

## LOCAL ASSOCIATION AGREEMENT

This Local Association Agreement is entered into between USA Cycling, Inc. ("USAC"), a Colorado nonprofit corporation with its principal place of business located at 210 USA Cycling Point, Colorado Springs, CO 80919, and Michigan Bicycle Racing Association ("LA"), a nonprofit organization with offices located in Michigan.

The parties hereby agree as follows:

1. **Term.** The term of this agreement shall begin January 1, 2023 and shall continue through December 31, 2023.
2. **Recognition and Territory.** USAC hereby recognizes LA as the USAC Local Association for the disciplines of road, track, cyclo-cross, mountain bike, gravel, gran fondo and fun ride ("Covered Disciplines"). LA shall be USAC's sole Local Association in the following geographic area: The state of Michigan.
3. **Exclusivity.** USAC shall be the exclusive sanctioning organization for the Covered Disciplines within the Territory. For purposes of this agreement "exclusive" shall mean that LA shall not promote or encourage permitting or sanctioning of Covered Discipline events in the Territory by any sanctioning or permitting organization other than USAC. This exclusivity agreement does not prevent the LA from encouraging or promoting any local event the LA deems beneficial to the cycling community.
4. **Grant of Rights.** USAC hereby grants to LA a non-exclusive, non-transferable, non-sublicensable, royalty free license to use the USAC's trademarks, including its wordmark and logo, and the statement of association "Official Local Association of USA Cycling" (collectively "Licensed Marks") in connection with LA's obligations under this agreement.
5. **LA's Obligations.** LA's obligations under this agreement shall include the following:
  - a. be recognized by the Internal Revenue Service ("IRS") as a tax-exempt organization under the Internal Revenue Code and provide USAC with a copy of its letter of recognition from the Internal Revenue Service as a tax-exempt organization ("Exemption Letter") upon request by USAC;
  - b. post on its website its IRS form 990 for the three most recent years;
  - c. post on its website its financial statements for the three most recent years;
  - d. post on its website its current bylaws and other organic documents;
  - e. provide USAC with a completed W-9;

- f. make best efforts to encourage all race directors within the Territory to permit events in the Covered Disciplines with USAC;
- g. make best efforts to schedule events in coordination with National Calendar and International Calendar events;
- h. make best efforts to calendar and coordinate Covered Discipline events to optimize participation and create minimal conflicts between events;
- i. make best efforts to lead and promote communication, collaboration and cooperation between event directors;
- j. encourage event organizers to submit post event documents (including results) to USAC within 21 days of the final day of the event, and assist in the recovery of outstanding and delinquent post event documents including outstanding payment and missing results;
- k. assign qualified officials in the disciplines of road, track, cyclo-cross, and mountain bike for all non-national championship events in accordance with USA Cycling Policy IV and assist with assignment to national championship and national calendar events as requested by USAC, including but not limited to events on national calendars, state championships, and local events;
- l. provide LA membership with a communication forum such as web site, newsletter, and social media feeds;
- m. support, promote, and facilitate USAC programs including those for membership, officials, and event organizers;
- n. support and promote athlete development opportunities and programs and communicate these to members with guidance and assistance of USAC;
- o. keep USAC provided member e-mail addresses confidential and only use such e-mail addresses to communicate with USAC members while fulfilling LA's obligations under this agreement;
- p. regularly promote membership offerings from USAC through such means as available (website banner ads, e-mail, social media channels);
- q. encourage event organizer adherence to best practices as defined in the LA policies and procedures;
- r. host an annual event organizer and an annual officials' meeting;

- s. prominently display the Licensed Marks on LA’s website; and
  - t. make best efforts to ensure that sanctioned events display the Licensed Marks prominently at such sanctioned events.
6. **USAC’s Obligations.** USAC obligations under this agreement shall include the following:
- a. provide LA with marketing support in the form of basic marketing templates for both print medium and digital marketing, as well as digital marketing and social media for LA activities as requested by the LA on a space available basis;
  - b. provide LA with access to USAC’s membership category database;
  - c. work with an insurance company to offer club, directors and officers (D&O), and hired/non-owned auto and motorcycle insurance;
  - d. work with an insurance company to provide risk management tools and suggestions for event organizers;
  - e. procure rider and event insurance subject to existing insurance market and pricing conditions;
  - f. provide LA with access to consenting USAC member e-mail addresses for members in the LA’s Territory;
  - g. provide and maintain an online forum that will serve as (i) the primary method of communications from USAC to LA and (ii) an online forum for community and group communications;
  - h. host monthly Local Association teleconferences as well as monthly working group meetings to foster better communication and cooperation between Local Associations and USAC;
  - i. provide up to 225 state or district championship medals (75 each for 1st-3rd place) to the Local Association to be used for state or district championships in their region.
7. **Compensation Program.** As consideration for providing services outlined in Section 5, USAC agrees to:
- a. Pay LA a flat rate based on unique rider days from 2023 USAC-permitted events in the Covered Disciplines within the Territory as outlined in Section 2 (“Rider Day Fee”). Rider Day Fee for all Covered Disciplines is \$.40 per unique rider day. A “unique rider day” shall mean one rider per day in any Covered Discipline event in the Territory during the Term. The Rider Day Fee will only be paid for events that are completed and have satisfied USAC’s

post-event reporting requirements including full payment to USAC. Rider Day Fees will not be paid for USAC owned events or events that do not pay a per rider insurance surcharge.

b. Provide LA with a one-time stipend of \$500 for 2023 expenses..

8. **Payment.** The following payment schedule will be implemented for 2022 with a pro-rata portion paid if agreement is mutually executed after January 31, 2022:

a. Installment Periods

i. First Installment – April 30, 2023. The First Installment shall include the Rider Day Rebate for all events defined in Section 7 conducted between January 1, 2023 and March 31, 2023.

ii. Second Installment – July 31, 2023. The Second Installment shall include the Rider Day Rebate for all events defined in Section 7 conducted through June 30, 2023 minus the amount paid in the First Installment.

iii. Third Installment – October 31, 2023. The Third Installment shall include the Rider Day Rebate for all events defined in Section 7 conducted through September 30, 2023 minus the amount paid in the First and Second Installment.

iv. Fourth Installment – February 15, 2023. The Fourth Installment shall include the Rider Day Rebate for all events defined in Section 7 conducted through December 31, 2023 minus the amount paid in the First, Second, and Third Installment. USAC will not reimburse LA for payment of Rider Day Fees received after January 31.

b. When all L.A. obligations in Section 5 and Section 10 of this agreement are met, a stipend of \$500 will be included in the quarterly installment..

c. USAC will remit all amounts payable to LA within thirty (30) days following the end of each installment period and will provide LA an accounting of rider days during the installment period.

d. Any obligations of USAC to make payments under this Section 8 that are scheduled to occur after the term of this agreement shall survive termination subject to the provisions of Section 11.

9. **Local Association Fees and Surcharges.** LA may charge membership fees and surcharges subject to the following conditions:

a. Mandatory annual club membership fees may not exceed \$150.

b. Mandatory annual individual membership fees may not exceed \$25. If LA charges a mandatory individual membership, LA must offer a one-day membership, the fees for which may not exceed \$5. LA may not charge a one-day membership to a USAC member who does not reside in the LA's Territory.

c. LA may charge rider surcharges for events that require a USA Cycling membership held within LA's Territory and any such events requiring a USA Cycling membership held outside the geographical territory of the LA that (1) use equipment owned by the LA, (2) are part of the LA's BAR/BAT or other LA sanctioned race series, or (3) are an LA designated State or Regional Championship event.

i. If LA does not charge a mandatory annual individual membership fee, such rider surcharges may not exceed \$2.00 per rider day; or

ii. If LA does charge a mandatory annual individual membership fee, such rider surcharges may not exceed \$1.75 per rider day.

d. LA shall publish, in a location easily accessible to LA's membership and event organizers, a schedule of all membership fees and surcharges that it charges. In conjunction with this schedule of fees, LA shall publish a detailed explanation of how such fees and surcharges are used to further the mission of the LA.

#### 10. **Safe Sport; Background Checks.**

a. The following individuals are required to complete the US Center for SafeSport training: (i) LA board members, (ii) LA employees, and (iii) any adult the LA authorizes, approves, or appoints to (A) a position of authority over athletes, or (B) have regular contact with athletes. The training must be completed within 45 days upon beginning any such role or prior to contact with athletes, whichever occurs soonest. The training must be updated every 12 months.

b. The LA shall require, at a minimum, background checks for the following individuals: (i) the LA President, and (ii) any adult the LA authorizes, approves, or appoints to (A) a position of authority over athletes, or (B) have regular contact with athletes. Background checks must be conducted prior to an individual beginning their role and must be completed every two years thereafter. All background checks must comply with USAC's Background Check Policy as amended from time to time. USAC's Background Check Policy is published at <https://usacycling.org/safesport/background-check-policy>.

c. All individuals in roles described in Section 10.a. are required to complete the U.S. Center for SafeSport's training before assuming (i) a position of authority over, or (ii) regular contact with an athlete within 45 days upon beginning any such role. The training must be updated every 12 months.

11. **Termination.**

a. Either party may terminate this agreement upon ninety (90) days prior written notification to the other party at its address set forth on the first page of this agreement.

b. Either party may terminate this agreement if the other either party commits a material breach of its obligations under this agreement. If either party commits a material breach in the performance or observance of any of its obligations under this agreement, and such breach continues for a period of thirty (30) days after delivery by the non-breaching party of written notice reasonably detailing such breach then the non-breaching Party shall have the option to terminate this agreement. If the breach cannot be cured within the thirty (30) day period and the breaching parties notifies the non-breaching party in a reasonably detailed writing of its plans to initiate substantive steps to remedy the breach and thereafter diligently pursues cure of the breach, the initial thirty (30) day period will be extended for an additional thirty (30) days. If after the extension, the breach remains uncured, the non-breaching party has the option of terminating this agreement.

c. In the event of early termination of this agreement by LA, USAC is obligated to pay LA for rider days to the date of termination based upon the full 12-month Term. LA shall refund USAC a pro-rated amount of first installment payment within 15 days of the date of termination.

12. **Insurance.** LA will maintain in full force and effect general liability insurance in the amount of \$1,000,000; and will have USAC named as a named insured. If the LA purchases its general liability policy through USAC's Club/LA General Liability Program through Fairly Group, USAC does not need to be added as a named insured. LA will supply proof of such insurance to USAC. In addition, LA shall maintain in full force and effect workers compensation insurance as may be required by the state(s) in which the LA does business.

13. **Indemnification.** Each party agrees to indemnify and hold harmless the other, and its agents, officers, directors, representatives, and employees (collectively "representatives") as to all claims asserted against and costs (including reasonable attorney fees) and damages incurred by the other party or its representatives as a result of or arising from the indemnifying party's or its representatives' actions or inactions pursuant to this agreement or failure to comply with this agreement, except to claims covered by insurance under which both parties are insureds and with respect to which, they waive the right of subrogation.

14. **Relationship of the Parties.** This agreement creates a contractual relationship only between the parties and does not create a partnership, joint venture, or similar relationship. This agreement does not give LA the authority to issue USAC permits, extend USAC insurance coverage, or incur any debts, liabilities, or obligations on behalf of USAC. LA is liable for all labor and other expenses it incurs as a registered club and as an event sponsor.

15. **Modification; Waiver.** No amendment of this agreement will be effective unless it is in writing and signed by the parties. No waiver of satisfaction of a condition or failure to comply with an obligation under this agreement will be effective unless it is in writing and signed by the party granting the waiver, and no such waiver will constitute a waiver of satisfaction of any other condition or failure to comply with any other obligation.

16. **Severability.** The parties intend as follows:

- a. that if any provision of this agreement is held to be unenforceable, then that provision will be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded;
- b. that if an unenforceable provision is modified or disregarded, then the rest of the agreement will remain in effect as written; and
- c. that any unenforceable provision will remain as written in any circumstances other than those in which the provision is held to be unenforceable.

17. **Counterparts.** If the parties sign this agreement in several counterparts, each will be deemed an original but all counterparts together will constitute one instrument.

18. **Governing Law.** The laws of the state of Colorado, without giving effect to its principles of conflicts of law, govern all adversarial proceedings arising out of this agreement. Venue for all adversarial proceedings shall be in El Paso County, Colorado.

19. **Scope of Agreement; Entire Agreement.** This agreement, the Contractor Release and the schedules, exhibits and addenda to this agreement constitute the entire understanding between the parties with respect to the subject matter of this agreement and supersede all other agreements, whether written or oral, between the parties.

The parties are signing this agreement on the date indicated below to their name in the signature block:

LOCAL ASSOCIATION

*Christopher Donnelly*

By: \_\_\_\_\_

Name: Chris Donnelly

Title: Mbra President

Date: 02/10/2023

USA CYCLING, INC.

*Brendan Quirk*

By: \_\_\_\_\_

Name: Brendan Quirk

Title: Chief Executive Officer

Date: 02/10/2023

*SG*