



Broyhill Business Leadership Fund Agreement

THIS FUND AGREEMENT (“Agreement”) is made effective on June 27, 2012, between the Broyhill Family Foundation, Inc. (the “Foundation”), located in Lenoir, North Carolina (“Donor”), and Mars Hill College, located in Mars Hill, North Carolina (the “College”) and is subject to the laws of North Carolina. This agreement **amends, restates, and supersedes the agreement between Donor and the College dated May 6, 1981, establishing The Broyhill Institute for Business Leadership Fund (the “Fund”) and any other agreements regarding the Fund made heretofore.**

Funding—

The Foundation made a \$100,000 gift to the College in 1981 to establish the Fund. Subsequent gifts from the Foundation increased the Fund’s corpus to over \$178,000 as of May 31, 2011. As part of a five-year, \$538,000 commitment to the College by the Foundation, \$322,000 will be added incrementally to the Fund by December, 2016.

Purpose of the Fund—

The purpose of the Fund is to create and maintain a business education climate that

- A. Encourages understanding of the concepts of a free enterprise economy and business leadership in a free society;
- B. Provides an education experience that teaches conventional management techniques, but encourages students to challenge that conventionality;
- C. Stimulates a values-centered, ethics-oriented study of business leadership and economic issues; and that
- D. Provides opportunities for students to interact with the local, regional, national, and international business communities.

Investment—

The College shall invest Fund (“Endowment”) assets as an institutional fund under UPMIFA with the goal of optimizing yield and maintaining the spending power of the endowment assets. The assets shall be subject to the investment policies of the College relating to endowments, and shall be managed in a manner that is consistent with those requirements. The College shall exercise exclusive authority over management of the

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Fund, including the pooling of the Endowment for investment and payout purposes, and accounting for Endowment assets under generally accepted accounting principles.

Additional Assets—

Additional assets may be added to the Fund by contribution or by transfer of other funds held by the College. Such additional assets shall not contain restrictions, conditions, or designations which are inconsistent with this agreement and its intent.

Administration and Governance—

Faculty for the undergraduate Business Department and the Broyhill Graduate School of Business will make recommendations to the Chair of the Business Department for annual use of the endowment's available monies. The Executive Vice President must approve all distributions from the Fund. The College will set an annual distribution percentage for the Fund not more than the percentage applicable to the general endowment. Any distribution not used for the purpose of the Fund during any fiscal year may be added to the principal of the Fund. The addition to principal may be made as a permanent addition to principal or may be subject to withdrawal and use for the purpose of the Fund.

Promotion, Acknowledgement, and Reporting—

To attract gifts for similar purposes, it is understood by Donor that appropriate publicity may be made by the College. Donor shall be referred to as the Broyhill Family Foundation in such publicity. **The College shall report annually to Donor regarding disbursements from the Fund and the investment performance of the Fund.**

Unforeseeable Circumstances—

In the unlikely event that at some future time it becomes impossible for the Fund to serve the specific purpose for which it was created, the president of Mars Hill College shall direct the proceeds of the Fund be devoted to purposes that are deemed to be the most consistent with the Fund's intent, upon the consultation and approval by the Donor.

Transfer of the Fund—

If in the sole opinion of Donor's Board of Directors, the Fund shall cease to be used for the general purposes described in the Agreement, or is otherwise deemed to be ineffective in its activities, upon proper notice the College shall transfer all the then principal and accumulated income of the Fund, minus all financial commitments which have been made in reference to the Fund on behalf of the Schools of Business, and any

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financial commitments which remain outstanding relating to same, to any other educational purpose of the College as shall be designated by Donor's Board of Directors and accepted by the Board of Trustees of the College. Should there be no educational purpose of the College which Donor's Board of Directors deems worthy of said transfer of funds, the College agrees to transfer the funds to any educational institution that is described in Section 501 (c)(3) of the Internal Revenue Code or the corresponding provision of any future United States Internal Revenue law, as shall be designated by Donor's Board of Directors for use by the designated institution in establishing any other tax-exempt, educational purpose designated by Donor's Board of Directors.

IN WITNESS WHEREOF, the parties execute this Agreement.

BROYHILL FAMILY FOUNDATION, INC.

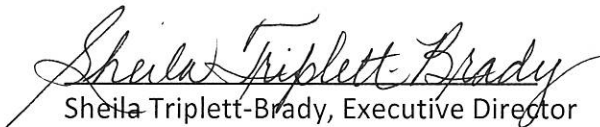


Paul H. Broyhill, Chairman

MARS HILL COLLEGE



Dan Lunsford, President



Sheila Triplett-Brady, Executive Director