



## MASTER AFFINITY AGREEMENT

This Master Affinity Agreement is made as of the 1st day of July, 2009 ("Effective Date"), between UNITED SERVICES AUTOMOBILE ASSOCIATION ("USAA"), a reciprocal interinsurance exchange having its offices at 9800 Fredericksburg Road, San Antonio, Texas 78288 and the ASSOCIATION OF GRADUATES OF THE UNITED STATES AIR FORCE ACADEMY ("AOG"), a Colorado corporation with offices located at 3116 Academy Drive, USAF Academy, Colorado Springs, CO 80840-4475 (each a "Party" and collectively the "Parties").

USAA and its Affiliates are engaged in the business of providing financial products and services to, primarily, members of the U.S. military and their families; and

AOG is a member based entity and desires to offer certain AOG endorsed financial products and services to its Members (hereinafter defined); and

AOG also has certain media space available for general marketing activities and desires to provide such space to USAA; and

USAA desires to offer such endorsed products and services to Members and acquire the media space available for its general marketing use according to the terms and conditions contained in this Agreement and associated Addenda.

Now, therefore, in consideration of the promises and mutual covenants set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, USAA and AOG agree as follows:

### ARTICLE 1: DEFINITIONS

**1.1 "Affiliate"** means with respect to a Party, any corporation, partnership, joint venture, joint stock company, limited liability company, trust, estate, association or other entity the existence of which is recognized by any governmental authority, (collectively an "Entity") that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with either Party listed herein or an Entity in which either Party has any direct or indirect ownership interest, whether controlling or not, of at least fifty percent (50%), at any time during the term of this Agreement. For purposes of this definition the term "controls", "is controlled by" or "under common control with" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities, by contract or otherwise.

**1.2 "Addendum or Addenda"** means one or more, as the case may be, addendum, purchase order or other document that may be attached to this Agreement or which incorporates this Agreement by reference.

**1.3 "Agreement"** means this Master Affinity Agreement, and any and all addenda, appendices, exhibits, and schedules attached hereto or incorporated herein by reference.

**1.4 "Disclosing Party"** means anyone releasing Confidential Information.

**1.5 "Member(s)"** means any individual who is a member of AOG.

**1.6** “**Person**” means any individual, corporation, partnership, firm, joint venture, association, joint-stock company, limited liability company, trust, unincorporated organization, governmental, judicial or regulatory body, business unit, division or other entity.

**1.7** “**Recipient**” means anyone who receives Confidential Information.

**1.8** “**Term**” means the Initial Term and Extended Term collectively.

In addition to the terms defined above, other defined terms are used in this Agreement and such terms shall have the meanings defined for such terms in the first paragraph where they appear.

## **ARTICLE 2: SERVICES**

The services to be performed shall be specified on one or more Addendum.

## **ARTICLE 3: RELATIONSHIP MANAGER**

**3.1 Relationship Managers.** Each Party will designate and provide business relationship manager(s) (“Relationship Managers”) to manage the day-to-day relationship and handle problem resolution between AOG and USAA. Each Party’s Relationship Manager will respond to issues as promptly as commercially reasonable under the circumstances. Each Party’s Relationship Manager shall be available during normal working hours, except holidays. Each Party will provide backup Relationship Managers in the absence of its regular Relationship Manager.

## **ARTICLE 4: COMPENSATION**

**4.1 Fees.** USAA shall pay AOG the fees specified in the applicable Addendum.

### **4.2 Invoices.**

**4.2.1** AOG will utilize eSettlements for submitting all invoices beginning with the first invoice. AOG will contact USAA Accounts Payable at [invoicing@usaa.com](mailto:invoicing@usaa.com) to obtain eSettlements access at least two weeks prior to the first invoice submission.

**4.2.2** If required, AOG will utilize one of the following channels to communicate additional invoice related correspondence (backup documentation, receipts etc.) by email at [acctpay1@usaa.com](mailto:acctpay1@usaa.com) or facsimile at 866-656-9710.

**4.2.3** All invoices must (i) reference the USAA Contract Control Number or Addendum Number; (ii) include a detailed description of the fees charged; (iii) include the applicable performance period; (iv) reference the USAA Relationship Manager; and (v) include a unique invoice number.

**4.2.4** USAA reserves the right to reject and return for correction, any invoice that (i) does not reflect the required information, (ii) is sent directly to a USAA contact instead of eSettlements, or (iii) does not conform to USAA invoicing terms as specified in this Agreement.

**4.3 Payment.** All invoices submitted by AOG shall be due and paid by USAA within thirty (30) days of receipt of a correct invoice, using EFT in accordance with the Exhibit A Electronic Funds Transfer Procedures.

**4.4 Disputes.** If either Party disputes any fee or other charge, USAA and AOG will use their best efforts to resolve the dispute within forty-five (45) days. USAA will pay any undisputed amounts due. Each Party will provide the other Party with copies of all supporting documentation relating to the dispute within fifteen (15) days after written notification has been provided. The disputed amount (or such amount as may be ultimately determined to be correct) shall not be due until fifteen (15) days after the dispute is resolved. Notwithstanding

anything contained herein, USAA shall have no obligation to pay a disputed amount until resolution of the dispute.

#### **ARTICLE 5: TERM OF AGREEMENT**

**5.1 Initial Term.** The term of this Agreement shall commence on the Effective Date and shall be in effect for five (5) years, unless otherwise terminated pursuant to Article 6 of this Agreement ("Initial Term").

**5.2 Automatic Renewal of Initial Term.** This Agreement shall automatically renew for an additional five-year period under the same terms and conditions (the "Extended Term") unless either Party provides the other Party written notice of its intent not to renew at least one hundred - eighty (180) days before the Initial Term of this Agreement expires.

#### **ARTICLE 6: TERMINATION AND RELATED TRANSITION ASSISTANCE**

**6.1 Mutual Termination Rights.** Either Party may terminate any Addendum:

**6.1.1** immediately for failure of the other Party to comply with, or for unsatisfactory performance of, the terms of such Addendum and such breach is not cured within thirty (30) days after written notice of such breach is provided to such other Party; provided however, that if the nature of the breach is such that it cannot be reasonably cured within said thirty (30) day period then the cure period will be extended for such additional period of time as is reasonably necessary up to cure such breach, not to exceed an additional 60 days if: (i) the defaulting party is making all reasonable efforts to promptly cure the breach; (ii) and provides notice of the need for the extension within the initial thirty (30) day cure period; or

**6.1.2** immediately in the event the other Party seeks the protection of any bankruptcy court, becomes insolvent, or makes an assignment for the benefit of creditors; or

**6.1.3** immediately if the other Party is in violation of Article 11 (assignments or change in control.)

**6.2 USAA Termination Rights.** USAA may terminate this Agreement or any Addendum without regard to breach or default upon one hundred-eighty (180) days written notice from USAA.

**6.3 Survival.** The obligations relating to Articles 7 (confidential information), 9 (representations and warranties), 10 (defense, indemnity, and insurance), 14 (publicity) and 24 (officers and directors) will survive any expiration or termination of this Agreement or any Addendum hereto.

**6.4 Effect of Termination or Expiration.**

**6.4.1** Following termination or expiration of this Agreement or any Addendum, USAA may, in its sole discretion, target communications (electronic, print or otherwise) directly to Members regarding the fact that this Agreement or Addendum has been terminated. USAA shall not disparage AOG or its products and services in any communications; nor shall AOG disparage USAA, its Affiliates, or their products and services in any communications.

**6.4.2** In the event of a termination of this Agreement or any attached Addendum pursuant to Section 6.2 above, USAA shall pay AOG the full amount then remaining, if any, specified in each such Addendum so terminated.

#### **ARTICLE 7: CONFIDENTIAL INFORMATION**

**7.1 Confidential Information.** Confidential Information shall mean all documents, materials, data and information, in whatever form received, created or gathered, including, but not limited to, verbal, written, magnetic, electronically recorded, tangible or intangible, which have or will come into the possession of a Party

hereto relating to and furnished by the other Party, its representatives or the Members in connection with this Agreement or the transactions contemplated hereby, which are proprietary or confidential in nature, including, but not limited to, the following: financial information; terms and conditions of this Agreement; business plans; technology; unique marketing philosophies and objectives, and activity reports. Confidential Information shall not include information that:

**7.1.1** at the time it is disclosed, is already in the rightful possession of the receiving Party or available to the receiving Party, or its officers, directors, employees or Affiliates, from any other source having no obligation not to disclose it; or

**7.1.2** is, or any time thereafter, becomes available to the general public other than as a result of disclosure by the receiving Party; or

**7.1.3** after it is disclosed, is at any time obtained by the receiving Party from any other Person having no obligation not to disclose it; or

**7.1.4** is developed by a Party hereto or any of its Affiliates independently, without reference to any Confidential Information.

**7.2 Disclosure and Use for Purposes of this Agreement.** The Recipient will protect the Disclosing Party's Confidential Information, will only use the Confidential Information in connection with performance under this Agreement and will only disclose Confidential Information to persons who have a "need to know" the Confidential Information in connection with performance under this Agreement. The Recipient will apprise said persons of the confidentiality obligations and ensure that they comply with the terms of this Agreement. The Recipient may require each individual providing services under this Agreement to sign a separate confidentiality agreement. The Recipient will notify the Disclosing Party as soon as possible of any misuse of or unauthorized access to Confidential Information of which it becomes aware and will cooperate in remedying such situation promptly. The Recipient may disclose Confidential Information if required to be disclosed by a court order or operation of law. Before disclosing any Confidential Information of the Disclosing Party under court order or operation of law, the Recipient shall provide the Disclosing Party reasonable notice and the opportunity to object to or limit such disclosure

**7.3 Ownership.** The Parties agree that each Party is deemed to be the sole owner of all Confidential Information disclosed by such Party to the other Party. Confidential Information provided directly by Members to USAA will be deemed to be USAA's Confidential Information. Except as otherwise provided in this Agreement, or as the Parties may agree from time to time, nothing in this Agreement shall be construed to convey to the receiving Party any right, title, interest or copyright in any Confidential Information or any license to use, sell, exploit, copy or further develop any such Confidential Information.

**7.4 Prohibited Use and Disclosure.** USAA and AOG, for themselves and their respective officers, directors, employees, representatives, Affiliates and agents agree that they shall treat and hold in trust all Confidential Information solely for the Disclosing Party's benefit or otherwise destroy such Confidential Information. Neither Party hereto shall disclose, publish or make use of the Confidential Information without the express written consent of a duly authorized corporate officer of the disclosing Party other than in accordance with this Agreement.

**7.5 Termination.** Except as set forth below or as required by law, after termination of this Agreement, each Party shall promptly return to the other Party, or at the other Party's option either certify destruction of, or take commercially reasonable steps to protect the confidentiality of all tangible material containing or otherwise reflecting Confidential Information. If either Party has provided Confidential Information of the other Party to third parties in accordance with the terms of this Agreement, the Party providing such Confidential Information to third parties shall be responsible for such third parties compliance with the requirements of this Article.

**ARTICLE 8: USE OF MARKS**

**8.1 Use and Ownership of USAA Marks.** USAA retains the exclusive ownership right to any distinctive trade names, logos, trademarks, service marks, product identifications, artwork, imagery, pictures and other symbols and devices associated with USAA's products or services (collectively referred to herein as "USAA Marks") that have been or may hereafter be created or developed by USAA. USAA shall provide the USAA Marks that shall be used by AOG in marketing the Program on a non-exclusive, nontransferable, non-assignable license basis during the term of this Agreement. AOG shall not use the USAA Marks in any manner without USAA's prior written consent. All uses by AOG of USAA Marks shall inure solely to the benefit of USAA. Subject to this Section 8.1, upon the termination or expiration of this Agreement, AOG shall immediately discontinue the use of such USAA Marks and promptly destroy or return to USAA any tangible materials bearing such USAA Mark, excluding past issues of printed documents such as magazines or calendars.

**8.2 Use and Ownership of AOG Marks.** AOG retains the exclusive ownership right to any distinctive trade names, logos, trademarks, service marks, product identifications, artwork, imagery, pictures and other symbols and devices associated with AOG'S products or services (collectively referred to herein as "AOG Marks," collectively with USAA Marks, the "Marks") that have been or may hereafter be created or developed by AOG. USAA and its Affiliates shall have limited authority to use AOG Marks in Marketing Materials on a non-exclusive, nontransferable, non-assignable license basis during the term of this Agreement; provided that, USAA and its Affiliates shall not use the AOG Marks in any manner inconsistent with the terms of this Agreement without the prior written consent of AOG. Upon the termination or expiration of this Agreement, USAA and its Affiliates shall immediately discontinue the use of such AOG Marks and promptly destroy or return to AOG any tangible materials bearing such AOG Marks.

**8.3 Notification of Infringements and Claims.** Each Party hereto shall immediately notify the other Party of any apparent infringement of, or challenge to, the Party's use of any of the other's Marks or claim by any Person of any rights in any of the other Party's Marks. In such event, the Party providing such notice shall not communicate with any Person other than the other Party and its counsel in connection with any such infringement, challenge or claim, unless otherwise authorized by the other Party. As between the Parties, the owner of the Marks shall have sole discretion to take such action as it deems appropriate in connection with the foregoing, and the right to control exclusively any settlement, litigation, arbitration or U.S. Patent and Trademark Office or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to the owner's Marks. The Party using the other Party's Marks agrees to execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of owner's counsel, be reasonably necessary or advisable to protect and maintain the owner's interests in any litigation, proceeding or otherwise relating to any of the owner's Marks. Any costs associated with such assistance will be reimbursed by the owner of the Marks to the other Party providing assistance.

**8.4 Approval of Proposed Use of Marks.** Neither AOG nor USAA shall use Marketing Materials, Program Data, proposals or any other presentations that contain references to AOG or USAA or their respective Affiliates in general, or in relation to the Program, unless the material has been previously reviewed and approved in writing by both parties. Notwithstanding the foregoing, either Party may, in its sole and absolute discretion, disapprove any communication that it believes to be inconsistent with its image. Each Party agrees to promptly update any Mark of the other Party maintained by such Party regardless of the media in which such Mark is used. If any such use of material presented by USAA to AOG is not approved or disapproved within ten (10) business days it shall be deemed approved by AOG. If any such use of material presented by AOG to USAA is not approved or disapproved within ten (10) business days it shall be deemed disapproved by USAA.

**ARTICLE 9: REPRESENTATIONS AND WARRANTIES****9.1 AOG Representations and Warranties.**

**9.1.1** AOG is a corporation in good standing organized pursuant to the laws of its State of incorporation.

**9.1.2** AOG has the full right, power and authority to enter into this Agreement and to perform its obligations hereunder.

**9.1.3** AOG is not currently under any order either from a court or a state regulatory body prohibiting it from performing its Services in any state.

**9.1.4** AOG is solvent at the time of execution of this Agreement and performance of its obligations hereunder shall not cause it to become insolvent.

**9.1.5** There are no legal actions threatened or pending against AOG which would materially affect performance under this Agreement. AOG will notify USAA of any which develop during the term of this Agreement.

**9.1.6** AOG has all the requisite approvals, right and authority to use and provide the AOG Marks as contemplated herein.

**9.1.7** AOG will perform its obligations with reasonable skill, care, and diligence.

**9.1.8** AOG will perform its obligations in compliance with all applicable statutes and regulations.

**9.1.9** AOG will not share, recompile, decompile, disassemble, reverse engineer, or make or distribute any other form of, or any derivative work from, any software or hardware contained in the website or the services of USAA or its Affiliates.

## **9.2 USAA Representations and Warranties.**

**9.2.1** USAA is a reciprocal interinsurance exchange in good standing, organized pursuant to the laws of the State of Texas.

**9.2.2** USAA has the full right, power and authority to enter into this Agreement and to perform its obligations hereunder.

**9.2.3** USAA is not currently under any order either from a court or a state regulatory body prohibiting it from operating its Services in any state.

**9.2.4** USAA is solvent at the time of execution of this Agreement and performance of its obligations hereunder shall not cause it to become insolvent.

**9.2.5** USAA will perform its services with reasonable skill, care and diligence.

**9.2.6** In providing such services, USAA will comply with all applicable statutes, regulations and industry codes of conduct and practice as mandated by any Regulatory Authority.

**9.2.7** USAA has all the requisite approvals, right and authority to use and provide the USAA Marks as contemplated herein.

## **ARTICLE 10: DEFENSE, INDEMNIFICATION AND INSURANCE**

**10.1 Notice.** In the event a claim by a third party is made against USAA or AOG or their respective Affiliates, officers, directors, members and employees (each an "Indemnified Party") directly relating to or arising out of:

**10.1.1** acts or omissions by or on behalf of the other Party (the "Indemnifying Party") pursuant to this Agreement;

**10.1.2** breach of a representation or warranty contained in this Agreement; or

**10.1.3** any other breach of this Agreement;

then the Indemnified Party shall give prompt notice in writing to the Indemnifying Party.

**10.2 Indemnification.** Upon receipt of notice specified above, the Indemnifying Party will fully indemnify, defend and hold the Indemnified Party harmless from all claims, damages, attorney fees, costs and the expenses associated with the defense of such claims.

**10.3 Cooperation.** The Indemnified Party shall fully cooperate with the Indemnifying Party in the defense of such claim at the Indemnifying Party's expense.

#### **ARTICLE 11: ASSIGNMENTS OR CHANGE IN CONTROL**

Neither Party may assign its rights or obligations under this Agreement or any Addendum without the prior written consent of the other Party; provided, however that nothing in this provision or this Agreement shall prohibit either Party from assigning its rights or obligations hereunder to an Affiliate, but such assignment shall not release the Party from its obligations under this Agreement or any Addendum. The Parties agree that a merger, consolidation or acquisition of a controlling interest in a party shall be deemed an assignment of this Agreement for purposes of this provision. The terms of this Agreement or any Addendum shall be binding upon and inure to the benefit of the authorized successors and assigns of the Parties hereto.

#### **ARTICLE 12: NO THIRD PARTY BENEFICIARY**

This Agreement is not intended to create any third party beneficiary rights in any Person, including any Member.

#### **ARTICLE 13: TAXES**

Each Party shall be responsible for payment of its own federal, state and local taxes applicable to the income generated to such Party under this Agreement and for its own sales or use tax liabilities.

#### **ARTICLE 14: PUBLICITY**

Neither Party shall use or imply the name, Marks or identity, of the other Party or its Affiliates, in any publicity matter without the prior, written consent of the other Party. All contact with the media concerning this Agreement must be approved in advance by the public relations department for both Parties and such approval will not be unreasonably withheld or delayed.

#### **ARTICLE 15: GOVERNING LAW**

This Agreement shall be interpreted and governed by the law of the State of Texas, without regard to conflict of law principles. If any provision contained in this Agreement is held invalid, illegal, or unenforceable, then this Agreement will be construed as if such provision had never been contained herein.

#### **ARTICLE 16: NOTICES**

All notices requested under this Agreement shall be deemed given upon receipt when mailed by certified mail, return receipt requested or by established overnight carrier (e.g., Federal Express, UPS) against a signed receipt. Notice shall be sent to:

United Services Automobile Association  
9800 Fredericksburg Rd.  
San Antonio, Texas 78288  
ATTN: Marc Hildebrand, Director Product Management  
Market Innovation Unit

With a copy to:

United Services Automobile Association  
 9800 Fredericksburg Rd, BSVCE  
 San Antonio, Texas 78288  
 ATTN: Peggy Yoder, Sr. Contract Advisor  
 Contracting Services

Notices to AOG shall be sent to:

Association of Graduates of the United States Air Force Academy  
 3116 Academy Drive  
 USAF Academy  
 Colorado Springs, CO 80840-4475  
 ATTN: Marty Marcolongo

**ARTICLE 17: FORCE MAJEURE**

Neither Party shall be held responsible or liable under this Agreement due to strikes, lockouts, riots, fires, acts of God, or any other cause beyond such Party’s reasonable control. This Article shall not relieve the Parties of their obligation to have commercially reasonable contingency plans in place to restore service and operations, to mitigate exposure and put in place other foreseeable protections. In the event that one Party has a force majeure event preventing them from performing under this Agreement for more than thirty (30) consecutive calendar days, the other Party to this Agreement may terminate this Agreement without default.

**ARTICLE 18: DISPUTES**

**18.1 Informal Dispute Resolution.** Without limiting any other remedy set forth in this Agreement, this Article shall govern any dispute between USAA and AOG arising from or related to the subject matter of this Agreement that is not resolved by agreement between their respective personnel responsible for day-to-day administration and performance of this Agreement (“Dispute”). If any of the provisions of this Article are determined to be invalid or unenforceable, the remaining provisions shall remain in effect and binding on the parties to the fullest extent permitted by law. Other than a suit seeking injunctive relief with respect to intellectual property rights, the Party believing itself aggrieved (the “Invoking Party”) will call for progressive management involvement in the dispute negotiation by giving written notice to the other Party in the manner set forth below prior to submitting any Dispute to mediation or arbitration. USAA and AOG will use their best efforts to arrange personal meetings and/or telephone conferences as needed, at mutually convenient times and places, between their negotiators at the following successive management levels, each of which will have a period of allotted time as specified below in which to attempt to resolve the dispute.

USAA	AOG	Resolution Time
Contract Advisor, Corporate Negotiator, or Director, Company & Staff Agency Contracting	Vice President, Alumni Relations	5 business days
Executive Director, Contracting or Assistant Vice President, Contracting	Senior Vice President	5 business days
Senior Vice President, Procurement or Executive Vice President, Corporate Services	President and CEO	10 business days

The allotted time for the first-level negotiators will begin on the date of the Invoking Party’s notice. If a resolution is not achieved by the negotiators at any given management level at the end of their allotted time, then the allotted time for the negotiators at the next management level, if any, will begin immediately. If a resolution is not achieved by any of the preceding, then either Party may proceed in mediation. Notwithstanding the

foregoing resolution procedure, an arbitration proceeding may be filed to avoid the expiration of a statute of limitation applicable to a particular claim pending resolution in the manner and order required by this Article 18.

## **18.2 Mediation.**

**18.2.1** A Party shall submit a Dispute to mediation by written notice to the other Party or Parties. The mediator shall be selected by the Parties. Any mediator must be acceptable to all Parties. If the Parties cannot agree on a mediator, a mediator shall be designated by the American Arbitration Association (“AAA”) at the request of a Party. The Mediation Rules of the AAA shall be used at the mediation. The mediation shall take place in San Antonio, Bexar County, Texas if AOG submits the Dispute mediation and in Colorado Springs, El Paso County, Colorado if USAA submits the Dispute to mediation, unless USAA and AOG otherwise agree.

**18.2.2** The mediator shall conduct the mediation as he/she determines, with the agreement of the Parties. The Parties shall discuss their differences in good faith and attempt, with the mediator’s assistance, to reach an amicable resolution of the Dispute. The mediation shall be treated as a settlement discussion and shall therefore be confidential. The mediator may not testify for either Party in any later proceeding relating to the dispute. The mediation proceedings shall not be recorded or transcribed.

**18.2.3** Each Party shall bear its own costs in the mediation. The Parties shall share equally the fees and expenses of the mediator.

**18.2.4** If the Parties have not resolved a Dispute within thirty (30) days after written notice beginning mediation (or a longer period, if the Parties agree to extend the mediation), the mediation shall terminate and the Dispute shall be settled by arbitration. In addition, if a Party initiates litigation, arbitration, or other binding dispute resolution process without initiating mediation, or before the mediation process has terminated, an opposing Party may deem the mediation requirement to have been waived and may proceed with arbitration.

## **18.3 Arbitration.**

**18.3.1** The arbitration will be conducted in accordance with the procedures in this document and the AAA Rules for Arbitration (“Rules”) as in effect on the date of the Agreement, or such other rules and procedures as the Parties may agree. In the event of a conflict, the provisions of this document will control. The arbitration shall take place in San Antonio, Bexar County, Texas if AOG submits the Dispute arbitration and in Colorado Springs, El Paso County, Colorado if USAA submits the Dispute to arbitration.

**18.3.2** The arbitration will be conducted before a panel of three arbitrators, two of whom are to be designated by the Parties from the AAA. Any issue concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of any of these procedures, shall be governed by the Federal Arbitration Act and resolved by the arbitrators. No potential arbitrator may be appointed unless he or she has agreed in writing to these procedures. The arbitration panel shall have no power to award non-monetary or equitable relief of any sort or to make an award or impose a remedy that (i) is inconsistent with the agreement to which these procedures are attached or any other agreement relevant to the dispute, or (ii) could not be made or imposed by a court deciding the matter in the same jurisdiction.

**18.3.3** Nothing in this Article 18 shall prohibit or otherwise limit a Party’s right to initiate litigation to enforce the Arbitration Panel’s award as described herein, to obtain injunctive relief as permitted under the terms of this agreement and at law or in equity (including enforcement of any equitable remedies to preserve confidentiality or intellectual property rights), or preserve a superior position with respect to other creditors.

**18.3.4** Discovery shall be permitted in connection with the arbitration in accordance with the Federal Rules of Civil Procedure. The arbitrator(s) must give effect to legal privileges including the attorney-client privilege and the work-product immunity.

**18.3.5** All aspects of the arbitration shall be treated as confidential. The Parties and the arbitration panel may disclose the existence, content or results of the arbitration only in accordance with the Rules and the terms of this Agreement. Before making any such disclosure, a Party shall give written notice to all other Parties and shall afford them a reasonable opportunity to protect their interests, except to the extent such disclosure is necessary to comply with applicable law, regulatory requirements or professional standards.

**18.3.6** The result of the arbitration shall be binding on the Parties, and judgment on the arbitration award may be entered in any court having jurisdiction.

**18.3.7** Each Party agrees to continue performing its obligations under this Agreement while any dispute is being resolved unless and until such obligations are terminated by the termination or expiration of this Agreement or court order.

#### **ARTICLE 19: NO IMPLIED WAIVERS**

The failure of either Party to exercise any rights under this Agreement shall not constitute a waiver or forfeiture of such rights. Any consent by any Party to, or a waiver of, a breach by the other shall be in writing and shall not constitute consent to or waiver of any different or subsequent breach.

#### **ARTICLE 20: LEGAL STATUS/REGULATORY CHANGES**

AOG shall notify USAA, in writing, of any regulatory issues, arbitration, or litigation, pending or active, that may affect AOG's obligations under this Agreement or any Addendum, promptly upon learning of same, but in any event no later than thirty (30) days after AOG becomes aware of such matters.

#### **ARTICLE 21: COUNTERPARTS**

This Agreement may be executed in multiple counterparts, each of which shall constitute an original.

#### **ARTICLE 22: ENTIRE AGREEMENT**

This Agreement, the attachment and Exhibits contain the entire agreement of the parties on the subject matter covered by this Agreement. It shall not be modified, except by a written instrument, executed by both parties, which specifically refers to this Agreement and expressly recites its purpose to modify the same. This Agreement supersedes any and all previous agreements related to the products or Services identified herein, whether oral or written, between the parties.

#### **ARTICLE 23: SEPARATE ENFORCEMENT OF PROJECT ADDENDUM**

AOG acknowledges that each Project Addendum executed by a USAA Entity incorporating some or all of the terms of this Agreement constitutes a separate agreement of the parties thereto. As such, breach or termination of any Project Addendum will only be a breach or termination of that particular Project Addendum unless otherwise specifically provided in any such Project Addendum.

#### **ARTICLE 24: OFFICERS AND DIRECTORS**

AOG acknowledges that this Agreement is an obligation of USAA, and agrees that no personal liability shall extend to any officer, director, member, agent or employee of USAA.

[Signature page to follow]

In witness whereof, the parties have executed this Agreement as of the Effective Date above.

UNITED SERVICES AUTOMOBILE  
ASSOCIATION, a reciprocal interinsurance  
exchange

By: Peggy Yoder

Name: Peggy Yoder

Title: Sr. Contract Advisor

Date: June 1, 2009

ASSOCIATION OF GRADUATES OF THE  
UNITED STATES AIR FORCE ACADEMY, a  
Colorado Corporation

By: William L. Thompson

Name: William L. Thompson

Title: President and CEO

Date: June 9, 2009

**EXHIBIT A****ELECTRONIC FUNDS TRANSFER  
PROCEDURES**

For any amounts owed by USAA to AOG under any Addendum, USAA may initiate Entries (hereinafter defined) to the AOG'S account specified on the attached EFT Implementation Form ("Account") in payment of obligations owed by USAA to AOG on the terms set forth below. "Entries" mean, an instruction sent by USAA to its originating bank to pay or to cause another bank to pay an unconditioned specified amount of money to AOG. AOG hereby authorizes USAA to initiate Entries for obligations owing to AOG from time to time. The financial institution specified on the EFT Implementation Form attached hereto is hereby authorized to credit and, if USAA notifies AOG in advance and AOG gives its consent, to debit adjustments to such Entries to the Account.

Compliance with Rules. AOG and USAA agree to comply with and be bound by the National Automated Clearing House Rules in effect from time to time.

AOG'S Account. The Account is the deposit account maintained by AOG and specified in the attached EFT Implementation Form. Any changes in the AOG'S deposit account should be communicated to USAA by completing a new EFT Implementation Form. Changes should be sent by facsimile to USAA Accounts Payable at 866-851-3640 or 866-282-9021.

USAA will normally be able to initiate Entries to the new account within thirty (30) days of receipt of notification.

Failure or Delay of Payment. USAA shall not be deemed to default of any applicable contractual relationship between the parties giving rise to an obligation of USAA to pay AOG (the "Business Agreement") or suffer any loss of discount or other penalty by reason of any delay in receipt by AOG'S financial institution, the non-receipt by such institution of any Entry initiated by USAA or failure or delay by the funds transfer system. However, any such failure, delay, or non-receipt does not extinguish USAA's obligation to pay AOG under the terms of the Business Agreement as soon as practicable after the failure, delay or non-receipt is discovered.

No Default. USAA shall not be deemed to be in default of the Business Agreement if any other means of payment (e.g. paper check or wire transfer) shall be made by USAA in accordance with the terms of the Business Agreement.

Remittance Information. For each Entry initiated, USAA shall communicate the information related to the payment ("Remittance Information") as specified in the attached EFT Implementation Form. AOG acknowledges that its receipt of Remittance Information, if communicated separately from the payment to which the Remittance Information relates, will not constitute a warranty by USAA that the funds transfer has been initiated or that any resulting payment order will be accepted by AOG'S financial institution on any date specified in the Remittance Information.

Timeliness. A payment from USAA to AOG shall be considered timely with respect to any due date determined in accordance with the Business Agreement if USAA initiates the Entry no later than such payment due date. However, if financial institutions are not open for business on such payment due date, USAA's payment shall be deemed timely if the Entry is initiated on the next day financial institutions are open for business.

Partial Payments. Notwithstanding any statement contained in any Remittance Information to the contrary, the completion of any funds transfer hereunder shall not constitute full satisfaction of USAA's obligations if the amount paid is less than that required by the underlying business obligation owed by USAA to AOG.

Security Procedures. Payment instructions and Remittance Information exchanged shall be solely used for the purpose intended under the terms of the Business Agreement and shall not be made available for any other purposes. Each Party shall employ reasonable security procedures to ensure that payment instructions,

Remittance Information, notices and other information specified herein that are electronically created, communicated, processed, stored, retained or retrieved are authentic, accurate, reliable, complete, and reasonably protected from access, use or modification by persons not specifically authorized to carry out the purposes of the Business Agreement.

Questions and Errors. In the event of any question or error relating to Entries initiated, AOG should contact the Accounts Payable hotline at (210) 498-2288.

**EFT Implementation Form**

This form is used to designate the AOG'S depository institution information and to identify how payment and remittance detail will be provided. Please complete the form (with signature) and fax it to USAA Accounts Payable at 866-851-3640 or 866-282-9021.

Payment and remittance detail will be sent to the \_\_\_\_\_'S depository institution specified below in one of the following NACHA formats:

\_\_\_\_\_ CTX \_\_\_\_\_ CCD  
\_\_\_\_\_ CCP

Depository Institution: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Account Number: \_\_\_\_\_

Account Name: \_\_\_\_\_

Transit Routing Number: \_\_\_\_\_

Email address: \_\_\_\_\_

(\*Email address will be used to notify your organization the date and amount of the deposit and how the payment should be applied to USAA's balance)

Name of \_\_\_\_\_:

By: \_\_\_\_\_

Signature of Authorized Representative

Date: \_\_\_\_\_



## ADDENDUM #1 TO AFFINITY AGREEMENT AFFINITY CARD PROGRAM

This Addendum #1 made as of the 1<sup>st</sup> day of July, 2009 by and between USAA SAVINGS BANK ("USB") an FDIC insured Nevada thrift company and the ASSOCIATION OF GRADUATES OF THE UNITED STATES AIR FORCE ACADEMY ("AOG"), a Colorado corporation governs the operation of the Affinity Card Program and is attached to and incorporates by reference all the terms and conditions of the MASTER AFFINITY AGREEMENT (the "Agreement"), executed on June 1, 2009, USAA Contract Control Number 1027325 by and between UNITED SERVICES AUTOMOBILE ASSOCIATION ("USAA") and AOG with USB having all the rights and obligations of USAA thereunder. To the extent of a conflict between the Agreement and this Addendum #1, the terms of this Addendum #1 will supersede. Terms not defined herein shall have the same meaning assigned under the Agreement.

The Parties desire to offer a Program that enables Members to apply for credit cards issued by USB; and

The Card and other Program marketing materials will include images and logos selected by AOG that promote the AOG and USB Affinity to its Members, and provide benefit through the payment by USB to AOG of the Fees as described below.

Now, therefore, in consideration of the mutual agreements, terms, and covenants in this Addendum #1 and for other good and valuable consideration, the legal sufficiency of which is hereby acknowledged, AOG and USB each agree as follows:

### ARTICLE 1: DEFINITIONS

**"Account"** means an account represented by a Credit Card opened pursuant to an Application processed and approved by USB under the Program.

**"Account Assets"** means the Cards, Accounts, Account Receivables (and the proceeds thereof), personal information related to a Cardholder, and lists of Cardholders;

**"Account Fees"** means the fees payable to AOG under Section 2.1.

**"Additional Quarterly Payment"** means the payment to AOG of any Additional Quarterly Payment Amount due under Section 2.3.

**"Additional Quarterly Payment Amount"** means, as of the last day of each Quarter, the amount that Cumulative Earned Account Fees exceed the sum of the (i) cumulative total of all Advanced Payment Amount scheduled for payment prior thereto; plus (ii) the cumulative Additional Quarterly Payment Amount from prior Quarters.

**"Advanced Payment"** means the payment to AOG of an Advanced Payment Amount.

**"Advanced Payment Amount"** means the scheduled amount of any Advanced Payment of Account Fees to be paid as set forth in Section 2.2;

**"Cumulative Earned Account Fees"** means, as of a particular date, the total amount of Account Fees earned from the Effective Date through and including the particular date.

**"Account Receivable"** means any amount owed on an Account.

**"Affinity Data"** means data submitted by AOG to USB during the Term, including the Content and the Marks.

**"Addendum #1"** or "Addendum" means this Addendum #1.

**"Applicant"** means a person who makes an Application for a Card, whether through a link available on AOG's website or in response to a solicitation by AOG or through other USB Authorized Materials.

**"Application"** means a request for a Card directed to USB pursuant to this Addendum #1.

**"Business Day"** means any day which is not a Saturday, a Sunday or a bank or public holiday in New York.

**"Card"** means, a credit card issued by USB under the Program and made available to a Cardholder which is branded with AOG Marks and/or Content. The Card may be a MasterCard, Visa or American Express card as USB shall determine in its discretion.

**"Cardholder"** means an Applicant in whose name an Account is established, including a joint account holder or guarantor or authorized user thereof.

**"Cardholder Agreement"** means an agreement between USB and a Cardholder governing the Cardholder's Account.

**"Cash Transaction"** means cash advances, balance transfers or cash equivalent transactions (including, without limitation, the purchase of wire transfers, money orders, bets, lottery tickets, or casino gaming chips);

**"Content"** means any text, image or logo submitted by AOG to USB for the purpose of being used on the Card, the USB Authorized Materials, or other approved marketing materials.

**"Contract Year"** means each 12-month period beginning on the Effective Date or any annual anniversary of the Effective Date.

**"Converted Account"** means an Account opened for a Cardholder who, as of June 30, 2009, (i) is identified within the USB data file as a current USB customer, (ii) is indicated on USB's system as a graduate of the United States Air Force Academy, and (iii) at the time of opening such Account, has a USB issued credit card account that was opened prior to the date of the Application.

**"Effective Date"** means the date first set forth above.

**"Eligible Transaction Volume"** means all retail purchase transaction dollar volume generated using an Account, excluding transactions that: (i) relate to refunds, returns or unauthorized transactions; (ii) are a Cash Transaction; or (iii) constitute the redemption by Cardholder of rewards earned from USB for Card use.

**"Extended Term"** has the meaning set forth in the Agreement.

**"Inactive Account"** means an Account that either (i) has had neither Eligible Transaction Volume nor a Cash Transaction for the past twelve (12) months; or (ii) is no longer permitted to have any further Eligible Transaction Volume or a Cash Transaction in the future due to a closed, fraud, collection, bankruptcy, death, or other account status.

**"Initial Term"** has the meaning set forth in the Agreement.

**"Intellectual Property Rights"** means copyright, design rights, rights in databases, moral rights, trade marks, service marks, trade and business names, patents, rights in inventions and other intellectual property

rights, in each case whether registered or unregistered and including applications for the grant of the foregoing and all rights or forms of protection having equivalent or similar effect to any of the foregoing which may subsist anywhere in the world.

"**Marks**" means distinctive trade names, logos, trademarks, service marks, product identifications, artwork, imagery, pictures and other symbols and devices associated with a Party's products or services.

"**Member**" or "Members" means a member or members of AOG.

"**Member List**" means a list containing the names, addresses, phone numbers, and other information of Members.

"**Party**" means AOG or USB, and "**Parties**" means both AOG and USB.

"**Personnel**" means the officers, directors, and employees of the relevant party.

"**Privacy Rules**" means Title V of the Gramm-Leach Bliley Act 1999 and its implementing regulations applicable to national banks, the Interagency Guidelines Establishing Standards for Safeguarding Customer Information and state laws regarding the privacy and security of consumers' personal information.

"**Program**" means the affinity credit card program between USB and AOG offered pursuant to this Addendum #1.

"**Program Materials**" means any marketing material, application forms, solicitation materials, telemarketing scripts, or other materials related to the Program.

"**Quarter**" means each calendar quarter ending on 31 March, 30 June, 30 September and 31 December in each year.

"**Relevant Authority**" means any agency or other governmental authority having authority to regulate USB.

"**Renewal Account**" means an Account other than an Inactive Account.

"**Term**" means the Initial Term or any Extended Term, as further set forth in the Agreement.

## ARTICLE 2: COMPENSATION:

### 2.1 Account Fees.

2.1.1 AOG shall earn the following Account Fees under the Program:

#### 2.1.1.1 Quarterly New Account Fees:

A sum equivalent to five dollars (\$5) multiplied by the number of Accounts, other than Converted Accounts, opened during the previous Quarter. This fee is earned on the last day of each Quarter only for such Accounts first opened that Quarter.

2.1.1.2 **Quarterly Account Transaction Fee:** A sum equivalent to thirty-five (35) basis points of the Eligible Transaction Volume in the previous Quarter on all Accounts other than Inactive Accounts or Converted Accounts. This fee is earned on the last day of each Quarter.

2.1.1.3 **Annual Account Renewal Fee:** A sum equivalent to one-dollar multiplied by the number of Renewal Accounts as of June 30<sup>th</sup> of each year. This fee is earned annually on the last day of each Contract Year.

2.1.2 USB shall pay AOG all Account Fees earned under Section 2.1.1 in the form of an Advanced Payment pursuant to Section 2.2, and as an Additional Quarterly Payment when required pursuant to Section 2.3 below.

## 2.2 **Advanced Payments.**

2.2.1 USB shall pay to AOG on each date set forth below a non-refundable Advanced Payment as follows:

2.2.1.1 On or about July 31, 2009: \$84,530;

2.2.1.2 On or about July 31, 2010: \$105,507;

2.2.1.3 On or about July 31, 2011: \$151,099;

2.2.1.4 On or about July 31, 2012: \$182,896; and

2.2.1.5 On or about July 31, 2013: \$220,055.

2.2.2 As a condition to USB's obligation to make an Advance Payment, AOG shall invoice USB in accordance with Section 4.2 of the Agreement on or after July 1<sup>st</sup> of each Contract Year and USB shall pay AOG in accordance with Section 4.3 of the Agreement.

2.2.3 In the event this Addendum continues into an Extended Term, USAA shall pay an Advanced Payment in an amount equal to \$220,055 on or about July 31 of each year of the Extended Term.

2.3 **Additional Quarterly Payments.** USB shall pay AOG the Additional Quarterly Payment Amount within sixty (60) days after the end of such Quarter. An example of the above calculation methodology is attached hereto as Exhibit A.

## **ARTICLE 3: USB's RIGHTS AND OBLIGATIONS**

3.1 USB shall develop and manage the Program in accordance with the following requirements:

3.1.1 **Program Launch Date.** USB shall launch the Program by December 31, 2009. USB shall determine the credit card products to offer as part of the Program including the features and benefits of the Cards offered in the Program. If Program launch is delayed beyond this date due to no fault of AOG, then USB shall pay an additional fee in the amount of \$25,000. AOG shall invoice USB for the amount of this fee in accordance with Section 4.2 of the Agreement, and USB shall pay it in accordance with Section 4.3 of the Agreement. Such payment is independent and unrelated to the Fees specified in Article 2 of this Addendum and shall be AOG's sole and exclusive remedy for USB's failure to meet the targeted launch date of December 31, 2009.

3.1.2 **Program Marketing.** The Program shall be a credit card program designed for Members and prospective Members. Under the Program, AOG shall provide USB access to Member Lists and limited use of AOG Marks (as defined in the Agreement) for use in marketing the Program to Members. USB may market the Program to qualified Members on the Member Lists by direct mail and e-mail through AOG's email system. USB may also market the Program by any other methods that USB may select and AOG may reasonably approve. USB shall design and produce all Program Materials, subject to AOG's approval of the final design which shall not be unreasonably withheld. In addition, USB shall promote the Card at USAA sponsored Air Force Academy loan events, provided USAA is selected by the Air Force Academy to participate as such

events. USB shall send certain Program Materials and provide marketing advice to AOG for its marketing efforts required by Article 4 of this Addendum #1.

- 3.1.3 **Application.** USB will provide the ability to apply for Cards at USAA.com or via the telephone. USB shall have the exclusive right to determine whether to approve or decline an Application and shall be solely responsible for determining any and all requirements and criteria for approving an Application. If an Application is approved, USB shall issue a Card(s) under the Program. USB shall design (subject to AOG's approval of the final design which shall not be unreasonably withheld), produce, and issue all Cards under the Program. Each Card shall contain AOG and USB's names and logos as well as other information required by USB and Visa, MasterCard, or American Express. If an Application is declined, USB shall notify the individual as required by applicable laws and regulations. AOG acknowledges and agrees that the Card offered to individuals that are not eligible for property and casualty insurance underwritten by an Affiliate of USB (i.e. not eligible for USAA property and casualty group membership) may have different rates, benefits or features than the Card issued to individuals who are eligible for property and casualty insurance underwritten by an Affiliate of USB.
- 3.1.4 **Program Management.** USB shall provide reasonable Program management. USB shall designate a Relationship Manager that AOG may contact for planning, communicating, or asking questions regarding the Program.
- 3.1.5 **Program Documents.** USB shall write, design, print and deliver all Cardholder Agreements, statements, notices, or other required Program documents in accordance with applicable laws and regulations. USAA will include AOG Marks on the Cardholder statements and, to the extent reasonably practicable and not inconsistent with USB's or its Affiliates' brand, policies or practices, take into account and incorporate AOG's advice and recommendations in developing such statements.
- 3.2 **No Third Party Beneficiary.** The contractual relationship of all Cardholder Agreements shall be between USB and the Cardholders. AOG shall not be a party to the Cardholder Agreements, and is not intended (nor shall it under any circumstances be considered) a third-party beneficiary of such Cardholder Agreements. USB shall determine all terms and conditions of the Cardholder Agreements and shall have the right to change those terms and conditions at any time in accordance with the Cardholder Agreements and applicable laws and regulations.
- 3.3 **Account Management.** USB shall provide all services related to the Accounts and shall have the exclusive right to make any and all Account-related decisions, including but not limited to (a) assigning or determining credit limits, cash advance limits or other limits related to each Account; (b) issuing or re-issuing Cards; (c) authorizing or declining transactions; (d) settling transactions and billing Cardholders; (e) receiving and processing payments from Cardholders; (f) providing customer service on the Accounts; (g) collecting on accounts; (h) handling Cardholder disputes related to the Accounts or transaction made on the Accounts; (i) terminating, blocking or suspending charge privileges on an Account; (j) closing an Account; (k) handling fraud claims; (l) record retention; and (m) any other Account-related functions. USB may subcontract any such services to a third party. USB shall underwrite, establish, maintain and service the Accounts in accordance with USB's credit criteria, policies and procedures and Cardholder Agreement, as the same may be amended from time to time at USB's sole discretion, but at all times in accordance with all applicable laws and regulations, and in a manner which is not materially different from or materially less favorable than the manner in which USB deals with all similar card applications and accounts.
- 3.4 **Ownership.** USB is the Card issuer and creditor on all Accounts. As such, USB shall be solely liable for charge-offs caused by credit or fraud losses. In addition, all Account Assets are the exclusive property of USB. USB may sell, transfer, pledge, or otherwise convey the Accounts or the Account Receivables and the proceeds thereof to one or more trusts or other entities for purpose of securitization or other sale of assets. In the event of a securitization, USB may issue or cause the

issuance of securities representing interests in or secured by such Accounts or Account Receivables or the proceeds thereof.

#### ARTICLE 4: AOG's RIGHTS AND OBLIGATIONS

- 4.1 AOG shall do the following with respect to the Program:
- 4.1.1 **Program Launch.** Provide all reasonable efforts to support USB's launch of the Program by December 31, 2009; and
- 4.1.2 **Website.** Advertise the Program on the AOG website and establish a direct link from AOG's website to USB's website to allow Applicants to apply for Cards; and
- 4.1.3 **Access to Member Lists.** Provide USB its Member Lists within thirty (30) days upon request by USB; and
- 4.1.4 **Program Marketing.** Provide all reasonable efforts to promote the Program to each Member, taking into account USB's advice and recommendations in respect thereof, as may from time to time be notified to AOG by USB, and, where reasonably practicable, complying with such advice and recommendations.
- 4.2 **Account Management and Ownership.** As more fully set forth in Article 3, AOG acknowledges and agrees that USB shall own all Account Assets and shall extend credit with respect to each Account, and AOG shall not be considered to be a creditor on any Account for any purpose whatsoever, and AOG shall not have any right in, or obligation with respect to, any Account. In this regard, AOG shall not instruct or encourage any Cardholders to make payments on Accounts, dispute Account transactions or balances, or communicate regarding Accounts in any manner contrary to the instructions of USB or the Cardholder statements. AOG shall refer all inquiries and incoming correspondence from Cardholders related to payments, billing error notices or dispute letters, legal notices related to the Accounts or USB, or similar correspondence to USB. If AOG receives any payments on Accounts, it shall notify USB and forward to USB within 24 hours of AOG's receipt. In addition, AOG hereby grants to USB permission to endorse AOG's name on Account payment checks sent to USB that are made payable to AOG, AOG MasterCard, AOG VISA, AOG American Express, or similar name.
- 4.3 **Compliance with Laws.** AOG acknowledges and agrees that, subject to complying with any applicable privacy laws and regulations, USB may contact Members with marketing materials and other information relating to USB's other products.
- 4.4 **Exclusivity.** During the Term of the Agreement, USB shall have the exclusive right to offer the Program and, notwithstanding anything to the contrary in Section 8.2 of the Agreement, the exclusive right to use AOG Marks (as defined in Section 8.2 of the Agreement) on any credit card products. During the Term of this Addendum #1, AOG shall not, by itself or in conjunction with others, directly or indirectly: (i) sponsor, advertise, aid, or market credit card products of any organization other than USB and its Affiliates; (ii) license or allow others to license the AOG Marks in relation to or for promoting any credit card of any entity other than USB or its Affiliates; or (iii) sell, rent, or otherwise make available or allow others to sell, rent or otherwise make available any of its Member Lists or information about any current or potential Members in relation to or for promoting any credit cards of any entity other than USB or its Affiliates.

**ARTICLE 5: TERM AND TERMINATION**

- 5.1 **Term.** This Addendum #1 shall commence on the Effective Date and expire upon the end of the Initial Term or the Extended Term, unless terminated in accordance with the Agreement or Section 5.2 of this Addendum #1.
- 5.2 **Additional Termination Rights.** In addition: (i) USB may terminate this Addendum #1 upon 90 days notice to AOG if USB's net interchange income is reduced by 30 or more basis points from the rate as of the Effective Date; (ii) either Party may terminate this Addendum #1 immediately if any Relevant Authority or court of competent jurisdiction determines that either Party does not have the authority, power, or authorization to comply with the terms of this Addendum #1 or that compliance by either Party violates any applicable law or regulation.
- 5.3 **Termination Obligations.** Upon the termination or expiration of this Addendum #1:
- 5.3.1 AOG acknowledges and agrees that USB shall continue to own the right, title and interest in and to all Account Assets; and
- 5.3.2 USB shall:
- 5.3.2.1 notify each Cardholder that the Program is no longer associated with AOG. Such notice will be delivered in a format and manner consistent with industry practice in use at the time of the notice; and
- 5.3.2.2 within one hundred-eighty(180) days of the termination of the Addendum #1,
- 5.3.2.2.1 USB will reissue each Card with another credit card that does not bear AOG's Marks or Content, if USB determines to continue the related Account at that time; and
- 5.3.2.2.2 USB will discontinue use of AOG Marks or Content in any marketing materials related to the Program; and
- 5.3.2.2.3 USB will cease to use AOG Marks or Content on any USB Authorized Materials; and
- 5.3.3 AOG shall immediately:
- 5.3.3.1 cease to promote the Program; and
- 5.3.3.2 cease to use any Program Materials; and
- 5.3.3.3 return or destroy any unused Program Materials in accordance with Section 8.1 of the Agreement.
- 5.3.4 In the event this Addendum is terminated on or before June 30, 2014 by USAA under Section 6.2 of the Agreement, USAA shall pay AOG an amount equal to any unpaid Advance Payment Amount remaining in the Initial Term.

[Signature page to follow]

IN WITNESS WHEREOF, this Addendum has been duly executed by authorized representatives of the Parties hereto.

USAA SAVINGS BANK, a FDIC insured Nevada thrift company

ASSOCIATION OF GRADUATES OF THE UNITED STATES AIR FORCE ACADEMY, a Colorado corporation

By: Peggy Yoder

By: William L. Thompson

Name: Peggy Yoder

Name: William L. Thompson

Title: Authorized Signatory

Title: President and CEO

Date: June 1, 2009

Date: June 9, 2009

**Exhibit A  
Additional Payment Amount  
Calculation Methodology**

As referenced in Article 2.3 of this Addendum #1, the table below provides an example of how payments to AOG would be made based on assumed Account Fee earnings under Article 2.1. This example is provided only for illustration purposes and is not intended as an estimate, representation or promise of any actual Account Fees that AOG will in fact earn. Actual Account Fee earnings and the payments thereof could and will likely vary from the example illustrated below, with amounts that are either higher or lower.

	Year 1				Year 2				Year 3				Year 4				Year 5				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
<b>Advanced Payment</b>	\$ 84,530	\$ (84,530)	\$ (84,530)	\$ (84,530)	\$ 105,507	\$ (107,537)	\$ (75,037)	\$ (42,537)	\$ (10,037)	\$ 131,099	\$ (98,636)	\$ (36,136)	\$ -	\$ 182,896	\$ (99,146)	\$ -	\$ -	\$ 220,055	\$ (95,055)	\$ -	\$ -
Outstanding Balance from previous quarter	\$ -	\$ (84,530)	\$ (84,530)	\$ (84,530)	\$ (34,530)	\$ (107,537)	\$ (75,037)	\$ (42,537)	\$ (10,037)	\$ (10,037)	\$ (98,636)	\$ (36,136)	\$ -	\$ 182,896	\$ (99,146)	\$ -	\$ -	\$ 220,055	\$ (95,055)	\$ -	\$ -
Cumulative Advanced Payments	\$84,530	\$84,530	\$84,530	\$84,530	\$190,037	\$190,037	\$190,037	\$190,037	\$190,037	\$341,136	\$341,136	\$341,136	\$341,136	\$524,032	\$524,032	\$524,032	\$524,032	\$744,087	\$744,087	\$744,087	\$744,087
<b>Additional Payment Amount</b>										\$ 26,364	\$ 26,364	\$ 26,364	\$ 26,364	\$ 4,604	\$ 93,750	\$ 93,750	\$ 93,750	\$ 29,945	\$ 125,000	\$ 125,000	\$ 125,000
Cumulative Additional Payment Amount										\$ 26,364	\$ 88,664	\$ 88,664	\$ 88,664	\$ 93,468	\$ 187,218	\$ 280,968	\$ 280,968	\$ 310,913	\$ 435,913	\$ 560,913	\$ 560,913
<b>Net Additional Account Fees</b> (None if amount is negative.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,604	\$ 93,750	\$ 93,750	\$ 93,750	\$ -	\$ 29,945	\$ 125,000	\$ 125,000
<b>Earned Account Fees</b>	\$ -	\$ -	\$ 20,000	\$ 30,000	\$ 32,500	\$ 32,500	\$ 32,500	\$ 32,500	\$ 62,500	\$ 62,500	\$ 62,500	\$ 62,500	\$ 62,500	\$ 93,750	\$ 93,750	\$ 93,750	\$ 93,750	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000
Cumulative Earned Account Fees	\$ -	\$ -	\$ 20,000	\$ 50,000	\$ 82,500	\$ 115,000	\$ 147,500	\$ 180,000	\$ 242,500	\$ 305,000	\$ 367,500	\$ 430,000	\$ 492,500	\$ 524,032	\$ 617,500	\$ 711,250	\$ 805,000	\$ 930,000	\$ 1,055,000	\$ 1,180,000	\$ 1,305,000
Annual Cumulative Earned Account Fees	\$ -	\$ -	\$ 20,000	\$ 50,000	\$ 82,500	\$ 115,000	\$ 147,500	\$ 180,000	\$ 242,500	\$ 305,000	\$ 367,500	\$ 430,000	\$ 492,500	\$ 524,032	\$ 617,500	\$ 711,250	\$ 805,000	\$ 930,000	\$ 1,055,000	\$ 1,180,000	\$ 1,305,000
<b>Outstanding Balance</b> Outstanding Balance from previous quarter less earned account fees	\$ (84,530)	\$ (84,530)	\$ (64,530)	\$ (34,530)	\$ (107,537)	\$ (75,037)	\$ (42,537)	\$ (10,037)	\$ (88,636)	\$ (36,136)	\$ -	\$ -	\$ (89,146)	\$ -	\$ -	\$ -	\$ -	\$ (95,055)	\$ -	\$ -	\$ -
<b>Paid Account Fees</b>	\$ 84,530	\$ -	\$ -	\$ -	\$ 105,507	\$ -	\$ -	\$ -	\$ 151,099	\$ -	\$ 26,364	\$ 62,500	\$ 182,896	\$ 4,604	\$ 93,750	\$ 93,750	\$ 93,750	\$ 220,055	\$ 29,945	\$ 125,000	\$ 125,000
Cumulative Paid Account Fees	\$ 84,530	\$ 84,530	\$ 84,530	\$ 84,530	\$ 190,037	\$ 190,037	\$ 190,037	\$ 190,037	\$ 341,136	\$ 341,136	\$ 367,500	\$ 430,000	\$ 612,896	\$ 617,500	\$ 711,250	\$ 805,000	\$ 1,025,055	\$ 1,055,000	\$ 1,180,000	\$ 1,305,000	
<b>Paid Account Fees</b>	\$ 84,530	\$ -	\$ -	\$ -	\$ 105,507	\$ -	\$ -	\$ -	\$ 151,099	\$ -	\$ 26,364	\$ 62,500	\$ 182,896	\$ 4,604	\$ 93,750	\$ 93,750	\$ 93,750	\$ 220,055	\$ 29,945	\$ 125,000	\$ 125,000
Cumulative Paid Account Fees	\$ 84,530	\$ 84,530	\$ 84,530	\$ 84,530	\$ 190,037	\$ 190,037	\$ 190,037	\$ 190,037	\$ 341,136	\$ 341,136	\$ 367,500	\$ 430,000	\$ 612,896	\$ 617,500	\$ 711,250	\$ 805,000	\$ 1,025,055	\$ 1,055,000	\$ 1,180,000	\$ 1,305,000	