



**United States Luge Association/ United States Luge Foundation
Minutes of the Joint Meeting
Of the Boards of Directors and Trustees**

Saturday, May 14, 2016

A meeting of the Board of Directors of the United States Luge Association (the “USLA” or, the “USLA Board”), a corporation organized under the laws of the State of New York, and the Board of Trustees of the United States Luge Foundation (the “USLF” or, the “USLF Board”), [a trust organized under the laws of the State of New York], was held at the Utah Olympic Park, located at 3419 Olympic Parkway, Park City, UT 84098, on Saturday, May 14, 2016, commencing at 9:00 a.m. Mountain Time, pursuant to notice duly given.

The following persons, comprising a quorum of the USLA Board and the USLF Board, were present at the meeting for all or a portion of the meeting, as indicated below: Dr. Gerry Tate, Arlene Graime, Adam Berlew, Julia Clukey, Pete Gillwald, Ray Wierzbicki, Jeff Stratton, Brian Martin, Paul Baribault, Erin Warren, Bob Pokelwaldt, Dwight Bell, Chris Mazdzer, Mary Ann Deignan, Scott Arnold, and Janine Musholt.

The following persons were present at the invitation of the Board for all or a portion of the meeting: Jim Leahy, Ron Rossi, Mark Grimmette, Jon Owen, Gordy Sheer, Tammy Wills and Russell Biles.

Mr. Bell, President of the USLA Board, presided and, at his request, Mr. Biles recorded the minutes of the meeting. Mr. Bell called the meeting to order and made introductory remarks and summarized the meeting agenda. Mr. Bell stated that all of the Board members had received and reviewed their Board materials prior to the meeting.

APPROVAL OF MINUTES

Mr. Bell stated that the first item of business was the review and approval of the minutes of the meeting of the USLA Board held on December 15, 2015. After discussion, upon a motion duly made and seconded, it was unanimously:

RESOLVED, that the minutes of the December 15, 2015 meetings of the Board of Directors of the USLA, is hereby approved by the USLA Board, as modified at this meeting.

FINANCIAL REPORT

The next item on the agenda was the financial report of the USLA. Mr. Leahy referred to the April 2016 financials circulated to the Board prior to the meeting.

Mr. Leahy explained that for the current fiscal year, the USLA had \$2.3 million in income, including about \$1.95 million in revenue received and about \$350,000 in current receivables. Expenses were \$2.35 million, including \$1.9 million paid and \$450,000 in current payables, resulting in a slight deficit for the year to date.

Mr. Leahy explained how he felt the financial position was good, and how the USLA was working on additional fundraising to cure the potential year end deficit by close of this fiscal year - August 31, 2016. He further explained that cash flow was good, but that the USLA will still have an outstanding line of credit balance dating back to the 2012-2013 fiscal year.

Ms. Warren reminded the Board that it had changed the fiscal year to better correspond with the USOC and athlete years, which should improve the budgeting process going forward. Ms. Warren then explained that the Finance Committee will be working with Mr. Leahy on the 2016/2017 budget, using the athlete High Performance Plan as a guide. Ms. Warren then circulated USLA audited financials for the 14 months ended August 31, 2015. Ms. Warren explained that all the necessary audit requirements had been completed, and that IRS Form 990 had been filed for the USLA.

Mr. Leahy took some time addressing the Board on the audited financial statements conducted by McSoley McCoy & Company for the period ending August 31, 2015.

Ms. Warren then led a discussion on the upcoming budget process. Mr. Bell provided a comparison of the USLA budget process to the USLF budget process, and answered questions about timing of the process.

Mr. Tate then initiated a discussion about the USLF, reciting the history of the USLF, its purpose, the benefits of its independence from the USLA and its legacy. Mr. Tate discussed the importance of identifying trustees to help fund the USLF endowment, and suggested that both organizations could benefit from the USLF's coordination with the USLA Board's Nominating and Governance Committee in the search for suitable candidates. Mr. Leahy additionally committed assistance to the USLF.

Mr. Rossi updated the Boards on the investment performance of the endowment, including the current investments and potential growth of the portfolio.

Mr. Tate then introduced the USLF's fundraising plan to the group, and acknowledged Ron Rossi's and Janine Musholt's efforts in developing the plan. Mr. Rossi described a meeting with USA Skiing, and their suggestions for effective fundraising, and explained the efforts undertaken to develop the current plan. Following a question by a USLA Board member, a discussion ensued about the appropriate beneficiary of any combined fundraising efforts.

Mr. Tate then addressed other business, explaining that two USLF Trustees will be stepping down: Mr. Paul Covill and Mr. Doug Bateman. On behalf of the trustees, Mr. Tate acknowledged both Mr. Colvill and Mr. Bateman and thanked them for their years of dedication and commitment to the USLF.

Mr. Bell next thanked the Board for its service over the past season and notified the Board that Mr. Frank Masley (a three-time Olympian, ten-time National Champion, and the US flag bearer at the 1984 Games) with whom both Boards have worked, has been recovering from a health condition. Upon a motion duly made and seconded, it was unanimously:

RESOLVED, that the USLA Board and the USLF Board wish Mr. Masley a speedy recovery.

CEO REPORT

Mr. Bell then invited Mr. Leahy to present his CEO report. Mr. Leahy explained that USLA had a very successful athletic season, winning 18 medals in World Cup competition, including 15 medals in North America. In response to the success on home tracks, USLA has again made a request to the FIL to host two senior World Cup events on the two U.S. tracks, with a commitment to fund 50% of the television coverage. The remaining 50% will be covered by the FIL.

Mr. Leahy then explained the USLA's new High Performance Plan ("HPP"), which is a road map for continued success going forward. The plan places a strong focus on increased financial support for top athletes. Mr. Leahy explained that this HPP is necessary and is predicated on the USOC's tying funding to continued success at the senior levels. In order to execute on the HPP, Mr. Leahy explained that the USLA had hired an additional coach and a dedicated athletic trainer for the Senior National Team. Mr. Leahy then explained to the Board that executing on the HPP will take a toll on the junior level and developmental level athletes, but it's a simple function of sponsor and USOC funding being tied to high visibility success at the senior level.

Several Board members asked additional questions and a discussion ensued about the USOC's funding mechanism and performance criteria related to the current HPP.

Mr. Tate suggested that the USLF would possibly consider a grant request from the USLA earmarked specifically for the junior and developmental teams as funding for those programs is difficult. Mr. Bell then summarized the sentiment of the Board regarding its concerns over the effect of the HPP on the junior and developmental athletes. Mr. Bell then suggested that Mr. Leahy working with Mr. Grimmette draft an ideal budget for the junior and developmental athletes so the Board can understand the cost of developing athletes at an elite level and the current needs. Mr. Grimmette then described the current junior program and ongoing efforts to identify athletes at a young age.

Further discussion about the HPP and funding of junior programs was tabled.

Next, Mr. Bell reminded the Boards of the USLA's solicitation of RFPs for the location/relocation of the USLA headquarters from Lake Placid, Park City and Colorado Springs, explaining that Colorado Springs did not formally respond to the request. Mr. Leahy addressed the Board of the important criteria needs for their headquarters, including training facilities, housing and sports medicine. He provided to the Board a side by side analysis of the bids from Lake Placid/State of New York/ORDA and Park City/UOP/Utah Sports Commission. Mr. Leahy addressed the significant differences between both bid proposals with an emphasis on short-term and long-term needs.

Mr. Leahy then explained the incentives offered as part of each proposal and otherwise, explaining that the State of New York and ORDA was very keen to keep the USLA headquarters in Lake Placid. He explained that, while the UOP and Utah Sports Commission offer was attractive, the State of New York, through ORDA, and in return for a five year commitment to stay in Lake Placid, has promised \$5,000,000 in capital improvements for a new start facility, offices and work space, and an additional \$1,000,000 to support marketing of World Cup events. Mr. Leahy then circulated concept drawings of a new start facility in Lake Placid and a detailed comparison of the current proposals.

Following a question from the Board about how binding the New York proposal was, a discussion ensued regarding the timeline for improvements to the Lake Placid facilities. Mr. Bell discussed the competitive importance of an indoor start facility and the benefits of the terms offered as it relates to the timing of a potential U.S. bid for future Olympic Winter Games.

Mr. Leahy recommended that the USLA Board accept the State of New York's proposal to remain in Lake Placid, with all the incentives and concession and terms described at the meeting. A discussion ensued about additional specific terms to be negotiated by Mr. Leahy. Upon a motion duly made and seconded by members of the USLA Board, it was unanimously:

RESOLVED, that the CEO or other authorized officer of the USLA is authorized to accept the State of New York's and ORDAs proposal to keep the headquarters and operations of the USLA in Lake Placid under the terms, including the incentives, concessions and other terms described at the meeting; *provided, however*, that the following additional terms be included: 1) a stipulation is to be included that the \$5 million capital improvement incentive is to be earmarked for use by the USLA solely; 2) the USLA is to manage the improvement process; and 3) the preference is a ground lease controlled by the USLA;

FURTHER RESOLVED, that Jim Leahy, CEO of the USLA and Dwight Bell, President of the USLA are authorized to execute and deliver, in the name and on behalf of the USLA, any leases, contracts, disbursements, instruments, documents, deeds, and certificates, and to take or cause to be done any and all such further action and things, as they or either of them in their discretion or upon advice of counsel, shall deem necessary to carry out the intent and purpose of the foregoing resolutions and to perform the obligations of the USLA;

FURTHER RESOLVED, that any and all actions heretofore taken or caused to be taken by the officers of the USLA in furtherance of the foregoing resolutions are hereby ratified, confirmed and approved.

A brief discussion ensued about issuing a prepared press release accepting the New York proposal.

ATHLETE REPORT

Mr. Bell then invited the athlete representatives to give their report to the Board.

Mr. Mazdzer began by stating that the past season had been the best season for the USLA so far, and the success was the culmination of a lot of strategy and planning. Mr. Mazdzer expressed some concern over the drop off in success of our Youth Olympic Games team over the prior and inaugural games. In response, Mr. Grimmette explained to Mr. Mazdzer and the Board that a comparison between the two games would be unfair, and that the youth competing in the 2016 Games were much younger and less experienced relative to both the other competitors at the 2016 Games and their predecessors at the 2012 Games. A discussion ensued about ways to improve results and motivation at the junior athlete level. In response to the previous discussion about the HPP and the athlete representatives' report, Ms. Deignan again reiterated the Board's concerns and request to do a deeper dive into ways to improve the junior and developmental program pipeline. Mr. Bell then requested that the Mr. Grimmette work to expand the HPP to include junior athletes, and suggested a timeline of six weeks from the date of the meeting to produce the expanded document. Mr. Grimmette agreed to the timeline.

PROGRAMS/TEAM/PERFORMANCE UPDATE

The Board then resumed its discussion of the HPP.

Mr. Grimmette resumed the prior conversation by describing the HPP, and the effect of the HPP on USOC funding. He next described the factors considered in creating the HPP, including the reviews with coaching staff, one-on-ones with athletes, follow-up meetings on team selections and scheduling, and the completion of a USOC required focus letter. He then described the changes resulting from the HPP, including the addition of a coach, a trainer, improving starts, and training for warm weather conditions, the need for a variety of kufens, and the need to improve athlete nutrition. Mr. Grimmette next explained the pillars of the HPP and discussions with the USOC about performance standards. He then described the USOC's tier standards for funding and where the USLA fits in. He described defining success in the Korea Games and World Cup competitions, but explained that the USOC said it seeks goals that are not outcome oriented. He then described the goals already provided to the USOC and stated additional goals were in the works. Mr. Grimmette then stated his belief that the USOC/USLA sports performance goals need support, and that 2022 Games and beyond strategies are included in the HPP, describing the efforts and length of time necessary to complete and execute on the HPP.

Mr. Bell then invited Mr. Owen to give his technical update.

Mr. Owen circulated a sled building schedule. He then explained that production was on schedule, and on-cost. He then described the research and development efforts and the number of new sleds for athletes. In response to a question about manufacturing, a discussion ensued about the production of the individual parts, fluid dynamics simulations and wind tunnel testing of doubles sleds. Mr. Owen explained that the USLA has relationships with strong partners Norton Abrasives and DOW Chemical that have been critical to the development, testing, prototyping and production of new components, and that he is in constant communication with his counterparts there.

Mr. Owen described the efforts taken to improve the performance of junior team equipment, and that the more modern components are being circulated down from the senior team into the junior program. He also described how a “blue-print” book is being created, which is intended as a book of specs for all the equipment that describes the designs, specs, and will include a machine-ready build code for CNC production. He also described that the fluid dynamics modeling was coming to fruition, and described the wind tunnel testing of fabrics, and how the modeling significantly reduces the cost of line testing on a human body in the wind tunnel. In response to a question from Mr. Gilwald about Mr. Owens’ workload, Mr. Owen suggested that a coach that was also technologically savvy would be extremely beneficial.

Mr. Bell next invited Mr. Sheer to give his marketing update.

Mr. Sheer began his report by reminding the Board of the vital importance of the corporate partnerships and relationships. He explained his efforts to get in front of as many potential partners as possible. He explained how USLA had raised funds from the State of New York and Utah State, which funds were used to increase visibility through NBC. Mr. Sheer then explained his efforts to increase broadcasts and live streaming of domestic races, including a scheduled live broadcast of a women’s World Cup race in 2016.

Mr. Sheer then described the plan to move future slider searches to cities in which partners are located to increase partner engagement. A discussion ensued about the activities that drive exposure and awareness. Mr. Sheer then explained the need to drive web traffic to support USOC funding, and described some of the limitations that resulted from moving the USLA website to the Team USA site hosted by the USLA. Mr. Sheer explained that the switch resulted in lost traffic, which in turn resulted in fewer clicks and fewer funds from the USOC. Mr. Sheer then described some potential opportunities with other partners.

Mr. Leahy then explained the four major revenue categories in the context of sponsorship, and described the solicitation process and the importance of the aggregate sponsorship from all sources rather than a solitary sponsorship, learning lessons from the relationship with Verizon.

OLYMPIC TEAM SELECTION PROCESS

Mr. Rossi opened the discussion on the topic of Olympic team selection. Mr. Rossi described his role as the Interim Chair of the National Team Committee, and gave a brief history of the team selection

process, the creation of a formal selection document for the USOC, and then described revisions to the process for this upcoming Olympic Winter Games. Mr. Grimmette next described the revised process, including, among other things, the use of the USOC template, the communication with athlete representatives and athletes, approval by the National Team Committee, the USOC and the USLA Board. Mr. Rossi and Mr. Grimmette then led a discussion on the issues and complexities of the prior process that the National Team Committee hoped to resolve with the revised process. Mr. Sheer and Mr. Leahy then discussed the rationale for setting the nomination deadline for 2018 Olympic Winter Games athletes.

Mr. Leahy recommended that the USLA Board approve the 2018 Olympic Winter Games team selection process described at the meeting. Upon a motion duly made and seconded by members of the USLA Board, it was unanimously:

RESOLVED, that the 2018 Olympic Winter Games team selection process described at the meeting is hereby approved by the USLA Board.

ANNUAL BOARD SURVEY

Ms. Deignan next summarized the annual Board self-evaluation, she described the several questions on the self-evaluation survey, highlighting some new questions for 2016, and thanked the Directors for their thoroughness and candor in completing the survey. A discussion ensued about the results of the survey, and ways the Directors' responses could be used to improve the operation and effectiveness of the Board and its committees, and to align the Board's work with the needs of the USLA athletes it exists to serve.

UPCOMING BOARD ELECTIONS

Ms. Deignan next explained that the initial term for several Board members would expire, and that her Nominating and Governance Committee would be considering the nomination and re-election process in time for resolution at the Annual Membership Meeting.

NATURAL TRACK UPDATE & CLUB UPDATES

Mr. Gillwald reminded the Board that he was the Western Area Representative on the Board as well as the appointed representative of the Wasatch Luge Club (the "WLC"), the sole luge club in the Western United States. Mr. Gillwald updated the Board on the WLC's governance and fundraising activities, as well as concerns about declining club membership resulting from the USLA no longer requiring its members to also be members of a local or regional club.

Mr. Biles, in his capacity as President of the Wasatch Luge Club, explained that the USLA's new approach to naming new sliders to the developmental team immediately instead of an organic progression through the club system, as had historically been the model in Park City, has substantially reduced the WLC membership base. Mr. Biles then explained how local fundraising through the Youth Sports Alliance is at least partially based on the membership numbers. Mr. Biles also explained to the Board the

many WLC benefits enjoyed by the USLA developmental team athletes sliding in Park City, including the use of youth sleds, the scheduling of ice time, coaching, and race participation. Mr. Biles explained the toll on WLC equipment used by USLA developmental sliders, including damage and the permanent migration of WLC equipment to Lake Placid when athletes travel. Mr. Biles explained that athletes membership fees are used to pay for replacement equipment, and that the WLC is to a point where it may not be in a position to continue permitting non-WLC member USLA team athletes to use its equipment or participate in WLC races without additional fees, either through increased races fees, usage fees, or some other mechanism. Messrs. Bell and Leahy both expressed an understanding of the issues on local club membership, and will work with the club to help coordinate increased membership that will benefit the club and the USLA.

Mr. Stratton then then gave his report as the Eastern Club Representative, which included the Adirondack Luge Club (“ALC”), the Upper Peninsula Luge Club (“UPLC”), and the Muskegon Luge Club (“MLC”) describing his efforts to improve cooperation and administration with the USLA. Ms. Wills then gave her presentation about the UPLC’s growth and activities within natural track luge. Ms. Wills expressed a very strong desire for the USLA to increase its attention and efforts on natural track as well as artificial track. A discussion ensued about coordination between the USLA and the clubs, and the limitations on the USLA’s funding and involvement with natural track given the USOC’s funding standards focusing on performance on artificial track and high visibility events like the Olympic Winter Games, which does not currently include natural track luge. The Board did acknowledge Ms. Wills and Mr. Stratton’s request for more coordination between the clubs, including UPLC, and requested that Mr. Leahy arrange a coordination meeting with all the club presidents, followed by a report back to the Board on the outcome of those meetings.

FIL CONGRESS IN LAKE PLACID

Mr. Bell next reported the Board that the USLA would be hosting an FIL Congress meeting in June 2016 at Lake Placid, NY, and the FIL would be holding an Executive Board meeting in Atlanta in the upcoming week. Furthermore, Mr. Bell thanked ORDA for covering the costs of the FIL Congress in June.

OTHER NEW BUSINESS-MEMBERSHIP REVIEW; HALL OF FAME

Mr. Bell next asked if any members had other new business to consider. Hearing no calls to address new business, Mr. Bell explained to the Board that he and others intend to conduct a review on appropriate ways to communicate with USLA members. Mr. Rossi then described for the Board the USLA’s efforts to establish a USLA Hall of Fame.

NEXT MEETING/ANNUAL MEETING

Mr. Bell next discussed the timing and dates for future Board and membership meetings. Mr. Bell stated that he would schedule the next telephonic meeting in the coming weeks. Mr. Bell then opened the floor for a discussion on the annual membership meeting, reminding the Board that the USLA

had changed its fiscal year, and the meeting had to be held within 90 days of the fiscal year end per the By-Laws. Mr. Stratton suggested that a meeting could be scheduled to coincide with one of the World Cups. Mr. Leahy suggested December 3, 2016. Mr. Grimmette suggested the late October 2016 seeding races. No decision was made and the date and time will be discussed at the next teleconference call.

Mr. Tate the expressed his strong desire to schedule annual combined USLA/USLF Board meetings in the future, expressing his belief that this meeting had been very beneficial to all participants.

Mr. Bell then gave closing remarks, and asked for a motion to adjourn. Upon a motion duly made, the meeting was adjourned.

Russell L. Biles, Acting Secretary