

102590-01-F-0858  
SPONSORSHIP AGREEMENT

This sponsorship agreement is entered into effective 1 January 2001, between DFP Cycling LLC, a Delaware Limited Liability Company (the "Company"), and the United States Postal Service (the Sponsor).

RECITALS

- A. The Company, among other things, owns and manages a professional bicycle racing team (the "Team") which competes in professional national and international cycling events; and
- B. The Sponsor offers mail delivery services throughout the world and wishes to be the sole title sponsor

Now, therefore, the parties agree as follows:

AGREEMENT

1. The Sponsor's Duties.
  - (a) The Company grants to the Sponsor the sponsorship rights set forth below under the Provision entitled, Promotional Rights and Activities, during the term of the Agreement.
  - (b) The Sponsor will have no obligation to perform and/or pay any sums to secure the performance of any of the foregoing except as otherwise provided in this Agreement.
  - (c) The Company shall perform the duties specifically set forth under the Provision entitled, Promotional Rights and Activities.
2. Sponsorship Rights. The Company has, subject to the terms of this Agreement, the authority to grant, and it hereby grants to the Sponsor, the promotional rights listed below under the Provision entitled, Promotional Rights and Activities, during the term of this Agreement. In consideration of the grant of such promotional rights, the Sponsor agrees to pay the sponsorship fees set forth in Exhibit A and to be responsible for the specific obligations set forth in Exhibit A.
3. Term. This Agreement shall be effective for a period (the "Contract Term" or the "Term") commencing on the date hereof and continuing through December 31, 2004 unless terminated earlier as set forth in this Agreement. The Sponsor shall notify the Company no later than July 1, 2004 whether the sponsorship will continue beyond December 31, 2004. If the sponsorship is to be continued, fee and term negotiations will ensue during the period of July 1 through August 31 of the applicable year. The end date can be extended upon mutual agreement.
4. Indemnification. The Company agrees to indemnify, defend and hold the Sponsor, its subsidiaries and the affiliates of each entity, as well as each officer, agent, distributor, employee, attorney, dealer, consultant, representative, contractor, successor and assignee of any of the above, harmless from and against any and all expenses, damages, claims, suits, losses, actions, judgments, liabilities and costs whatsoever (including, without limitation, attorneys fees) arising out of: (i) the Company's breach, misrepresentation or non-performance under this Agreement; and (ii) any claim or action for personal injury, death, bodily injury, property damage or otherwise, suffered by participants, patrons or others at the Company; other than as a result of the Sponsor's actions or negligence.
5. Insurance. The Company agrees to carry full insurance coverage (including comprehensive general liability) for all activities reasonably connected with this Agreement naming the Sponsor as an additional insured.

- (a) The Sponsor hereby grants to the Company the right to use such trademarks, trade names, service marks or logos owned by the Sponsor in connection with the implementation of this Agreement, as may be agreed to in writing from time to time by Sponsor and the Company. The Company shall have no interest in or right to the use of such names, marks or logos, except for any limited right of usage which the Sponsor may grant in writing pursuant to this Agreement. Any such limited right shall, in any event, be expressly limited to any activities or promotions reasonably incident to this agreement. All use of such names, marks, or logos shall inure to the benefit of the Sponsor.
- (b) The limited license granted hereunder is non-assignable and does not inure to the benefit of the Company's assigns and successors, except as permitted by this Agreement. In the event the Company or any affiliate or agent attempts to transfer or assign this limited license, except as permitted by this Agreement, such limited license shall terminate immediately without further action from the Sponsor.
- (c) The Company hereby grants to the Sponsor the right to use any trademark, trade name or other name or logo owned by the Company or Team or that is an integral part of the name of the Company or the Team in advertising and promotional materials. The Sponsor shall have no other right or interest in any such name, mark or logo and this license shall be expressly limited to the activities or promotions reasonably incident to this Agreement.
7. Prior Approval. Any advertising or other material prepared by the Company which contains the Sponsor's name or logo or which otherwise utilizes any trademark, trade name, service mark or logo owned by the Sponsor shall be provided to the Sponsor in advance of publication for its review. All such materials must receive the written approval of the Sponsor prior to any publication thereof, such approval not to be unreasonably withheld. Any advertising or other material prepared by the Sponsor which contains the Company's or the Team's name or logo or which otherwise utilizes any trademark, trade name, service mark or logo owned by the Company shall be provided to the Company in advance of publication for its review. All such materials must receive the written approval of the Company prior to any publication thereof, such approval not to be unreasonably withheld.
8. Default; Remedies; Changed Circumstances.
- (a) The following events shall constitute an event of default ("Event of Default") under this Agreement regardless of whether any such event shall be voluntary or involuntary or shall result from the operation of applicable laws, rules or regulations or shall be pursuant to or in compliance with any judgment, decree or order of any court of competent jurisdiction:
- (i) Either party shall make any material misrepresentation or shall materially breach any warranty made herein;
- (ii) Either party shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or similar law, or shall make a general assignment for the benefit of creditors, or shall have any involuntary case or other proceeding instituted against it seeking similar relief; or
- (iii) Either party shall otherwise fail to perform or observe any other covenant or condition set forth herein and such failure shall continue unremedied in excess of a period of thirty (30) days after the receipt of written notice thereof from the nondefaulting party.
- (iv) The Company fails to take immediate action without notification by the Sponsor in a case of a rider or Team offense related to a morals or drug clause violation.

(v) There is negative publicity associated with an individual rider or team support personnel, either permanent or temporary, due to misconduct such as but not limited to, failed drug or medical tests, alleged possession, use or sale of banned substances, or a conviction of a crime.

(b) If the Team and/or Company is found guilty of a felony (as a result of its own actions or the actions of a rider(s), company official, employee, temporary employee or subcontractor, subsidiary, assign), then the Sponsor shall have the right to terminate this Agreement immediately upon written notice to the Company, without any obligation to make additional sponsorship payments under this Agreement.

(c) Upon the occurrence of an Event of Default, and at time thereafter so long as the same shall be continuing, the nondefaulting party may declare, at its option, this Agreement to be in default and; (1) may immediately terminate this Agreement without any liability whatsoever; by providing written notification to the defaulting party (2) may seek enforcement by appropriate court action of the terms hereof; (3) may exercise any other right or remedy available to it under law or in equity; or (4) may seek any permitted combination of such remedies. No remedy is intended to be exclusive, but each shall be cumulative and the exercise of any such remedy shall not preclude the simultaneous or later exercise of any other remedy. In addition, upon notification of termination by either party, the Company shall use all reasonable efforts to remove Sponsor's identification from Team's uniforms and Company's assets.

(d) In the event there are changed circumstances that do not constitute an Event of Default but which in the reasonable opinion of Sponsor materially reduce the anticipated benefits of the Team sponsorship to Sponsor as set forth below in the Provision entitled, Promotional Rights and Activities, then Sponsor will have the right, upon 30 days prior written notice to the Company, to a reasonable proportionate reduction in the amount of the sponsorship fee to be paid by Sponsor hereunder. By way of example, such changed circumstances include, but are not limited to: (i) the failure of Lance Armstrong to ride in any of the contract years, for any reason, or to cease riding during a contract year, or to refuse to ride in a major Team event such as the Tour de France; (ii) the Team fails to rank as one of the top 20 Union Cycliste Internationale (UCI) teams, which the Company and Sponsor anticipate will allow the Team to qualify for the Tour de France and other major races in Europe and America, Asia and Classic races; (iii) total amount of documented media exposure is less than the ad equivalency of \$10 million per year (domestically and internationally).

## 9. Promotional Rights and Activities

### a. Promotional rights granted to the Sponsor by Company during the Term of this Agreement:

Sponsor shall be the sole title sponsor of the Team. The Team shall be known as the United States Postal Service Pro Cycling Team. Sponsor will be entitled to have its logo in the most prominent positioning of the Team's uniform, including but not limited to:

- Upper chest of racing jersey and skinsuit
- Upper back of racing jersey and skinsuit
- Sleeves of racing jersey and skinsuit
- Side panels of racing jersey and skinsuit
- Side panels of racing shorts and skinsuit
- Other items such as winter gear, rain gear, thermal gear, etc.
- All Team casual clothing items such as polo shirts, t-shirts, luggage, cycling caps, baseball caps, dress shirts, sweatshirts, warm-up suits, winter jackets, fleece items, etc.
- Tour de France yellow jersey decal. The Sponsor recognizes that up to two (2) other Team sponsors may also receive logo positioning on the decal and there is a chance the Team may not wear the yellow jersey in the 2001 or succeeding years Tour de France events

Sponsor shall have its logo on the complete fleet of team vehicles that include: trucks, buses, vans, wagons, etc.

Sponsors name and/or logo will appear on the Team website, Media Guides, post cards, stationery and other Company created promotional materials.

Sponsor recognizes that other Team sponsors will also be entitled to have their names and logos displayed but in less prominent position than Sponsor.

With each of the Team riders, the Company shall enter into agreements/contracts which grant Sponsor the right to use the Team riders collectively or individually in advertising, i.e., to include use of name, image and likeness, promotions and publicity and for personal appearances for no additional fee. Specifically, Mr. Lance Armstrong shall make six (6) appearances annually, three of those appearances shall be at Team events. In 2001, those team events shall be the Team's January winter training camp, the Tour de France and the San Francisco event in September. The other three appearances are to be determined by the Sponsor. American riders will make up to six (6) and European riders will make up to three (3) appearances annually. The cycling workshops at the high schools do not count as an appearance. Sponsor will pay the costs and expenses related to its use of this right, except for costs and expenses which would otherwise have been incurred by the Team and costs and expenses for which the Company is responsible as set forth below in item (b).

Company management, namely Mr. Thomas Weisel, will provide one promotional appearance annually outside of normal Team activities and Mr. Mark Gorski, will provide up to five promotional appearances annually outside of normal Team activities. Mr. Dan Osipow will make appearances as his schedule allows.

The company guarantees it will provide a minimum of six riders at American cycling events, both those sponsored through and by the Company and those directly sponsored independently by the Sponsor.

In order to provide greater presence in the American cycling events, the Company will provide annual sponsorships in the Saturn U.S. Pro Tour, Downer's Grove event and Company sponsored San Francisco race event debuting in September, 2001. Company will maximize Sponsor exposure at all these events through providing status as an official or title sponsor in the case of Downer's Grove, on-site placement of banners, on-site hospitality, commercial units on all event broadcasts and logo exposure on all promotional materials/race collateral.

The Company will make a best effort to keep the composition of the Team 50% plus one (1) American.

The Company represents that each rider on the Team has a morals turpitude and drug clause that allows the Company to suspend or terminate the rider for cause which shall include items such as (1) conviction of a felony; (2) acts that require the Team to suspend or terminate the rider under the applicable rules of the Union Cycliste Internationale, the Federation Internationale du Cyclisme Professionnel; the United States Professional Cycling Federation, Inc.; the International Olympic Committee; the International Amateur Cycling Federation; the United States Cycling Federation and all other applicable governing organizations; (3) failure to pass drug or medical tests; (4) inappropriate drug conduct prejudicial to the Team, or the Postal Service, which is in violation of the Team rules or commonly accepted standards of morality; and (5) gross neglect of the rider's duty.

If any rider on the Team is found guilty of such offense, the Company agrees to take appropriate action within thirty (30) days.

The Company will provide Sponsor with a junior cycling team through management of a title sponsorship with USA Cycling .

As part of this sponsorship, the Company will provide, but not be limited to, the following:

That the Postal Service is identified as the title sponsor of USA Cycling's National Development and Junior National Teams

That the Postal Service has the right to utilize USA Cycling's national development and junior national teams' name, logo and all of its team members individually and/or collectively in advertising, promotions, publicity, trade shows, including selected personal appearances

That the Postal Service shall be the exclusive mail service and overnight courier of USA Cycling. USA Cycling shall exclusively use the Postal Service for all its mailing needs during the term of this Agreement. Additionally, USA Cycling will make available to the Postal Service access to its 90,000 members and 3,000 member clubs.

Sponsor shall be the exclusive mail service and overnight courier sponsor of the Company during the term of this Agreement. The Company shall exclusively use Sponsor's mail service and overnight courier system for all of its mailing needs during the term of this Agreement. In addition, the Company will use its best efforts to have Disson Furst Partners use Sponsor's services to the extent reasonably practical and to introduce Sponsor to potential customers.

b. Promotional activities to be performed by the Company during the Term of this Agreement:

The promotional activities that the Company will exercise its best efforts to perform for Sponsor during the term of this Agreement are described below:

Company will customize a complete VIP hospitality program for selected guests of the Sponsor at the Tour de France. The VIP package will include all lodging, meals, transportation and credentials for the final four days of the race. The program will include:

Access to a private hospitality tent at the finish stage on the Champs Elysees. The tent includes food, beverages, and television monitors to follow the day's events.

Ability to join key executives of team sponsors at private Team receptions, including exclusive dinners in Paris and invitations to the final night dinner at race conclusion.

Complimentary promotional packages that include team clothing and other items from official Team sponsors.

The Company will provide hospitality for Sponsor guests at the annual Champions weekend.

The Company will provide hospitality at other events such as the World Cup, other major Tours, and leading domestic races in top markets such as Los Angeles, Philadelphia, Chicago, Houston, Boston, Austin and San Francisco.

Company will coordinate all Sponsor requests for services of Team riders.

Company will provide media exposure in, but not limited to, television, print, and cross promotions.

Unless otherwise agreed upon by both parties, Company shall be responsible for all costs associated with producing Sponsor's identification on all Team related products, including but not limited to, jerseys, media, print and advertising materials, team vehicles, press releases and team post cards (2,000 per year); other costs incurred to produce any of the agreed upon promotions (such as, but not limited to, travel expenses of team members and staff, costs to secure local media celebrities, and giveaway items) and to secure exhibit and hospitality areas at cycling competitions. In addition, unless otherwise agreed upon by both parties, Sponsor shall be responsible, as the Sponsor agrees to, travel for USPS staff, cost to deliver

Company kiosks to cycling competitions and staff such kiosks; cost to produce Sponsor sales and promotional materials; reproduction costs associated with items such as the U.S. Postal Safety manual; and any local advertising to support such promotions.

Company and Sponsor agree to meet within 60 days prior to the start of each calendar year to determine which promotions will be undertaken for the forthcoming year and mutually agree upon the allocation of various responsibilities required to carry out such promotions as well as the parties responsible for any incidental costs associated with such promotions.

Company will provide an annual sponsorship report documenting sponsorship benefits (to include the junior team in addition to the Pro Team).

10. Representations, Warranties and Covenants of the Parties. Each party represents and warrants to the other party that (1) the execution, delivery and performance of this Agreement have been duly authorized by all necessary actions; (2) this Agreement is a valid and binding obligation of such party enforceable against it in accordance with its terms; (3) there are no pending actions or proceedings, or threatened actions or proceedings, which if adversely determined would impair either party's right to perform its obligations hereunder; and (4) each party has authority, subject to the terms of this Agreement, to grant the promotional rights to the other party which are the subject of this Agreement.
11. Assignment. This Agreement shall be binding upon and inure to the benefit of the parties, their respective successors and permitted assigns to the extent assignment is permitted. Neither party shall assign its rights under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed; provided, however, that either party shall have the right without the consent of the other party to assign this Agreement in connection with the sale of all or substantially all of its assets.
11. Independence. The parties shall at all times act independently. Nothing contained in this Agreement shall be construed to make one party the partner, joint venturer, principal, agent or employee of the other party hereto. Specifically, neither party shall have the express or implied authority to act for or on behalf of the other party.
12. Governing Law and Rules. The validity, interpretation and construction of this Agreement, and all other matters related to this Agreement, shall be interpreted and governed by the federal laws of the United States of America. The performance of the obligations of the parties under this Agreement shall at all times and in all events be subject to compliance with all applicable rules of the Union Cycliste Internationale, the Federation Internationale du Cyclisme Professionel; the United States Professional Cycling Federation, Inc., the International Olympic Committee, the United States Olympic Committee, the International Amateur Cycling Federation, the United States Cycling Federation and all other governing organizations.
13. Entire Agreement. This Agreement, together with the Exhibit hereto and any extensions or renewals hereof, constitutes the parties entire agreement with respect to the subject matter hereof and supersedes all prior statements or agreements, both written and oral. This Agreement may be modified only in writing and signed bilaterally.

14. Notices. All notices shall be sent or delivered in writing to the parties at the following addresses or at such other address as may have been furnished by such party in writing to the other party:

DFP Cycling LLC  
5515 Security Lane, #1103  
Rockville, MD 20852-5003  
Attention: Allen Furst

United States Postal Service  
475 L'Enfant Plaza, SW  
Washington, D.C. 20260-6237  
Attention: Lynda Zelnick  
Contracting Officer  
Services Purchasing

IN WITNESS WHEREOF, the parties hereof have executed this Agreement as of the date first above written.

DFP CYCLING, LLC

By: Ex 6  
Allen Furst

2/26/00

UNITED STATES POSTAL SERVICE

By: Lynda Zelnick  
Lynda Zelnick  
Contracting Officer, Services Purchasing

11/20/00

EXHIBIT A  
TO  
SPONSORSHIP AGREEMENT  
OBLIGATIONS OF SPONSOR

1. The Sponsor shall pay for all sales and promotional material which may be distributed by its representatives or at its request at events.
2. The Sponsor shall provide such camera ready art, related to Sponsor's marks and logos as the Company shall reasonably request for inclusion in Company related and Team related media and print materials or advertisements.
3. Unless the Agreement has terminated earlier in accordance with its terms, the Sponsor shall pay the Company as follows:

\$1,534,500 as soon as possible after execution of Agreement  
\$1,534,500 January 1, 2001  
\$1,534,500 March 1, 2001  
\$1,534,500 June 1, 2001

A bonus pool not to exceed \$100,000 in FY01 is in effect for the riders. The supplier may invoice for bonuses after they are earned per the rider's contracts.

Payment of \$100,000. for the Junior Cycling team will be payable on January 1, 2001

\$1,902,500 October 1, 2001  
\$1,902,500 January 1, 2002  
\$1,902,500 March 1, 2002  
\$1,902,500 June 1, 2002

A bonus pool not to exceed \$150,000 in FY02 is in effect for the riders. The supplier may invoice for bonuses after they are earned per the rider's contracts.

Payment of \$100,000. for the Junior Cycling team will be payable on January 1, 2002

\$2,058,750 October 1, 2002  
\$2,058,750 January 1, 2003  
\$2,058,750 March 1, 2003  
\$2,058,750 June 1, 2003

A bonus pool not to exceed \$150,000 in FY03 is in effect for the riders. The supplier may invoice for bonuses after they are earned per the rider's contracts.

Payment of \$100,000. for the Junior Cycling team will be payable on January 1, 2003

\$2,165,000 October 1, 2003  
\$2,165,000 January 1, 2004  
\$2,165,000 March 1, 2004  
\$2,165,000 June 1, 2004

A bonus pool not to exceed \$150,000 in FY04 is in effect for the riders. The supplier may invoice for bonuses after they are earned per the rider's contracts.

Payment of \$100,000. for the Junior Cycling team will be payable on January 1, 2004



In the event that the Company does not continue its September San Francisco cycling event, the Sponsor shall be credited \$175,000 for each year it does not take place. The payment schedule reflected above will be credited \$43,750 per quarter. If Lance Armstrong or Roberto Heras do not complete their four year contracts, then 60% of their respective recovered salaries shall be credited to Sponsor for the applicable terms.

Renewal fees shall be negotiated during the period July 1, through August 31 of the applicable year.

The Company's address for receipt of payments is:

DFP Cycling LLC  
5515 Security Lane, #1103  
Rockville, MD 20852-5003

 **Insider**  
**THE FILE**