diligently at taking advantage of our athletic success to generate more revenue. As always, in the budgeting process, there were lots of difficult decisions to

be made. However, he affirmed that we remained committed to funding development and elite teams to make sure that we were in good shape for Sochi.

The final item to mention was that Bill Marolt, who'd been with the organization for 16 years and provided tremendous leadership during that time, announced his decision to retire in 2014. He said that we had begun thinking about that process to make it as seamless and thoughtful a transition as possible. We put together a transition committee to think about that process and report to the board. That Committee consisted of Chuck Ferries and Jim McCarthy, both former USSA chairmen, Paul Raether, long-time member of the Foundation board and Bill and himself. The focus would be on the following areas: transition at the CEO level, transition at the USOC, transition at the FIS, and making sure that Vail 2015 was the best World Championships that had ever been run. Those were the areas under consideration.

6. Jurisdiction of Adaptive Sport: Alex Natt

As most of the board members knew, in December there had been a special meeting of the USSA BOD after the USOC had requested that the USSA return management of adaptive sport to the USOC. At that time, control of U.S. Adaptive was returned to the USOC; however, the USSA bylaws required that we only terminate jurisdiction of sports under our control at the annual meeting, which was today.

He read the December 16th motion approved by the board of directors into the record. "Resolved, that the USSA understands and agrees that the USOC has removed management and jurisdiction of adaptive sport from USSA. USSA consents and agrees to assist the USOC in this effort so as to maximize opportunities for adaptive athletes. M/S/C – Andy Daly/John Bucksbaum, approved by acclamation"

As part of the clean up, the board needed to dissolve the U.S. Adaptive Sport Committee as well as remove the adaptive athlete and the sport seats from the board at this meeting. He requested the motion.

Motion # 3: To dissolve the U.S. Adaptive Sport Committee and the U.S. Adaptive Sport and U.S. Adaptive Athlete positions on the USSA BOD as the USOC has jurisdiction over the adaptive skiing sports.

M/S/C – Dexter Paine/John Cumming, approved by acclamation.

7. USSA Bylaw Amendments: Alex Natt

Natt reported that there were bylaw amendments that needed to be confirmed at this meeting (Addendum A). The edits to the bylaws reflected the changes just discussed with adaptive where we removed reference to the Paralympic Games in the bylaws as qualifying competition for recognition under the USOC's ten-year rule. The final amendment eliminated term limits for the USSA chairman, just as the USOC has done, which allowed for consistency throughout the transition period in 2014 along with maintaining consistency in dealing with international relations. He asked if there were any questions or discussion. Seeing none, he asked for a motion to adopt the bylaw amendments.

Motion # 4: To ratify the USSA Bylaw amendments as presented.

M/S/C – Andy Daly/Hank Tauber, approved by acclamation.

Paine asked for the CEO report from Bill Marolt.

8. Chief Executive Officer's Report: Bill Marolt

Marolt stated that he would be brief in his remarks and discuss the state of the USSA, the USOC, the FIS, and give a short briefing on Vail/Beaver Creek 2015.

From an athletic standpoint, he stated that you never knew how a team would come out of a very successful Olympics. But as you looked back at this year, all of the elite athletes were winning podiums and globes or overalls. It was a fantastic year on the part of the athletes and he gave kudos to the entire athletic staff. On the development front, the success of your effort was often a question. We worked toward building depth but you were always unsure of the outcome; however, looking across the sport development programs, there were good quality young people in the pipeline.

He said that the board would be hearing a lot about the Strategic Plan during the meeting. This was a plan delivered by Andy Daly this past year. A lot of time and effort were spent in putting it together and ultimately the plan was providing a good road map to organize through the next quad, plan for resource allocation and how to fund or not our sports as we moved toward Sochi.

Paine mentioned the new sports in Sochi – halfpipe skiing and women's ski jumping, which should both be good opportunities for the USSA. These reflected a growing demographic in skiing and snowboarding. There was still a decision remaining to be made on Slopestyle. That could be decided at the next IOC meeting. We were relatively confident that it would be brought on as well.

Through the whole process, Luke Bodensteiner and Jeremy Forster had been working together to put a U.S. Freeskiing program together, which had been built out, and the process for naming a team drafted. They would be in full operation as we moved toward the winter, he commented. There had been great work done with those athletes and he was very positive about the process and reported that the athletes were looking forward to being members of the U.S. Freeskiing Team.

2011-2012 focus did not have a World Championship or Olympics, so it would be a time to build a good physical base, a lot skiing and a lot of work in the training room would take place and at the same time we would be looking for new talent. It would be a critical year for what we did in Sochi.

From a financial standpoint, in 2010-2011 we balanced the budget again. Mark Lampe did his usual good job on the spending side, keeping us in check with a slight surplus to meet our debt covenant. That said, he commented that 2011-2012 would be a year of significant revenue challenges. The corporate marketplace had not come back completely from 2008-2009 and it was a challenge in the fundraising contribution area as well. We had our challenges and would work hard to make sure that we hit our numbers because they were critical to our athletes and athletic success.

One of his areas of focus over the next four years and something he had been looking at for some time – we talked about our elite programs, development, mentioned that we would finish the endowment and start another to help solve some long-term funding issues and the fourth was investment in infrastructure.

He explained that we had been working on two particular projects. The first was a project with Copper Mountain; our plan was to do this in the fall, which was to install an automated snowmaking system from the top of the Super B lift to the bottom. We would add full A and B net for safety, as well as communications and timing. It would be a legitimate world-class downhill and would be a game changer for this organization in terms of what we wanted to do with our programs. It will be of tremendous benefit to the elite teams and for the developing

athletes. This would be open for clubs, academies, and individuals who wanted to train in a great environment.

The second project was the USSA Academy, which had been under discussion for some time, of adding this element to our overall program – finding a way to add the academic to the athletic enterprise and provide a well-rounded program to the athletes coming up through the pipeline. This was an enhancement. The addition of the academy would allow a step forward and put us in a better position to compete with our primary competition, the Austrians and the Norwegians. He said that Luke Bodensteiner had been the architect on this and would discuss the detail later.

9. USOC Report: Bill Marolt

Marolt stated that he was a member of the USOC's National Governing Bodies' Council. He said that the leadership of Larry Probst and Scott Blackmun had been doing a tremendous job in establishing our international relationships with other international committees. It was tough work, but we were on track there. He added that a few weeks back he had visited Scott Blackmun to discuss funding going forward and he said that, while it was a great meeting, what he saw there were the same financial challenges we were facing.

A critical component for the USOC would be how the IOC TV contract was negotiated, which was currently in the bid process. He mentioned that NBC had been purchased by Comcast so that changed the dynamic with them. He mentioned the ABC, ESPN opportunity. The IOC was confident that the numbers would be bigger. The US challenge would be to negotiate as good a deal on sharing revenue as we had historically. Through the years, he cited that the U. S. had taken the lion's share of those international rights.

Safe Sport Environment would be discussed later by Alex Natt.

Paine added that we continued to be proactive with the USOC and that Jim McCarthy had been involved in the bylaw updates at the USOC, which led to the election of a couple new USOC members, one of whom was Nina Kempel, who had previously held the USSA's AAC representative position before Andrew Johnson. Having Nina on the board would be helpful going forward. She was a tremendous resource and asset.

Marolt confirmed that there had been a study group that looked at the USOC constitution and bylaws and McCarthy played a key role in making those changes in governance, size of the board and process of selection to the board.

10. FIS Report: Bill Marolt

On the FIS side, the IOC established the Youth Olympics and they would take place in January in Innsbruck. It's an abbreviated schedule without all the events in an Olympic Games, but provided a good cross section of our sports – alpine, nordic, freestyle and snowboarding. He commented that it was the outreach to a different demographic and should be a terrific event as the Austrians typically did a great job.

The other focus that he had noted had been early-season big-city events. There had been alpine in Munich and aerial events in Moscow. He foresaw them expanding that. He knew of their desire to do something in the US, particularly in New York. We'd love to do that if there were any way to figure out how to fund it. It would be a fantastic opportunity down the road.

Approval of New Olympic Events – the reason this was mentioned is that he wanted to thank the staff who had done a great job in working with the FIS and FIS staff who ultimately

positioned that so they could make a positive recommendation to the IOC and get those events approved, which were great opportunities for the USSA.

Finally, he mentioned the Vail/Beaver Creek 2015 World Championships. He explained that this had been a third attempt at trying to get an Alpine World Championships since 2009. There was a terrific bid committee and he thanked Hank Tauber who had been a large part of that success providing a different perspective, and, ultimately, we were awarded the championships. He said that Vail would do a phenomenal job – and that the challenge would not be what happens inside of the fence but to put together a PR and promotional program so that we tell our story in Colorado and the rest of the US, Canada and internationally. That was the challenge – to make sure it was a true world championship event.

He said that there as an Executive Committee in place. Paine and he were on the committee. Two meetings had been held. The Advisory Committee was also in place and held its first meeting and the Operations Committees were also all designated. All were fully staffed and developing plans. Recently, a meeting of the coordination group took place. This group included Sarah Lewis, FIS Secretary-General and other FIS staff. The FIS was pleased with the progress to date and the direction headed. He said that this provided a great focus for 2015 and helping the organization to move on from 2014 to 2018.

11. Financial Report: Mark Lampe

Paine asked Lampe to discuss the financials. Lampe said that they held a very productive meeting with the Executive Committee, going into detail on the financials so he would shorten it up and touch on where we were finishing this year and spend more time on FY 12 and then move into the investment report.

As Marolt mentioned, we would end with a surplus in FY 11. The year end was April 30th so the books were just now being closed. The surplus would be roughly \$30,000 which would meet all the required debt covenants.

From an overall perspective, we saw the market start to turn and were seeing momentum build with our renewals and we saw a turn in the Foundation giving. He said FY 09 was the first time through three economic downturns that he noted an impact to the giving levels. We saw our special events and gold passes suffer in those years. He said that we had turned the corner on gold passes. We were at 285 in FY 10, we did 322 in FY11. Thus, we were setting the goal higher and building to secure donations for all 400 of the passes for FY 12. That was a challenge which would be pursued diligently.

A couple other items to highlight included a very strong start to the Team Sochi program. The Olympic hospitality programs revenue recognition is front-loaded. Most of the recognized revenue comes in years one and two of the quad. There was a bit of an aberration in FY 10 in which we were still picking up some revenue from Vancouver, but typically by year four, we are not getting any additional revenue. He added that there were 34 pledges in place to date already for Team Sochi. These were critically important to funding the athletic programs, particularly in the first two years.

There were also some spikes in other revenue. There was almost \$400,000 in capital gains and previously reserved receivables that we collected. There was almost \$900,000 in additional Olympic gifts which came in post April 30 so the cash recognition benefitted FY 11.

In the elite program line item, he pointed out that the athletic programs grew for the second time in a post-Olympic year. The first time that had happened was after the Torino Games. Prior to then, athletic funding would drop in the first year of the quad, reflective of dropped revenue post-Olympics. He said that a lot of planning had taken place over the years to prevent that including establishing the endowment as well as getting contracts at least one

year past the Olympic Games to avoid that drop off. He said donor programs generally keep growing.

The Center of Excellence cost line includes operations, depreciation, and interest expenses; we saved \$140,000 in fy11 as a result of finally getting the property tax ruling settled and not having to pay that.

He then discussed FY 12. Lampe said that there were challenges and we were not bashful about going after some very aggressive revenue targets. From strategic planning and what Athletics had done, knowing we were adding sports and there were additional needs from existing sports, we could use an additional 30% in the athletic budget. There were \$3 million in initiatives that were very highly-valued but we did not have the ability to fund that much yet. We will keep making efforts to progress toward that.

There are large growth targets in Fundraising and Sales & Marketing; however, there are still \$4 million in contracts to be sold; approximately \$2.8 million are renewals. There is a lot of good inventory to be sold including titles at Telluride and Lake Placid and one more bib at Vail as well as snowboard auto. So, we have the opportunity to realistically reach that number. On the Foundation side, he said we are challenging ourselves to get donations for all 400 gold passes. We were also adding a couple more events patterned after the successful Windham event. And we were targeting to get major gifts back to the FY 08 level.

He said that we are holding \$1.5 million in sales risk reserve. He explained that we historically do not start the year with that much risk and not hold a reserve against it. If we spent entirely against the revenue targets with that much risk, we'd be exposed to not getting the year in balance. As we start to see revenue firm up, usually by fall, we start to release additional funding into athletic programs, or as we call them, fund mid-year initiatives. That is how we have kept the books in balance throughout the years.

Team Sochi was off to a great start, but the \$1.4 million for FY12 is an additional 20 pledges. We knew that is a big stretch and will require a focused effort to get that in.

Athletics would be up again this year, but not as far as we'd like. You'll see that there is another drop in Center of Excellence expense line as we had an opportunity to reduce interest significantly and save about \$500,000 in fy12. In SG&A he said we were squeezing where we could. We spent money last year on some one-time costs and projects that would not recur as well as squeezing down wherever we could to maximize funding to Athletics.

Paine reiterated that an important tenet for the organization was balancing the budget. Since Bill Marolt took over as CEO and Mark Lampe as CFO, we have been disciplined about not running any kind of deficit. That continued to be very important – to not fund projects that would cause us to run a deficit for the year.

Lampe commented that one of the items he wanted to highlight was the resolution of the USSA Center of Excellence property tax matter with the county. We had fought this with the county for a couple of years and Alex Natt's and one of his associates spent a significant amount of time trying to help us get the county to recognize that, in fact, our legal organization is a recognized non-profit and that our activities meet the vague definitions within the state law for being property-exempt. These do not follow federal tax law but are unique to each state. We did get a favorable ruling from the State Tax Commission that ruled in favor of all of our arguments that the county used to try to disqualify us, but then they left it open as to how much we qualified on education – whether all of the building or some it, leaving us and the county without a resolution.

The Utah Sports Commission was aware of this situation and their executive director and Lampe discussed the issue and its impacts. The Executive Director took it to his executive committee, which included the governor and a couple of state senators, one of whom had

been on the tax committee for several years. He took it to the current legislative session and added us to a bill and within a few weeks we had a bill passed recognizing us and other NGBs as being tax exempt and the purpose was tax exempt from property taxes.

It was a lot of work for us to finally get this resolved. This was a \$140,000 benefit to this year and \$120,000 to FY 10 and once the building was fully valued for tax assessments, this would have been a \$250,000 annual burden, which was now removed. He thanked the efforts of Jeff Robbins, President and CEO, Utah Sports Commission; and Senators Curtis Bramble and John Valentine of the Utah Legislature for their assistance.

Lampe then discussed that when the tax-exempt bond was issued in FY 07, we issued variable rate bonds which provided better rates than going fixed with a floor of 3.28% and a ceiling of 4.5%. He discussed that he had followed the rates which had been extremely low and working with Wells Fargo, for the next 24 months, we could unlock the collar on the tax-exempt bond with a floating rate and start paying 2/10ths of 1% and will float for the next 24 months. Rates were not expected to begin climbing until the middle of FY 12 so it was deemed a worthwhile risk and none had the rates climbing into 4% in that timeframe. It was a calculated risk. The savings over the life of the bond was projected at \$850,000 of saved interest expense. Next season, the savings would be almost \$500,000, critical funding needed by the Athletic programs. After 24 months, the bonds will be fixed at a rate of 4.1%. In discussion with the Executive Committee, we wanted to seek approval of that transaction.

Natt asked if there was any discussion from the board members.

A board member asked that since USSA has a fixed rate contract at the end of 24 months, or do you have to buy another collar? Lampe replied that we did buy another swap and that it was a cashless transaction. They will terminate our current collar and replace it with a swap that starts two years from now. From the perspective of our current interest spending, it would be a net benefit to us.

Paine confirmed that we knew that the rate was set in 24 months at 4.1% for the remainder of the term. Lampe said this had also been vetted with J Crandall, chair of the Investment Committee, and with Greg Boester chair of the Audit Committee. Also it was reviewed by staff members of J's firm who specialize in swaps and Lampe also stated that we also obtained competitive pricing from Bank of America. We were confident that the deal was reasonable to pursue.

Boester said that when we started working on this, the world was more tumultuous and volatile and that things had calmed down quite a bit. He concurred that it was a risk well worth taking at this point.

Motion # 5: To authorize the USSA staff to “unlock the collar” from the financing of the Center of Excellence for 24 months and allow the interest rates on the bonds to float for 24 months, until it locks again at 4.1% through the duration of the bond, which is until 2027.

M/S/C – Andy Daly/Dexter Paine, approved by acclamation.

Daly asked about the special projects in SG&A, which had increased by 25% this year and dropped back \$200,000 going forward. Could you provide some insight as to what those costs were? Lampe replied that, to provide some history, in January 2009 with the significant challenges we were having with the economy, we made significant cuts that year, which included a 10% reduction in staff as well as a 10% wage cut across the entire organization. It also included some program cuts in Athletics. That continued into FY 10 and as we rolled into FY 11, we began investing again in SG&A including six additional staff members involved in various parts of the revenue program to get gas in the engine to build the revenue streams going forward. We made a focused investment there. That accounted for the large increase

from year to year. There were other factors that were beyond our control such as a significant health care premium increase this year, mainly a result of the new government health care requirements – premiums went up 18% – a significant burden. Those were the changes in SG&A.

12. Investment Committee Report: Mark Lampe for J Crandall

Lampe reported that Crandall was attending his annual meeting and so could not make this particular meeting but that Lampe would report for him.

The balance as of April 30th was \$34.8 million. There were still pledges to be collected toward the campaign as these were typically three to four year pledges. We'll have a \$1.8 million grant to fy12 from the endowment to the Athletic programs. Historically, in accordance with the investment policy, the endowment has granted 5% annually to support the operations of the organization. He pointed out that this amount was almost the exact amount to fund operations, interest and depreciation of the Center of Excellence at this point.

He said that there were other funds, including the Borgen Swartz Athlete Education Endowment which was \$2.6 million; the USSF investment which was \$1.9 million (LA Olympic surplus – USSA share was \$1.2 million; he confirmed that we were one of the few NGBs who still had the money, the others having spent their funds in operations over the years), which also grants 5% to the Athletic programs (roughly \$100,000 annually to support programs); the category Other Investments consisted of some infrastructure contributions and a few other unique gifts for a total of \$1.5 million. The U.S. Adaptive program had the USSA manage their endowment for them and that money was being returned to them. \$850,000 of those funds will come out of the "other" category in the next year.

He discussed the investment earnings over the last nine years. FY 08 had a 27% decline. Many other endowments took larger hits in the 40-50% range. He said a big part of that was Jim Swartz had an eye on the economy and moved about 30% of the investment into cash, which helped us from taking a larger hit. Over the life, we've enjoyed about 28% growth. He then highlighted that the Investment Committee was now focused on keeping our risk levels down and that the next committee meeting was scheduled for June 9. There would be a review of the 20 investment managers and a look at next steps in the investment allocation.

13. U.S. Skiing Foundation Report: Mark Lampe for Bill Slattery

Lampe reported that their annual meeting had been held on Thursday. They did reaffirm the 5% grant from their funds this year and they needed to re-nominate three of their trustees: Bill Slattery, Dexter Paine, and Nikki Stone Spencer. They were also nominating J Crandall to serve the remainder of Jim Swartz' term. He resigned from his position after a very lengthy period of service.

Motion #6: To ratify the USSF BOT re-nominations: Bill Slattery, Dexter Paine and Nikki Stone Spencer for three-year terms, and nominate J Crandall to serve the remainder of Jim Swartz' term.

M/S/C - John Cumming/Scott Macartney, approved by acclamation.

14. Audit Committee Report: Greg Boester

The Audit Committee met Wednesday evening and it was a reasonably brief meeting since we were just starting the audit cycle for this year. There was nothing material to report to the board with respect to last year's audit process. The audit process had gone relatively smooth and there had been good back and forth between management and the auditors. We have

one action item for the board today relating to the re-nomination of the audit firm. Paine asked what the audit fees were. Lampe replied that the fees were \$28,000 and they had offered to do it again for the same fee.

Motion # 7: To ratify the selection of auditors, Schmidt, Griffiths, Smith and Company.

M/S/C – Greg Boester/Dexter Paine, approved by acclamation

15. Athletics Report: Luke Bodensteiner

Bodensteiner wanted to acknowledge the work of the sport committees, the chairmen and the sport directors. He said that he had a notable amount of feedback across the board and that was a good indicator that there was good teamwork happening in the committees. The committee had established good vision and direction and everyone who was here pulled in the same direction and made positive necessary changes as well. He commented that he'd had a good meeting with the Athletes' Council. Scott Macartney would take the leadership of that group. It was a good mix of athletes with experience on the Athletes' Council board with a lot of energy and insight coming from the new members.

The past season was a transitional year in that we were coming out of an Olympics with a team that was fired up to become the best team in the world and post-Olympics the challenge was to maintain that position. As you often heard in sports, it was oftentimes harder to stay on top than to get to the top. That was certainly the case as we looked at the challenges of Sochi, not only with the broader number of sports but with the environment. He corroborated that there had been a lot going for the US team in Vancouver, having all the home field advantage but none of the home field pressure. He added that it would be a much bigger and more challenging Games in Sochi.

It was also a transition year for a number of athletes, which was a typical scenario post-Olympics. It was a pressure filled ramp up to the Olympics then last spring, athletes came to the Center for training later in the spring than in the past. Some athletes took somewhat of a break year to get recharged. The most notable of these were the nordic combined team. They've recommitted themselves for the push to Sochi but they needed to re-collect themselves so we didn't see as many of the results as the year before but we were in a great position to see that return, he stated.

This was also a year in which the goals of the athletes were more divergent than the Olympic year with multiple focuses of World Cup titles and other performances. It was a year of transition in staff as well. Post-Vancouver was not as stark in terms of turnover as it was after Torino. He added that he had just hired Patrick Riml to serve as alpine director.

Through the transition, in the fall we started to refocus and started to look at future challenges and developed a theme among the staff of how do we do this again. Fortunately, the work of the strategic planning committee leading into Vancouver provided us with an excellent road map and a great framework from which to push our programs. A lot of that plan focused on resource allocation. That was always the biggest challenge and more challenging than ever with the number of sports increasing along with the typical annual factors that always put pressure on resources and their allocation. The plan directed us and reinforced the strengths in our core areas to make sure we had a solid foundation to move forward. It also provided the space to be opportunistic and jump on opportunities with individual athletes as we note top-level performance. Examples of that were ski cross and women's jumping where there were a number of great athletes who had the ability to win in Sochi and we were gearing up around them with a different model, an individual support model, which was effective for those sports.

We also spent a lot of time pushing new disciplines into the Olympics. When we started the strategic planning process we looked at all the sports in which athletes compete and there were a notable number that were not in the Olympics in sports in which there was high participation and high performance. We spent a great amount of effort with the international federation, the USOC through to the IOC laying out and creating our own playing field. We were hopeful for ski and snowboard Slopestyle as well as the alpine team event which would likely be decided in July.

He added that the teams had a very good season. The highlights were a dominating season by the snowboarding team. They had their best year across the board really great performances. We also had an extremely strong performance by the women's alpine team on the speed side.

Bodensteiner discussed the World Championship results:

Medals (Olympic Disciplines)	Total
NOR	20
AUT	17
USA	15
CAN	13
FRA	9
GER	9

Marolt had mentioned Copper and the focus on infrastructure. That was a feature of the strategic plan where we identified that now was the time to build strength and foundation and investments in money and time where we could and Copper was a manifestation of that piece of the plan.

Post-Vancouver we said we had a young team with great athletes and we needed to create a system that would allow them to continue to be elite-level athletes for another Olympics and retain the medalists from Vancouver. We put energy and focus into the Athlete Career and Education program (ACE). We've run an education program for elite athletes for some time but we clarified the responsibility of that program and the director, Dr. Lauren Loberg has done an outstanding job with that program and made a great connection with 80% of the athletes and gotten them motivated into the program. 14 of 17 medalists were still with the team and committed to Sochi. We also had good retention of podium-potential athletes who had the ability to go to the Olympics and achieve results.

He commented that this year had a focus of building depth within the teams. That had been the focus of the past season and would remain so for this season. We talked about podium potential athletes and using Vancouver as an example where we had 29 chances where we thought we could make medal performances and we ended up with 21, which was an exceptionally high ratio. That was super high-performance by the teams.

Looking at Sochi with a much different environment and demand on the athletes, he said that 29 athletes would not be sufficient. We had to be in the range of 40 to 45 athletes because we won't have home field advantage and we would have different performance factors in that environment. We've grown the number to 35 athletes and there was another group emerging below them who could get to that level by 2014.

On development, we've made good moves that were well received here by the sport committees. Walt Evans accepted to head up a new program on sport development and he was the right candidate with massive experience operating our competition and domestic systems and tremendous experience at the club level. His focus would be on youth recruitment, relations with resorts and clubs were strong and providing resources to clubs to ensure that they have common ways in how they were recruiting and developing athletes.

We also focused on sport education and training systems and how we educate our clubs, coaches and target that education to different levels of development and the pipeline. Jon Nolting had done a tremendous job in redesigning the system and used a lot of technology to provide the resource to the clubs.

We have robust programs and made structural changes that had been well received and moved them to be more focused on athlete development rather than just race administration. We still maintained that function but were aiming those programs more into athlete development.

We've also done extensive planning and looked closely at the feasibility of hosting USSA Academy. There were three factors that played into our thought process on this. As part of our annual planning with our sports and teams, one of the planning functions was to look at our opponents internationally and take the programs apart and understand what they did and working to match those different factors. We did a great job on the elite team side of matching those factors in many areas and now we had a road map on how to outpace the competition on the development side.

One of the key competitive advantages that the top nations had (Austria, Norway, Italy and France, etc.) were national sport schools. We've looked at that to see how we could match that function to improve our development system overall.

Also post-Vancouver, planning took on a different tone when we became the best team in the world and had to envision how we stay a step ahead. As we got more athletes motivated to build education into their athletic careers, what we saw was that we created a significant challenge for our athletes at the high-school level as we drew our programming down deeper into the pipeline. The athletic programs prevented them from doing high school in a proper way and as we put more emphasis on education this was a problem with which we grappled. As we went to enroll athletes in college, we had to write transcripts for kids who had some home schooling, some on-line education and some had dropped out. This presented a challenge that had to be solved.

On the alpine side, we also had the issue of the FIS age change which would create a different dynamic in our development system by pushing the age of the D team by a year. The concept was 30 athletes, half of them being alpine, then snowboarding and halfpipe and the elite aerials program; a small tight high-performance group in 11th and 12th grade with a great academic and athletic program; delivery of classes in the Center of Excellence and camps; College-prep level education would be the focus, making every aspect of the school high-level; we were envisioning June-Christmas, with some education/training blocks in winter and having a public element with a traditional year. There were opportunities for this within the local community.

To date, we'd taken a number of steps with the planning on this project. We looked closely at the feasibility, along with the financial analysis. This would be a self-sustaining project. It was important to launch this so it did not drain other resources so it would be developed as a standalone project.

During this Congress, we had a very productive meeting with five leaders of existing academies; Stratton, Burke, GMVS, Rowmark and Vail Academy and we wanted to look at this project from their perspective. See where the pitfalls were and where we were not being complementary using their expertise and insight. Look at how we could structure this to add strength to our development systems. The feedback was supportive for an elite-level academy. This was necessary and would provide support throughout the system and academies needed to aspire to get their academy kids into this program. They would continue to be great resources as we continued with the planning.

Bodensteiner had also contacted an academic advisor who was local and was very familiar with school startups, having helped with three schools. This was new territory for us and he provided very good advice as to what the challenges were and how extensive a program we would be involved with in this project. He helped to add the perspective of the scope and demands that would be placed upon us and that has helped with the planning as well.

He said that they had started on the scheduling and curriculum development and certification. It would be a unique curriculum and provide a real opportunity with the sport science department to provide athletes with sport electives and layer this in, exposing athletes to our high-performance resources and long-term making them much better athletes.

He confirmed that the plan was developed with the sport directors' input making sure it was complementary to the programs we had currently in each sport.

Paine said that we had a lot going on in the sport side and that it would be important for us to prioritize those efforts that we a) can afford and b) will have the greatest impact on the organization moving forward. We spent a lot of time discussing the subject as we thought through all the different initiatives.

Paine said he would like to address a couple of the changes that were made as a result of the strategic planning process. When we rolled out the plan it became obvious that we had three functions within the organization: the finance function, athletics, and revenue generation. Prior to that Bill Marolt had a number of direct reports. As part of the process we reorganized that so that Bill essentially has three direct reports: Luke Bodensteiner who runs Athletics; Mark Lampe, CFO; and we needed to find a strong person to lead the revenue part of the business. Andrew Judelson joined us a year ago from *Sports Illustrated* where he ran marketing. Paine asked him to discuss what he'd been doing over the last year.

16. USSA Business Enterprise Report: Andrew Judelson

Judelson said he had a great team of individuals who were the ones who were doing all the work he would discuss. He said that he was very proud of what the team had accomplished. There was a lot of work remaining and it wasn't easy, but the mission was simple in terms of what we needed to do.

He said he wished to provide an USSA Business Enterprise update on all that was outside the scope of athletics and finance, i.e. member services, communications, foundation, creative services and content – all the enterprise sides of the business. He would review and evaluate FY11 activities/results and where we would take the business, and outline our approach and critical success factors for FY12 and beyond. He said there was a lot of discussion about the balance between athletics and the business side of the business. He said that you needed to invest in business to grow the business and would highlight innovation in our business – from a business perspective; it's all about the product. If you have a healthy product, you have much greater opportunity to grow a business. If the product stinks, everything you did around it could be inconsequential. So, he loved the horses that we had. He loved the horses that transcend our sport both in skiing and snowboarding but we had to continue to leverage them to continue to grow this business.

In terms of objectives he said it was all about the money on his side of the business and sustainable growth and increased business performance. There was no debate that this was an athletic-driven organization but, ultimately, how we measure ourselves, as Bill said, if you can't put it up on the wall, why bother? So put it up on the wall.

Deliver upon our athletic mission/vision, as I've shared we need to innovate our business. I have a saying, we are whipping a donkey and we need to create what he called a passive source of income. He meant by that businesses that spin off money on an annual basis,

whether royalties, guarantees on consumer products, rights fees increases – all those sorts of things. This organization had done a tremendous job in building an athletic organization and on the business side, in the world of NGBs done a great job. As it related to a sustainable business year in and year out there was a lot of work to be done.

He said that we were a quad-driven business, an athletic organization. Former athletes all understood this. I shared with Danny Kass and others at dinner that you could not approach business that way. You could not surrender three of four years. You had to go to the marketplace and deliver value every year. Otherwise you would have what we have had, spikes and valleys in the business and we need constant growth vs. once every four years and then go back into the trough and build back up.

We need to create a “roadmap” for an innovating and sustainable business. There were areas we could control which he called increased speed-to-market. We had an organization that was process driven, rightfully so, but we also needed to accelerate how we got things out into the market and he would share an example from Foundation so that we were ahead of the game rather than not getting to market quick enough.

The goal was \$20 million in net money from Sales & Marketing, Foundation, and Member Services. Two of the three had significant growth projections. Member Services is a flat number of \$4.5 million from the 30,000 members. We were currently talking about 24% growth in this year. There was a lot of risk there. One of the things he said he wanted to manage this group on was that we had huge revenue growth goals. He said he would commit that this business would grow and grow significantly. Do we get to that number? We would make every effort we could to achieve it. As Mark shared in his risk reserve, if we didn't achieve the number, we needed to make some tough decisions. The commitment from this team is that we would grow significantly in the second year of a quad, which wasn't traditionally the case so he asked everyone to keep that in mind – to go back and reflect on what would occur in this business, once again, it would go down, down, down, and then up. He said we would grow this year and the following year and so on.

He illustrated the USSA's historical revenue analysis and forecasting. Business growth and innovation he said were simple, but not easy. It was clear what we needed to do and we laid out a strategic plan to do so. It was all about the athletes and the product. A year ago, he asked what we needed to celebrate and leverage and the reasons were the 21 medals won in Vancouver and we went out into the marketplace and talked about that.

The other thing he would talk about was the scalable business. Those of you in the snow sports industry for a long time knew how fragmented this business was. The exciting piece we had to talk about from a scale perspective was free skiing and he would discuss that and what we'd been able to accomplish there and what we saw on the horizon.

The Revenue and Marketing areas achieved \$6.694 million last year. He said that when he first arrived, he shared with Bill that his biggest concern would be FY 11 and the reason why was because of lead time. We could have been better poised to leverage Vancouver. We all admit that. We did not have a lot in the pipeline on the corporate side of the business. He said that he had been doing this for 20 years and there was lead time needed. You didn't go out and do transactional sales of sponsorship. It required a cultivation period. He discussed companies such as Coca-Cola. Coca-Cola's business decision lead time was 60 weeks so if you spoke with them today about doing something, it took 60 weeks to get something into their system. Think about that related to how we needed lead time to get this business up and running in a growth mode.

The partner renewals were really strong. The team did a tremendous job on the renewal front. He reported that he had been asked to take down the growth numbers, but they were anywhere between 5% to over 1,000%. The issue was that some of the numbers were small. We took a High Sierra relationship, \$4,000 royalty guarantee, to starting at \$75,000 next year

and growing out in year eight to \$100,000. The team had taken Anheuser-Busch up 23%; Delta 20%. The other thing that he deployed with the team was I don't want to be chasing our tail relating to you renew and you are back at the table, so we are out securing eight year commitments. He said he referred to this as tag it, bag it and move on. A lot of these relationships were now multi-year, which locks us up. There were concerns and sensitivity, rightfully so, where the next Olympics goes in terms of consumer and sponsor interest. He stated that South Korea was not as compelling domestically as Vancouver, clearly, and even Sochi. So we'd been able to lock in a lot of deals to be able to protect ourselves.

Some of the new partners we were able to secure in the last year included Marriott, which was everything from the Ritz at the high-end all the way down to the Courtyard by Marriott. It was a four year, \$1.4 million commitment. We had our meetings there this weekend and would be doing some Foundation events at Marriott's and so on and so forth.

Putnam Investments was a great story of a relationship that was born on the athlete side with one of our premier athletes, Ted Ligety. One of our Foundation board members who is CEO, Bob Reynolds, and we were able to consummate that into a long-term partnership on the corporate side. With Bob being on the board actually made it more difficult from a scrutiny level, but it was something we were proud about.

Lastly, The North Face – That was an interesting one. It was an eight year commitment for U.S. Freeskiing. They are the uniform outfitter. Of that \$6.5 million, \$4.6 million was cash. They made this commitment to us before any of the disciplines were named to the Olympics. As you know, they've been in sports a long time and freeskiing was an opportunity to take what was perceived as a back country big mountain brand and bring it to the front of the mountain without losing its authenticity. They were with us. They made a huge commitment and would be doing a lot on the funding side and I'd say that the other thing that illustrates alignment on our organization is all the work the athletic side did at building an under swell at the FIS and the IOC level to get these sports into the Olympics which correlated to our ability to sell this deal.

Putnam was a partnership that worked on all levels. We have a premier athlete who in a non-Olympic year domestically had significant activation, which is when I like to say that deals sell deals. The ability to have Putnam out there activating at levels like this is an illustration of that. (Two Putnam commercial spots were shown to the board.) He said that this gave the board a feel for what some of our partners were doing; things he would highlight were athlete integration, and the ability to have what he called 30 second infomercials help Putnam Investments and us, having others see us and be interested in associating with us.

The goal for next year on the Sales & Marketing side was \$8.941 million. That was 34% growth. As Mark indicated that we felt good about that with some risk. Right now he clearly saw us up significantly from last year and we would go for that goal, but if we didn't achieve it, we'd make some hard decisions.

One of the things he wanted to highlight was the USSA digital network and Project Portal. We needed to do a much better job on our digital business. Clearly, if you knew the demographics and psychographics of skiing, snowboarding and freeskiing, there was a high propensity to be very comfortable with these mediums, whether a computer, a mobile device or social media and so on and so forth.

When I got here, we had great product, hard and soft goods, but consumers couldn't get it. They could not find it. We had a very mediocre ecommerce solution. It was a two click solution to backcountry.com with an underdeveloped store – only 23 items. When I was at the NHL, I was a part of a team that built the NHL shop. We went back out into the marketplace this year with an RFP process and we just awarded the business to teamfanshop.com, which does a number of major colleges such as the University of Florida, Georgia, the USOC shop, US Swimming, but they will be building out our e-retail solution

next year. We will serve our consumers and they'll be able to actually find and buy our product and we are delivering value to our consumer products licensees and suppliers instead of them feeling they are being leveraged to pay guarantees and never exceeding those guarantees in terms of royalties, now we are helping them attain and sell product so we were very excited about that.

With the next slide he illustrated all the suppliers, soft and hard goods, medical suppliers with whom we have relationships. Many pay cash, many provide in kind, but these were all relationships that we needed to manage. There were 75+ that we needed to worry about on an annual basis to deliver value.

Two of the things I looked at when he got here were that we needed to develop assets in a fractured and fragmented industry; we developed two platforms that we would roll out this year. The first one was First Tracks. As all of you knew, this industry started when the snow started falling, but there was no rallying together to announce the start of another season. When leads develop things like all star games or winter classics or things like that, it was simply for one reason, to promote their sports and have an asset to take to the marketplace to sell. We needed more of those by which it was not just leveraging the sales and marketing function but it was the Foundation, membership, the resort partners, our digital business, our media partners so First Tracks was the first one that we were rolling out. He said that he would give an example of one of the assets that were developed off of that.

The other is that we were a country of championships and we all agreed that we could do a better job with our national championships. We were starting with the alpine national championships, but we would actually integrate NASTAR with our alpine national championships to create an ultimate championship within the sport. So, you have the recreational participants, youth competitors all the way to elite athletes and this would be broadcast on NBC. We were now in an RFP process to find a resort. It would be a huge undertaking with the number of consumers involved on the NASTAR side, but this was one of what he called the obvious ones in which we needed to come together to grow versus competing with each other and not having a scalable asset at the end of the year.

Content development – He said it was all about content development and all about the athletes. One of the things as a property organization was that we needed to leverage what we had and what we had were tremendous athletes who transcend their sport. We needed to make it relevant within the competition level but also in lifestyle training and so on.

Content distribution – We had a content model that was challenging from a business perspective. Time buy model on the network side, some minimal licensing deals on the cable side domestically and we license our product overseas to get some rights fees related to international distribution. The good news was that in the second year of the quad we would have 38% more network coverage, three more hours on NBC. That was US Freeskiing or freeskiing competition and also the National Championships being on TV. One of the things we need to do is self-promote. We need our product out there. That said we took on more risk. We had to sell more ad units. We had to pay more in production and that was all factored into those numbers.

USSA digital network and mobile applications and social media exploitation – We would talk about that. The good/bad news was that our Facebook and social media were growing significantly. We doubled last year's but the bad news was that we were way behind. There was no reason why we shouldn't have hundreds of thousands of Facebook friends than we currently had. We work hard on that.

Content Monetization – We as an organization historically gave away licensed footage, more than we should. If you gave it away, there was no value. People ask for it, they wanted it, they paid for it. Simply said we needed to leverage it through traditional media, but a number

you should think about was the number of TVs in this country for the first time in the history of televisions has gone down. People are watching on their computers and mobile devices.

One of the things the NHL did after he left was that they did a tremendous job because they were underserved by traditional media and what they were able to do at NHL.com was to break down the barriers and break down the means by which consumers were able to get to their content. We needed to do the same. We needed to leverage new marketing platforms and leverage U.S. Freeskiing, which was a scalable asset.

The USSA digital network was all about community. He called it Project Portal but it was the opportunity to bring together a meaningful scalable asset, a digital network where people can come to find out results or to buy product or find out conditions at Park City Mountain Resort, you should go one place. You should not have to go three clicks away. You didn't stick it behind a pay wall. People could go get their content anywhere. You put it out there. You made it easily navigable, intuitive and they came back and there was a way to monetize this.

He commented that digital video was everything. People were watching a lot of digital video so we would have to have a more robust media player on the home page. There would be micro-sites underneath so it would be centralized. There would be dynamic ad units. There would be skyscrapers left and right, and we would have home page road blocks where you take over the whole site and it dissolved into the site. We'd have a more logical and clean layout for the site to get started, learn more. It would be the next evolution of a digital business by which people would come. We have an audience aggregation tool called SnowConnect, which was a two click strategy down to our resort and media partners, and will be rolled out to include our suppliers and so on. He discussed the point of entry and content for USST, US Snowboarding, US Freeskiing micro-sites.

He said that those who were tech savvy understood this but the ability to serve content and follow someone and make very meaningful content and add solutions delivered right to them were amazing. He said that what they were doing for Member Services was to automate that so that 77% of membership was now done on line. Once you click on get involved, this was the gateway into our web sites. This would allow us to eventually sell ads on a cost per thousand at a higher level because we would deliver meaningful ads to people who matter. The other thing this would allow us to do on the data side of our business which was that we were more aggressive in protecting our data. There was a lot of concern over our data containing confidential information and the central reservation allowed us to protect that data and exploit it for our needs. There will be a simple and intuitive account registration system for fans, members, and clubs followed by customized Fan and Member Portals and Athlete Event Registration.

Content and Creative Services – The business that used to be called Image – He said that he wanted to show how much more we would be doing in digital video and social media and mobile applications. He discussed the U.S. Freeskiing brand which was rolled out last month. He said the brand was by the athletes and for the athletes, developed in consultation with all the industry stakeholders; athletes, coaches; resort partners; media partners; an agency in New York helped with this. The response had been amazing. He said he was very excited and bullish about this. He said that he could take anyone interested through the brand identity architecture. He said we'd learned some lessons on the snowboarding side related to inclusion that put us in a very good place with these athletes.

Foundation – The Foundation team has done a great job in the out year. They've grown up 3.3%. The goal is 34% growth. The team has done a great job on the gold pass program. We wanted the team to focus on that and they did. This year we were up over 37 passes so that is \$370,000; still we were short. We need to sell out the 400. We were at 333 last year and 296 during the Olympic year. Because we were out in the marketplace more quickly this year and we've done some innovations like the gold pass reception at Michael Brooks' in New York City, we are 31 passes ahead of where we were last year outside of our trustee

group. Take 37 from last year and another 31, the net growth up is 68 passes. He said that anything but 400 passes is failure. Many years ago, the program sold out, but it hasn't for a very long time.

We have also been very focused on mountain events and experiences. Two experiences that we created are the Ice Men and Powder Girls program. We do a very good job at the top end of the pyramid from a Foundation perspective, but we need to get the next generation of donors involved in our sport and activities and what better way than on the snow with our alumni.

He said that Ruth Flanagan did a tremendous job with special events. It was great during an Olympic year because you could pull on the emotional purse strings and then the year coming out of an Olympics, let's go celebrate it, but we have to come up with a reason to support every year. The second year of a quad is difficult but we need to make these events fun, interesting and dynamic. The team has done a tremendous job with that. We need to evolve and innovate. We need your help. He said you need to help me sell gold passes. We need that support and help.

The other thing that is integral was the athlete support; and he said he was blown away, having worked in hockey for a long time, the hockey players were and are great - but 13 of our 17 medalists to come to New York right before the season started to support the ball was tremendous. That did not include alumni and that is athletes understanding the need and Luke and his team's work to understand that these athletes need to get out there and help us.

Lastly, Team Sochi – Vancouver helped to sell Team Sochi, our high-end experience. We have to sell 20 more packages next year. We've gotten the renewals that were easy so now we need your support once again to help us get there.

He showed a schematic of the giving levels and commented that if you looked at our giving, the pyramid would look like a mushroom. You have great support at the top and we have not done a good enough job on the bottom. The team has plans for that next generation of donors. We have to move people up the pyramid versus a mushroom.

We discussed innovation and he was excited to talk about a strategic partnership with Tiffany. They will be minting the passes this year. He said to think about the idea of getting the gold pass in a little blue box. Tiffany has managed access to our group during the holiday period. It's an opportunity to innovate our business and go out in the marketplace in a more compelling way so this should help us sell gold passes.

In addition, Tiffany will do a signature line of products; tennis bracelets, necklaces, money clips, and other things from a high-end perspective that we will roll out in e-commerce and to our trustee base. They will support Foundation events with tables and a silver key program. Instead of buying a raffle ticket for \$100, you buy a key for \$200 and one of the keys opens up for a major product. Think of the multiples of money this will drive into Foundation.

He then reported that Calum Clark did a tremendous job on the events side of the business. It all starts with the competitions, giving us strategic advantage for athletes domestically. We have 17 elite competitions – 6 classic/4 new host resorts; we had the highest spectator and VIP attendance in a non-Olympic year. He said he would discuss the Big Air event in Denver. It was a huge financial challenge for us, but from an experience and exposure perspective, it was a tremendous thing and a testament to the perseverance of the organization to pull it off.

New sports, new markets – We've done a great job taking ourselves up to premier resort locations and building strategic alliances with those resorts. Also, the emergence of ski halfpipe and ski Slopestyle at the World Cup and Grand Prix levels, there is no mistake that we helped in that process to get these awarded into the Olympic movement.

At the grass roots level – 1700 registrants in the Revolution Tour, this is a feeder system up to the premier level.

FY 12 New Sports/New Markets – We will be expanding U.S. Freeskiing and have two Ski Halfpipe GP competitions within our resort locations to minimize expense. We will have Ski Slopestyle introduced to GP, the first joint Ski and Snowboardcross GP, and expanded capacity on the Revolution Tour. First Tracks – U.S. Alpine Team Announcement, Calum is very involved in leading the charge on the Championships Platform – NASTAR and U.S. Alpine Championships joint venture, and creating experiential marketing initiatives, which is one of the things we can sell. Something unique and different that no one else can get whether on the Foundation side or the consumer side.

FY 12 Events Calendar was reviewed by Judelson:

Alpine

November	U.S. Alpine Team announcement – Vail/BC
Nov 26-27	Women's Alpine WC – Aspen
Dec 2-4	Men's Alpine WC – Beaver Creek
Mar 26 – Apr 3	U.S. Alpine Championships/Nastar

Snowboarding/Freeskiing

Dec 07-10	U.S. GP – Copper Mountain (HP)
Dec 12-17	Snowboard WC – Telluride
Feb 11-12	U.S. GP – TBD (Cross)
Mar 9-11	U.S. GP – TBD (HP & Slope)

Freestyle

Jan 20-22	Freestyle WC – Lake Placid
Feb 2-4	Freestyle WC – Deer Valley

Looking to the future beyond FY 12 – We have huge opportunities domestically. He said that he was on some of the committees for leveraging the impact of the 2015 Alpine World Championships. A challenge will be to worry about this beyond east Vail. This is an international event and should have international exposure. People should care about it from New York to Chicago to Los Angeles and everywhere in between. The exciting thing was that it was coming out of the Olympics so we had something to sell beyond that.

U.S. Olympic team selection process for halfpipe and Slopestyle skiing was something that we continued to think about in the coming years; and ultimately, we need to focus on growing interest, audience, and engagement for events. He said that our ratings continued to dwindle and that was not just due to fragmentation in the TV market. We need a more compelling product that we can produce and put on air. Also, attendance in person – we are selling to sponsors to support us, but when we can't get consumers out in person to watch, it's a pretty tough conversation to have so we had to continue to work on that.

Lastly, Communications – Tom Kelly and his team were working on helping clubs with templates and tools by which they could do the job and tell the story at the grass roots level. He was rolling out a communications toolbox to support them. They also provide tutorials to the athletes on media training.

Judelson said that he had charged the team with purposeful PR, really getting us out there from a business perspective and tell our story. The team did a tremendous job this year. There was coverage in the *Wall Street Journal*, *Sports Business Journal*, *Ad Age*, *Brand Week*, all these things. These not only promote us but provide a sellable asset that we can go out in the marketplace and sell. When you go to a partner, you'll get X, Y, and Z and it's not just bibs and banners and things like that, but a communications function that can help to exploit their message.

Judelson then showed an example of how much we'd innovated and it started with the team behind him who did this. He said that when the Dallas Cowboys break camp, they announced their roster and people cared. When we did ours, historically it would be a press release and it would be up on the web site and only very focused people would know this, but beyond that, there was not much noise. Create an asset, he said, let's make some noise and this is what we did last November in Vail. The team was announced in Vail where over 1,000 consumers came to see the Team Announcement press conference and engagement with consumers. Now, we have something we can go into the marketplace and sell and now Nature Valley in their renewal bought this asset. The ability to have an asset and this goes back to the First Tracks platform, the ability to have a major event when people historically did not think we would.

His last note was the North Face. He said that everyone here was a sales person – everyone – and this is what the communications team did for the TNF announcement: USSA generated the PR campaign that provided an estimated \$15 million in value-added media exposure for TNF. The flip side that he joked about was that we undersold the deal. In all seriousness, he said, you can see the immense pick up of this story. There isn't a company we go out and talk to now who doesn't say, I heard about TNF, what are you doing with TNF and so on. So, some really great work was done there.

Judelson concluded that the future was bright and that they had a huge revenue number to hit. He said that he thought we had the right plan to do it. We were charging really hard on the Foundation side. We've got innovation going on the Sales & Marketing side. We've got natural growth and we have to grow this thing, but be willing to innovate as a business to support that athletic mission. He said that he was very confident in the team behind us.

Paine said that was the end of the review of the organization and the business right now. He thought it was a good time to ask if anyone had any questions or thoughts from Mark, Luke or Jud before going into the sport reports and action items.

There was a comment from a board member who had a document for Luke to read on education and its evolutionary process which was written by Innosight Institute's Clayton Christensen, a Harvard professor whose work includes the Innovator's Dilemma and Innovator's Solution. His work is quite interesting; as you embark on your institute effort, you should be mindful of what is going on.

Paine said that he thought it amazing what had happened on the education side with this organization. Tiger Shaw really helped to drive this. He's run the Education Committee for the last dozen years. He's a Dartmouth graduate, ski team alumnus, and is passionate about both skiing and education.

A decade ago, we had 20 kids who were doing some type of continuing education, and today we have probably 80 to 100 kids involved. The world mogul champion couldn't be here Friday night because she is in the midst of her first semester at Dartmouth, Hannah Kearney. We have about 68 kids at Westminster right now. That is great for the organization and the athletes.

Ultimately, in any not-for-profit, your greatest support has to come from your alumni and we discussed this in the Athletes' Council yesterday. There is great enthusiasm and real passion for this organization and that will serve us very well over the long-term.

Marolt added that we have built the Legacy endowment. Basically, we are at target for pledges. We still have collections to make, but as we sit here now, our plan and thought is to push forward, create another endowment to support the Academy and the athletes who attend as well as providing incremental opportunities for the elite team. We are creating a bond between what we are doing athletically and academically. He said he thought it would

be a real strength of the organization. We will do it right and at the end we'll have better athletes because of it.

17. **Sport Committee Reports/Action Items:**

Alpine: Bob Dart said he would be remiss if he didn't continue with what Luke said earlier about the work of the sport committees and the volunteers during the last three days. Alpine is a pretty big part of the organization with a lot of volunteers, but the officials, the coaches, the educational side, he wanted to be sure to thank all of the volunteers who showed up and participated in the meetings and also the staff at USSA. The staff at USSA on the alpine side, and all the sport directors did a great job in making the volunteers feel part of the team and what is going on and when you have that communication, it's easy to come away with what I would consider no action items from alpine in its history. We had very good meetings and good communication coming into them.

Patrick Riml as the new alpine director brings a different focus and view on development and what you need in this country. Where do we fill the bottom of the pyramid not only in sponsorship dollars, but the next generation of bringing those kids up so his ideas brought some unknowns coming into it, but after discussions with him, everyone is on board going forward.

With that, one of the first informational items is that the staff and development committee have supported the decision not to field international children's competition next year both Topolino and Whistler. That was a big concern coming in, where those 13-14 year olds get put in competition and the plan for that. We will be inviting kids to a camp in April of 2013, bringing 60 kids into a camp in a shootout environment and with that select 9 boys and 9 girls to take a trip in 2013 in Europe.

The second item was informational. This one is a change; last year the FIS allowed single gate Giant Slalom to be incorporated into the FIS racing; we at USSA did not accept that to scored and non-scored last year. We needed a year to educate the volunteers and officials into it, so next year we will allow single gate Giant Slalom at all USSA competitions, scored and non-scored events. FIS limitations would still apply (Continental Cup and above).

Cross Country: Jon Engen – For those who attended the awards ceremony you had the opportunity to see a small cross section of the people in cross country today, who are vibrant and energetic. Our meetings were very goal and solution-oriented. Our main focus was education and development on all fronts. We were very happy to listen to Walt Evans new sport development program presentation. Those items were very much in line with ours. This was the first time we discussed the younger ages as well congruent with other disciplines. He said thank you for the continued USSA support and patience because creating infrastructure programs and developing people on the level we are talking about is a lengthy process. He said that they had a number of housekeeping items and a couple of them resulted in minute action items since they involved money. He explained that it was not money on the part of the USSA but on the part of organizers and participants.

- (1) Assistant Technical Delegates are to be reimbursed for travel expenses for all USSA SuperTour (FIS) level events (as per U.S. Championships and Junior National Championships).
- (2) USSA SuperTour Finals (which includes 30/50K U.S. Championships) entry fee may be up to \$150 for a 4-race series, which is on par with the entry fee allowable at U.S. Championships and Junior National Championships (both 4-race events).

Natt asked if anyone had questions about the motions. He explained that essentially what we did here was recognize that these changes have some fee impact, not to the USSA budget, but to the organizers and athletes and we like to have the board recognize such actions and he asked for a motion to approve the action items from the Cross Country Sport Committee.

Motion # 8: To ratify the action items as presented.

M/S/C – Dexter Paine/Bob Dart, approved by acclamation.

Freestyle: Glenn Eddy stated that Freestyle, and now Freeskiing Committees had excellent meetings this year with one of the largest turnouts ever seen from the community. Our new Freeskiing subcommittee had its first work session. They did a lot of work on the development process for those new sports.

In terms of action items, he was reelected as the USSA board representative from the committee and then a large part of the meeting time was spent reorganizing the sport committee board on a discipline basis, carrying out further what was begun last year and that the board approved. Now, we have all the disciplines divided into specific subcommittees and that was in the package. We had a few amendments to that original proposal; the first being, changing the name to Freestyle and Freeskiing Sport Committee.

Specific changes from what was presented to the board in the meeting materials were that the USSA board representative remains on the sport committee as a voting member, the past-chairman remains as a voting member and there were four athlete representatives, instead of three, one for each of the four disciplines; Moguls, Aerials, Skicross, Halfpipe and Slopestyle.

On the Executive Committee, one change was to decrease the two at-large positions to one at-large position and add the past-chair as a voting member instead of being ex-officio.

Those were the additional Freestyle and Freeskiing Sport Committee operating procedure amendments to what was presented for your consideration in the book.

Natt confirmed that the USSA had oversight over the sport committee operations and how they arrange themselves so these changes were circulated to the board in advance of the meeting with the exception of those changes that Glenn just highlighted. He added that he and Glenn reviewed those last evening and the he would like a motion to approve the changes to the operating procedures.

Motion # 9: To ratify the revisions to the Freestyle and Freeskiing Sport Committee Operating Procedures as presented.

M/S/C – Jon Casson/John Cumming, approved by acclamation

Ski Jumping/Nordic Combined: Joe Holland commented that the Large Hill Ski Jump National Championships would be July 30th at the Utah Olympic Park and he was pleased to announce that they would have the Normal Hill Nordic Combined and Ski Jumping Championships at Fox River Grove, outside of Chicago and were expecting a lot of fans and great exposure.

Last year we decided that we would inventory, inspect and certify all ski jumps within the US and this year we added some clarification to what the certification process entailed. This year the Sport Committee approved USSA Ski Jumping Hills Certification rules with details for all hill sizes, which will be posted to the web.

Natt stated that, since the board had not seen what came out of your subcommittee and it does have some safety and potential legal liability impacts, he should allow the staff and him to review this and we'll put it before the board for approval in October. So we'll hold off on the approval of this certification until then. It's a great effort, essentially designed to look into the inventory of ski jumps in the country and move them up toward a better athletic perspective, but it does have some liability tail to it.

He added that personally, Hannah Kearney is from Norwich, VT, which is my hometown and we are all really proud of her. When I went to the Olympics and during our Olympic sendoff, she played in the band in 5th grade so now I am excited to reciprocate by making a lot of noise, since I don't play an instrument, he commented.

He expressed his thanks to staff for keeping the board informed. Also, he expressed his thanks to Bill for the team he had put together and that the presentation had been amazing. He recognized that there was a lot on the plate, a lot of initiatives, and he looked forward to following the progress.

A couple of items we were excited about, women's ski jumping was now a part of the Olympics. It had been a long wait. He said there were three podium performers on track for 2014 and he looked forward to following their progress.

He said that we continued to improve the development programs for both men and women through some separate newly-formed organizations such as Women's Ski Jumping USA and USA Ski Jumping, which were making a lot of progress and working closely with the USSA. The community was rallying and lots of good things were happening there.

For nordic combined, the three best veterans were back. They were all healthy now. We have good confidence that they will do well going forward. We have established a national training group, made up of some incredible young athletes so we believe the future bodes well.

We've resuscitated college ski jumping after 30 years. He was proud to say that, sitting next to him was this year's champion, Willy Graves.

Last but not least, he said the community thought that John Farra was a godsend. We were extremely fortunate to have him as the nordic director. He added that, "he has secured a place in nordic heaven."

Paine commented that, as part of the strategic plan, a number of years ago the decision was made to not fund the men's ski jumping program in terms of a coach. We obviously provided membership services and competition and Joe and a group of people went out and formed USA Jumping to support that effort. That decision was a hard decision. The reaction by the organization has been terrific and we respect and appreciate the efforts that you and others in jumping have put into this effort. He said it was the kind of response we had hoped for when that decision was made so he thanked Joe again.

Snowboarding: Jon Casson stated that there were no specific action items and he wished to make a few comments to make the board aware of what was happening in their world. First, he welcomed Danny Kass to the Snowboard Sport Committee as he brings a ton of competitive experience and industry experience and we were excited to have him on the committee and have his insights, as well as on the Athletes' Council.

He also wished to thank the snowboarding staff and Luke's management of that crew with Jeremy and Abbi and Web and that the whole crew did a fantastic job for the snowboarding program. They were very easy to work with and any time there was an issue he could call Abbi at any time of the day or night and she'd have an answer. It was wonderful to work with

them and that translated directly into the athletic success we had last year. We met or exceeded all the stated goals of the team, over a dozen World Cup podiums, world champions; Lindsey Jacobellis won the world championships in Snowboardcross again. Kelly Clark won 9-10 major halfpipe events so this was one of our strongest years athletically ever. These results bode well for the future and 2014.

Slopestyle is a huge part of snowboarding and we were awaiting a decision by the IOC about its inclusion in 2014. We were pretty confident that it would be added. Once approved for 2014, Jeremy has worked with the industry and athletes and partners on a strong implementation plan at the qualification level for teams, Olympics and identifying those athletes. We were excited for that decision to be made and were ready to go, once it was made. He added that we had some of the best athletes in the world in that discipline so it would provide an opportunity for more Olympic podiums.

Coaches' education program – This has been a really strong topic in the snowboard world for the last few years and in 2007 the entire program was revamped and as of now we have over 400 current active certified coaches in the US and more than 600 coaches have gone through some form of our coach education program over the last few years. We continue to build that out and note that it has been well received by the coaches in our community.

Sport development and talent identification – We are all excited about what Walt is proposing to do and his initiatives there. Talent identification for snowboarding is very strong. We work hand in hand with USASA and their grass roots program and competitions to identify young up and coming athletes. This summer we will have a Project Gold development camp with over 120 athletes participating in five disciplines, including Skicross and Ski Halfpipe and Slopestyle. The camps are staffed by some US Snowboarding staff as well as club coaches which creates a good integration with our clubs.

Development is strong. Since we met last year, we've been through two junior world championships and brought home seven medals from two events, which speaks volumes about our development programs. Those are kids who are locked and loaded for 2014 and beyond so we are excited that we have such a strong pipeline, a testament to Luke, Jeremy and all the staff on the program that they built over the years.

Paine thanked him and said he looked forward to working together.

18. USSA Athletes' Council Report: Scott Macartney

Paine congratulated Scott Macartney and thanked him for agreeing to serve as chair of the Athletes' Council. Even though he is not present, he wished to thank Tim Tetreault for his role as chair of that committee over the last several years. He was a pleasure to work with and responsive and helpful in that role.

Macartney confirmed that he was taking over as Dexter said for Tim as chair of the Athletes' Council and we've got a really dynamic group of great athletes and he was excited to work with all of them. Personally, we will be very effective because we have a lot of athletes on the Council who are very recent in their sports, if not still competing, so we'll have a good gateway to the current athletes and good feedback from the athletes and get their input into the system and handle them appropriately through the Council. He said that it had already been a good group with which to work.

He added that he would be the representative to the Executive Committee. James Southam was taking on representation on the Nomination Screening Committee and we have Landon, Willy and Danny who are all part of the Council as new members. We've brought them up to speed which was the primary goal for this meeting and we've set the groundwork for getting athlete feedback and it will be a great cycle over the next few years of working together.

19. **Executive/Nomination Screening Committee Reports: Alex Natt**

Natt stated that we had a quorum of the Executive Committee yesterday but did not have a quorum for the Nomination Screening committee meeting. We have two motions and essentially the first is to recognize and ratify the sport committee representative nominations to the USSA board. Joe Holland and Glenn Eddy were re-appointed to those roles. They had previously been nominated and screened by the committee so he requested a motion of ratification.

Motion # 10: To ratify the Sport Committee nominations to the USSA Board for the sports of Jumping/Nordic Combined and Freestyle/Freeskiing; Joe Holland and Glenn Eddy, respectively.

M/S/C – Bob Dart/Dexter Paine, approved by acclamation.

Finally, the second motion that we put forward to the full board is we have some affiliated organizations here in USSA, one of which is USST, Inc. and USSA Enterprises, and we need to ratify the composition of those boards. He requested a motion.

Motion # 11: To ratify the composition of the USST, Inc and USSA Enterprises boards; President: Dexter Paine; Vice President: John Cumming; Secretary-Treasurer: John Bucksbaum; additional Board Member: Bill Marolt.

M/S/C – Hank Tauber/Scott Macartney, approved by acclamation.

20. **Judicial Committee Report: Alex Natt**

Natt provided the Judicial Committee report. There was only one action that would rise to the level of the Judicial Committee last year and that was the action of a freestyle athlete, Mr. David Digravio, who had some concerns about team qualification. With Glenn Eddy's help, we were able to resolve that matter short of actually invoking the Judicial Committee's authority.

On a personal and professional note, he wished to say that one of the strengths of this organization was, when we do disagree, we treat each other with respect and act as a team and family and are able to resolve these issues most times with respect toward each other as was the case in this instance. It's a reflection of the strength of this organization.

21. **USSA Legal Report: Alex Natt**

On the legal report, Bill Marolt spoke about the concussion issue as well as the safe training environment. He reported that during this past legislative session, the Utah Legislature passed a concussion awareness bill which mandates that amateur sports organizations headquartered in the state of Utah adopt and enforce a concussion policy as regards minor athletes.

USSA has taken up the mantle and this year we will have a concussion policy when one goes to register as a member, they will receive a notification of the policy which is essentially that in an USSA sanctioned competition or project or club environment, if a minor athlete is suspected of having a concussion, that athlete will be removed from competition and training until cleared by a medical professional who is qualified under the standards set forth under the state of Utah.

As a practical matter, USSA Competition Services will be notified of the potential injury; the person's membership will be deactivated until USSA receives a clearance letter from a medical professional, after which the athlete will be returned to competition. At issue here is returning an athlete too soon to competition, which can have a deleterious impact on the athlete for a long period of time.

He confirmed that this was the law in 15 states and would shortly be the law of the land as there were bills pending in Congress. USSA must respond to this legislation on a risk management and legal responsibility level, and embrace the change in the law as it is designed to keep our membership as safe as possible in an inherently unsafe sport.

Safe training environment – This is a term that is essentially being adopted by the USOC. Our former board member, now USOC board member, Nina Kemppe, spearheaded a review of safe training environment across amateur sport on behalf of the USOC. This speaks to trying to identify and prevent sexual molestation among minor athletes but also what is an appropriate training environment in terms of avoiding bullying and other matters. Nina's done a great job and the USOC decided it needed to take a leadership role in providing information to the NGBs. We welcome that.

The USOC hired a safe training officer in the last few months, but USSA won't wait for that guidance. USSA has been screening coaches and officials since before the USOC adopted a screening program for itself. USSA is highlighting this issue with club coaches. For instance, Natt presented at the Excellence session for the second time in two years about this issue.

USSA has a discrete confidential reporting requirement where people can reach legal counsel and an investigation is started. This is very important for our sports and USSA will continue to pay attention to this issue and hopes that the USOC can provide some good guidance. USSA continues to take this very seriously. Natt said that concluded his legal report.

22. USSA Old Business: Dexter Paine

Paine indicated that there was no old business.

23. USSA New Business: Dexter Paine

Paine said that on the new business front there was one item. He wanted to give a brief overview and then he would have either Bill Marolt or Luke Bodensteiner address the subject. We've already discussed it and that is the Copper Project for early snow training.

John Cumming asked to make a brief statement. Paine said that they would do a quick review and then have him make the statement, then have him leave for the discussion. Natt said that we have a conflict of interest that John Cumming will disclose here. If you would introduce the subject and before the board engages in any substantive discussion of the issue, we'll ask John to make his statement and then leave.

Paine stated that by way of background, John Cumming was vice chairman of this board, the president of the Foundation, had been a board member for some time and was also CEO of Powdr Corp.

John Cumming thanked Dexter and read the following:

"I control Powdr Corp., which owns Copper Mountain. I also serve as President of the US Ski Team Foundation and Vice Chair of the USSA Board

of Directors. Copper Mountain and USSA are negotiating a use agreement which involves an investment by USSA in Copper Mountain infrastructure. This presents a conflict of interest for me. I have disclosed the existence of this conflict to Bill Marolt and Dexter Paine. I asked Counsel, Gordon Strachan, to prepare this disclosure and to advise me regarding how to address this conflict. I have been informed that USSA has sought and received an opinion from its tax advisors that I should disclose the existence of this conflict to the Board of USSA and excuse myself from any further discussion of this matter. I will do so and I leave the decision to the USSA Board to decide whether to waive the conflict and authorize the USSA Executive Committee to authorize the USSA staff to make the proposed investment in Copper Mountain."

Paine thanked him and asked him to withdraw from the meeting. Natt asked the record to reflect that John Cumming left the meeting.

Marolt said that the board had heard him talk and speak with enthusiasm to get this project on the road. This is a \$4.4 million project. I've been, along with Foundation staff, making asks to fund this project. We are currently at \$3.3 million of commitments and we have \$2.5 million of cash in hand. My original idea was to borrow the money against pledges, which is what we did with this building, but as it's turned out, we always talk in terms of huge dollars and, when I was thinking of \$4 million, it didn't seem like so much money, we can go out and borrow this and this won't be hard to do. But, when you really get into the numbers, it turns out that \$4 million is a lot of money and interest and principal payments ultimately would affect our annual athletic programs.

Marolt affirmed that what he would like to do is to get board approval to do this, committing to we will raise the money. We will pay for it basically in cash. We don't have it right now, we've got a deadline at the end of next week; hopefully I'll have it done by that time, but we may well go past that deadline in terms of having that money in hand. We'd like to be in a position to be able to say yea or nay at the end of next week. Having said that, Mark will address the concept of fair value, which is the area that has John Cumming conflicted. I want you to understand what fair value is and I want you to understand that we have to negotiate a contract, which Alex is in the process of doing.

Lampe said that we'd consulted our tax advisors on this issue. First, because of John Cumming's multiple positions and second, the fact that we are a non-profit entity and obviously Copper Mountain is a for-profit entity and within the IRS law there is a concept of excess benefit when you are dealing with related parties like that. We wanted to make sure that we did not run afoul of that and do our best to avoid that, while we technically don't waive the conflict of interest, we certainly acknowledge that conflict of interest exists and then we have to exert some additional due diligence to establish that this is, in fact, an arm's length transaction at a fair value. That takes it to a heightened level, rather than staff merely conducting that and we concluded that either the board or the executive committee of the board should review that transaction because of this related-party nature. All of these are on the advice of our tax representatives who say this builds a stronger case to protect us against an IRS challenge as well as being a good business perspective to take on this transaction as well.

Pained said that after a lot of discussion – we've been discussing this for five or six years now and perhaps longer – we actually believe that this is the most significant – in the near term – ability to impact performance. It is the thing that we can do to have the most significant impact on our athletes and available for other athletes to use. This is really important. We've raised a significant amount of money. He said the amount of money that we would need to raise would come down as we continued to negotiate for some value in kind as part of this, \$600,000 of that are two cats that we think we can get donated and that would bring it down to a much smaller deficit even today. We also have a significant number of asks outstanding

and we received a \$300,000 commitment last week and I would tell you that having heard about it and thought about, this is a really important project.

Paine noted that the other thing he would say was that we continually have potential conflicts of interest within this organization. We manage those every day. Jud mentioned Putnam where Bob Reynolds is a board member and Putnam is a huge sponsor. We've had that with Sprint, we've had that with Schwab, and with numerous situations and this organization has always done a thoughtful job in terms of handling these and we've always kept ourselves very much in the right and handled these appropriately. The final thing he said was that we have asked Mark to come back with a fairness opinion which was another belt and suspenders approach here in terms of saying that it was a fair deal for all involved. Paine opened the floor up for comments, thoughts or questions.

Landon Gardner said we touched upon this a little in the Athletes' Council meeting, the Copper project and how it affects that maybe nordic can't take advantage of this terrain, but on the freestyle mogul side, what is the consideration of the terrain – will it be available to the other disciplines? Could anyone address that? Has a mogul coach gone over there to see the value of the terrain?

Bodensteiner said that we'd talked about the possibilities for inserting, for instance, a mogul lane up there; we still have a lot of work to do on the terrain. He said that he thought there was opportunity for additional training there. The other piece that it allowed for was that once you expanded capacity of the different on-snow sites in Colorado, it would take some pressure off other areas, such as Vail, so it would be a good additive overall.

Gardner asked because some of the athletes did pay to play in the Vail situation and if we were putting a large investment into Copper, he wasn't sure it would still be the case. So he wanted to know how much value could be added to the freestyle mogul side of things in Colorado since we have a big presence there.

Bodensteiner said that it was still early enough that that was still to be determined; and we still have some on-site looking to do before we can make that determination.

Macartney said that, as an alpine rep, he would be remiss not to say how excited alpine was about this. He said we'd been talking about this concept for quite a while and while he hoped it spread to other sports, certainly with the freestyle and snowboarding side, for that time of year, it would be a huge advantage for us to have a training facility. When the alpine athletes find out about this, they will be very excited so I wanted it noted to the board that this project would be huge for us.

Paine said that Bill and Luke had been pushing this for a long time. He confirmed that all these projects, such as building the Center of Excellence, always take longer than you hope to get to it, but once you do, the impact is really tremendous

Jon Casson wanted to echo Landon's comments, that he was really excited about the project. It was a huge step forward for the organization and he hoped that there could be some integration for snowboarding as well as freestyle skiing, whether a boardercross track or other. Obviously, new snowmaking would take the pressure off Copper to blow snow for their pipe, potentially earlier, so hopefully we'll see some direct and indirect benefits since Colorado is already the center of the snowboard world anyway at that time of the year. We'll be there and hopefully be able to take advantage of this opportunity as well.

Subject to the vote, when would this be made public?

Marolt replied, as soon as we could establish fair value and get the contract written. Then he needed to make sure that we had the money and that might take a little time.

Paine said that he would argue that this was a half step that they would be asking for today. In order to move more quickly we will ask to delegate the authority to make the final decision on the contract on financing and final terms and conditions to the USSA's Executive Committee and my guess was sometime over the next 30 days we will get information out to the Executive Committee and they, assuming that the board gives approval to the Executive Committee, will make the decision, look at it and make sure we have a project consistent with what we discussed today.

Hank Tauber announced that he was a board member of Powdr Corp. and as such, should not vote on this, correct? Natt said that he should make the same disclosure as John Cumming had and be excused from the remainder of the meeting. Mr. Tauber then left the meeting.

Natt asked if there were any other members of the board on the Powdr Corp. board. For the record, Natt asked that it be noted that John Cumming was also a member of the USSA Executive Committee and he would not participate in the discussions henceforth as a member of that committee and it was important to note that because the USSA bylaws say that the Executive Committee cannot act unless all Executive Committee members are present on the telephone between meetings. Part of the authorization today is for the board to recognize that it would then be a committee of four, not five, making this decision because of Mr. Cumming's conflict.

Natt also said that this potential investment had been contemplated by USSA years before Mr. Cumming's company purchased Copper Mountain and that should also be made clear for the record.

Paine said that the organization had looked at a number of different venues over time and, ultimately, have come back to Copper each time for a variety of reasons, whether others opted not to work with us or give up terrain or changes of ownership; we've talked to numerous parties about this and Copper has come out as the best opportunity for getting on snow early.

Natt stated that he, with Mark Lampe, drafted a motion and the motion would be:

Motion #12: To authorize the USSA Executive Committee, in consultation with the USSA CEO, after completing due diligence and evaluating fair value of the transaction, to decide to invest USSA resources in the Copper Mountain transaction. In passing this Motion the USSA Board of Directors acknowledges the conflict of interest identified by USSA Vice Chair and owner of Copper Mountain, John Cumming, and Hank Tauber, member of the board of Powdr Corp., and notes that Mssrs. Cumming and Tauber have recused themselves from all discussion and decision-making involving this investment.

M/S/C – Andy Daly/Dexter Paine, approved by acclamation; no opposition noted for the record.

24. Meeting dates for 2011/12: Dexter Paine

Paine noted that the last board item was future board meetings. He thanked everyone for being here, in particular, all of the athletes being here. He appreciated their effort to get here, knowing that all of you have a lot going on in terms of school or work, and he appreciated their effort and commitment.

Paine confirmed the USSA Teleconference Meeting, October 19, 2011 @ 11 a.m. mountain time, which would be our fall meeting. He added that we had the annual trustee meeting,

which was at Birds of Prey, December 1-3, and invited anyone from the board to that meeting. It was always a great event.

Finally, we have the USSA Congress 2012. He said that we would be getting back to everyone in the next 30 days with the schedule and we will move the Sunday board meeting to Saturday afternoon and that is due to Sunday being Mother's Day: May 8-12, 2012, Park City, UT. We will be getting back to you with the final schedule and dates within the next 30 days.

Natt reminded the chairman to open the meeting for member comments, after Marolt's final comments.

Marolt thanked the athletes for being here. It was great that they were here and representing their sports. It would be a great learning experience. He thanked all the volunteers who spend countless hours in doing work on behalf of the organization. His message over the last several years had been that Olympism was about volunteerism, and it all started in the local communities. It started with the people in this room dedicated to creating opportunities for kids and that was a noble thing. If you looked at the whole system, it was pretty spectacular. All the additions that we were attempting to create would make it even better. We would be a formidable national governing body with which to deal. On an international basis, we would continue to grow and compete. He thanked everyone again.

Natt opened the floor for member comments. Being none, the floor was closed.

Engen thanked the staff for their efforts, and he commented that the largest profile in snow sports in winter sports today were women and they were perhaps the largest profile in US sports today. He said that we were an organization that treated men and women equally but we were a roomful of guys. Every voting member today is a guy, he added. He said he was uncertain what to do about this, but we should encourage our women to take part in the process from coaching and leadership representation. He did not know if the women felt underrepresented but he sensed that they were looking for more participation. We should do whatever we could to address that.

Paine said that was a thoughtful comment. As a Nominating Committee, we needed to put that on the next agenda. You look at Kikkan, Lindsey, and so on and we have some incredible female athletes who have done an enormous amount for this organization in terms of their leadership and we need to make a real effort to broaden their representation. We do have one woman on the board, Jeanne Jackson, who was, unfortunately, not here today. That clearly was insufficient. He said we would add it to the agenda and begin to deal with it and address it again next May.

There were no further comments.

25. Chairman's Closing Comments and Adjournment: Dexter Paine

There being no further business, Natt requested a motion to adjourn.

Motion # 13: To adjourn.

M/S/C – Bob Dart/Willy Graves, approved by acclamation

Minutes transcribed by Suzette 6/17/11; Legal review 6/21/11; Exec review. 6/22/11.

Addendum A – USSA Bylaw Amendments

Articles IV(E)(2) and IV(E)(3)(ii) would be amended to delete reference to the Paralympic Games as a qualifying competition for recognition as an “athlete” for purposes of serving on the USSA Board. These amendments are necessitated by this Board’s decision that the USSA, upon request of the USOC, has surrendered management of adaptive sports to the USOC.

It is proposed that Article VI(A)(7)(a) be amended to eliminate term limits for the USSA Chair. Should the amendment be approved, the Chair would be permitted to serve an unlimited number of consecutive two-year terms. This Amendment is desirable because it permits continuity in that office and it mirrors new amendments made to the USOC Bylaws.

ARTICLE IV USOC and FIS Compliance

In compliance with the requirements of the FIS and USOC, and the provisions of the Ted Stevens Olympic and Amateur Sports Act of 1998, the USSA shall:

A. at all times be autonomous in the governance of its sport in that it shall independently determine and control all matters central to such governance, shall not delegate such determination and control, and shall remain free from outside restraint;

B. keep membership open to all individuals who are amateur athletes, coaches, trainers, managers, officials, and administrators in skiing and snowboarding and to amateur athletic organizations active in skiing and snowboarding;

C. provide an equal opportunity to amateur athletes, coaches, trainers, managers, administrators, and officials to participate in amateur athletic competition, without discrimination on the basis of race, color, religion, age, sex, or national origin, and with fair notice and opportunity for a hearing before declaring any such individual ineligible to participate;

D. ensure that its Board of Directors and any other committees with governance responsibilities are composed of members selected without regard to race, color, religion, national origin, or sex;

E. ensure that its Board of Directors and any other committees with governance responsibilities include membership and voting strength of eligible athletes on the Board and such committees to be not less than twenty percent (20%). Athlete eligibility shall be consistent with those requirements set forth in the USOC Bylaws as follows:

(1) At least one-half of the individuals serving as athlete representatives shall have competed in the USSA disciplines that are on the sport’s program in the Olympic Games.

(2) Up to one-half of the individuals serving as athlete representatives may have competed in (i) an event or discipline not on the program of the Olympic Games, provided that such event or discipline is recognized by FIS or is regularly included in the international competition program of the FIS, ~~or (ii) the Paralympic Games, or an International Paralympic Committee recognized World Championship in events on the Paralympic Games program.~~

(3) At the time of election, all USSA athlete representatives shall have demonstrated their qualifications as athletes by having:

(i) Within the ten (10) years preceding election, represented the United States in the Olympic Games, or a World Championship recognized by FIS for which a competitive selection process was administered by the USSA; or

(ii) Within the twenty-four (24) months before election, demonstrated that they are actively engaged in amateur athletic competition by finishing in the top half of the USSA's national championships or have been a member of the USSA's national team; or

~~(iii) For within the ten (10) years preceding election, represented the United States in the Paralympic Games, or an International Paralympic Committee-recognized World Championship in events on the Paralympic Games program.~~

(4) Athlete representatives may not be drawn from events that categorize entrants in age-restricted classifications commonly known as "Juniors," "Masters," "Seniors," "Veterans" or other similarly designated age-restricted competition.

(5) Athlete representatives to the USSA's board of directors, executive committee, and other such governing boards shall be directly elected by athletes who meet the standards set forth above.

F. provide procedures for the prompt and equitable resolution of grievances of its members;

G. submit to binding arbitration, conducted in accordance with the commercial rules of the American Arbitration Association, in any controversy involving (i) the recognition of the USSA as an NGB with respect to any component or discipline of skiing or snowboarding, or (ii) the opportunity of any amateur athlete, coach, trainer, manager, administrator or official to participate in amateur athletic competition;

H. provide for reasonable direct representation on the Board for any other amateur snowsport organization which conducts, on a level of proficiency appropriate for the selection of amateur athletes to represent the United States of America in international amateur athletic competition, a national program or regular national amateur athletic competition, and ensure that such representation shall reflect the nature, scope, quality, and strength of the programs and competitions of such other organization(s) in relation to all other such programs and competitions in skiing and snowboarding in the United States of America;

I. be a member of no more than one international sports federation which governs a sport included on the program of the Olympic or Pan American Games;

J. ensure that none of its officers are also officers of any other amateur sports organization which is recognized as a National Governing Body; and

K. refrain from adopting or maintaining eligibility criteria relating to amateur status which are more restrictive than those of the appropriate international sports federation.

ARTICLE VI
Government and Operation

7. The Board shall elect, from among its voting members, a Chairman and a Vice Chair, each of whose terms of office shall be two years. The Board shall also elect, from among its voting members, a Treasurer, whose term of office shall be two years. The election and duties of the Chairman, Vice Chair and Treasurer shall be as set forth below:

(a) The Chairman is the highest elective position in the USSA. The responsibilities of the Chairman shall be to preside at all meetings of the Board. The Chairman shall be a full voting member of the Board, and also be an *ex-officio* member of all committees. The term of the office of Chairman shall be two years, which shall be timed so that every other term commences at the first annual meeting of members following the most recent Olympic Winter Games. There shall be no limit on the number of consecutive two (2) year terms a director may be elected Chairman is eligible to serve successive terms. However, election Election of a member to the office of Chairman shall ~~not~~ extend the ability of that member to serve on the Board for longer than is permitted pursuant to Article VI(A)(3)(a). The Chairman will not be eligible to receive any honorary awards of the USSA during his/her tenure and until one year after his/her replacement by his/her successor. Any member may nominate any other member for direct election to the office of Chairman. At the time he/she takes office, the Chairman shall vacate his/her former seat on the Board and shall occupy only the seat of the Chairman. His/her former seat shall be deemed vacated and shall be filled in accordance with the procedures set forth in these bylaws for filling mid-term vacancies.