



**Force for Good Accelerator / Fund:
Revenue Sharing Agreement**

This Note, dated _____, is entered into by and between COMMUNITY VENTURES, a California nonprofit public benefit corporation exempt from tax under Section 501(c)(3) of the Internal Revenue Code (“Company”) and _____ or his/her/its permitted assigns (“Holder”).

THE HOLDER UNDERSTANDS THAT THE INVESTMENT CONTEMPLATED BY THIS NOTE HAS NOT BEEN REVIEWED, APPROVED, OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF ANY INFORMATION GIVEN TO THE HOLDER IN ASSOCIATION WITH THE TRANSACTIONS CONTEMPLATED BY THIS NOTE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE HOLDER ACKNOWLEDGES AND AGREES THAT IN MAKING AN INVESTMENT DECISION, IT MUST RELY ON ITS OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THERE IS NO GUARANTEE OF RETURNS. HOLDER FURTHER ACKNOWLEDGES AND AGREES THAT IT MAY LOSE ITS ENTIRE INVESTMENT.

1. Investment

Holder agrees to invest the following amount: \$_____ (“Investment Amount”) in the Force for Good Fund. The Force for Good Fund is a pool of investment funds held by the Company designated for the purpose of investing in social enterprises selected by the Company or its designee.

2. Revenue Sharing

Beginning on the “Start Date” (the date on which the Company makes its first investment out of the Force for Good Fund but in no case later than February 1, 2017), the Holder shall be entitled to receive its pro rata share of **95%** of the proceeds from the Force for Good Fund (“Fund Proceeds”). This payment shall be made annually within 90 days after the end of the Company’s fiscal year.

For purposes of calculating Fund Proceeds, the Company’s accountant shall calculate total revenue on a cash basis at the end of each fiscal year.

If the Holder invests after the Start Date but in the same year as the Start Date, the amount due to the Holder in the first year shall be proportionately reduced as follows: the amount shall be multiplied by the number of days that the Holder’s investment was outstanding and divided by the number of days between the Start Date and the end of the fiscal year (inclusive).

For example, if the Start Date is October 1, 2016 and two investors invest \$1,000 before the Start Date and a third investor invests \$1,000 on November 1, 2016, and the Fund Proceeds for that year equal \$10,000, the payments for that year would be calculated as follows:

Payment to investors = 95% of Fund Proceeds = \$9,500

Each investor is entitled to one-third of the total payment - $\$9,500 \div 3 = \$3,166.67$

However, the third investor is only entitled to the portion of the payment attributable to the period during which his/her/its investment is outstanding, thus the payment is multiplied by the quotient of 61 days (November-December) and 92 days (October-December) which equals 66%. So the third investor is entitled to 66% of $\$3,166.67 = \$2,090$.

If the Start Date is in 2016, the Holder shall be entitled to a total of nine annual payments. If the Start Date is in 2017, the Holder shall be entitled to a total of eight annual payments. Notwithstanding the foregoing sentence, if the Holder invests after 2017, the number of annual payments shall be as follows:

<u>Investment year</u>	<u>Annual Payments</u>
2018	7
2019	6
2020	5
2021	4
2022	3
2023	2
2024	1

The sole source of repayment of the Note will be the payments made to the Company on account of loans and/or investments made to enterprises from the Force for Good Fund. Holder has recourse only to the assets attributable to such funds and not to any other assets of the Company. If there are losses in the Force for Good Fund such that the aggregate value of assets in the pool are less than the aggregate total of the principal balance of all Notes plus accrued and unpaid interest, the principal balance of each Note may be reduced, on a pro rata basis, to an amount that reflects the value of the assets. Such reduction shall not constitute a default under the terms of this Note.

3. **Minimum Return**

If, following the final payment, the total amount paid to the Holder is less than the Investment Amount multiplied by **1.20** (the “Minimum Return”), the Company shall pay to the Holder out of any loss reserves within the year following the final payment the difference between the actual amount paid to the Holder and the Minimum Return to the extent loss reserves are available to cover the difference.

Payments under this Note shall be allocated as follows: the first amounts paid to Holder up to 20% of the Investment Amount shall be allocated as payments of interest; the remaining payments shall be allocated as payments of principal, except that any such amounts in excess of the Investment Amount will be allocated as a payment of interest. Under no circumstances shall payments to the Holder exceed what is allowed under California law governing usury.

4. Termination and Default

This Note shall mature when the Company has met its payment obligations to the Holder pursuant to this Note.

Upon the occurrence of an Event of Default, the entire principal balance and all accrued interest (simple interest of 2.5% per annum) shall become immediately due and payable in full. "Event of Default" means the occurrence of any of the following events: (i) the appointment of a trustee, receiver, custodian, liquidator, or other similar official with respect to the Company; (ii) an assignment for the benefit of creditors of the Company, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against the Company (that in the case of involuntary proceedings are not dismissed within 45 days); (iii) Company's breach of any material provision of this Note; or (iv) the liquidation, termination of existence, or dissolution of the Company. Upon the occurrence of an Event of Default, the Holder shall have then, or at any time thereafter while such Event of Default is continuing, all of the rights and remedies afforded by applicable law.

5. Subordination

The Note is subordinated to all indebtedness of the Company to banks, commercial finance lenders, institutional lenders, insurance companies, leasing and equipment financing institutions, and/or other institutions regularly engaged in the business of lending money. The Notes shall not be subordinated to loans made by investors in future securities offerings.

6. Assignment

This note may be assigned by either party so long as such assignment complies with all applicable laws and regulations.

The rights and obligations of the parties shall be binding upon and benefit the successors, assigns, heirs, administrators and transferees of the parties.

7. Representations, Warranties and Covenants of the Holder

The Holder represents and warrants to, and covenants with, the Company that:

7.1 Accredited Investor. The Holder is an accredited investor as defined under federal securities law. The Holder shall indemnify, hold harmless, and pay all fees and expenses that are incurred by, and all judgments and claims made against the Company, its affiliates, and counsel, for any

liability that is incurred as a result of any misrepresentation made regarding suitability.

7.2 Risk Factor Review. The Holder has carefully read and fully understands the risks involved with an investment in the Company and understands that it is possible that the Holder could lose all or part of its original investment.

7.3 Evaluation of Risks. Holder has the requisite knowledge to assess the relative merits and risks of this investment, or has relied upon the advice of Holder's professional advisors with regard to an investment in the Company. The Holder acknowledges that the Company has made available to it the opportunity to ask questions of and receive answers from the Company's officers and directors concerning the terms and conditions of this Note and the business and financial condition of the Company, and Holder has received to its satisfaction, such information about the business and financial condition of the Company and the terms and conditions of the Note as it has requested.

7.4 No Registration. Holder understands that this securities offering and sale have not been registered under the Securities Act of 1933, as amended. Holder understands that its investment must be held for the term of this Note unless the sale or other transfer thereof is subsequently registered under the Securities Act or an exemption from such registration is available.

7.5 Advice. The Holder understands that nothing in this Note or any other materials presented to the Holder in connection with this offering constitutes legal, tax, or investment advice. The Holder has consulted such legal, tax, and investment advisors, as it, in its sole discretion, has deemed necessary or appropriate in connection with its investment.

7.6 Own Account. Holder is acquiring the investment for its own account for investment only and with no present intention of distributing the investment or making any arrangement or understanding with any other persons regarding the distribution of such investment.

7.7 No Resale. The Holder will not, directly or indirectly, offer, sell, pledge, transfer, or otherwise dispose of (or solicit any offers to buy, purchase, or otherwise acquire or take a pledge of) this investment except in compliance with the Securities Act, applicable state securities laws, and the respective rules and regulations promulgated thereunder.

7.8 Complete Information. All information provided by Holder to the Company in connection with the investment, including status, financial position, and knowledge and experience of financial and business matters is correct and complete as of the date set forth hereof, and if there should be any change in such information prior to the subscription being accepted, the Holder will immediately provide the Company with such information.

7.9 Ability to Bear Economic Risk. The overall commitment of Holder to investments which are not readily marketable is not excessive in view of the Holder's net worth and financial circumstances, and this investment will not cause such commitment to become excessive. Holder is able to bear the economic risk of this investment.

7.10 Authority. Holder further represents and warrants to, and covenants with, the Company that (i) Holder has full right, power, authority, and capacity to enter into this Note and to consummate the transactions contemplated hereby and has taken all necessary action to authorize the execution, delivery, and performance of this Note.

7.11 Advice of Counsel. Holder acknowledges that any legal counsel for the Company is legal counsel solely for the Company regarding this investment and not for Holder, and that Holder may want to have its own legal counsel review this Note (and related materials) before signing. Holder acknowledges that any accounting firm for the Company is the accounting firm solely for the Company and not for Holder, and that Holder may want to have its own accountant review this Note (and related materials) before signing.

8. Notices

All notices, requests, consents, and other communications hereunder shall be in writing, and shall be mailed (A) if within the United States by first-class registered or certified mail, or nationally recognized overnight express courier, postage prepaid, or by facsimile, or (B) if outside the United States, by International Federal Express or facsimile, and shall be deemed given (i) if delivered by first-class registered or certified mail, three business days after so mailed, (ii) if delivered by nationally recognized overnight carrier, one business day after so mailed, (iii) if delivered by International Federal Express, two business days after so mailed, and (iv) if delivered by facsimile, upon electronic confirmation of receipt and shall be delivered addressed as follows:

(a) if to the Company, to:

Community Ventures
4388 Lorren Drive
Fremont, California 94536

Or any address provided in writing by the Company to the Holder for the purpose of notices;

(b) if to the Holder, at its address on the signature page hereto, or at such other address or addresses as may have been furnished to the Company in writing.

9. Entire Agreement and Amendments

This Note may not be modified or amended except pursuant to an instrument in writing signed by the Company and the Holder. Except as otherwise expressly provided herein, this Note (along with the Subscription Agreement entered into by the Holder) represents the entire agreement between the Holder and the Company regarding the subject matter hereof and supersedes all prior or contemporaneous communications, promises, and proposals, whether oral, written, or electronic, between them.

10. Severability

In case any provision contained in this Note should be invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

11. Governing Law

This Note shall be governed by, and construed in accordance with, the internal laws of the State of California, without giving effect to the principles of conflicts of law.

12. Counterparts

This Note may be executed in two or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute one instrument, and shall become effective when one or more counterparts have been signed by each party hereto and delivered to the other party.

13. Miscellaneous

All payments of interest and principal shall be in lawful money of the United States of America and shall be made to the Holder. All payments by the Company under this Note shall be made without set-off or counterclaim and be free and clear and without any deduction or withholding for any taxes or fees of any nature whatever, unless the obligation to make such deduction or withholding is imposed by law. No delay or omission on the part of the Holder in exercising any right under this Note shall operate as a waiver of such right or of any other right of the Holder, nor shall any delay, omission, or waiver on any one occasion be deemed a bar to or waiver of the same or any other right on any future occasion.

Upon receipt of a duly executed, notarized, and unsecured written statement from the Holder with respect to the loss, theft, or destruction of this Note (or any replacement hereof) and a customary indemnity, or, in the case of a mutilation of this Note, upon surrender and cancellation of such Note, the Company shall issue a new Note, of like tenor and amount, in lieu of such lost, stolen, destroyed, or mutilated Note.

IN WITNESS WHEREOF, this Note has been duly executed as of the date first written above.

COMPANY: COMMUNITY VENTURES

HOLDER: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____