

DRAFT

AFFILIATION AGREEMENT
BETWEEN
AAA CLEANERS ASSOCIATION
(AAA)
AND THE
DRYCLEANING & LAUNDRY INSTITUTE
(DLI)

January 1, 2023

A. Purpose

1. The primary purpose of the DLI- Affiliate Association relationship is to provide valuable services on the National, Regional, and State level in the most efficient manner and to maximize membership growth via recapture of former members, acquisition of new members and retention of existing members. Both the Affiliate and DLI must focus on two major areas: First, activities and services that are of significant benefit to members and second, the successful implementation of acquisition and retention programs that are vital to the health and future of each organization.

B. Areas Included

1. This agreement is between DLI and AAA and shall cover joint members in the state of AAA.

C. Effective Dates of Agreement

1. This agreement is to be in effect from January 1, 2022 to December 31, 2023 unless either association gives 90 days written notice of termination.

D. Joint Membership

1. Membership in both DLI and the Affiliate Association is mandatory for drycleaning, wetcleaning and laundry plants. Member operations in these classifications shall be known as joint members.
2. In the case of a grievance, an individual joint member may be excused from joint membership only after receiving the mutual consent of DLI and the Affiliate Association.

E. Dues Increase

1. The DLI Board of Directors must consider a dues increase each year. If the DLI Board approves a dues increase, DLI's calculations and recommendations on the proposed dues increase will be submitted to the Affiliate Associations at least eight (8) weeks prior to December 1st. To become effective, the proposed dues change must be ratified by a minimum fifty-one percent (51%) vote by DLI and the Affiliate Associations.

F. DLI Responsibilities

1. DLI will bill and collect joint membership dues for both itself and the Affiliate Association in accordance with the dues structure. DLI will, by the 21st day of each month, remit to the Affiliate Association its share of the dues (44%) as received the previous month by DLI.
2. DLI will provide access to monthly reports of joint membership to the Designated Contact of the Affiliate Association. Reports will detail the amount of dues collected by individual member, and will provide information on member classifications, and new, reinstated, and cancelled members.
3. DLI will hold conference calls monthly with the Executive Directors or a designated representative of the Affiliate Association. A yearly calendar for these calls will be established prior to January 1 each year.
4. DLI will routinely call members up for renewal.
5. A DLI representative will participate in at least one educational/networking opportunity in each Affiliate area at DLI expense.
6. DLI will provide an online newsletter to members on at least a biweekly basis.
7. DLI will provide an online or print newsletter to members on at least a quarterly basis.
8. DLI will provide at least one monthly online educational event.
9. DLI will provide 2 online member networking opportunities.
10. DLI will provide at least 3 in person educational opportunities at DLI headquarters.
11. DLI will send a promotional email to prospective members at a minimum of once a month.
12. DLI will send an email promoting the benefits and services of membership to current members at a minimum once a month.

G. Affiliate Association Responsibilities

1. Drycleaning, laundry, wetcleaning and combination plants of the Affiliate Association's Board of Directors must be joint members in good standing. At a minimum one new Board member should be elected every two years.
2. The Affiliate Association's Bylaws must not be in conflict with DLI's Bylaws on the subjects of member categories, dues, expulsion of members or due process, but only as these pertain to joint members.

3. The Affiliate Association shall designate an individual or entity to manage the association, maintain and promote membership, programs, services and educational opportunities. The Affiliate Association must provide DLI with the name and contact information of the designated employee, volunteer, or entity and provide any changes to the contact information that may take place during the course of this agreement.
4. The Affiliate Association must provide for some type of method or vehicle for communicating with members at least quarterly in addition to the newsletter. Forms of communication may include, but is not limited to, direct mail, email, phone, or another vehicle.
5. The Affiliate Association must provide an on-line or print newsletter to members on at least a quarterly basis.
6. The Affiliate Association must provide for at least two educational or networking opportunities per year plus an additional educational/networking opportunity per 50 members. The educational/networking opportunities must be held in locations throughout the Affiliate region so that all members have access to the programming. At least half will be face-to-face. For example, Affiliates with 75 members will need to provide for three membership opportunities, two to meet the required minimum and one additional for the 75 members.
7. The Affiliate Association must be able to address and be a source of information for local legislative and regulatory activity.
8. The Affiliate will call the list of Expired/Cancelled members provided by DLI monthly. Periodically, the Affiliate will be asked to participate in calling other members. DLI will provide a list of those specific members when needed. At a minimum, the Director of Membership or Membership Representative will meet the Affiliate representative monthly to get and give a status report on the outcome of members calls.
9. The Affiliate Association must have an active Board of Directors and hold at least three Board of Director meetings. At least two must be in person meetings subject to federal and state guidelines.
10. Based on your current membership, each Affiliate is required to make face-to-face "retention" visits to at least 10% of the "current" membership per year and "recruitment" visits to non-members based on 20% of the current membership. For example, at the beginning of the contract year, you have 100 current members, face to-face "retention" visits will be required to 10 members (10%) members and recruitment visits to 20 members (20%). members
11. Each Affiliate is required to have a designated representative on the monthly DLI/Affiliate conference call or zoom meeting.
12. Each Affiliate will submit a tentative plan outlining its proposed activities for the contract year within 60 days of the start of the contract year.

H. Joint Responsibilities

1. DLI and the Affiliates must make every effort to ensure that their website is active and up to date. On-line applications and dues schedules must be linked directly with DLI's website. Any reported issues must be addressed within 30 days.
2. The DLI and the Affiliate Board of Directors will review the performance of each in relation to the contract at a minimum of 120 days after the start of the contract. A second review will be completed 120 days prior to the term end date. Failure to correct any deficiencies 90 prior to the term end date will result in a non-renewal of Affiliate Agreement.

I. Non-Dues Recognition Statement

1. Each party to this Agreement is committed to increasing the value of professional affiliation while reducing reliance solely upon affiliation payments. To achieve this, it is recognized and agreed that the activities to generate non-dues income will further the Associations' objectives and functions, and shall not be in conflict with Associations' —bylaws and policies. The possibility of competing programs is acknowledged.

J. Legal Requirements

1. DLI and the Affiliate Association are separate legal and corporate entities. In the event that an outside party files any legal claim, action, or suit against one but not the other, neither DLI nor the Affiliate Association will demand that the other participate in its defense, indemnify it or otherwise hold it harmless against the third party's claim.
2. DLI and the Affiliate Associations' logos, names and copyrights are valuable trademarks and may not be altered or used without written permission. Each Association recognizes that it is important that they take every practical means to display their relationship with each other. Therefore, neither DLI nor the Affiliate Association will reasonably withhold permission to use logos, names, and similar identification in the furtherance of this Agreement.
3. DLI and the Affiliate Association assign the highest priority to compliance with all applicable federal and state antitrust laws. Consistent with this priority, if at any time during the course of any meeting, representatives of DLI or the Affiliate Association believe that a topic that may constitute a violation of antitrust is being discussed, or is about to be discussed, they will so advise the meeting and call for a halt to further discussion.
4. In order to ensure exempt status protection, DLI and the Affiliate Association will initially provide each to the other a copy of their 501(c) (6) determination letter as part of this Agreement.
5. If an Affiliate Association does not by January 1, 2022 sign a new Agreement that has been submitted to them, no monies will be remitted to that Affiliate Association. Further, there will be no escrowing of the Affiliate portion, and DLI will retain and use said monies until the Agreement is signed.

K. Acceptance

1. The undersigned representatives of each Association represent to the other that the respective Board of Directors of each Association has the authority and has approved this Agreement and intends to comply.
2. This Agreement forms the entire understanding between the parties. It cancels and supersedes all prior Agreements and understandings. The signatures below indicate acceptance of all terms and conditions as stated.

AAA Cleaners Association

DLI

President

President

Indicate designated official contact of Affiliate Association

Name: _____

Address: _____

Date: _____