

RECOVERABLE GRANT AGREEMENT

Beneficial Returns, LLC
261 Corbett Avenue
San Francisco, CA 94114
Attn. Ted Levinson, Chief Executive Officer

RE: **\$XX,000.00 Recoverable Grant to Beneficial Returns, LLC**

Dear Ted:

XXX FUND (“XXX FUND”) has decided to make a recoverable grant (the “Grant”) in the amount of \$XX,000.00 (the “Grant Amount”) as described below to Beneficial Returns, LLC (“you”) at the above address in furtherance of XXX FUND’s tax-exempt, charitable and educational purposes. Subject to the terms and conditions set forth in this Recoverable Grant Agreement (this “Agreement”), XXX FUND will distribute the above amount to you upon the receipt of a signed copy of this Grant Agreement and the necessary documents referenced below.

When announcing or acknowledging this Grant publicly, please indicate that support was provided by XXX FUND Foundation.

Documentation and Representation. Please submit your Federal Employment Identification Number along with a copy of this Grant Agreement, signed by an authorized representative of your organization, such as an officer, director, or trustee. Please also provide a detailed proposal of your work which details the charitable purpose of your project if this has not already been submitted to XXX FUND. Please be advised that we will issue you a 1099 form at the conclusion of the fiscal year in which the Grant was issued. It is your responsibility to determine if you have any tax liability for the receipt of the Grant. We recommend that you consult with your tax advisor.

1. Use of Grant Funds. You may use this Grant solely for purposes of financing the Beneficial Returns, a philanthropic loan fund providing loans to social enterprises that employ market solutions to global poverty (the “Project”) which furthers XXX FUND’s charitable purposes to promote impact investing that focuses on innovative, sustainable, and scalable impact solutions that address the world’s social and environmental problems. You acknowledge that you are receiving public funds from XXX FUND and therefore shall provide a high level of accountability to XXX FUND in respect of the use of the Grant funds. You agree to repay to XXX FUND any portion of the amount granted that is not used for the charitable project as described in your proposal. You agree to ensure that the Project is carried out (i) with due diligence and efficiency, (ii) in conformity with appropriate research, administrative, technical, financial, economic, environmental standards and practices; and (iii) in accordance with the provisions of this Agreement. You further agree that no portion of the amount granted may be used as reimbursement or compensation for any solicitation or fundraising. Any changes in the purposes for which granted funds are spent must be approved in writing by XXX FUND before you implement them.

In order for XXX FUND to comply with Internal Revenue Service (IRS) recordkeeping requirements for a grant to an organization that is not a 501(c)(3) public charity, we are required to collect detailed financial reporting concerning this Grant. To ensure the accuracy of these reports, you agree to keep any unexpended

grant funds in a separate bank account. This account and the records relating thereto shall be maintained in accordance with generally-accepted accounting principles and appropriate record-keeping practices to ensure that sound financial management systems and internal controls are being applied to this Grant. No Grant funds can be used to make capital purchases of real property or equipment except that which is specifically needed to accomplish charitable work. Any such property or equipment should be made available to public access and support public benefit. Any intangible property, including copyrights, that you obtain or create as part of this project shall remain your property, provided that it is used for public benefit.

3. Repayment Schedule. You will return the Grant Amount to XXX FUND in accordance with the Repayment Schedule as set forth on Exhibit A. The period beginning on the date hereof and ending on the last scheduled repayment date on the Repayment Schedule is hereby referred to as the Grant Term.

4. No Agency or Partnership. Nothing in this Grant Agreement shall constitute your appointment as an agent or legal representative of XXX FUND for any purpose whatsoever. This Grant Agreement shall not create any agency, partnership, or joint venture between the parties. You do not have any authority to make any commitments to third parties on behalf of XXX FUND.

5. Reports and Records. Because the IRS requires XXX FUND to exercise expenditure responsibility for this Grant, we require detailed financial and narrative reporting no less than annually during the Grant Term. The reporting shall describe the charitable programs that you have conducted with the aid of this Grant, the expenditures made with granted funds, your compliance with the terms of this Grant Agreement and your progress made towards achieving the Grant's purpose. Specifically, each report must include the information requested in XXX FUND's reporting requirements. In addition to and in furtherance of the reporting requirements specified above, you agree to provide XXX FUND with (1) (a) as soon as available, but no later than ninety (90) days after the last day of each fiscal year in the Grant Term, financial statements showing your financial condition and result of operations as of, and for the year ended on, such last date of the fiscal year, along with your certification that the financial statements specified in this clause (a) fairly present your financial position for the period then ended, (2) as soon as available, and in any event no later than forty-five (45) days after the last day of each fiscal quarter in the Grant Term, a quarterly report on the loans made, payments received and impact achieved of all borrowers, and (3) any additional information to XXX FUND that is deemed necessary to fulfill our compliance requirements.

If applicable, XXX FUND may withhold further Grant payments, in whole or in part, if it reasonably believes that you are not meeting your obligations under this Agreement. No further payments shall be made by XXX FUND to you unless and until you have fully accounted for the use of the Grant funds distributed to you and submitted all required reports. You must maintain complete and accurate records of receipts and expenditures for the Project for a period of 3 years from the end of the Grant Term. In addition, you acknowledge and agree that XXX FUND, or its representatives, may examine your records relating to the Project or the Grant at reasonable times and you agree to make such records available for this purpose. This Paragraph 4 shall survive the termination of this Agreement.

6. Proscribed Activities. You may not use any portion of the these granted funds to attempt to influence legislation, to participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office, or to induce or encourage violations of law or public policy. Further, you will not distribute or re-grant any of these Grant funds for the benefit of any private individual or non-charitable organization, except to the extent that such payments represent payment of reasonable compensation for services rendered to fulfill the Grant's purposes or as payment representing the fair market value of property

purchased to fulfill the Grant's purposes. Notwithstanding the immediately preceding sentence, no portion of granted funds may be used or designated as compensation or other consideration for fundraising.

7. Changes. You agree to notify XXX FUND immediately of any change in (a) your purposes, programs or activities, (b) your legal or tax status, or (c) your executive staff or key staff responsible for achieving the Grant's purposes. If you are contemplating liquidation or dissolution, all unexpended Grant funds shall be returned immediately to XXX FUND. A final report is due within thirty (30) days after your dissolution or termination.

8. Indemnification and Insurance. You irrevocably and unconditionally agree, to the fullest extent permitted by law, to defend, indemnify and hold harmless XXX FUND, its officers, directors, trustees, employees and agents, from and against any and all claims, liabilities, losses and expenses (including reasonable attorneys' fees) directly, indirectly, wholly or partially arising from or in connection with any act or omission of you, your employees or agents, in applying for or accepting the Grant, in expending or applying funds furnished pursuant to the Grant Agreement or in carrying out the program or project to be funded or financed by the Grant, except to the extent that such claims, liabilities, losses or expenses solely arise from or in connection with any act or omission of XXX FUND, its officers, directors, trustees, employees or agents. XXX FUND shall have no responsibility for any insurance coverage for your personnel or property. Should you decide that insurance is needed, you are solely responsible.

9. Termination. If you breach this Grant Agreement, or if your conduct of the project jeopardizes in any way XXX FUND's legal or tax status, XXX FUND may, at its sole option, withhold, withdraw, or demand immediate return of all Grant funds.

10. Compliance with Law. You agree to comply with all applicable laws, rules and regulations in connection with your expending or applying funds furnished pursuant to the Grant Agreement or in your carrying out the program or project to be funded or financed by the Grant. By way of illustration or example only, but not by way of limitation, you agree to take reasonable steps to ensure that all Grant funds are neither distributed to terrorists or terrorist support networks nor used for activities that support terrorism or terrorist organizations.

11. Site Visits. From time to time, XXX FUND, at its expense, may perform site visits of its grantees to strengthen existing relationships and ensure that Grant funds are being used for the purposes intended by this Grant Agreement, including compliance with law as described in paragraph 9 of this Grant Agreement. Should a site visit be made, you agree to accommodate XXX FUND and/or its representatives and make available all records and accounts relating to the funded Project.

12. Intellectual Property and Attribution. You shall own the copyrights to any work that you produce under this Agreement. Any publication of these works, either in whole or in part, must be reviewed by XXX FUND and XXX FUND may request an attribution.

Upon production of any such work, you shall automatically grant to XXX FUND an irrevocable, worldwide, royalty-free, non-exclusive license to use, reproduce, publish or re-publish, or otherwise disseminate such copyrighted work for XXX FUND's charitable and educational purposes. XXX FUND shall credit your authorship on all copies of the works that are so disseminated.

13. Arbitration. Except with respect to any equitable controversy or claim, any controversy or claim arising out of or relating to this Grant Agreement, or the breach of this Grant Agreement, shall be settled by arbitration in San Francisco, California, in accordance with the Commercial Arbitration Rules of the American

Arbitration Association. Any decision made pursuant to such arbitration shall be binding on the parties and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. As part of the arbitration award, the prevailing party shall be entitled to recover from the losing party all of the prevailing party's costs, including attorneys' fees.

14. Governing Law. This Grant Agreement shall be governed by and construed in accordance with the laws of the State of Colorado applicable to agreements made and to be performed entirely within such State.

15. Miscellaneous. This Grant Agreement shall supersede any prior oral or written understandings or communications between the parties and constitutes the entire agreement of the parties with respect to the subject matter hereof. This Grant Agreement may not be amended or modified, except in writing signed by both parties hereto. You may not assign this Grant Agreement in whole or in part without the prior written consent of XXX FUND. XXX FUND may withhold consent at its sole discretion.

If the foregoing is acceptable to you, please sign and return to XXX FUND a duplicate copy of this Grant Agreement.

Sincerely,

XXX FUND

By: _____

XXXX

AGREED AND ACCEPTED:

Beneficial Returns, LLC

By: _____

Theodore Levinson
Chief Executive Officer

Date: _____

EXHIBIT A

REPAYMENT SCHEDULE

<u>Payment Date</u>	<u>Amount Due</u>
Date 7 years from now	Grant Amount