

AGREEMENT

between

THE USAFA ENDOWMENT, INC.

and the

USAFA CLASS OF 1973

For the formation of the

THE CLASS OF 1973 FUND

*In support of the USAFA National Character and Leadership Symposium and
The Association of Graduates Class of 2023 Legacy Project*

INTRODUCTION

The United States Air Force Academy ("USAFA") Class of 1973 (the "Class of '73") desires the USAFA Endowment, Inc. ("the Endowment") to establish a Class of '73 Fund for the purpose of providing financial support to the USAFA National Character and Leadership Symposium ("NCLS") and the USAFA Association of Graduates ("AOG") Class of 2023 Legacy Project. The Class of '73 will provide financing for the Class of '73 Fund by means of donations from members and friends of the Class of '73. The Endowment will provide management of Class of '73 Fund, disburse assets from the Class of '73 Fund as appropriate to NCLS and the AOG Class of 2023 Legacy Project, and provide an accounting to the Class of '73, at least annually, of all donations received and assets disbursed.

Therefore, and to accomplish the above goals, the Endowment and the Class of '73 agree as follows:

I. ESTABLISHMENT

The Endowment hereby agrees to establish the Class of '73 Fund to financially support the NCLS and AOG Class of 2023 Legacy Project in accordance with the terms of this Agreement. The Class of '73 agrees to facilitate and encourage donations to the Endowment from members and friends of the Class of '73 for the Class of '73 Fund.

II. STATEMENT OF INTENT

The primary intent of this agreement is to establish a perpetual fund by the USAFA Class of 1973 to support the United States Air Force Academy's National Character and Leadership Symposium. In addition, with the establishment of this Fund, the Class of 1973 desires to provide funding for the Association of Graduate's Class of 2023 Legacy Class Fund; and finally, but importantly, the Class of 1973

wants to be an example to the cadet wing for the support the wing receives from graduate organizations: the graduate classes, the Endowment, and the Association of Graduates (AOG).

The Class of '73 intends to support NCLS in perpetuity as it is one of the premier national symposiums in the field of character and leadership development. NCLS annually brings together distinguished scholars, military leaders, corporate presidents, world-class athletes, and others to explore a character-related theme based on the United States Air Force Academy desired outcomes. This symposium provides the opportunity for all cadets, USAFA personnel, visiting university students and faculty, and community members to experience dynamic speakers and to take part in group discussions to enhance their own understanding of the importance and challenges of sound moral character and leadership.

The Class of '73 wishes to support the AOG's Legacy Class program, and understands that the current intent is to make the Class of 2023 the Class of '73's 50th Legacy Class. To support and set an example for that class, the Class of '73 intends that a portion of the donations from the Class of '73 be transferred from the Endowment Class of '73 Fund into an AOG-established fund that will cover the reasonable costs of supporting the Class of 2023's Legacy Class expenses within the AOG's program.

III. USE OF FUNDS

From donations to the Class of '73 Fund received prior to January 1, 2014, the Endowment will transfer \$40,000 to the AOG Class of 1973 Legacy Class Fund in support of the AOG Class of 2023 Legacy Project.

The Class of '73 Fund shall be managed by the Endowment to support the NCLS in perpetuity. Distributions from the Class of '73 Fund shall only be made after funds in the previously established AOG Class of '73 Gift Fund have been exhausted in support of NCLS. At that time, the Class of '73 Fund will begin its distributions. Each year up to 4% of the Class of '73 Fund's market value will be made available to the USAFA Center for Character and Leadership Development for its NCLS program. The amount requested shall be certified by USAFA to the Endowment. The Endowment may authorize the disbursement of an additional 1% (totaling up to 5% annually) in any year if USAFA certifies an "extraordinary need." Disbursements to support NCLS per this agreement will continue even in the event that the total value of the Class of '73 Fund goes below the original corpus. The intent is support of NCLS as long as possible even if it means exhausting the Class of '73 Fund.

The Endowment has a separate gift agreement in support of the Class of '73 Fund with Mr. John Muse and will follow the intent of that agreement to the extent possible and not in conflict with this Agreement.

IV. DISTRIBUTION OF FUNDS

- A. As stated in Section III, \$40,000 will be distributed from the Class of '73 Fund to the Association of Graduates' Class of 1973 Legacy Class Fund. Additional distributions from the Class of '73 Fund will only be made after funds in the previously established Association of Graduates' Class of '73 Gift Fund have been exhausted.
- B. Distributions shall be made only for the intended purpose of the Class of '73 Fund, as described in this Agreement, and in accordance with the distribution policy of the Endowment at the time of distribution.
- C. Amounts designated as available for disbursement to the NCLS will be disbursed to USAFA upon the USAFA's request and for the stated purposes. Funds available for disbursement not requested by USAFA will remain available for the USAFA to request at any future date.

V. SOURCE OF FUNDS

The Class of '73 Fund will be created and sustained through donations and gifts from members and friends of the Class of '73 and other individuals, from gifts or bequests other persons may designate for this purpose, and from investment proceeds during the life of the Class of '73 Fund.

VI. FUND ADMINISTRATION

The Class of '73 Fund will be invested according to an Endowment investment policy designed to support the purposes described in Section III with all investment gains accruing to the benefit of the Class of '73 Fund. The Endowment will take no fees or deductions of any kind from the Class of '73 Fund. The entire amount of the Class of '73 Fund will be used for the intended purpose, as described in this Agreement.

- A. The Class of '73 Fund shall be used only for a qualified charitable purpose consistent with the

laws of the State of Colorado and section 501(c)(3) of the Internal Revenue Code.

- B. Although gifts may be combined with other invested assets of the Endowment for investment purposes, a separate accounting of gifts will be maintained and available at reasonable times and not less than annually to the Class of '73 President or his designated representative.

VII. RECOGNITION

In recognition of this generous contribution, distributions offered from the Class of '73 Fund will be recognized as gifts provided by the Class of 1973. The Class of '73, USAFA Endowment, and the AOG will be prominently recognized during NCLS and in all collateral materials produced for NCLS. Additional recognition for the Class of '73 and for individual donors may be determined in a separate agreed upon recognition agreement between USAFA and the Endowment.

VIII. STEWARDSHIP AND REPORTING GUIDELINES

The Endowment will request USAFA provide an annual report describing the manner in which donated funds were used to benefit specific programs. The Endowment will also request USAFA acknowledge the contributions of the Class of '73 in any written materials or presentations USAFA may provide in connection with the specified programs.

IX. ALTERNATIVE APPLICATION OF DISTRIBUTABLE EARNINGS

If at any time it becomes impossible, impracticable, or illegal to satisfy the original intent of this Agreement as expressed in Section III, the Endowment's Board of Directors shall designate an alternative application of this gift that, in the opinion of the Endowment's Board and in consultation with USAFA, is reasonably consistent with, or is a reasonable alternative to, such original intent.

X. MINIMUM VALUATION OF THE FUND

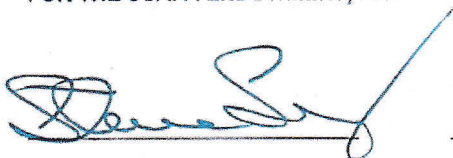
If the total value of the Class of '73 Fund on December 31st of any full year in which the Class of '73 Fund is in existence is less than \$10,000, then the entire amount of the Class of '73 Fund will be designated as available for disbursement for the purposes indicated in Section III.

XI. GOVERNING LAW

The validity, execution, interpretation, and enforcement of this Agreement shall in all respects be governed by the laws of the State of Colorado, in force as of the date of execution of this Agreement.

IN WITNESS WHEREOF, the USAFA Endowment, Inc. and the USAFA Class of '73 have caused this agreement to be executed on the date below.

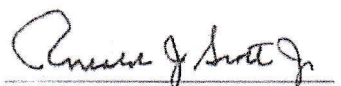
FOR THE USAFA ENDOWMENT, INC.



Stephen R. Lorenz
President and CEO

26 FEB 2014
Date

FOR THE USAFA CLASS OF 1973



Ronald J. Scott, Jr.
Class President

February 14, 2014
Date