USOPF REAL ESTATE ACCEPTANCE POLICY

The United States Olympic and Paralympic Foundation ("USOPF") is a not-for-profit organization under the laws of the State of Colorado organized to encourage, solicit and accept gifts.

The USOPF’s mission is to generate philanthropic support for the United States Olympic Committee ("USOC"). The USOC’s mission is to support U.S. Olympic and Paralympic athletes in achieving sustained competitive excellence while demonstrating the values of the Olympic Movement, thereby inspiring all Americans.

The USOPF is recognized by the Internal Revenue Service as a tax-exempt charitable organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 ("Code"), and further classified as a public charity within the meaning of Section 509(a)(3) of the Code. Donations to the USOPF, less the value of any goods or services received, are tax deductible to the fullest extent of the law.

This Gift Acceptance Policy is approved and adopted by the Board of Directors of the USOPF ("USOPF Board"), as authorized under the Articles of Incorporation. Pursuant to the USOPF’s Bylaws, at all times, gifts accepted under this policy may be subject to the written approval of the USOC.

1.0 STATEMENT OF PURPOSE

This policy is intended to assist development professionals working with prospective donors interested in contributing gifts of real estate to the USOPF in support of the USOC. By setting forth clear policies and procedures relating to real estate gifts, this document will aid development professionals in the encouragement and cultivation of gifts of real estate individually or jointly held, through outright or deferred gift mechanisms.

The terms set forth in this document are meant to supplement those set forth in the USOPF Gift Acceptance Policy.

2.0 GENERAL MANAGEMENT POLICIES

2.1 Acceptance Authority: The USOPF Board is the governing body of the legal entity to which all gifts to the USOPF are made and has the responsibility of ensuring that gifts are properly accepted (or refused), processed, acknowledged, and with coordination with the USOC and its Board of Directors ("USOC Board"), used according to the terms upon which they were accepted, in accordance with applicable local, state and federal laws.

The CEO of the USOC has the ultimate administrative responsibility for determining the use of both unrestricted and restricted gifts, and in coordination with the President of the USOPF, has the responsibility for setting priorities for charitable fundraising, and reviewing and setting policies concerning gifts, in consultation with the USOPF Board.

The USOPF Board, with the approval of the USOC, authorizes officers of the USOPF to represent the USOPF Board’s interests and obligations in accepting or refusing gifts. While third-party professionals may be consulted in making acceptance decisions and subject to professional written contracts for services, the USOPF will not pay a “finder fee” for any gift directed to it.

While the above paragraphs grant authority to accept gifts, in all instances the intended purpose and use of a gift so accepted shall be for the furtherance of the USOPF’s mission.

2.2 Acceptance Requirements: Gifts of real estate shall be accepted or declined according to established USOPF policies and procedures governing gift acceptance, investment, spending, income allocation, disbursement, and fee assessment.

Appropriate USOPF staff, including but not limited to the appropriate development professional, Sr. Associate General Counsel, Development and Associate Director, Development Accounting, shall
determine all potential liabilities associated with a gift of real estate. If the asset is to be retained by the USOPF or USOC, issues relating to the future operation and financial responsibility for the asset shall be clearly documented.

As part of the acceptance procedure, the appropriate USOPF staff will obtain from the donor a clear and documented understanding as to the donor’s intended charitable purpose of the gift which must promote the objectives of the USOC or further the ability of the USOPF to promote the objectives of USOC.

Gifts of real estate accepted by the USOPF shall be receipted and substantiated pursuant to the Code and Treasury Regulations, as well as USOPF and USOC accounting policies and procedures. The USOPF may solicit an independent appraisal for accounting and reporting purposes.

2.3 Declining Gifts: Gifts of real estate shall not be accepted if doing so is in contravention of applicable federal or state laws, USOPF or USOC policies, is not marketable for resale or in the best interests of the USOPF and/or USOC. If a gift is declined, that decision shall be communicated to the donor and, where appropriate, to his/her advisors in a timely manner. The offer and non-acceptance of the gift will be made part of the donor’s permanent record. The USOPF reserves the right to decline any gift, in its discretion.

2.4 Disposition of Real Estate: It is the general practice of the USOPF to sell or otherwise dispose of gifted real estate as soon as possible following completion of the transfer, using the net proceeds from the sale to satisfy the donor’s gift and charitable intent. Agreements to the contrary may be made in rare and exceptional circumstances with Gift Acceptance Committee (GAC) approval, and, if deemed necessary by the GAC, USOPF and USOC Board approvals, when retention effectively supports the mission of the USOPF or the USOC and other circumstances sufficiently warrant retention.

3.0 GIFTS ACCEPTED

Subject to the standards set forth below in the acceptance criteria, gifts of real estate accepted by the USOPF may include, but are not limited to:

3.1 Types of Real Estate Accepted

- Developed or undeveloped property;
- Property used for residential purposes including, but not limited to, single family residences, multi-unit dwellings, and association maintained residences;
- Property used for commercial purposes including, but not limited to, places of business, warehouses, and residential or commercial rental properties; and
- Farms, ranches and vacant acreage.

3.2 Types of Gifts Accepted: Subject to the criteria set forth below, the following types of gifts accepted by the USOPF may include, but are not limited to, outright gifts, deferred gifts, real estate held in trust, partial interest in real estate, retained life estates, property subject to easements or other contractual restrictions, and encumbered real estate.

3.3 Acceptance Criteria

The following criteria govern the acceptance of individual forms of real estate gifts.

3.3.1 Outright Gifts: Gifts of real estate may be made to the USOPF by giving the property in “fee simple” via warranty or special warranty deed, as is customary in the state in which the property is located, an unqualified ownership of the property.

Unless the USOPF Board or GAC, as applicable, determine otherwise, when the USOPF receives real estate in “fee simple” via warranty or special warranty deed, as applicable, the property will be immediately liquidated and the proceeds of the sale will be used for
unrestricted or donor specified purposes.

3.3.2 Deferred Gifts: Real estate may be gifted to the USOPF through deferred gift mechanisms, most commonly by bequest.

If the USOPF receives real estate through a deferred gift that cannot be accepted pursuant to the established gift acceptance guidelines or applicable law, the USOPF will work with the fiduciary or personal representative of the donor’s estate to fulfill the donor’s intent through other means. If no such agreement can be reached, the USOPF will disclaim or decline the gift of real property.

3.3.3 Gifts of Real Estate Held in Trust: The preferred method for donating real estate in exchange for life income is to give the real estate in trust. Gifts of real estate may be made to the USOPF through trust, including irrevocable trusts, charitable remainder unitrusts, and charitable lead trusts. However, IRS rules prohibit the acceptance of mortgaged property to fund charitable remainder trusts.

If the USOPF receives real estate through trust that cannot be accepted in accordance with established gift acceptance guidelines, the USOPF may work with the donor and/or trustee to similarly satisfy the intent of the donor through other means. If no such agreement can be reached, the USOPF will disclaim or decline the gift of real property.

3.3.4 Partial Interest in Real Estate: Where donors are not the sole owners of real estate or do not want to gift the entire property to the USOPF, he/she may make the USOPF a part owner of the property by transferring all of his/her ownership interest in a portion of the property to the USOPF without reservation or the withholding of any ownership right. The USOPF will receive these types of gifts in limited situations and only as a tenant in common with the additional owner(s) without restriction on the USOPF’s ability to sell the interest. If the USOPF is to retain the interest, an agreement between the donor, USOPF, USOC and, in some instances, other owner(s) must clearly define the roles, responsibilities, and restrictions upon each party. Due to strict IRS regulations of gifts, this type of gift is rare and donors are strongly encouraged to seek professional tax and/or legal advice.

3.3.5 Retained Life Estate: Gifts subject to a retained life estate interest in a personal (primary or secondary) residence, farm or ranch may be accepted by the USOPF subject to the following terms.

The donor is responsible, at its sole cost, for paying taxes, maintaining insurance and performing all maintenance, repairs and replacements of the property necessary to keep the property in substantially the same condition as exists on the date of the gift for the duration of the life estate or until the donor surrenders his/her right to enjoy and use the property. The USOPF does not generally accept a retained life estate arrangement if the USOPF is required to retain the property in perpetuity following the termination of the life estate. Special valuation and tax rules apply to retained life estate arrangements. Donors are strongly advised to seek professional tax and/or legal advice when making a gift of property with a retained life estate.

3.3.6 Property Subject to Easements or Other Contractual Restrictions: The USOPF may accept real estate even if the property is subject to easements, covenants or other contractual restrictions such as rights of first refusal and leasing or rental agreements, if the agreements are not in default and are assignable by the landlord to the USOPF. If the property could be accepted pursuant to established guidelines absent the restriction, a thorough investigation as to the impact of the restriction will be conducted. The GAC will base its final decision regarding acceptance or non-acceptance upon the restriction’s effect on marketability, valuation, and other pertinent issues.
3.3.7 **Encumbered Real Estate**: Property that is subject to liens (tax lien that is unpaid, mechanic’s lien, judgment lien that is unpaid, etc.), unpaid mortgages, deeds of trust, unpaid taxes or assessments, or other encumbrances will be accepted by the USOPF only in exceptional circumstances and upon advice from the USOPF’s legal counsel or other outside advisors. If accepted, encumbered property will be evaluated as a “bargain sale” whereby the donor is treated as offering property to the USOPF for an amount less than its current fair market value. Generally, this amount is equivalent to the property’s fair market value less the liability value of the encumbrance, which shall also include any applicable late penalties and interest. Special valuation and tax rules apply to bargain sales. Donors are strongly advised to seek professional tax and/or legal advice when making a gift of property that is subject to any encumbrance.

4.0 **ACCEPTANCE PROCEDURE**

4.1 **Initial Response**: Upon initial inquiry, the appropriate development professional will complete the following steps:

4.1.1 Prepare an initial report for GAC review including: proposed gift intent and purpose, proposed gift structure, relevant known details about proffered real estate and any other information necessary for GAC to make an initial assessment.

4.1.2 Work with donor to request all supporting documentation regarding the real estate, including, but not limited to, ownership deed/title, current or most recent property tax bill, plot plan and/or survey, substantiation of zoning status.

4.2 **Field Evaluation**: Following completion of the GAC’s initial review and if they have determined to continue with the proffered gift, a member of the USOPF staff or an authorized representative (a realtor or other qualified person) will, upon the direction of the USOC CEO, USOPF President or the Chief Financial Officer, visit the property and report his/her findings to the Sr. Associate General Counsel, Development. The purpose of this visit is to determine the nature and type of the property and to identify any potential problems not evident from initially supplied information that would hinder or prevent the USOPF’s sale or proposed retention of the property.

4.3 **Formal Review**: Following the successful outcome of these procedures, the advocating development professional, with the support of the Sr. Associate General Counsel, Development, will order and review all or some of the following: a current title report, an initial environmental screening (i.e., a Phase I), [a current boundary or ALTA survey] and a home inspection or, with respect to a commercial property, a property condition assessment and zoning report, and prepare a written report addressing the following:

4.3.1 **Usefulness of the Property for USOC**: Property that is to be held by the USOPF for the benefit of USOC must support, enhance, or otherwise directly benefit the USOC.

4.3.2 **Market Value and Marketability**: Fair market value as determined by a qualified appraisal conducted in accordance with the Code and other regulations, as well as the general marketability/salability of the property considering the current local and national real estate markets, interest or demand in the specific property or property type, and any prior attempts to market and/or sell the property.

4.3.3 **Potential Environmental Risks**: Existence of actual and potential environmental issues associated with the property as determined through a professionally conducted environmental audit.

4.3.4 **Limitations and Encumbrances**: Existence of restrictions, reservations, easements and/or limitations on the use and enjoyment of the property, encumbrances, mortgages and mechanics and other liens and any effect of such upon the value and marketability of the property.
4.3.5 **Unrelated Business Taxable Income (UBTI):** A determination whether the gift will result in UBTI, pursuant to the Code.

4.3.6 **Carrying Costs:** Existence of costs associated with the property such as association dues, taxes, insurance and other maintenance expenses; identification of the funding source to cover carrying costs.

4.3.7 **Title Information:** Information relating to ownership and clear [or marketable] title as determined by a current proper and thorough title search.

4.4 **Phase I Environmental Audit:** In conjunction with the initial general review, or immediately following successful completion of that review, a Phase I environmental audit must be conducted. Typically conducted through a professional service, the environmental audit assesses any potential environmental risks and/or hazards associated with the proffered real estate gift by assessing the following:

4.4.1 An inquiry of the owner or occupant (if not owner-occupied) regarding his, her, or its knowledge of the history of the property;

4.4.2 An inquiry of the owner or occupant (if not owner-occupied) regarding his, her, or its knowledge of the current condition and use of the property;

4.4.3 A title search to identify any prior owners;

4.4.4 A consultation with federal, state, and local environmental agencies to find out whether the property, or adjacent property, has any history of hazardous waste contamination; and

4.4.5 A visual inspection of the property for any evidence of environmental hazards on the property or adjacent property.

If the Phase I environmental audit identifies problems with the gift property, a Phase II environmental audit will be ordered or the property will be declined. No property will be accepted if there is a likelihood of any liability that could attach to the USOPF or USOC as a result of taking title to the property. Upon completion of the environmental evaluation(s), a final decision will be made and communicated to the donor relations professional, the donor, and if appropriate, the donor’s advisors.

4.5 **Appraisal:** The donor is responsible for obtaining a qualified appraisal of the property, the cost of which is borne by the donor. Federal regulations prescribe strict appraisal requirements, stating that taxpayers are required to obtain a qualified appraisal for donated property for which a deduction of more than $5,000 is claimed; (IRC § 170(f)(11)(C)). Donors are strongly encouraged to seek professional tax and/or legal counsel to comply with the appraisal requirements.

4.6 **Tax Deduction Valuation:** The USOPF will recognize donors for the present fair market value of the gift when made. However, this valuation is for USOPF use only and should not be relied upon for tax purposes. Donors are strongly encouraged to seek advice from private tax and/or legal counsel.

4.7 **Gift Memorialization:** Prior to or upon transfer of title to the USOPF, the donor and the USOPF will sign a Gift Agreement setting forth the terms of the gift, conditions or restrictions upon the use or disposition of the real estate, and the use of the net proceeds garnered from the subsequent sale or disposition of the property.

4.8 **Transfer of Property:** If the real estate and the terms and conditions of the gift are deemed acceptable, the transfer is handled in the same manner as a sale of land, using a qualified title company and any other outside advisors and experts in accordance with applicable state law. To that end, the donor executes a warranty or a special warranty deed, as is customary in the state in which the property is located, to transfer his/her interest in the property to the USOPF. If the transfer is by a trustee, personal representative, or other fiduciary, he/she will execute a deed with warranties appropriate to his/her capacity. The deed is recorded and at that time, title/ownership formally transfers to the USOPF.
The allocation of expenses associated with the transfer of real estate to the USOPF is set forth in Section 4.11 herein. Unless otherwise specified within that section or if circumstances otherwise warrant, closing costs normally attributable to the “seller” by applicable state custom shall be attributable to the donor and closing costs normally attributable to the “buyer” by applicable state custom shall be attributable to the USOPF.

4.9 Disposition of Property: It is the USOPF’s general procedure that all gifted real estate be sold or otherwise disposed of as soon as possible following receipt and finalization of the transfer. In rare circumstances, the USOPF may retain the property according to the gift terms/conditions or for other business reasons.

4.9.1 A gift of real property not likely to appreciate in value or requiring active management, extraordinary maintenance and/or other expenses shall, unless circumstances otherwise warrant, be recommended for immediate disposition at not less than fair market value.

4.9.2 A gift of real property deemed to have potential for appreciation in value may be retained until USOPF staff determines its value is not likely to materially increase further. At that time, the USOPF staff will recommend to the USOPF Board a process for disposition of said property.

4.9.3 A gift of real property accepted subject to restrictions on use or disposition shall be held, managed and disposed of or otherwise administered with due regard to said restriction.

4.9.4 Unless circumstances otherwise warrant, the USOPF shall be entitled to recover all acquisition, carrying and disposition costs related to the gift that it incurs. Generally, such costs are recouped from gross proceeds resulting from the sale of the property.

4.9.5 Unless circumstances otherwise warrant, the USOPF shall apply the net proceeds to the designated charitable purpose. If the use is not designated, the disposition proceeds will be designated for unrestricted use by the USOPF.

Disposition of any gifted property will only occur through an “arm’s length” transaction in which neither the USOPF nor the buyer are under any compulsion or legal obligation to buy or sell the property, with both having a reasonable knowledge of all relevant facts pertaining to the property. Where the USOPF acquires property subject to a right of first refusal, that agreement will be honored if it is legally enforceable and was negotiated at “arm’s length,” requires purchase at fair market value, and if honoring the agreement is made a condition of the gift.

4.10 Gift Recognition: For the USOPF’s gift crediting and accounting purposes, the value of the gift is the appraised value of the real estate less any costs paid by the USOPF for maintenance, real estate taxes, realtor and broker commissions, and all other expenses associated with a sale of property.

4.11 Allocation of Expenses: In an effort to clarify the expenses relating to gifts of real estate, the following information tables delineate responsibility for costs associated with the charitable transfer of real estate. The USOPF may charge any fees incurred as a result of the real estate gift, carrying costs, and subsequent sale to the USOC department benefiting from the real property:
### REAL ESTATE TRANSFER FROM DONOR TO USOPF

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<thead>
<tr>
<th>DONOR</th>
<th>USOPF</th>
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<tbody>
<tr>
<td>• Current qualified appraisal and/or appraisal studies</td>
<td>• Preparation of gift agreement</td>
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<tr>
<td>• Surveys/plat preparation</td>
<td>• Costs incidental to property review, marketing and sale</td>
</tr>
<tr>
<td>• Property condition assessment</td>
<td>• Property expenses after completion of gift (e.g., utilities, etc.)</td>
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<tr>
<td>• Deed preparation</td>
<td>• Filing costs</td>
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<tr>
<td>• Code and/or zoning compliance costs</td>
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<tr>
<td>• All property expenses prior to completion of gift (e.g., taxes, etc.)</td>
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<tr>
<td>• Phase I/II environmental audit and/or study</td>
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<tr>
<td>• Personal legal and/or tax counsel expenses</td>
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<tr>
<td>• Title search, if applicable</td>
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<tr>
<td>• Title insurance, if applicable</td>
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### REAL ESTATE TRANSFER FROM AN ESTATE TO USOPF

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### REAL ESTATE TRANSFER IN TRUST FOR USOPF

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<tr>
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<th>TRUST</th>
<th>USOPF</th>
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</thead>
<tbody>
<tr>
<td>• Current qualified appraisal and/or update</td>
<td>• Title search/Insurance</td>
<td>• Costs associated with coordinating the contribution of assets to a trust</td>
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<tr>
<td>• Surveys/plat preparation</td>
<td>• Real estate closing costs and commissions</td>
<td>• Comprehensive review of asset(s)</td>
</tr>
<tr>
<td>• Property condition assessment</td>
<td>• Trust administration and annual valuation</td>
<td>• Draft trust language and documentation</td>
</tr>
<tr>
<td>• Deed preparation</td>
<td>• All expenses related to accepting the property in to the trust or its sale</td>
<td>• Costs incidental to property review and asset liquidation</td>
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<tr>
<td>• Phase I/II environmental audit and/or study</td>
<td>• Property expenses post-gift (e.g., taxes, insurance, maintenance, etc.)</td>
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<tr>
<td>• All property expenses prior to completion of gift (e.g., taxes, etc.)</td>
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<tr>
<td>• Trust Agreement review, legal and/or tax counsel expenses</td>
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5.0 DEFINITIONS OF COMMON REAL ESTATE TERMS

5.1 Fee Simple: A term of conveyance that grants absolute ownership to the recipient, entitling him/her to the entire property without condition or restriction.

5.2 Warranty Deed: Conveys title to a grantee with a guarantee of good clear title to the property free from any interests held by other people. Warranty deeds are the traditional form of deed used in residential sales between unrelated parties.

5.3 Special Warranty Deed: In some states, conveyance may be made through a Special Warranty Deed in which the transferor covenants to warrant and defend the title against claims during his/her ownership of the property.

5.4 Joint Tenancy or Joint Tenancy with Right of Survivorship: Two or more persons (joint tenants) having one and the same interest in the property, commencing at one and the same time, through one and the same conveyance. All joint tenants have the same right to undivided use, possession, and enjoyment of the property. Upon the death of one of the joint tenants, the property remains with any surviving joint tenant. The interest of the deceased joint tenant is un-assignable and expires upon death.

5.5 Partial Interest: Any interest that represents less than the whole of the property. The IRS considers this type of gift to be a charitable contribution only if the interest represents the donor’s entire interest in the property or is an undivided part of the donor’s entire interest in the property.

5.5.1 Example – Donor owns ½ interest in real property and donates the entire ½ interest without limitation.

5.5.2 Example – Donor is sole owner of real property and gifts ½ of his/her entire property interest to the USOPF. As a result, the donor and the USOPF become equal co-owners of the property as tenants in common.

5.6 Tenancy in Common: Tenancy in common describes two or more persons (tenants in common) each holding undivided interests in the property to equal use, possession, and enjoyment of the land. Upon the death of a tenant in common, his/her interest neither terminates nor automatically vests in the surviving tenant(s) in common. Because the interest of a tenant in common is assignable, it vests in whomever the interest was assigned to by will, sale, or other conveyance.