PRI Outline

This document provides an outline of a potential Program-Related Investment (PRI) that Venn Foundation (Venn) is currently contemplating. Its purpose is to help Venn explore the concept with potential partners and donors. If adequate interest is generated, Venn would proceed with formal due diligence and, based on the results, work to formally negotiate terms. If an agreement is reached, Venn would open the PRI for syndication among its donors and invite them to recommend a distribution from their Venn Accounts to fund the PRI. Please note that Venn is considering this PRI primarily to advance its charitable purpose and not with the significant goal of producing income, although some financial return may result as described below.

Prospective Recipient: The Coven
Current Corporate Form: Minnesota Business Corporation
Recipient Co-Founders: Alex West Steinman, CEO; Bethany Iverson, COO; Erinn Farrell, CCO; and Liz Giel, CGO
Contemplated PRI Structure: $75k-$200k unsecured loan with warrant

Recipient Overview
The Coven is a network of radically inclusive communities and workspaces for enterprising women, non-binary, and trans folks. The company starts by creating the physical and psychological safety needed to motivate action and risk taking in a beautiful, brave space designed for connecting and working. The Coven then aims to catalyze member transformation through workshops, connections, and coaching. Its proprietary Learning Pathways program supports individual skill development and mastery. The company launched on International Women’s Day in 2018 in Minneapolis and already has nearly 500 members. For every five paying members, the company gifts one free membership to someone from an under-represented or under-resourced community.

Charitable Purpose Summary
The primary purpose of this PRI is to combat prejudice and discrimination by supporting the entrepreneurial aspirations of women, non-binary, and trans folks, who are traditionally under-represented in the start-up business community and who significantly lag in many indicators of access to capital. By providing patient, below-market PRI capital to help The Coven build out its second community and workspace in Saint Paul, Minnesota, Venn is helping level the playing field in entrepreneurship for women, non-binary, and trans folks in furtherance of its exempt purpose.

Envisioned Investment (subject to adjustment)
Below is an outline of the envisioned financial terms of the PRI. Please note that Venn Foundation does not sell securities to investors but rather seeks to provide a unique charitable investment opportunity to its donors who may make recommendations. Donors themselves will not profit from supporting this PRI. Any financial returns that may result from the PRI legally belong to Venn Foundation and are reallocated to each participating donor’s Venn Account for donors to make recommendations on how Venn Foundation should redeploy those funds to new PRIs or grants. This contemplated PRI is a below-market, charitable investment for Venn Foundation.

1. $75k-$200k unsecured loan with warrant
2. Four-year term
   a. Years 1-2: Simple interest accrues at 3% per year, annual interest-only payments.
   b. Years 3-4: Simple interest accrues at 3% per year, annual payments of accrued interest and principal.
   c. Earlier loan payback triggered if company sold or acquired.
3. The Coven may need to meet certain “conditions of syndication” and “conditions of closing.”