

For USAC Use Only

Is LA IRS Tax Exempt

Determination letter on File:

☐

AGREEMENT FOR THE ROAD/TRACK/CYCLOCROSS LOCAL ASSOCIATION OF USA CYCLING INC.

THIS AGREEMENT, ("agreement") entered into between USA Cycling, Inc. ("USA Cycling"), the national governing body for cycling in the United States with its principal place of business located at 210 USA Cycling Point, Suite 100 Colorado Springs, CO 80919, and Missouri Bicycle Racing Association, a 501(c) 3 nonprofit corporation to be recognized as the Local Association ("LA") pursuant to this agreement, with offices located at:

Street: _____ City: _____
State: _____ Zip: _____

The parties hereby mutually agree as follows:

1. Local Association

1.1 During the term of this agreement, beginning the later of **December 1, 2013 or the date this agreement is mutually executed, and ending November 30, 2014** ("Term") LA will act, subject to the terms and conditions of this agreement, as the local association for the road, track, and cyclo-cross disciplines of USA Cycling in the zip code areas described in Attachment A hereto ("the area").

1.2 LA warrants and represents that it is incorporated as a nonprofit corporation and, as a condition of this agreement, shall obtain from the Internal Revenue Service ("IRS") a letter of recognition as an IRC §501(c), publicly supported, tax exempt organization, and to provide USA Cycling with the exemption letter upon its receipt by LA. If LA does not provide a copy of its exemption letter to USA Cycling within 120 days of the date of this agreement, USA Cycling shall have the option to immediately terminate this agreement without giving the 90 day notice provided for in paragraph 6 below, subject however, to the provisions of this agreement that shall survive its termination as set forth in paragraph 6 below.

1.3 LA acknowledges that prior to being entitled to receive any payment pursuant to this agreement it must be in full compliance with this agreement and not currently in default on any provision of the agreement and it must provide to USA Cycling the executed agreement, a completed W-9, proof of insurance as required in section 7, the required IRS exemption letter, proof of filing along with a copy of the LA's 2012 IRS 990, 990EZ, or 990N, 2012 Financial Statements (Income Statement, Balance Sheet, Statement of Cash Flow, and audited financials (if financials are audited), and the 2013 Year-end Local Association License Rebate Report (see Attachment D) that is satisfactory to USA Cycling.

1.4 LA agrees to remain in good standing with USA Cycling as a registered club. By executing this agreement, LA is applying to be a USAC registered club for 2014 and agrees to abide by the rules and regulations of USA Cycling as a USAC registered club. As with any USAC registered club, if the LA operates any of its own competitive or non-competitive

events, it can apply for USAC to sanction these events subject to USAC's rules, regulations, and sanctioning procedures and standards.

1.5 LA is liable for all labor and other expenses it incurs as a registered club and as an event sponsor. USA Cycling expressly acknowledges that during the term of this agreement, LA will be entitled to charge a reasonable membership fee to its members and to impose a rider surcharge on promoters of events in the area to help fund LA's programs.

2. USA Cycling Services

2.1 During the term of this agreement, USA Cycling agrees to provide the following services, subject to its rules and regulations as in effect from time to time:

2.2 Rebate Program: USA Cycling will remit to LA \$10.00 for each full price \$70 2014 USA Cycling adult domestic racing license with Road, Track, or Cyclo-cross selected as the primary discipline (2014 licenses have an expiration date of December 31, 2014) sold during the Term of this agreement to individuals who reside in the area. USA Cycling will remit to LA all amounts payable to the LA hereunder on a calendar quarterly basis within 30 days following the end of each calendar quarter with the following conditions: (1) that USA Cycling has received all required paperwork, (2) LA is in full compliance with this agreement and (3) that the final quarterly payment is not due and payable until the later of January 30, 2015 or 15 days after the receipt of the LA final 2014 Year-end Local Association License Rebate Report (see Attachment E) showing how all revenue for the current year and unspent USAC payments from prior years was disbursed. 2014 licenses are sold between December 1, 2013 and November 30, 2014. Licenses sold on or after December 1, 2014 are considered 2014 licenses.

2.3 The following quarterly rebate payment schedule will be implemented for 2014 with a pro-rata portion paid if agreement is mutually executed after February 15, 2014.

- ***First quarter ending March 31, 2014*** - 60% of previous year rebate excluding any additional \$5 incentive rebates and \$5 rebates for add-ons.
- ***Second quarter ending June 30, 2014*** - 10% of previous year rebate excluding any additional \$5 incentive rebates and \$5 rebates for add-ons.
- ***Third quarter ending September 30, 2014*** – 10% of previous year rebate excluding any additional \$5 incentive rebates and \$5 rebates for add-ons.
- ***Fourth quarter ending December 31, 2014*** - calculated 2014 annual rebates based on actual 2014 licenses sold during the Term of this agreement less the above first three quarterly payments under this agreement. In the event USAC has paid more than actually owed to the LA, and there is a short fall, LA agrees to remit amount owed to USAC by January 30, 2015.

2.4 Incentive program: USA Cycling agrees to remit an additional \$5 rebate to the Local Association for each full price (\$70) 2014 adult domestic racing license with Road, Track, or Cyclocross selected as the primary discipline (2014 licenses have an expiration date of December 31, 2014) sold in excess of the Local Association's total 2013 full price (\$60) USA Cycling Road/Track/Cyclocross adult annual licenses sold (See Attachment C for

2013 full price (\$60) adult licenses sold) during the Term of this agreement to individuals who reside in the area. This incentive rebate is payable to the LA the later of January 30, 2015 or 15 days after the receipt of the 2014 Year-end Local Association License Rebate Report showing how all revenue for the current year and unspent USAC payments from prior years was disbursed.

2.5 USA Cycling will provide LA access to its membership category database.

2.6 USA Cycling will work with an insurance company to offer competitive priced club, directors and officers, and hired/non-owned auto and motorcycle insurance.

2.7 USA Cycling will work with an insurance company to provide risk management tools and suggestions for race directors.

2.8 USA Cycling will provide competitively priced rider and event insurance subject to existing insurance market and pricing conditions.

2.9 USA Cycling will provide race-permitting process.

2.10 USA Cycling will provide rider licenses with appropriate category and club information.

2.11 USA Cycling will provide general racing rules and regulation for bicycle racing. USA Cycling Rulebook will be available on-line.

2.12 USA Cycling will provide riders the access to national talent identification programs and development camps and clinics.

2.13 USA Cycling will provide Officials program to include national and regional curriculum.

2.14 USA Cycling will provide Coaching Education program, including materials and clinics.

2.15 USA Cycling will provide Mechanics Education program, including materials and clinics.

2.16 USA Cycling will provide the opportunity for clubs and riders to apply for grants and support from the USA Cycling Development Foundation.

2.17 USA Cycling will strive to increase customer service with on-line services.

2.18 USA Cycling will provide interactive national results and rankings program.

2.19 USA Cycling, through the US Anti-Doping Agency (USADA) will maintain a medical control testing program that will be subject to the rules and regulations of USADA from time to time.

2.20 USA Cycling will provide to the LA USA Cycling member e-mail addresses for members in LA's area that specifically consent to sharing their e-mail address with LA.

3. Regional Programs Manager

3.1 During the term of this agreement, USAC agrees that the Regional Programs Manager will supervise and manage all Local Associations.

3.2 The Regional Programs Manager will be the first line of contact for all USAC business including, but not limited to:

3.2a Contract management and dissemination.

3.2b Planning and management of annual summit.

3.2c Assist LA in dissemination of USAC information, logos, benefits, etc..through LA websites.

3.2d Ensure ongoing communications via conference calls, emails, etc...

3.2e Ensure that all Local Associations have access to USAC online web services.

3.2f Help market the Local Association's Program through USA Cycling's website, newsletter; emails, etc...

3.2g Establishing best practices, policies, and procedures.

4. Local Association (LA) Services

4.1 USA Cycling has been granted authority under the Ted Stevens Olympic and Amateur Sports Act, through the U.S. Olympic Committee, to be the sole National Governing Body for competitive bicycle racing in the USA and cannot delegate any of its authority. **As a result, it has final and exclusive authority over all matters pertaining to the governance of the sport, including, but not limited to, permitting, race scheduling and licensing of its members.** Subject to the foregoing and USA Cycling's rules and regulations as in effect from time to time, during the term of this agreement, LA agrees to provide the following services:

4.2 LA agrees it will work in good faith and with its best efforts to ensure that all road, track, and cyclo-cross organizers/race directors permit their events in the area through USA Cycling and its representative associations and by doing so agree to abide by the respective association rules and regulations. No officer and/or a member of the board of directors of an LA or the LA itself shall act as a race director/organizer of a competitive cycling-related event that is not sanctioned by USA Cycling.

4.3 Local race scheduling. (Subject to coordination with national calendars and international calendar events as reviewed by USA Cycling). **If the LA scheduling policy is more restrictive than USA Cycling's scheduling policy, LA must send its proposed policy to USA Cycling to review and USA Cycling will make the final determination concerning the event scheduling and sanctioning.**

4.4 Review and submit in a timely manner fully completed event permits to USA Cycling in accordance with USA Cycling guidelines and containing all information required by USA Cycling.

4.5 Review and submit in a timely manner all post-event documents (including event results) to USA Cycling within USA Cycling's guidelines.

4.6 Assist in recovery of outstanding and delinquent post events including outstanding payment and missing results due USA Cycling.

4.7 Assign qualified officials for all non-national championship events per guidelines set forth in the USA Cycling Rulebook under Policy IV. This includes but is not limited to events on the national calendars, State Championships, and local events not already assigned by USA Cycling. USA Cycling will notify the LA of assignments that USA Cycling will make at least 60 days prior to the event.

4.8 Provide or schedule race equipment for event if race equipment is available.

4.9 Assist members with license upgrading up to and including Category 2 as per the USA Cycling Rulebook.

4.10 Assist members with license downgrading as per the USA Cycling Rulebook.

4.11 Provide membership with communication forum such as web site, newsletter, etc.

4.12 Support and facilitate USA Cycling certification programs including officials, coaches, and mechanics. Qualified instructors will conduct these programs. Curriculum and training materials provided by USA Cycling.

4.13 Support and communicate athlete development opportunities and programs with guidance and assistance of USA Cycling.

4.14 Provide a direct link on the homepage of LA website to www.usacycling.org and include USA Cycling's Local Association Logo on the top of its homepage.

4.15 Acknowledge USA Cycling as a sponsor on homepage of LA website.

4.16 LA shall provide its 2013 Financial Statements (Income Statement, Balance Sheet, Statement of Cash Flow, and audited financials (if financials are audited) to USAC no later than May 1, 2014.

4.17 Provide USAC with a complete copy of its filed 2013 IRS Form 990, 990N, or 990EZ within 15 days of filing, but no later than December 31, 2014.

4.18 Communicate directly with Regional Programs Manager and/or Road and Track Regional Coordinator on a timely basis, either answering questions or providing information that is requested.

4.19 Use its best efforts to support and promote USAC sponsorship and affinity partners and programs.

4.20 Include the following disclaimer to the home page of its website: "This website and all materials and content has not been reviewed, approved, or endorsed by USA Cycling, Inc."

4.21 Complete Attachment B with signed agreement and then will send USAC updated form within 15 days of changes.

4.22 Agree to keep USA Cycling member e-mail addresses confidential and to only use these e-mail addresses to communicate with USAC member's while fulfilling its duties under this agreement. LA agrees not to sell or share the e-mail addresses with any third party nor to use the e-mail addresses to promote any product or services other than USAC.

5. Mutual Cooperation

The parties agree to promote each other in a positive manner where appropriate, to include, but not exclusive to, press releases, web-site content and general communications.

6. Term and Termination

6.1 The term of this agreement will commence the date signed by both parties and, unless otherwise terminated in accordance with the terms hereof, expire on November 30, 2014.

6.2 The agreement can be terminated by either party in its sole discretion upon a ninety-day (90) prior written notification to the other party at its address set forth on the first page of this agreement.

6.3 Notwithstanding the forgoing, the parties' indemnification obligations hereunder, the obligation of LA to provide copy of IRS 990, Financial Statements, and Year-end Local Association License Rebate Report and the obligation of LA to provide post-event documents and accountings to USA Cycling for events occurring or permitted by USA Cycling during the term and the obligation of USA Cycling to remit amounts in respect of licenses sold during the term hereof, will survive the expiration or early termination of this agreement.

6.4 In the event of early termination of this agreement by USA Cycling, USA Cycling is obligated to remit only for licenses sold through the date of termination and only if LA is in full compliance with the agreement and not in default with any provision of this agreement. If LA terminates the agreement early then it will forfeit its rights to any accrued or future rebates.

6.5 During or after the term of this agreement and upon the reasonable request of USA Cycling in writing, LA agrees to provide proof of performance to USA Cycling as to where monies received from USA Cycling were distributed within LA for program development and local race support as it relates to items listed above.

7. Insurance

LA will maintain in full force and effect during the Term of the Agreement general liability insurance in the amount of \$1,000,000; and will have USAC named as an additional insured. LA will supply proof of such insurance to USAC. In addition, LA shall maintain in full force and effect during the Term of the Agreement, workers compensation insurance as may be required by the state(s) in which the LA does business.

8. LA SafeSport Requirements

8.1 LA hereby agrees to create its own Criminal Background Check (“CBC”) Policy or adopt USAC’s CBC Policy. If LA wishes to create its own policy, USAC requests that LA confers with USA Cycling’s [Risk Protection Manager](#). LA agrees to have such policy in place by July 1, 2014.

8.2 LA shall require a biennial CBC be completed for the President/Executive Director (or similar position) and any person that is formally authorized, approved or appointed by that LA (a) to a position of authority over, or (b) to have frequent contact with athletes. For 2014, such CBCs must be completed by July 1, 2014.

8.2a For purposes of clarification, a LA is considered to formally authorize, approve or appoint an individual in instances where the LA has control over the appointment process. All persons holding the positions identified by the LA as being in need of a CBC must comply with and follow the USA Cycling [Criminal Background Check Procedures](#) when completing their CBC.

8.3 LA hereby agrees to create a SafeSport Education Policy whereby certain members must complete a SafeSport Education training. USAC requests that LA confers with USA Cycling’s Risk Protection Manager in creating such policy. LA agrees to have such policy in place by December 31, 2014.

8.4 For the individuals in 8.2 completing the CBC, such individuals must also complete a SafeSport Education training by December 31, 2014.

9. 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.

10. Governing Law and Jurisdiction

10.1 This Agreement shall be governed by the internal laws of the State of Colorado. In addition to any other relief to which a party may be entitled to by this agreement or at law or in equity, the prevailing party shall be entitled to an award of its reasonable attorney fees and costs incurred in any arbitration or litigation arising from this agreement and the losing party shall pay all costs of the arbitration.

10.2 Any dispute arising from this agreement shall be resolved by arbitration conducted in accordance with the commercial arbitration rules of the American Arbitration Association; providing, however, a party may seek injunctive relief only from the El Paso County, Colorado, District Court, which shall have exclusive venue and jurisdiction as to any injunctive relief sought. Any arbitration proceeding shall be held in El Paso County, Colorado.

11. Relationship of the Parties

11.1 The parties shall at all times be independent contractors with respect to each other and this agreement shall not constitute or appoint either as the agent or legal representative of the other for any purpose whatsoever.

11.2 Subject to its terms and conditions, this agreement creates a contractual relationship only between the parties and does not create a partnership, joint venture, or similar relationship between the parties.

11.3 This agreement does not give LA the authority to issue USA Cycling permits, extend USA Cycling insurance coverage, or incur any debts, liabilities, or obligations on behalf of USAC.

Signatures of the Parties are on the following page.

AGREED to this ____ day of _____, 2014.

LA:

By: _____ Date: _____
President, Local Association

Printed Name

USA Cycling, Inc.

By: _____ Date: _____
Steve Johnson; CEO USA Cycling

Steve Johnson
Printed Name

ATTACHMENT A: LA Area

The State of Missouri, United States Postal Zip Codes as determined in the current National Zip Code Directory.

ATTACHMENT B: Contact Information

Local Association Contact Information

Name of Association: _____

Mailing Address: _____

President: _____

Phone: (_____) _____ - _____ E-Mail: _____

Vice President: _____

Phone: (_____) _____ - _____ E-Mail: _____

Treasurer: _____

Phone: (_____) _____ - _____ E-Mail: _____

Secretary: _____

Phone: (_____) _____ - _____ E-Mail: _____

Party responsible for receiving legal notices and correspondence:

Name: _____

Mailing Address: _____

Party responsible for receiving rebate checks:

Name: _____

Mailing Address: _____

Road, Track, and Cyclo-cross Permitting Coordinator: _____

Mailing Address: _____

Phone: (_____) _____ - _____ E-Mail: _____

USA Cycling License Number: _____

Road, Track, and Cyclo-cross Officials Coordinator: _____

Mailing Address: _____

Phone: (_____) _____ - _____ E-Mail: _____

USA Cycling License Number: _____

Road, Track, and Cyclo-cross Upgrade Coordinator: _____

Mailing Address: _____

Phone: (_____) _____ - _____ E-Mail: _____

USA Cycling License Number: _____

ATTACHMENT C: 2013 Full Price (\$60) Primary USA Cycling Road/Track/Cyclo-cross Adult Annual Racing License Sold

Number of 2013 full price (\$60) primary USA Cycling Road/Track/Cyclo-cross adult annual racing licenses sold:

Attachment C will be updated by USAC and provided to LA with the final number during 1st Quarter 2014

ATTACHMENT D: Example 2013 Year-end Local Association License Rebate Report

2013 Year-end Local Association License Rebate Report

LA Name: _____

Unspent cash from USAC as of 1/1/2013 \$ -

USAC rebates received in 2013 (includes 2012 and prior year license rebates received in 2013) \$ -

Expenditure of USAC funds in 2013:

- Project 1 (fill in with detailed description of project including an explanation of how you used the funds and how it benefited the LA and USAC members.- cell will wrap so you have room for detailed description)	\$ -
- Project 2 (fill in detailed description of project- cell will wrap)	\$ -
- Project 3 (fill in detailed description of project- cell will wrap)	\$ -
- Project 4 (fill in detailed description of project- cell will wrap)	\$ -
- Project 5 (fill in detailed description of project- cell will wrap)	\$ -
- Project 6 (fill in detailed description of project- cell will wrap)	\$ -
- Project 7 (fill in detailed description of project- cell will wrap)	\$ -
- Project 8 (fill in detailed description of project- cell will wrap)	\$ -
- Project 9 (fill in detailed description of project- cell will wrap)	\$ -
- Project 10 (fill in detailed description of project- cell will wrap)	\$ -
- Add additional lines for projects as needed placing your cursor on cell A20 and click insert row	\$ -

Total 2013 USAC funds Expenditures \$ -

Unspent cash from USAC as of 12/31/2013 \$ -

Check Total - should be zero, if not 1/1 balance plus 2013 rebates received minus 2013 expenditures does not equal balance at year-end. Please check revenue and expenditures lines for completeness. \$ -

ATTACHMENT E: Example 2014 Year-end Local Association License Rebate Report

2014 Year-end Local Association License Rebate Report

LA Name: _____

Unspent cash from USAC as of 1/1/2014 \$ -

USAC rebates received in 2014 (includes 2013 and prior year license rebates received in 2014) \$ -

Expenditure of USAC funds in 2014:

- Project 1 (fill in with detailed description of project including an explanation of how you used the funds and how it benefited the LA and USAC members.- cell will wrap so you have room for detailed description)	\$ -
- Project 2 (fill in detailed description of project- cell will wrap)	\$ -
- Project 3 (fill in detailed description of project- cell will wrap)	\$ -
- Project 4 (fill in detailed description of project- cell will wrap)	\$ -
- Project 5 (fill in detailed description of project- cell will wrap)	\$ -
- Project 6 (fill in detailed description of project- cell will wrap)	\$ -
- Project 7 (fill in detailed description of project- cell will wrap)	\$ -
- Project 8 (fill in detailed description of project- cell will wrap)	\$ -
- Project 9 (fill in detailed description of project- cell will wrap)	\$ -
- Project 10 (fill in detailed description of project- cell will wrap)	\$ -
- Add additional lines for projects as needed placing your cursor on cell A20 and click insert row	\$ -

Total 2014 USAC funds Expenditures \$ -

Unspent cash from USAC as of 12/31/2014 \$ -

Check Total - should be zero, if not 1/1 balance plus 2014 rebates received minus 2014 expenditures does not equal balance at year-end. Please check revenue and expenditures lines for completeness. \$ -