

**BYLAWS OF
Democracy Builders Fund, Inc.**

ARTICLE I

NAME

Section 1.01 Name. The name of this corporation is Democracy Builders Fund, Inc. (the "Corporation").

ARTICLE II

MEMBERS

Section 2.01 Members. The only members of the Corporation shall be the persons who at the time of determination are directors of the Corporation. The initial members of the Corporation shall be the individuals named in the Corporation's certificate of incorporation as the initial directors of the Corporation. Any person who accepts election as a director of the Corporation pursuant to these bylaws shall automatically, and without any further action or writing (a) become and remain a member of the Corporation for as long as he or she remains a director of the Corporation, and (b) cease to be a member of the Corporation at the time he or she ceases to be a director of the Corporation.

Section 2.02 Meetings of Members.

(a) An annual meeting of members for the election of directors and for the transaction of such other business for which a vote of members is required by law shall be held each year either within or without the State of Delaware on such date and at such place and time as are designated by resolution of the Corporation's board of directors (the "Board").

(b) A special meeting of the members for any purpose for which a vote of members is required by law may be called at any time by resolution of the Board, to be held either within or without the State of Delaware on such date and at such time and place as are designated in such resolution.

(c) Each member shall have one vote at a meeting of members. The Secretary of the Corporation (the "Secretary") shall cause notice of each meeting of members including the annual meeting to be given to each member entitled to vote at such meeting in writing (i) by such electronic transmission or recognized overnight domestic courier service as such member may have specified to the Corporation or (ii) if no such means for notice shall have been specified by a member, by first class mail postage prepaid to such member's postal address as shown on the records of the Corporation, not less than 10 days nor more than 60 days prior to the meeting except where a different notice period is required by law. Such notice shall specify (i) the place, if any, date and time of such meeting, (ii) the means of remote communications, if any, by which members and proxy holders may be deemed to be present in person and vote at such meeting, (iii) in the case of a special meeting, the purpose or purposes for which such meeting is called, and (iv) such other information as may be required by law or as may be

deemed appropriate by the Board. The quorum for a meeting of members shall be that number of members equal to a majority of the total number of directors authorized at such time and unless otherwise required by law, the certificate of incorporation or these bylaws the members shall act by a vote of a majority of the members present at any meeting at which a quorum is present. The Board may establish additional rules for conducting or adjourning a meeting of members to the extent consistent with the DGCL, the Corporation's certificate of incorporation and these bylaws.

(d) The record date for determining members eligible to vote for any meeting of members shall be the close of business on the day prior to the sending of notice to members or, if all members waive notice, the date of such meeting. Each member entitled to vote at a meeting of members may authorize another person or persons to act for such member by proxy. A member may revoke any proxy which is not by law irrevocable by attending the meeting and voting in person or by filing with the Secretary either an instrument in writing revoking the proxy or another duly executed proxy bearing a later date.

(e) A waiver of notice of meeting by a member provided to the Corporation in writing or by electronic transmission, whether given before or after the meeting time stated in such notice, is deemed equivalent to notice. Attendance of a member at a meeting is a waiver of notice of such meeting, except when the member attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business at the meeting on the ground that the meeting is not lawfully called or convened.

(f) Action by the members without a meeting requires the consent of a majority of the members except action regarding an amendment to the Corporation's bylaws, which requires unanimous consent.

ARTICLE III

BOARD OF DIRECTORS

Section 3.01 General Powers. Except as may otherwise be provided by law or by its certificate of incorporation, the business and affairs of the Corporation shall be managed by or under the direction of the Board, which shall be, and shall possess all the powers of, the "governing body" of the Corporation under the DGCL. The directors shall act only as a Board, and the individual directors shall have no power as such.

Section 3.02 Number of Directors. There shall initially be the number of directors set forth in the Corporation's certificate of incorporation. The Board may from time to time authorize, by resolution adopted by the affirmative vote of directors constituting a majority of the total number of directors authorized at the time of such vote, a change in the number of members in the Board, but the number shall at all times be not less than three and not more than nine. Each of the directors shall be a natural person.

Section 3.03 Election of Directors. The initial directors of the Corporation shall be the persons named in its certificate of incorporation. The initial directors shall serve until the first annual meeting of members. Except as otherwise provided in Section 3.13 and Section 3.15 of these bylaws, the directors shall be elected at each annual meeting of members by the vote of

a majority of the persons then constituting the members. Each director shall hold office until the next annual meeting of members and until his or her successor has been duly elected and qualified, or until his or her earlier death, resignation or removal.

Section 3.04 Annual and Regular Meetings. The annual meeting of the Board for the purpose of electing officers of the Corporation and for the transaction of such other business as may properly come before the meeting shall be held each year either within or without the State of Delaware on such date and at such time and place as are designated by resolution of the Board and in any event shall occur reasonably promptly after the annual meeting of members referred to in Section 2.02(a). Regular meetings of the Board shall be held on such dates, and at such times and places as are determined from time to time by resolution of the Board.

Section 3.05 Special Meetings. Special meetings of the Board shall be held whenever called by the Chair, the Executive Director or, in the event of the absence or disability of either of such persons, by any Vice President, or upon written demand of not less than one-third of the total authorized number of directors, at such place, date and time as may be specified in the respective notices of such meetings. Any business may be conducted at a special meeting.

Section 3.06 Notice of Meetings; Waiver of Notice.

(a) Notice of the annual meeting of the Board need not be given if it is held immediately after the annual meeting of members for the election of directors and all directors not present at such meeting of members are present at the meeting of the Board. Notice of regular meetings of the Board need not be given if notice of the resolution setting forth the date, time and place of regular meetings of the Board has been given in the manner contemplated by this Section. Notices of special meetings shall be given to each director, and notice of each resolution or other action affecting the date, time and place of one or more regular meetings shall be given to each director not present at the meeting adopting such resolution or other action (subject to Section 3.09 of these bylaws). Notices of meetings shall be given personally or by electronic transmission at least two days prior to the meeting, or by a writing delivered by a recognized overnight courier service dispatched at least three days prior to the meeting, or by regular mail (postage prepaid) dispatched at least six days prior to the meeting, directed to each director by such means of electronic transmission, or at such address, as the case may be, from time to time designated by such director to the Secretary.

(b) A written waiver of notice of meeting signed by a director or a waiver by electronic transmission by a director, whether given before or after the meeting time stated in such notice, is deemed equivalent to notice. Attendance of a director at a meeting is a waiver of notice of such meeting, except when the director attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business at the meeting on the ground that the meeting is not lawfully called or convened.

Section 3.07 Quorum; Voting. At all meetings of the Board, the presence of a majority of the total number of directors authorized at the time of such vote shall constitute a quorum for the transaction of business. Except as otherwise required by law, the Corporation's certificate of incorporation or these bylaws, the vote of a majority of the directors present at any

meeting at which a quorum is present shall be the act of the Board. An interested director may be counted in determining the presence of a quorum at a meeting of the Board that discusses, or authorizes as provided in Section 3.14, a contract or transaction in which such director is interested.

Section 3.08 Presence by Telephonic Communications. Members of the Board may participate in any meeting of the Board by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other at the same time, and participation in a meeting by such means shall constitute presence in person at such meeting.

Section 3.09 Adjournment. A majority of the directors present may adjourn any meeting of the Board to another date, time or place, whether or not a quorum is present. No notice need be given of any adjourned meeting unless (a) the date, time and place of the adjourned meeting are not announced at the time of adjournment, in which case notice conforming to the requirements of Section 3.06 of these bylaws applicable to special meetings shall be given to each director, or (b) the meeting is adjourned for more than 24 hours, in which case the notice referred to in clause (a) shall be given to those directors not present at the announcement of the date, time and place of the adjourned meeting. At any adjourned meeting, the directors may transact any business that might have been transacted at the original meeting.

Section 3.10 Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if all members of the Board consent thereto in writing or by electronic transmission and such writing or writings or electronic transmissions are filed with the minutes of proceedings of the Board. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 3.11 Regulations. To the extent consistent with applicable law, the Corporation's certificate of incorporation and these bylaws, the Board may adopt such rules and regulations for the conduct of meetings of the Board and for the management of the affairs and business of the Corporation as the Board may deem appropriate. The Board may elect a chairperson (the "Chair") and one or more vice-chairpersons to preside over meetings and to perform such other duties as may be designated by the Board.

Section 3.12 Resignations of Directors. Any director may resign at any time by delivering a written notice of resignation signed by such director or by submitting an electronic transmission, to the Executive Director, Secretary or the Board. Unless otherwise specified therein, such resignation shall take effect upon delivery.

Section 3.13 Removal of Directors. Any director may be removed at any time, either for or without cause, upon the affirmative vote of a majority of the total authorized number of members, acting at a meeting of members or by written consent in accordance with the DGCL and these bylaws, and such removal shall take effect immediately upon such vote. Any vacancy in the Board caused by any such removal may be filled at such meeting (or in the written instrument effecting such removal, if the removal was effected by written consent without a meeting) or in accordance with Section 3.11 of these bylaws.

Section 3.14 Conflicts of Interest. Any contract or transaction in which a director is interested must be approved by the Board acting in good faith through the affirmative vote of a majority of the disinterested directors then members of the Board (being not less than two directors) or by a committee made up of at least three disinterested directors after disclosure to the Board of all material facts as to the director's relationship to or interest in the contract or transaction and as to the nature of the contract or transaction, and the fact that an interested director participated in meetings discussing or approving any such contract or transaction shall not make the approval void or voidable.

Section 3.15 Vacancies and Newly Created Directorships. If any vacancies shall occur in the Board, by reason of death, resignation, removal or otherwise, or if the authorized number of directors shall be increased, the directors then in office shall continue to act. Any such vacancies or newly created directorships may be filled only by a majority of the directors then in office, although less than a quorum, or by a sole remaining director. A director elected to fill a vacancy or a newly created directorship shall hold office until the next annual meeting of members and until his or her successor has been duly elected and qualified, or until his or her earlier death, resignation or removal.

Section 3.16 Compensation. The directors will not be compensated for their services as such but the Board may by resolution determine the expenses in the performance of such services for which a director is entitled to reimbursement.

Section 3.17 Reliance on Accounts and Reports, etc. In the performance of his or her duties, a director shall be fully protected in relying in good faith upon the records of the Corporation and upon information, opinions, reports or statements presented to the Corporation by any of its officers or employees or by any other person as to the matters the director reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

ARTICLE IV

OFFICERS

Section 4.01 Officers. The officers of the Corporation shall include an Executive Director and a Secretary. The Board may also elect a Treasurer, one or more Vice Presidents, Assistant Secretaries or Assistant Treasurers, and such other officers and agents as the Board may determine. In addition, the Board from time to time may by a vote of a majority of the total authorized number of directors delegate to any officer the power to appoint subordinate officers or agents and to prescribe their respective rights, terms of office, authorities and duties. Any number of offices may be held by the same person, except that one person may not hold both the office of Executive Director and the office of Secretary. No officer need be, but any officer may be, a director of the Corporation.

Section 4.02 Election of Officers. Unless otherwise determined by the Board, the officers of the Corporation shall be elected by the Board at the annual meeting of the Board and shall hold office until the next succeeding annual meeting of the Board. If officers are not elected at such annual meeting, officers may be elected at any regular or special meeting of the

Board. Officers and agents appointed pursuant to delegated authority as provided in Section 4.01 (or, in the case of agents, as provided in Section 4.06) shall hold their offices for such terms and shall exercise such powers and perform such duties as may be determined from time to time by the appointing officer. Each officer shall hold office until his or her successor shall have been elected or appointed and qualified, or until such officer's earlier death, resignation or removal.

Section 4.03 Removal and Resignation of Officers; Vacancies. Any officer or agent, however appointed, may be removed for or without cause at any time by the Board. Any officer granted the power to appoint subordinate officers and agents as provided in Section 4.01 may remove any subordinate officer or agent appointed by such officer, for or without cause. Any officer may resign at any time by delivering notice of resignation, either in writing signed by such officer or by electronic transmission, to the Board or the Executive Director. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise, shall be filled by the Board or by the officer, if any, who appointed the person formerly holding such office.

Section 4.04 Compensation of Officers. The salaries and other compensation of all officers and agents of the Corporation (acting in such capacities) shall be decided by the Board or a committee of the Board. The Board or such committee may delegate to the Executive Director and/or other senior officers of the Corporation on such terms as it shall see fit the power to set the salaries and other compensation of subordinate officers and agents of the Corporation. Compensation decisions made by the Board or a committee of the Board require the affirmative vote of a majority of the disinterested directors then members of the Board or such committee. For the purposes of this Section 4.04, an "interested" director is a director who is an officer of the Corporation, or who during the past 12 months received any compensation from or otherwise engaged in a business transaction with the Corporation (other than for service in his or her capacity as a director or in reimbursement of expenses incurred as a director), or who at any time during the past 12 months was an officer or director of, or had a significant ownership interest in, an entity which transacted business with the Corporation during such period.

Section 4.05 Authority and Duties of Officers; Conflicts of Interest. The officers of the Corporation shall have such authority and shall exercise such powers and perform such duties as may be specified in these bylaws, and in any event each officer shall exercise such powers and perform such duties as may be required by law. Any contract or transaction in which an officer has an interest must be approved by a majority of disinterested directors then members of the Board or by a committee made up of at least three disinterested directors after disclosure to the Board of all material facts as to the officer's relationship to or interest in the contract or transaction and as to the nature of the contract or transaction.

Section 4.06 Executive Director. The Executive Director shall be the chief executive officer of the Corporation, have general control and supervision of the affairs and operations of the Corporation, keep the Board fully informed about the activities of the Corporation and see that all orders and resolutions of the Board are carried into effect. He or she shall manage and administer the Corporation's business and affairs and shall also perform all duties and exercise all powers usually pertaining to the office of a chief executive officer of a corporation. He or she shall have the authority to sign, in the name and on behalf of the

Corporation, checks, orders, contracts, leases, notes, drafts and all other documents and instruments in connection with the business of the Corporation. He or she shall have the authority to cause the employment or appointment of such employees or agents of the Corporation as the conduct of the business of the Corporation may require, to fix their compensation, and to remove or suspend any employee or any agent employed or appointed by any officer or to suspend any agent appointed by the Board. The Executive Director shall have the duties and powers of the Treasurer if no Treasurer is elected and shall have such other duties and powers as the Board may from time to time prescribe.

Section 4.07 Vice Presidents. If one or more Vice-Presidents have been designated, each Vice-President shall perform such duties and exercise such powers as may be assigned to him or her from time to time by the Board or the Executive Director. In the absence of the Executive Director, the duties of the Executive Director shall be performed and his or her powers may be exercised by such Vice President as shall be designated by the Executive Director, or failing such designation, such duties shall be performed and such powers may be exercised by each Vice President in the order of his or her earliest election to that office.

Section 4.08 Secretary. The Secretary shall act as Secretary of all meetings of shareholders and of the Board at which he is present, shall record all the proceedings of all such meetings in a book to be kept for that purpose, shall have supervision over the giving and service of notices of the Corporation and shall have supervision over the care and custody of the records and seal of the Corporation. The Secretary shall be empowered to affix the corporate seal to documents, the execution of which on behalf of the Corporation under its seal is duly authorized, and when so affixed may attest the same. The Secretary shall have all powers and duties usually incident to the office of Secretary except as specifically limited by a resolution of the Board. The Secretary shall have such other powers and perform such other duties as may be assigned to him from time to time by the Board or the Executive Director.

Section 4.09 Treasurer. The Treasurer, if appointed, shall be the chief financial officer of the Corporation and shall:

- (a) have charge and supervision over and be responsible for the moneys, securities, receipts and disbursements of the Corporation, and keep or cause to be kept full and accurate records of all receipts of the Corporation;
- (b) cause the moneys and other valuable effects of the Corporation to be deposited in the name and to the credit of the Corporation in such banks or trust companies or with such bankers or other depositories as shall be determined by the Board or the Executive Director, and by such other officers of the Corporation as may be authorized by the Board or the Executive Director to make such determination;
- (c) cause the moneys of the Corporation to be disbursed by checks or drafts (signed by such officer or officers or such agent or agents of the Corporation, and in such manner, as the Board or the Executive Director may determine from time to time) upon the authorized depositories of the Corporation and cause to be taken and preserved proper vouchers for all moneys disbursed;

(d) render to the Board or the Executive Director, whenever requested, a statement of the financial condition of the Corporation and of all his or her transactions as Treasurer, and render a full financial report at the annual meeting of the Board, if called upon to do so;

(e) be empowered from time to time to require from all officers or agents of the Corporation reports or statements giving such information as he or she may desire with respect to any and all financial transactions of the Corporation; and

(f) have all the powers and perform all duties otherwise customarily incident to the office of treasurer, subject to the control of the Board, and, in addition, shall have such other powers and perform such other duties as may be specified in these bylaws or as may be assigned to him or her from time to time by the Board or the Executive Director.

ARTICLE V

COMMITTEES

Section 5.01 Designation of Committees. The Board may designate one or more committees. Each committee shall consist of such number of directors as from time to time may be fixed by the Board. Each committee shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation to the extent permitted by law and delegated to such committee by resolution of the Board, *provided* that no committee shall have any power or authority in reference to the following matters:

(a) amendments to the Corporation's certificate of incorporation or these bylaws;

(b) filling of vacancies in the Board or in any committee;

(c) amending or repealing any resolution of the Board that by its terms may not be so amended or repealed;

(d) delegating any of the power or authority of such committee to a subcommittee unless so authorized by the Board;

(e) approval of any conflict of interest referred to in Section 3.14 or Section 4.05; or

(f) any other matter that pursuant to the DGCL is excluded from the authority of a committee of the Board.

Section 5.02 Committee Members. The members of each committee shall be selected by the Board and shall serve at the pleasure of the Board. Each member of any committee (whether designated at an annual meeting of the Board or to fill a vacancy or otherwise) shall hold office only until the earliest of the next annual meeting of the Board, the time he or she shall cease to be a director, or his or her earlier death, resignation or removal.

Section 5.03 Committee Procedures. At any meeting of any committee, the presence of a majority of its members then in office shall constitute a quorum for the transaction of business, unless (a) such committee has only one or two members, in which case a quorum shall be one member, or (b) a greater quorum is established by the Board. The vote of a majority of the committee members present at a meeting at which a quorum is present shall be the act of the committee. Each committee shall keep regular minutes of its meetings and report to the Board when required. The Board may adopt other rules and regulations for the government of any committee not inconsistent with the provisions of these bylaws, and each committee may adopt its own rules and regulations of government, to the extent not inconsistent with these bylaws or rules and regulations adopted by the Board.

Section 5.04 Meetings and Actions of Committees. Meetings and actions of each committee shall be governed by, and held and taken in accordance with, the provisions of the following sections of these bylaws, with such bylaws being deemed to refer to the committee and its members in lieu of the Board and its members:

- (a) Section 3.04 (to the extent relating to place and time of regular meetings);
- (b) Section 3.05 (relating to special meetings);
- (c) Section 3.06 (relating to notice and waiver of notice);
- (d) the last sentence of Section 3.07 (relating to participation of interested directors);
- (e) Section 3.08 and Section 3.10 (relating to telephonic communication and action without a meeting); and
- (f) Section 3.09 (relating to adjournment and notice of adjournment).

Special meetings of committees may also be called by resolution of the Board.

Section 5.05 Resignations and Removals of Committee Members. Any member of any committee may resign from such position at any time by delivering a written notice of resignation, either in writing signed by such member or by electronic transmission, to the Board or the Executive Director. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any member of any committee may be removed from such position at any time, either for or without cause, by resolution adopted by a majority of the total authorized number of directors acting at a meeting of the Board or by written consent in accordance with the DGCL and these bylaws.

Section 5.06 Vacancies on Committees. If a vacancy occurs in any committee for any reason the remaining members may continue to act if a quorum is present. A committee vacancy may only be filled by a majority of the total authorized number of directors.

ARTICLE VI

INDEMNIFICATION

Section 6.01 Indemnification.

(a) Subject to Section 6.01(d), the Corporation shall indemnify, to the fullest extent permitted by the DGCL or applicable law, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (each, a "proceeding") by reason of the fact that such person is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted by such person in such capacity, and who satisfies the applicable standard of conduct set forth in section 145 of the DGCL and any other applicable law:

(i) in a proceeding other than a proceeding by or in the right of the Corporation to procure a judgment in its favor, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person or on such person's behalf in connection with such proceeding and any appeal therefrom, or

(ii) in a proceeding by or in the right of the Corporation to procure a judgment in its favor, against expenses (including attorneys' fees but excluding judgments, fines and amounts paid in settlement) actually and reasonably incurred by such person or on such person's behalf in connection with the defense or settlement of such proceeding and any appeal therefrom (but if such person shall have been adjudged to be liable to the Corporation indemnification of expenses is permitted under this clause (ii) only upon a judicial determination in accordance with the requirements of section 145(b) of the DGCL as to such person's entitlement to indemnification).

(b) To the extent that a present or former director or officer of the Corporation has been successful on the merits or otherwise in defense of any proceeding referred to in Section 6.01(a) or in defense of any claim, issue or matter therein, such person shall be indemnified by the Corporation against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

(c) Section 6.01(a) does not require the Corporation to indemnify a present or former director or officer of the Corporation in respect of a proceeding (or part thereof) instituted by such person on his or her own behalf, unless such proceeding (or part thereof) has been authorized by the Board or the indemnification requested is pursuant to the last sentence of Section 6.03 of these bylaws.

Section 6.02 Advance of Expenses. The Board may but need not authorize the Corporation to advance, on such terms and conditions as the Board shall deem appropriate, some or all expenses (including reasonable attorneys' fees) incurred by a present or former director or

officer in defending any proceeding prior to the final disposition of such proceeding upon written request of such person and delivery of an undertaking by such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation under this Article or applicable law. The Corporation may authorize any counsel for the Corporation to represent (subject to applicable conflict of interest considerations) such present or former director or officer in any proceeding, whether or not the Corporation is a party to such proceeding.

Section 6.03 Procedure for Indemnification. Any indemnification under Section 6.01 of these bylaws or any advance of expenses under Section 6.02 of these bylaws shall be made only against a written request therefor (together with supporting documentation) submitted by or on behalf of the person seeking indemnification or an advance of expenses. Indemnification may be sought by a person under Section 6.01 of these bylaws in respect of a proceeding only to the extent that both the liabilities for which indemnification is sought and all portions of the proceeding relevant to the determination of whether the person has satisfied any appropriate standard of conduct have become final. A person seeking indemnification may seek to enforce such person's rights to indemnification (as the case may be) in the Delaware Court of Chancery to the extent all or any portion of a requested indemnification has not been granted within 90 days of the submission of such request. All expenses (including reasonable attorneys' fees) incurred by such person in connection with successfully establishing such person's right to indemnification under this Article, in whole or in part, shall also be indemnified by the Corporation.

Section 6.04 Burden of Proof. In any proceeding brought to enforce the right of a person to receive indemnification to which such person is entitled under Section 6.01 of these bylaws, the Corporation has the burden of demonstrating that the standard of conduct applicable under the DGCL or other applicable law was not met. A prior determination by the Corporation (including its Board or any committee thereof, or its independent legal counsel) that the claimant has not met such applicable standard of conduct does not itself constitute evidence that the claimant has not met the applicable standard of conduct.

Section 6.05 Contract Right: Non-Exclusivity; Survival.

(a) The rights to indemnification provided by this Article VI shall be deemed to be separate contract rights between the Corporation and each director and officer who serves in any such capacity at any time while these provisions as well as the relevant provisions of the DGCL are in effect, and no repeal or modification of any of these provisions or any relevant provisions of the DGCL shall adversely affect any right or obligation of such director or officer existing at the time of such repeal or modification with respect to any state of facts then or previously existing or any proceeding previously or thereafter brought or threatened based in whole or in part upon any such state of facts. Such "contract rights" may not be modified retroactively as to any present or former director or officer without the consent of such director or officer.

(b) The rights to indemnification and advancement of expenses provided by this Article VI shall not be deemed exclusive of any other indemnification or advancement of expenses to which a present or former director or officer of the Corporation may

be entitled as to action in such person's official capacity or as to action in another capacity while holding such office. A right to indemnification or to advancement of expenses arising under this Article VI shall not be eliminated or impaired by an amendment to this Article VI after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought.

(c) The rights to indemnification and advancement of expenses provided by this Article VI to any present or former director or officer of the Corporation shall inure to the benefit of the heirs, executors and administrators of such person.

Section 6.06 Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was or has agreed to become a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person or on such person's behalf in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article VI.

Section 6.07 Employees and Agents. The Board may cause the Corporation to indemnify any present or former employee or agent of the Corporation in such manner and for such liabilities as the Board may determine, up to the fullest extent permitted by the DGCL and other applicable law.

Section 6.08 Interpretation; Severability. Terms defined in sections 145(h) or (i) of the DGCL have the meanings set forth in such sections when used in this Article VI. If this Article or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each director or officer of the Corporation as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of the Corporation, to the fullest extent permitted by any applicable portion of this Article that shall not have been invalidated and to the fullest extent permitted by applicable law.

ARTICLE VII

OFFICES

Section 7.01 Registered Office. The registered office of the Corporation in the State of Delaware shall be located at the location provided in Article II of the Corporation's certificate of incorporation.

Section 7.02 Other Offices. The Corporation may maintain offices at such other locations within or without the State of Delaware as the Board may from time to time determine.

ARTICLE VIII

GENERAL PROVISIONS

Section 8.01 Conduct of Business. The Corporation shall at all times conduct its business and affairs so as to qualify and remain qualified as exempt from federal income tax under section 501(c)(3) of the Code.

Section 8.02 Execution of Instruments. Except as otherwise required by law or the Corporation's certificate of incorporation, the Board or any officer of the Corporation authorized by the Board may authorize any other officer or agent of the Corporation to enter into any contract or to execute and deliver any instrument in the name and on behalf of the Corporation. Any such authorization must be in writing or by electronic transmission and may be general or limited to specific contracts or instruments.

Section 8.03 Voting as Stockholder. Unless otherwise determined by resolution of the Board, the Executive Director or any Vice President shall have full power and authority on behalf of the Corporation to attend any meeting of stockholders of any corporation in which the Corporation may hold stock, and to act, vote (or execute proxies to vote) and exercise in person or by proxy all other rights, powers and privileges incident to the ownership of such stock at any such meeting, or through action without a meeting. The Board may by resolution from time to time confer such power and authority (in general or confined to specific instances) upon any other person or persons.

Section 8.04 Fiscal Year. The fiscal year of the Corporation shall commence on the first day of July of each year (except for the Corporation's first fiscal year which shall commence on the date of incorporation) and shall terminate in each case on June 30.

Section 8.05 Seal. The seal of the Corporation shall be circular in form and shall contain the name of the Corporation, the year of its incorporation and the words "Corporate Seal" and "Delaware". The form of such seal shall be subject to alteration by the Board. The seal may be used by causing it or a facsimile thereof to be impressed, affixed or reproduced, or may be used in any other lawful manner.

Section 8.06 Books and Records; Inspection. Except to the extent otherwise required by law, the books and records of the Corporation shall be kept at such place or places within or without the State of Delaware as may be determined from time to time by the Board.

Section 8.07 Electronic Transmission. "Electronic transmission", as used in these bylaws, means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

ARTICLE IX

AMENDMENT OF CERTIFICATE OF INCORPORATION AND BYLAWS; CONSTRUCTION

Section 9.01 Amendments. The Corporation's certificate of incorporation may be amended by a resolution adopted by the affirmative vote of directors constituting a majority of the total number of directors authorized under these bylaws at the time of such vote and the filing of a certificate of amendment in accordance with the requirements of the DGCL, and the approval of the members of the Corporation shall not be required for any such amendment. These bylaws may be amended, altered or repealed by resolution adopted by the affirmative vote of directors constituting a majority of the total number of directors authorized under these bylaws at the time of such vote. No amendment, alteration, change or repeal of the certificate of incorporation or these bylaws shall be effected which will result in the denial of tax-exempt status to the Corporation under section 501(c)(3) of the Code.

Section 9.02 Construction. In the event of any conflict between the provisions of these bylaws as in effect from time to time and the provisions of the Corporation's certificate of incorporation as in effect from time to time, the provisions of such certificate of incorporation shall be controlling.

TAB 6

Form 1023 Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code - **Additional Sheets to Application**

Applicant Name: Democracy Builders Fund, Inc.

EIN: 46-4897222

Exhibit 1

Part I, Line 7

Authorized representatives' name and name and address of the authorized representatives' firms:

Mr. Kurt F. Rosell
Schulte Roth & Zabel LLP
919 Third Avenue
New York, NY 10022

Ms. Christine Harlow
Schulte Roth & Zabel LLP
919 Third Avenue
New York, NY 10022

Mr. Max M. Levine
Schulte Roth & Zabel LLP
919 Third Avenue
New York, NY 10022

Mr. Matthew R. Greenberg
Schulte Roth & Zabel LLP
919 Third Avenue
New York, NY 10022

Please find attached a completed Form 2848, Power of Attorney and Declaration of Representative at **Tab 2** of this application.

Form 1023 Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code - **Additional Sheets to Application**

Applicant Name: Democracy Builders Fund, Inc.

EIN: 46-4897222

Exhibit 2

Part II, Line 1: Articles of Incorporation and Certification of Filing; Certificates of Amendment

Please find enclosed the following:

1. At **Tab 4A**: the Articles of Incorporation showing Certification of Filing in the State of Delaware for Alumni Revolution, Inc. (the former legal name of Democracy Builders Fund, Inc.);
2. At **Tab 4B**: the Application for Authority showing Certification of Filing in the State of New York for Alumni Revolution, Inc. (the former legal name of Democracy Builders Fund, Inc.);
3. At **Tab 4C**: the Certificate of Amendment to the Articles of Incorporation showing Certification of Filing in the State of Delaware to reflect the name change from Alumni Revolutions, Inc. to Democracy Builders Fund, Inc.;
4. At **Tab 4D**: the Certificate of Amendment to the Application for Authority showing Certification of Filing in the State of New York to reflect the name change from Alumni Revolutions, Inc. to Democracy Builders Fund, Inc.;
5. At **Tab 4E**: the Certificate of Amendment to the Articles of Incorporation showing Certification of Filing in the State of Delaware to reflect the change in corporate purpose; and
6. At **Tab 4F**: the Certificate of Amendment to the Application for Authority showing Certification of Filing in the State of New York to reflect the change in corporate purpose.

Part II, Line 5: Conflict of Interest Policy and Bylaws

Please find the Board Resolution adopting the Conflict of Interest Policy and Bylaws of Democracy Builders Fund, Inc. at **Tab 5**. The date of adoption was September 22, 2015.

Form 1023 Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code - **Additional Sheets to Application**

Applicant Name: Democracy Builders Fund, Inc.

EIN: 46-4897222

Exhibit 3

Part IV: Narrative Description of the Activities of Democracy Builders Fund, Inc.

Purpose

The purpose of Democracy Builders Fund, Inc. is to increase (i) access to parent choice in public schools through active grassroots engagement and (ii) the rate at which students from traditionally disadvantaged backgrounds obtain college degrees. These goals will be accomplished through a variety of activities, which include student recruitment, community speaker series, school partnerships, technical assistance to school and community partners, innovative civics education and supporting college success initiatives.

Past, Present and Planned Activities

Democracy Builders Fund, Inc. was formed on February 20, 2014. Its founder Seth Andrew is also the founder of Democracy Prep Public Schools and Democracy Builders, Inc. Democracy Prep Public Schools is a network of high-performing charter schools located in New York, New Jersey, Washington D.C. and Baton Rouge serving over 5,000 students from traditionally disadvantaged backgrounds. Democracy Builders, Inc. has received tax-exempt status under Section 501(c)(4) of the Internal Revenue Code of 1986, as amended. Democracy Builders, Inc. operates to encourage civic participation of its members, who may participate in political work such as candidate endorsements.

Democracy Builders Fund, Inc. is a distinct entity that operates separately from Democracy Prep Public Schools and Democracy Builders Inc. and is applying for its own tax-exempt status.

Although Democracy Builders Fund, Inc. currently provides student recruitment & enrollment, it intends to engage in all of the following activities upon receipt of tax-exempt status:

Student Recruitment & Enrollment

Democracy Builders Fund, Inc. will specialize in student recruitment and enrollment services for charter schools. Democracy Builders Fund, Inc. will partner with charter schools interested in these services associated with our student recruitment and enrollment services. Services will be provided in local communities with charter schools that lack these services. Services will include community canvassing, literature dropping and school waitlist management and phone-banking. Democracy Builders Fund, Inc. will spend approximately 60% of its time engaging in student recruitment and enrollment.

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Applicant Name: Democracy Builders Fund, Inc.

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Community Speaker Series

Democracy Builders Fund, Inc. will pride itself on focusing on authentic community engagement and initiatives. Democracy Builders Fund, Inc. will have a speaker series, which will include persons who have previous educational experience and other related persons. By engaging in the speaker series, Democracy Builders Fund, Inc. will be providing a community service to the areas it engages. Democracy Builders Fund, Inc. will spend approximately 10% of its time engaging in community speaker series.

Training & Civic Education

Democracy Builders Fund, Inc. will continually keep its members (i.e., the families of students) engaged and involved by providing training for parents on a variety of subjects, such as student recruitment canvassing, the importance civic engagement in local communities and training for school-based partners. Democracy Builders Fund, Inc. will spend approximately 15% of its time on training and civic education.

College Success

Democracy Builders Fund, Inc. will work with college students in the communities it serves. Democracy Builders Fund, Inc. will track student progress and provide advice to ensure that students will be successful not only in college, but afterwards. Democracy Builders Fund, Inc. will review student transcripts each semester to provide guidance on best practices for college success. Additionally, Democracy Builders Fund, Inc. will partner with organizations to build a network of internship opportunities for college students to hone necessary business development skills and provide practical work experience. Democracy Builders Fund, Inc. will spend approximately 15% of its time on its college success initiative.

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Applicant Name: Democracy Builders Fund, Inc.

EIN: 46-4897222

Exhibit 4

Part V, Line 3a: Additional Information Regarding Qualifications, Average Hours Worked and Duties of Officers, Directors, Trustees, Highest Compensated Employees and Highest Compensated Independent Contractors

Seth Andrew, Board Chairman

Seth Andrew is the Senior Advisor to the Chief Technology Officer of the United States. Before joining the Obama Administration, Seth was a Superintendent in Residence and Senior Advisor to US Secretary of Education Arne Duncan in the Office of Education Technology. Prior to joining the Department of Education, Seth founded Democracy Prep Public Schools (DPPS), a rapidly growing network of free, open-enrollment, high-performing public charter schools in Harlem, NY and Camden, NJ. Seth served as principal, as superintendent, and most importantly, as teacher. Since 2005, DPPS has received all "A" grades on the Chancellor's Progress Report. Before DPPS, Seth taught and was a special education administrator. After "graduating" from Democracy Prep with his first group of citizen-scholars, Seth has focused on civic education, parent advocacy, and college persistence for low-income families. Seth attended NYC public schools from K-12, earned his A.B. in Education and Public Policy from Brown University and his Ed. M. in School Leadership from the Harvard Graduate School of Education.

In his capacity as Board Chairman, Seth will work approximately ten hours per week. As Board Chairman, Seth will help set the vision of Democracy Builders Fund, Inc. and will assist with its fundraising initiatives.

Stacy Birdsell, Secretary

Stacy has been an educator for fifteen years. She has taught fifth through tenth grade in traditional public schools, charter public schools and internationally. She received the New York City Blackboard Award for Charter Middle School Teacher of the year in 2008 before opening Democracy Prep Blackstone Valley in Rhode Island as the founding head of school. For the past five years she has worked as the Director of Training for the Match Teacher Residency program in Boston and as the English Instructional Methods instructor for the Sposato Graduate School of Education, preparing pre-service teachers to become jaw-droppingly effective first year teachers in high-poverty schools across the country. Stacy holds a Master's Degree in Teaching and Curriculum from the Harvard Graduate School of Education and a Master's in Library Science from Queens College.

As Secretary for Democracy Builders Fund, Inc., Stacy will spend about five hours per month advising Democracy Builders Fund, Inc. on its programmatic initiatives.

Princess Lyles, Executive Director

As Executive Director of Democracy Builders, Princess manages new student enrollment, family engagement and community outreach for Democracy Builders clients. Princess oversees a staff

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based in three regions with expertise in community relations, advocacy, grassroots canvassing and training. Prior to joining Democracy Builders, Princess practiced corporate and real estate law with the law firm of Shipman & Goodwin LLP and worked with several non-profit organizations where she gained expertise in community organizing and leading issue-based campaigns. Princess received her Bachelor's in Political Science from Spelman College and her Juris Doctorate from Howard University School of Law.

As Executive Director of Democracy Builders Fund, Inc., Princess will typically work fifty to sixty hours per week and will be responsible for carrying out the goals of Democracy Builders Fund, Inc. outlined in Exhibit 3.

Form 1023 Application for Recognition of Exemption Under Section 501(c)(3) of the Internal
Revenue Code - **Additional Sheets to Application**

Applicant Name: Democracy Builders Fund, Inc.

EIN: 46-4897222

Exhibit 5

Part VI, Lines 1a and 1b: Services Provided to Individuals and Organizations

Democracy Builders Fund, Inc. will provide services to individuals and the communities within which it operates, as more fully described in the narrative response to Part IV of the Form 1023, which is discussed in detail at Exhibit 3.

Form 1023 Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code - **Additional Sheets to Application**

Applicant Name: Democracy Builders Fund, Inc.

EIN: 46-4897222

Exhibit 6

Part VIII, Line 4a: Fundraising

Democracy Builders Fund, Inc.'s directors, officers, and volunteers will conduct all fundraising activities. While Democracy Builders Fund, Inc. expects to raise funds primarily within New York and Washington, D.C. through personal solicitations and foundation grant solicitations, it does not foreclose the possibility that it will raise funds in other locations and/or through other means. For example, Democracy Builders Fund, Inc. eventually intends to launch its own website, and once in existence, will accept donations through such website. See below a short summary of the personal solicitations and foundation grant solicitations activities that Democracy Builders Fund, Inc. intends to engage in upon receipt of tax-exempt status:

Personal solicitations: Democracy Builders Fund, Inc. will solicit funds from individuals that are known to have an interest in funding the type of work that Democracy Builders Fund, Inc. engages in (outlined in Exhibit 3). The board of directors of Democracy Builders Fund, Inc. will provide leads to such individuals.

Foundation grant solicitations: Democracy Builders Fund, Inc. will solicit funds through foundation grants. This will occur through the use of foundation proposals after completing prospect research for funders that have an interest in funding the work that Democracy Builders Fund, Inc. engages in.

Part VIII, Line 4d: Fundraising

As outlined in Part VIII, Line 4a, Democracy Builders Fund, Inc. intends to physically conduct fundraising activities on its own behalf primarily within New York and Washington, D.C. through personal solicitations and foundation grant solicitations. All such fundraising, and any other type of fundraising wherever located, will be undertaken by Democracy Builders Fund, Inc. for its own account and not for any other organization.

Part VIII, Line 10: Intellectual Property

Democracy Builders Fund, Inc. will publish and own the rights to any materials created in the normal course of its activities, including its curricula, newsletters, brochures, booklets and web pages, and any other materials that constitute "intellectual property." These materials will likely be licensed through Creative Commons Attribution.

Any intellectual property rights, including, without limitation, copyrights, patents or trademarks, created in the normal course of Democracy Builders Fund, Inc.'s activities will be entirely owned by Democracy Builders Fund, Inc.. Democracy Builders Fund, Inc. does not intend to sell any of its intellectual property. Intellectual property will be produced for presentations and Democracy

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Builders Fund, Inc. will lead trainings with limited distribution to attendees for the use during said events.

Part VIII, Line 15: Close Connection with Other Organizations

Democracy Builders Fund, Inc.'s founder Seth Andrew is also the founder of Democracy Prep Public Schools and Democracy Builders, Inc. Democracy Prep Public Schools is a network of high-performing charter schools located in New York, New Jersey, Washington D.C. and Baton Rouge serving over 5,000 students from traditionally disadvantaged backgrounds. Democracy Builders, Inc. has received tax-exempt status under Section 501(c)(4) of the Internal Revenue Code of 1986, as amended. Democracy Builders, Inc. operates to encourage civic participation of its members, who may participate in political work such as candidate endorsements.

Democracy Builders Fund, Inc. is a distinct entity that operates separately from Democracy Prep Public Schools and Democracy Builders Inc. and is applying for its own tax-exempt status.

Form 1023 Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code - **Additional Sheets to Application**

Applicant Name: Democracy Builders Fund, Inc.

EIN: 46-4897222

Exhibit 7

Part IX, A. Statement of Revenues and Expenses

Please find attached the Statement of Revenues and Expenses for 2014 and 2015, as well as projections for 2016, 2017 and 2018, at **Tab 7** of this application.

Part IX, B. Balance Sheet

Please find attached the Balance Sheet for the 2015 tax year at **Tab 8** of this application.

TAB 7

Democracy Builders Fund (EIN: 46-4897222)
 Part IX, Line A: Statement of Revenues and Expenses

	2014	2015	2016	2017	2018
Revenue					
1 Gifts, Grants & Contributions					
# of Grants	1.00	-	2.00	3.00	8.00
Avg. Amount of Grants	250,000.00	-	150,000.00	125,000.00	75,000.00
Probability of Going	100%	-	100%	50%	50%
Total GG&C	250,000.00	-	300,000.00	187,500.00	300,000.00
2 Memberships					
# of Members	-	-	-	-	-
Average Cost of Membership	-	-	-	-	-
Probability of Membership	-	-	-	-	-
Total Memberships	-	-	-	-	-
3 Gross Investment Income					
Investment Dollars	-	-	-	-	-
% of Yield on Investment	-	-	-	-	-
Total Gross Investment Income	-	-	-	-	-
4 Net Unrelated Biz Income	-	-	-	-	-
5 Taxes Levied For your Benefit	-	-	-	-	-
6 Value of Services from Govt...	-	-	-	-	-
Any revenue not otherwise listed above 7 or in lines 9-12 below	-	-	-	-	-
8 Total of lines 1-7	250,000.00	-	300,000.00	187,500.00	300,000.00
9 Gross receipts from Services	-	-	146,275.00	274,700.00	173,300.00
10 Total lines of 8 and 9	250,000.00	-	446,275.00	462,200.00	473,300.00
11 Net Gain on Sale	-	-	-	-	-
12 Unusual Grants	-	-	-	-	-
13 Total Revenue Add lines 10 through 12	250,000.00	-	446,275.00	462,200.00	473,300.00
Expenses					
14 Fundraising Expenses	-	-	7,500.00	7,500.00	7,500.00
15 Contributions & Gifts	-	-	-	-	-
16 Disbursements to benefits of members	-	-	-	-	-
17 Compensation of officers	-	-	-	-	-
18 Other salaries & wages	-	-	357,750.00	357,750.00	357,750.00
19 Interest Expense	-	-	-	-	-
20 Occupancy (rent, Utilities)					
New York	-	-	26,208.00	28,608.00	31,008.00
DC	-	-	8,400.00	8,400.00	9,600.00
Total Occupancy	-	-	34,608.00	37,008.00	40,608.00
21 Depreciation and Depletion	-	-	-	-	-
22 Professional Fees	-	-	20,000.00	30,000.00	30,000.00
23 Any Expense	-	-	21,000.00	21,000.00	21,000.00
24 Total Expenses (lines 14-23)	-	-	440,858.00	453,258.00	456,858.00
NET INCOME	250,000.00	-	5,417.00	8,942.00	16,442.00

TAB 8

Democracy Builders Fund (EIN: 46-4897222)
 Part IX, Line B: Balance Sheet for July 2014 to June 2015

	Assets	
Cash		250,000.00
Accounts Receivable		0
Inventories		0
Bonds & Notes		0
Corporate Stocks		0
Loans Receivable		0
Other Investments		0
Depreciable & Depletable Assets		0
Land		0
Other Assets		0
Total Assets		250,000.00
	Liabilities	
Accounts Payable		0
Contributions, gifts, grants etc., payable		0
Mortgages & Notes payable		0
Other Liabilities		0
Total Liabilities		0
	Fund Balances or Net Assets	
Total Fund Balances or Net Assets		250,000.00
Total liabilities & fund balances or Net Assets		250,000.00

CONFIDENTIAL BUSINESS PRACTICES EVALUATION

To whom it may concern:

There are three methods to appraise the value of the former Marlboro College Campus. We have been in touch with all of the parties below to determine the fair market value of the Democracy Builders asset before closing this transaction. .

- 1) **Independent Real Estate Appraisal:** Cushman and Wakefield **\$10,400,000** (attached)
- 2) **2020 Comparable Sales Method:**
 - a) Southern Vermont College: **\$4,650,000**, with substantial deferred maintenance and no anchor tenants
 - b) Green Mountain College: **\$4,800,000**, with substantial deferred maintenance and no anchor tenants
- 3) **2020 Marlboro Grand List Appraisal Values:**
 - a) \$419,100: 2070 South Road, Marlboro
 - b) \$222,200: 2325 South Road, Marlboro
 - c) \$301,300: 1609 South Road, Marlboro
 - d) \$1,173,200: 2582 South Road, Marlboro
 - e) \$122,600: 1565 South Road, Marlboro
 - f) \$147,000: 1647 South Road, Marlboro
 - g) \$1,205,300: 2912 Route 9, Marlboro
 - h) \$68,100: 0 Route 9 Marlboro

=\$3,658,800

The philanthropic arrangement and transfer to Type 1 Civilization Academy Can be valued in the following **confidential** ways:

The philanthropic arrangement and transfer to Type 1 Civilization Academy Can be valued in the following **confidential** ways:

- 1) \$2,500,000 in immediate operating capital
- 2) \$2,500,000 in prepaid, escrowed rent
- 3) \$2,500,000 in a mortgage backed philanthropic pledge
- 4) \$416,000 in rental abatement
- 5) \$1,500,000 in assumption of a note to the MMF for newly constructed buildings
- 6) \$675,000 in operating expenses before Degrees of Freedom opens in 9/2021
- 7) \$300,000 in commitments for new DoF capital expenditures (new kitchen, key system, security)

=\$10,391,000 in total value to DB and the Degrees of Freedom Program

SHARED USE AGREEMENT

THIS SHARED USE AGREEMENT (this “**Agreement**”) is made as of the ____ day of January, 2021, (“**Effective Date**”) by and between **TYPE 1 CIVILIZATION ACADEMY INC.**, an Ontario business corporation (“**Landlord**”) and **DEMOCRACY BUILDERS FUND I, INC.**, a Delaware nonprofit corporation (“**Tenant**”). Landlord and Tenant may be referred to herein each individually as a “**Party**” and together, as the “**Parties**”.

RECITALS

WHEREAS, Landlord and Tenant have entered into that certain Campus Lease Agreement of even date herewith (“**Lease**”) whereby Landlord Leased certain Premises (as defined in the Lease) to Tenant and Tenant leased certain Premises from Landlord, located on that certain real property located in Marlboro and Halifax, Vermont at the property addresses listed on the attached Schedule A-1 of the Lease, which consists of the former Marlboro College Campus, consisting of approximately 50 buildings on approximately 533 acres of land (the “**Campus**”);

WHEREAS, Landlord and Tenant desire to share certain portions of the Campus upon and subject to the terms and conditions set forth in this Agreement; and

WHEREAS, all capitalized terms used without definition in this Agreement shall have the meanings assigned to such terms in the Lease.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. Term. The term of this Agreement shall be co-terminous with the Lease (“**Term**”). Upon the expiration or earlier termination of the Lease, this Agreement shall automatically terminate.

2. Shared Use. Landlord and Tenant acknowledge and agree that the certain portions of the Campus and certain equipment associated therewith shall be shared by Landlord and Tenant during the Term. Landlord and Tenant acknowledged and agree that pursuant to the terms of the Lease, (i) Tenant has sole and exclusive rights to the Exclusive Use Premises and to the Premises (“**Tenant’s Premises**”), and (ii) Landlord and other tenants of the Campus have sole and exclusive rights to certain portions of the Campus (“**Landlord’s Premises**”). In order to enable the maximum flexibility in the use of the Campus by both Landlord and Tenant, (x) Tenant desires to be granted the right to license the use of the Landlord’s Premises, and (y) Landlord desires to be granted the right to license use of Tenant’s Premises (such premises when licensed by the other party, the “**Licensed Premises**”). In furtherance thereof, Landlord and Tenant shall cooperate in good faith in order to accommodate the needs of both Landlord and Tenant to use the Licensed Premises. The designated use of the Licensed Premises shall be made in accordance with this Agreement.

3. Annual Landlord Event. Tenant acknowledges and agrees that Landlord intends to host an annual international event (“**Landlord Global Event**”), involving lectures, conferences and possibly a trade show / exhibit which event may require the use of the entire Campus for a period of not less than seventeen (17) consecutive days [5 days for the Landlord Global Event, 5-7 days to set up the Landlord Global Event, and 3-5 days to break down the Landlord Global Event] (“**Landlord Global Event Term**”). Landlord and Tenant shall cooperate to determine the optimal time for the Landlord Global Event Term in order to maximize attendance at the Landlord Global Event while allowing Tenant to finalize its educational programs for the then-current semester.

4. Cottages. Landlord desires to rent at least five (5) cottages from MMF during the that portion of time that does not include the Summer Period (“**Landlord Cottages**”). Tenant shall have the right to rent the Landlord Cottages from Landlord, subject to availability.

5. Film Production on Campus. Landlord and Tenant acknowledge and agree that the Campus is an extremely attractive location for film productions (“**Film Productions**”). In order to attract Film Productions to the Campus, Landlord and Tenant shall cooperate to enable such Film Productions to utilize the Campus; and shall agree to not interfere with such Film Productions; provided, that access to the Campus by such Film Productions is agreed to by Landlord and Tenant, in accordance with the terms and conditions of this Agreement. Landlord and Tenant shall cooperate to schedule Film Productions so as to minimize any inconvenience or interruption with any use of the

Campus by Landlord, Tenant or other tenants of the Campus. Landlord and Tenant shall take all reasonable steps to accommodate the Film Productions.

6. Reich Performance Conference. Landlord and Tenant acknowledge and agree that the that certain performance complex on the Campus commonly known as the Reich Complex (“**Reich Complex**”) shall be shared by Landlord and Tenant as follows: during the first three (3) Lease Years of the Term, (A) Landlord and Tenant shall each have exclusive use of fifty percent (50%) of the dorm portion of the Reich Complex (“**Reich Dorms**”, which is comprised of (x) the Reich Dorm and (y) the New Dorm), (i) Landlord shall exclusive use of the lower floor of the Reich Dorms (i.e., the lower form of the Reich Dorm and the lower floor of the New Dorm), and (ii) Tenant shall have exclusive use of the higher floor of the Reich Dorms, and (B) Landlord and Tenant shall have shared used of the main performance building in the Reich Complex (“**Performance Area**”), which Performance Area shall be reserved pursuant to Section 7 hereof. In order to facilitate use of the Reich Complex by the Landlord and Tenant, Landlord and Tenant shall cooperate to enable such other Party to utilize the Reich Complex; and shall agree to not interfere with such the use of the Recih Complex by the other Party. In furtherance thereof, during the fourth (4th) Lease Year and throughout the remainder of the Term, Landlord and Tenant shall cooperate to schedule use of the Reich Dorm, and the Performance Area so as to meet the needs of both Parties and to minimize any inconvenience or interruption with any use of the Reich Complex by the other Party. Landlord and Tenant shall take all reasonable steps to accommodate the use of the Reich Complex by the other Party.

7. Licensed Premises Availability.

(a) For purpose of this Section 7, “**Requesting Party**” shall mean the Party who desires to rent the Licensed Premises from the other Party, and “**Recipient Party**” shall mean the Party to whom the request to rent the License Premises is made. The designated use of the Licensed Premises shall be made in accordance with this Section 7. For purposes of clarity, the procedures set forth in this Section 7, shall apply to the to all uses of the Licensed Premises, including, but not limited to the Landlord Global Event, Landlord Cottages and the Film Productions.

(b) The Requesting Party shall provide the Recipient Party with written notice (“**Request Notice**”) stating which portions of the Licensed Premises the Requesting Party desires to utilities, the dates and times of such desired use, and the proposed rent for the rental of such portions of the Licensed Premises. Within ten (10) business days after receipt of the Request Notice, the Recipient Party shall provide the Requesting Party with written confirmation of its acceptance of the Request Notice (“**Acceptance Notice**”) or denial of the Request Notice (which denial shall include alternative dates, to the extent possible, or counter-offer for the proposed rent) (“**Denial Notice**”).

(c) Upon receipt of an Acceptance Notice the Recipient shall book the portions of the Licensed Premises set forth in the Request Notice, and such booking shall be binding and final and the Requesting Party shall have the exclusive right to use the such portions of the Licensed Premises on the dates and times set forth in the Request Notice.

(d) Upon receipt of a Denial Notice the Requesting Party shall have the right to consider the terms and conditions set forth in the Denial Notice, and reissue a Request Notice. The Parties shall negotiate in good faith to enable the Requesting Party to utilize the Licensed Premises. In no event, shall the rental rate for the License Premises be greater than (i) 105% of the Rent set forth in the Lease for the Tenant’s Premises, or (ii) 105% of the Fair Market Rent for Landlord’s Premises, as determined pursuant to the method set forth in Section 3.2(b)(ii) of the Lease.

(e) During any rental of the Licensed Premises the Tenant and Landlord shall enter into a short term license agreement setting forth the terms and conditions in the Acceptance Notice and requiring the Requesting Party to obtain and maintain all permits and insurance required in connection therewith and otherwise comply with all laws applicable thereto.

(f) The Parties acknowledge and agree that it is critical for Landlord and Tenant and their respective invitees to have sufficient access to the Licensed Premises to conduct their respective business at the Campus throughout the Term of this Agreement. In furtherance thereof, in the event that any rescheduling of the Licensed Premises is required for either Landlord or Tenant, the Parties shall cooperate in good faith to reschedule the use of the Licensed Premises in a manner that meets the needs of both Parties.

(g) Notwithstanding anything to the contrary set forth herein, as a courtesy Landlord and Tenant shall advise the other in the event that either Party is planning an event that may be at all disruptive to the other Party, even if such event does not require formal rental of the Licensed Premises. For example, in the event that Tenant is holding a guest lecture series which may draw a larger crowd than is typical for Tenant's educational program, Tenant shall provide Landlord prior notice of the date and time of the event.

8. Rotational Use of the Campus. The Parties acknowledge and agree that their intention is to share the Campus and with the goal of each Party taking "complete stewardship" of the Campus, and to jointly identify any deficiencies, shortcomings, areas of renovation or physical improvement. In furtherance thereof, (1) within thirty (30) days of after the Effective Date, the Parties shall determine a schedule of implementation for the Renovation Projects, based on the schedule set forth on Exhibit A ("**Renovation Project Schedule**"), and (2) prior to the commencement of each Lease Year, the Parties shall cooperate to design a schedule of Campus use ("**Schedule of Campus Use**") that meets the needs of each Party, provided, however, that for the first Lease Year, the Parties shall use commercially reasonable efforts to design a Schedule of Campus Use within sixty (60) days after the Effective Date, which Schedule of Campus Use shall be attached hereto as Exhibit B. Thereafter, at least sixty (60) days prior to the commencement of each Lease Year, Tenant shall provide a proposed Schedule of Campus Use to Landlord for the next Lease Year. Each proposed Schedule of Campus Use shall contain reasonably detail as to the use of the various portions of the Campus by Landlord, Tenant, MMF and any other tenants or licensees of the Campus, as applicable. Landlord shall have the right to approve the proposed Schedule of Campus Use, which approval shall not be unreasonably withheld, conditioned or delayed. If Landlord fails to approve or disapprove a proposed Schedule of Campus Use within thirty (30) days after receipt thereof (the "**Review Period**"), such Schedule of Campus Use shall be deemed approved by Landlord. If Landlord shall disapprove any element of a proposed Schedule of Campus Use, Landlord shall identify, with reasonable specificity, the basis for its objection or disapproval in writing within the Review Period and Tenant shall, within five (5) Business Days thereafter, meet with Landlord to review Landlord's objections in a good faith effort to reach a mutually acceptable resolution of the differences. Tenant shall, within ten (10) Business Days after any such meeting with Landlord, submit a revised Schedule of Campus Use that contains Tenant's response to Landlord's objection or disapproval on those rejected elements of the Schedule of Campus Use. If the Parties are unable to arrive at an approved Schedule of Campus Use by January 1 of any calendar year, then the Parties shall continue to come to resolution as to the line items of the proposed Schedule of Campus Use that have not been mutually agreed by the Parties ("**Unresolved Line Items**"). Pending resolution of any Unresolved Line Items, Landlord and Tenant shall utilized the Campus based upon (i) the approved portions of the Schedule of Campus Use, and (ii) shall utilized the Campus as to the Unresolved the last approved Schedule of Campus Use for the previous Lease Year, modified to reflect those elements of the proposed Schedule of Campus Use that have been approved or deemed approved by Landlord.

9. Successors and Assigns. This Agreement shall be binding upon the Parties hereto and their respective successors and assigns.

10. Notices. All notices, requests, claims, demands or other communications that are required or may be given pursuant to the terms of this Agreement shall be made in accordance with Article 17 of the Lease.

11. Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with the laws of the State of Vermont without regard to conflict of laws, and any action or proceeding arising hereunder shall be brought in the State of Vermont or any successor courts thereto.

12. Entire Agreement; Amendments. This Agreement and the Lease constitute the entire agreement between the Parties and supersede all other negotiations, representations and agreements between the Parties, either oral or in writing. This Agreement may be amended, changed or modified only by written amendment executed by the Parties. No waiver of any provision of this Agreement shall be valid unless in writing signed by the Party charged.

13. Partial Invalidity. If any provision of this Agreement is held or rendered illegal or unenforceable, it shall be considered separate and severable from this Agreement and the remaining provisions of this Agreement shall remain in force and bind the Parties as though the illegal or unenforceable provision had never been included in this Agreement.

14. Counterparts; Electronic Delivery. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which when taken together will constitute one and the same

instrument. Any counterpart of this Agreement may be delivered via email or other electronic transmission and shall be legally binding upon the Parties hereto to the same extent as originals.

* * *

[Remainder of Page Intentionally Left Blank. Signature Page Follows]

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Agreement as of the day and year first above written.

LANDLORD:

TYPE 1 CIVILIZATION ACADEMY INC., an
Ontario business corporation

By: _____
Adrian Stein
Authorized Signatory

TENANT:

DEMOCRACY BUILDERS FUND I, INC., a
Delaware nonprofit corporation

By: _____
Seth Andrew
Authorized Signatory

EXHIBIT A RENOVATION PROJECTS SCHEDULE

Pursuant to the Lease and Purchase and Sales Agreement, Three Renovation Projects should be undertaken before the Summer Period, 2021							
	January	February	March	April	May	June	Notes
Keyless Entry	Review Existing Scope & Bids	Solicit New Bids	Finalize Bidder	Begin Installation	Complete Installation	DONE	Martin Robertson LLC, has completed a full review and solicited bids which DBF will share with T1CA
Improved WiFi & Video System	Review Existing Scope & Bids	Begin Installation	& switch upgrade	Complete Project	DONE	DONE	Robert Ordan, Knightnets Inc, has completed a full review and submitted bids which DBF will share with T1CA
Lower Campus Kitchen	Finalize Plan & Solicit New Bids	Review New Bids	Apply For All Permitting	Approvals & Start Demolition	Begin Construction	Complete Construction	No design or bidding has begun as of 12/28/2020.

EXHIBIT B
2021 SCHEDULE OF CAMPUS OF USE
[to be attached pursuant to Section 8]

Request ID: 025220908
Demande n°:
Transaction ID: 077076991
Transaction n°:
Category ID: CT
Catégorie:

Province of Ontario
Province de l'Ontario
Ministry of Government Services
Ministère des Services gouvernementaux

Date Report Produced: 2020/11/02
Document produit le:
Time Report Produced: 15:47:56
Imprimé à:

Certificate of Incorporation Certificat de constitution

This is to certify that

Ceci certifie que

TYPE 1 CIVILIZATION ACADEMY INC.

Ontario Corporation No.

Numéro matricule de la personne morale en
Ontario

002789054

is a corporation incorporated,
under the laws of the Province of Ontario.

est une société constituée aux termes
des lois de la province de l'Ontario.

These articles of incorporation
are effective on

Les présents statuts constitutifs
entrent en vigueur le

NOVEMBER 02 NOVEMBRE, 2020



Director/Directrice

Business Corporations Act/Loi sur les sociétés par actions

Request ID / Demande n°
25220908

Ontario Corporation Number
Numéro de la compagnie en Ontario
2789054

FORM 1

FORMULE NUMÉRO 1

BUSINESS CORPORATIONS ACT

/

LOI SUR LES SOCIÉTÉS PAR ACTIONS

ARTICLES OF INCORPORATION
STATUTS CONSTITUTIFS

1. The name of the corporation is: *Dénomination sociale de la compagnie:*
TYPE 1 CIVILIZATION ACADEMY INC.
2. The address of the registered office is: *Adresse du siège social:*
C/O C/O OLGA STEIN
ROSELAWN AVENUE
Suite 494
(Street & Number, or R.R. Number & if Multi-Office Building give Room No.)
(Rue et numéro, ou numéro de la R.R. et, s'il s'agit édifice à bureau, numéro du bureau)
TORONTO
CANADA
(Name of Municipality or Post Office)
(Nom de la municipalité ou du bureau de poste)
ONTARIO
M5N 1J8
(Postal Code/Code postal)
3. Number (or minimum and maximum number) of directors is: *Nombre (ou nombres minimal et maximal) d'administrateurs:*
Minimum 1
Maximum 5
4. The first director(s) is/are: *Premier(s) administrateur(s):*
First name, initials and surname
Prénom, initiales et nom de famille
Resident Canadian State Yes or No
Résident Canadien Oui/Non
Address for service, giving Street & No. or R.R. No., Municipality and Postal Code
Domicile élu, y compris la rue et le numéro, le numéro de la R.R., ou le nom de la municipalité et le code postal
- * OLGA
STEIN
494 ROSELAWN AVENUE
TORONTO ONTARIO
CANADA M5N 1J8
YES

Request ID / Demande n°
25220908

Ontario Corporation Number
Numéro de la compagnie en Ontario
2789054

5. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise.
Limites, s'il y a lieu, imposées aux activités commerciales ou aux pouvoirs de la compagnie.

NONE

6. The classes and any maximum number of shares that the corporation is authorized to issue:
Catégories et nombre maximal, s'il y a lieu, d'actions que la compagnie est autorisée à émettre:

an unlimited number of common shares without nominal or par value

Request ID / Demande n°
25220908

Ontario Corporation Number
Numéro de la compagnie en Ontario
2789054

7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

N/A

Request ID / Demande n°
25220908

Ontario Corporation Number
Numéro de la compagnie en Ontario
2789054

8. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows:
L'émission, le transfert ou la propriété d'actions est/n'est pas restreinte. Les restrictions, s'il y a lieu, sont les suivantes:

No share or shares of the capital of the Corporation shall be transferred without either (i) the consent of the directors of the Corporation expressed by a resolution passed at a meeting of the board of directors or by an instrument or instruments in writing signed by a majority of the directors; or (ii) the consent of the holders of at least 51% of the outstanding common shares of the Corporation expressed by a resolution passed at a meeting of such shareholders or by an instrument or instruments in writing signed by the holders of at least 51% of the outstanding common shares of the Corporation.

That the outstanding securities of the Corporation shall not be beneficially owned, directly or indirectly, by more than thirty-five persons or companies, exclusive of:

(i) persons or companies that are, or at the time they last acquired securities of the Corporation were, accredited investors (as defined under applicable Ontario securities laws, as may be amended from time to time); and

(ii) current or former directors, officers or employees of the Corporation or a corporation, company, syndicate, partnership, trust or unincorporated organization (each, an "Entity") affiliated (as defined under applicable Ontario securities laws, as may be amended from time to time) with the Corporation, or current or former consultants (as defined under applicable Ontario securities laws, as may be amended from time to time), who in each case beneficially own only securities of the Corporation that were issued as compensation by, or under an incentive plan of, the Corporation or an Entity affiliated with the Corporation; provided that:

(A) two or more persons who are the joint registered holders of one or more securities of the Corporation shall be counted as one beneficial owner of those securities; and

(B) an Entity shall be counted as one beneficial owner of the securities of the Corporation unless such Entity has been created or is being used primarily for the purpose of acquiring or holding securities of the Corporation, in which event each beneficial owner of an equity interest in the Entity or each beneficiary of the Entity, as the case may be, shall be counted as a separate beneficial owner of those securities of the Corporation.

Request ID / Demande n°
25220908

Ontario Corporation Number
Numéro de la compagnie en Ontario
2789054

9. Other provisions, (if any, are):

Autres dispositions, s'il y a lieu:

(a) The directors, without authorization of the shareholders, may from time to time on behalf of the Corporation:

(i) borrow money upon the credit of the Corporation;

(ii) issue, reissue, sell or pledge bonds, debentures, notes or other evidences of indebtedness or guarantee of the Corporation, whether secured or unsecured;

(iii) to the extent permitted by the Business Corporations Act, 1982 give a guarantee on behalf of the Corporation to secure performance of an obligation of any person;

(iv) mortgage, hypothecate, pledge or otherwise create a security interest in all or any currently owned or subsequently acquired real or personal, movable or immovable property of the Corporation including book debts, rights, powers, franchises and undertakings, to secure any such bonds, debentures, notes or other evidences of indebtedness or liability of the Corporation; and

(v) delegate to a director, a committee of directors, or an officer, or one or more of them as may be designated by resolution of the directors, all or any of the powers conferred by the foregoing provisions to such extent and in such manner as the directors of the Corporation may determine at the time of such delegation.

Nothing in the above provisions shall limit or restrict the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

(b) That subject to the provisions of the Business Corporations Act, the Corporation shall have a lien on the shares registered in the name of a shareholder who is indebted to the Corporation to the extent of such debt.

(c) That subject to the provisions of the Business Corporations Act, the Corporation may purchase any of its issued shares.

Request ID / Demande n°
25220908

Ontario Corporation Number
Numéro de la compagnie en Ontario
2789054

10. The names and addresses of the incorporators are
Nom et adresse des fondateurs

First name, initials and last name
or corporate name

*Prénom, initiale et nom de
famille ou dénomination sociale*

Full address for service or address of registered office or of principal place of business
giving street & No. or R.R. No., municipality and postal code
*Domicile élu, adresse du siège social au adresse de l'établissement principal, y compris
la rue et le numéro, le numéro de la R.R., le nom de la municipalité et le code postal*

* OLGA STEIN
494 ROSELAWN AVENUE

TORONTO ONTARIO
CANADA M5N 1J8

December 31, 2020

To Whom it May Concern:

Democracy Builders believes that **none** of the assets to be transferred are restricted in their charitable use as per the Vermont UPMIFA regulations. Democracy Builders has no endowment funds, institutional funds, trusts, gift instruments, or restricted grant funding at this time. The purchaser would represent the single largest philanthropic commitment in our institution's 15 year history.

As a joint venture have **voluntarily** agreed in concept to the following use restrictions as part of the transfer and lease-back arrangement as well as the assignment of the Marlboro Music Festival Lease:

1. We will conserve 130 acres of the campus land from development
2. We will name the new classical music practice hall the "Reich Building"
3. T1CA will have the right to name the new dormitory building
4. T1CA and Degrees of Freedom intend to jointly determine any re-naming of campus facilities during the term of our lease to better represent the heritage, history, and diversity of our campus community

Sincerely,

Seth Andrew
Founder
Democracy Builders Fund I



**CUSHMAN &
WAKEFIELD**

APPRAISAL OF REAL PROPERTY

Marlboro College
2582 South Road
Marlboro, Windham County, VT 05344

IN AN APPRAISAL REPORT

As of December 5, 2018

Prepared For:

Marlboro College
2582 South Road
Marlboro, VT 05344

Prepared By:

Cushman & Wakefield of Massachusetts, Inc.
Valuation & Advisory
225 Franklin Street, Suite 300
Boston, MA 02110
Cushman & Wakefield File ID: 18-27001-901227-001



Marlboro College
2582 South Road
Marlboro, Windham County, VT 05344



225 Franklin Street, Suite 300
Boston, MA 02110
Tel +1 (617) 330-6966
cushmanwakefield.com

December 13, 2018

Mr. Robert Webber
Marlboro College
2582 South Road
Marlboro, VT 05344

Re: Appraisal Report

Marlboro College
2582 South Road
Marlboro, Windham County, VT 05344

Cushman & Wakefield File ID: 18-27001-901227-001

Dear Mr. Webber:

In fulfillment of our agreement as outlined in the Letter of Engagement copied in the Addenda, we are pleased to transmit our appraisal of the above referenced property in the following Appraisal Report.

The subject property is Marlboro College, a large college campus located on a 533-acre site in Marlboro and Halifax, VT. The property consists of 58 buildings, totaling 208,084 square feet and includes, classrooms, offices, dormitories (261 Beds), art center, library, gymnasium, theaters, cafeteria and other associates uses. The school was founded in 1946 and has a current student body of 150 undergraduates and 50 graduate students with a current tuition of \$27,500, with room and board.

This Appraisal Report has been prepared in accordance with our interpretation of your institution's guidelines, Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), and the *Uniform Standards of Professional Appraisal Practice* (USPAP).

Based on the agreed-to Scope of Work, and as outlined in the report, we developed the following opinion:

Value Conclusions

Appraisal Premise	Real Property Interest	Date Of Value	Value Conclusion
Market Value As-Is	Fee Simple	December 05, 2018	\$10,400,000

Compiled by Cushman & Wakefield of Massachusetts, Inc.

The value opinion in this report is qualified by certain assumptions, limiting conditions, certifications, and definitions, as well as the following extraordinary assumptions.

Extraordinary Assumptions

For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions. The use of extraordinary assumptions, if any, might have affected the assignment results.

The campus is comprised of 21 attached and detached sites in Marlboro and Halifax. We have assumed that all of the underlying land is necessary to support the college use and no excess land exists.

As this condition may affect the assignment results, we reserve the right to amend our value estimate if this condition is not met.

Hypothetical Conditions

For a definition of Hypothetical Conditions please see the Glossary of Terms & Definitions. The use of hypothetical conditions, if any, might have affected the assignment results.

This appraisal does not employ any hypothetical conditions.

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Respectfully submitted,

CUSHMAN & WAKEFIELD OF MASSACHUSETTS, INC.



Stefan J. Sargeant, MAI, MRICS
Executive Director
VT Certified General Appraiser
License No. 80-0000217
stefan.sargeant@cushwake.com
(617) 204-4178 Office Direct

Client Satisfaction Survey

WE WANT TO HEAR FROM YOU!
VALUATION & ADVISORY



V&A National Quality Control Group values your feedback!

- What are we doing right?
- Are there areas where we could improve?
- Did our report meet your requirements?

As part of our quality monitoring campaign, your comments are critical to our efforts to continuously improve our service.

We'd appreciate your help in completing a short survey pertaining to this report and the level of service you received. Rest assured, any feedback will be treated with proper discretion and is not shared with executive management. If you prefer to limit who receives the survey response, the distribution can be altered at your request.

Simply click <https://www.surveymonkey.com/r/LQKCGLF?c=18-27001-901227-001> to respond or print out the survey in the Addenda to submit a hard copy.

Contact our Quality Control Committee with any questions or comments:

Scott Schafer, MAI, MRICS

Senior Managing Director

National Quality Control

Valuation & Advisory

T +1 716 200 0171

F +1 716 852 0890

scott.schafer@cushwake.com

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Senior Managing Director

Appraisal Management

Valuation & Advisory

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clarke.lewis@cushwake.com

Sid Womack, MAI, AI-GRS, FRICS

Senior Managing Director

Regional Leader

Valuation & Advisory

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F +1 716 852 0890

sid.womack@cushwake.com

Summary of Salient Facts and Conclusions

BASIC INFORMATION

Common Property Name:	Marlboro College
Address:	2582 South Road Marlboro, Vermont 05344
County:	Windham
Property Ownership Entity:	Marlboro College Corporation

SITE INFORMATION

	Square Feet	Acres
Total Land Area:	23,243,180	533.59
Site Shape:	Irregularly shaped	
Site Topography:	Level at street grade	
Frontage:	Good	
Site Utility:	Average	
Flood Zone Status:		
Flood Zone:	X	
Flood Map Number:	50025C0480E	
Flood Map Date:	September 28, 2007	

BUILDING INFORMATION

Type of Property:	School (College)
Building Area	
Gross Building Area:	210,114 SF
Net Rentable Area:	208,084 SF
Land-to-Building Ratio:	110.62:1
Number of Buildings:	58
Number of Stories:	Three
Actual Age:	128 Years
Quality:	Good
Year Built:	1890
Year Renovated:	2016
Condition:	Average
Parking:	
Number of Parking Spaces:	500
Parking Ratio (per 1,000 sf):	2.40:1
Parking Type:	Surface

MUNICIPAL INFORMATION

Assessment Information:

Assessing Authority	Towns of Marlboro and Halifax
Assessor's Parcel Identification	Various
Current Tax Year	2018-2019
Taxable Assessment	\$3,749,100
Current Tax Liability	Exempt
Are taxes current?	Taxes are current
Is a grievance underway?	Not to our knowledge
Subject's assessment is	Above market levels

Zoning Information:

Municipality Governing Zoning	Towns of Marlboro and Halifax
Current Zoning	Educational
Is current use permitted?	Yes
Current Use Compliance	Complying use

HIGHEST & BEST USE

As Though Vacant:

Residential development supported by local market conditions.

As Improved:

A college campus use as it is currently improved

VALUATION INDICES		Market Value
		As-Is
VALUE DATE		December 5, 2018
Land Value		
Indicated Value:		\$530,000
Per Acre:		\$993
COST APPROACH		
Indicated Value:		\$12,500,000
Per Square Foot (GBA)		\$59.49
SALES COMPARISON APPROACH		
Indicated Value:		\$10,400,000
Per Square Foot (NRA):		\$49.98
FINAL VALUE CONCLUSION		
Real Property Interest:		Fee Simple
Concluded Value:		\$10,400,000
Per Square Foot (NRA):		\$49.98
EXPOSURE AND MARKETING TIME		
Exposure Time:		12 Months
Marketing Time:		12 Months

Extraordinary Assumptions

For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions. The use of extraordinary assumptions, if any, might have affected the assignment results.

The campus is comprised of 21 attached and detached sites in Marlboro and Halifax. We have assumed that all of the underlying land is necessary to support the college use and no excess land exists.

As this condition may affect the assignment results, we reserve the right to amend our value estimate if this condition is not met.

Hypothetical Conditions

For a definition of Hypothetical Conditions please see the Glossary of Terms & Definitions. The use of hypothetical conditions, if any, might have affected the assignment results.

This appraisal does not employ any hypothetical conditions.

Summary of Critical Observations

SUMMARY OF CRITICAL OBSERVATIONS

The strengths and weaknesses analysis applies both specifically (attributes internal or specific to the subject) and generally (external or economic considerations that influence the subject).

Strengths

- The subject is demised as a traditional college campus with most supporting amenities including dormitories, classrooms, common areas, gymnasium, theaters and library.
- The master site is large and offers an open campus setting with walkways and a sports field.
- There is ample off-street parking to support the current use.

Weaknesses

- The subject property is located in a rural Vermont community with limited access to highways and public transportation.
- The subject's large size may not appeal to other school related users.

Conclusions

Based on the preceding strengths and weaknesses, the subject property's specific outlook is considered to be stable while the general outlook for the overall market is concluded to be stable as well .

Property Photographs

AERIAL PHOTOGRAPH



DINING HALL



ADMISSIONS



MATHER



DALRYMPLE



DINING HALL



RICE-ARON LIBRARY



RICE-ARON LIBRARY



BROWN SCIENCE



SYNDER CENTER



WOODARD



CAMPUS CENTER



CAMPUS CENTER



PERSONS AUDITORIUM



WHITTEMOEW THEATER



SERKIN CENTER



DORMITORIES



DORMITORY



DORMITORY



HOUSING



HOUSING



HOUSING



PRESIDENT'S HOME



GRADUATE CENTER



MARLBORO NORTH



DINING HALL



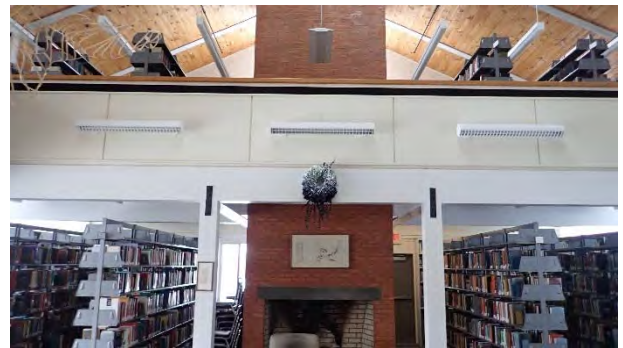
KITCHEN



LIBRARY



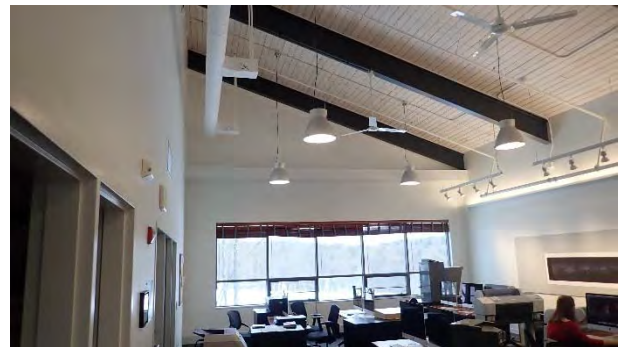
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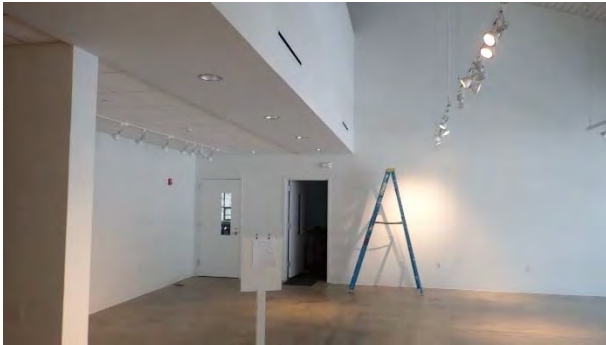
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CLASSROOM



GALLERY



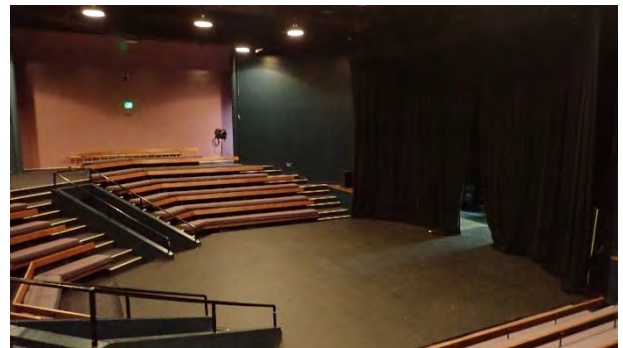
POTTERY ROOM



PERSONS AUDITORIUM



WHITTEMORE THEATER



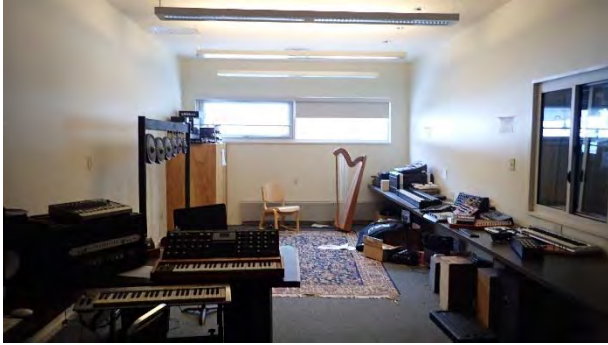
SERKIN CENTER



DANCE STUDIO



MUSIC STUDIO



HEALTH CENTER



STUDENT CENTER



CAMPUS BOOKSTORE



CLASSROOM



CLASSROOM



BIOLOGY LAB



SCIENCE LAB



HALLWAY



CLASSROOM



DORM ROOM



DORM ROOM



COMMON KITCHEN



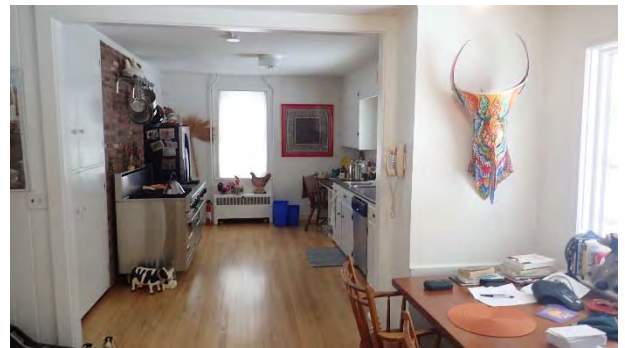
COMMON ROOM



ADMINISTRATIVE OFFICE



PRESIDENT'S HOUSE



PRESIDENT'S HOUSE



PRESIDENT'S HOUSE



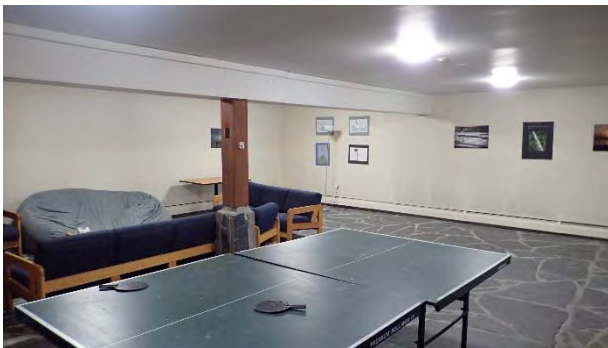
MARLBORO NORTH



MARLBORO NORTH



MARLBORO NORTH



GRADUTE CENTER



GRADUTE CENTER



GRADUTE CENTER



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Scope of Work

Overview

Scope of work is the type and extent of research and analyses involved in an assignment. To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the relevant characteristics of the subject property, and other pertinent factors. Our concluded scope of work is summarized below, and in some instances, additional scope details are included in the appropriate sections of the report:

Research

- We inspected the property and its environs. Physical information on the subject was obtained from the property owner's representative, public records, and/or third-party sources.
- Regional economic and demographic trends, as well as the specifics of the subject's local area were investigated. Data on the local and regional property market (supply and demand trends, rent levels, etc.) was also obtained. This process was based on interviews with regional and/or local market participants, primary research, available published data, and other various resources.
- Other relevant data was collected, verified, and analyzed. Comparable property data was obtained from various sources (public records, third-party data-reporting services, etc.) and confirmed with a party to the transaction (buyer, seller, broker, owner, tenant, etc.) wherever possible. It is, however, sometimes necessary to rely on other sources deemed reliable, such as data reporting services.

Analysis

- Based upon the subject property characteristics, prevailing market dynamics, and other information, we developed an opinion of the property's Highest and Best Use.
- We analyzed the data gathered using generally accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value.
- The results of each valuation approach are considered and reconciled into a reasonable value estimate.

This report is intended to comply with the reporting requirements outlined under USPAP for an Appraisal Report. The report was also prepared to comply with the requirements of the Code of Professional Ethics of the Appraisal Institute and the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), Title XI Regulations.

Cushman & Wakefield of Massachusetts, Inc. has an internal Quality Control Oversight Program. This Program mandates a "second read" of all appraisals. Assignments prepared and signed solely by designated members (MAIs) are read by another MAI who is not participating in the assignment. Assignments prepared, in whole or in part, by non-designated appraisers require MAI participation, Quality Control Oversight, and signature.

For this assignment, Quality Control Oversight was provided by Robert N. Skinner, MAI, MRICS.

This appraisal employs the Cost Approach and the Sales Comparison Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches should be considered applicable and/or necessary for market participants. Because the subject property is a specialized land use, it is not typically marketed, purchased or sold on the basis of anticipated lease-income. Lease comparables are rare and generally not market transactions. Therefore, we have not employed the Income Capitalization Approach to develop an opinion of market value.

Report Option Description

USPAP identifies two written report options: Appraisal Report and Restricted Appraisal Report. This document is prepared as an Appraisal Report in accordance with USPAP guidelines. The terms “describe,” “summarize,” and “state” connote different levels of detail, with “describe” as the most comprehensive approach and “state” as the least detailed. As such, the following provides specific descriptions about the level of detail and explanation included within the report:

- Describes the real estate and/or personal property that is the subject of the appraisal, including physical, economic, and other characteristics that are relevant
- States the type and definition of value and its source
- Describes the Scope of Work used to develop the appraisal
- Describes the information analyzed, the appraisal methods used, and the reasoning supporting the analyses and opinions; explains the exclusion of any valuation approaches
- States the use of the property as of the valuation date
- Describes the rationale for the Highest and Best Use opinion (if included)

Identification Of Property

Common Property Name:	Marlboro College
Location:	2582 South Road, Marlboro, Windham County, Vermont 05344
Assessor's Parcel Numbers:	Various
Legal Description:	The legal description can be found in the Marlboro Town Clerk's office.

Property Ownership And Recent History

Current Ownership:	Marlboro College Corporation
Sale History:	To the best of our knowledge, the property has not transferred within the past three years.
Current Disposition:	To the best of our knowledge, the property is not under contract of sale nor is it being marketed for sale.

Dates Of Inspection And Valuation

Effective Dates of Valuation:	
As Is:	December 5, 2018
Date of Report	December 13, 2018
Date of Inspection:	December 5, 2018
Property Inspected by:	Stefan J. Sargeant, MAI, MRICS

Client, Intended Use And Users Of The Appraisal

Client:	Marlboro College
Intended Use:	This appraisal is intended to provide an opinion of the Market Value of the Fee Simple interest in the property for the use of the client for internal review. This report is not intended for any other use.
Intended User:	This appraisal report was prepared for the exclusive use of Marlboro College. Use of this report by others is not intended by the appraiser. Please see the Engagement Letter in the addenda.

Extraordinary Assumptions

For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions. The use of extraordinary assumptions, if any, might have affected the assignment results.

The campus is comprised of 21 attached and detached sites in Marlboro and Halifax. We have assumed that all of the underlying land is necessary to support the college use and no excess land exists.

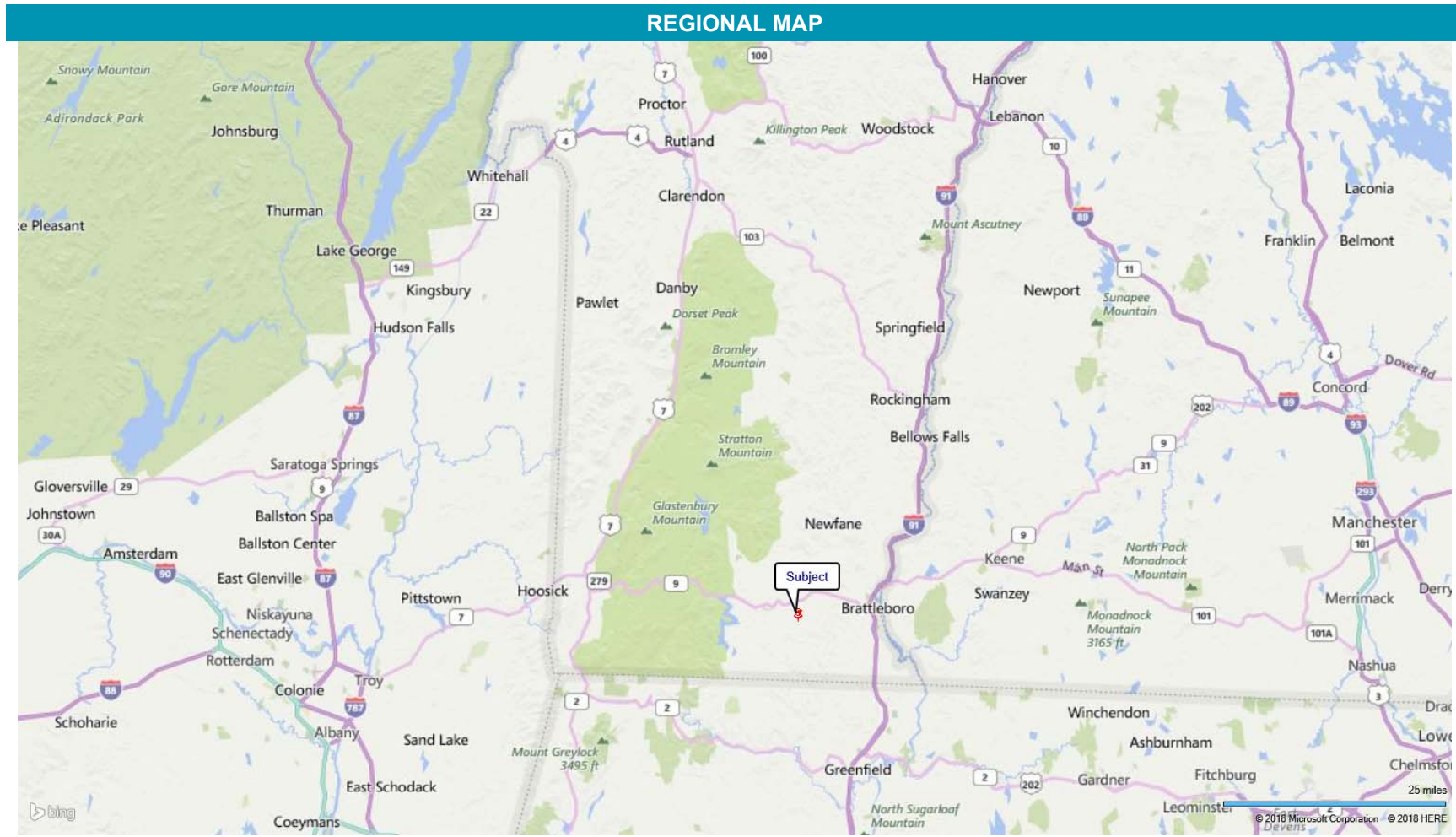
As this condition may affect the assignment results, we reserve the right to amend our value estimate if this condition is not met.

Hypothetical Conditions

For a definition of Hypothetical Conditions please see the Glossary of Terms & Definitions. The use of hypothetical conditions, if any, might have affected the assignment results.

This appraisal does not employ any hypothetical conditions.

Regional Analysis



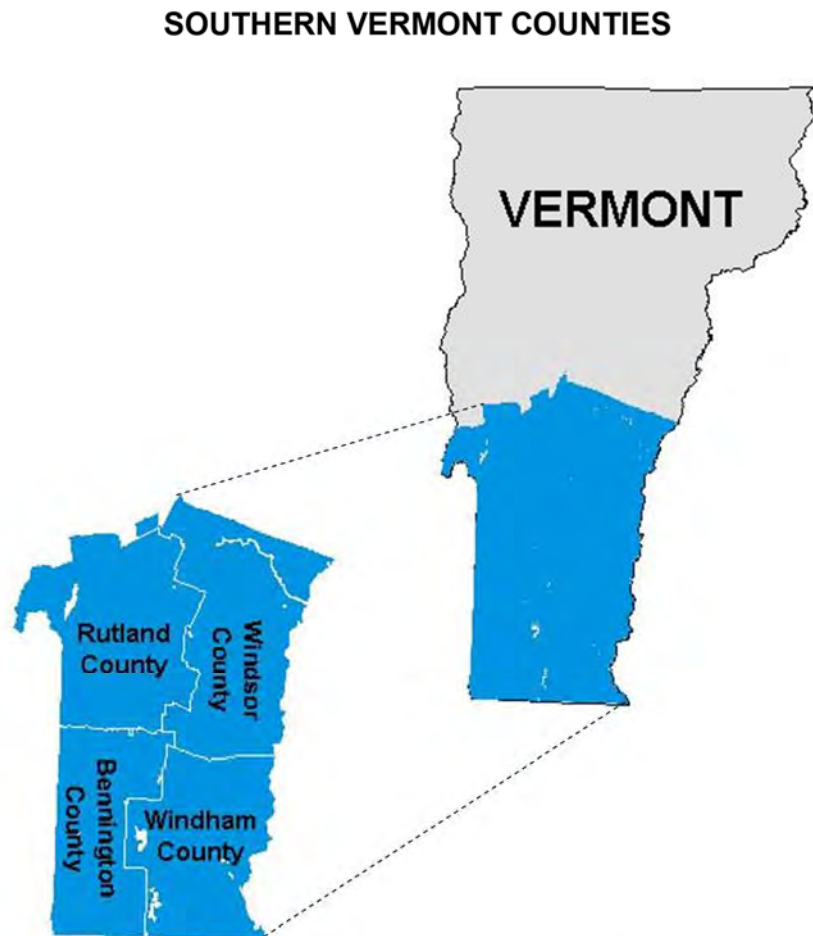
Southern Vermont Regional Market Analysis

Introduction

The Southern Vermont region is located in the southern portion of the State of Vermont and is comprised of four counties: Rutland County, Windsor County, Bennington County and Windham County. The Southern Vermont region is bordered by Addison County, Washington County and Orange County to the north. Sullivan and Cheshire counties in New Hampshire border the Southern Vermont region to the east, while Franklin and Berkshire counties in Massachusetts are located to the south. The City of Manchester is the region's commercial core, and is positioned approximately 135 miles northwest of the Massachusetts City of Worcester. The City of Rutland is the largest city in the region and the third largest city in the state, with approximately 16,500 permanent residents. The Southern Vermont area spans approximately 3,398 square miles. Most of the region is vacant land and mountainous, with only 26 square miles of water.

Map

The following map highlights Southern Vermont:



Source: Cushman & Wakefield Valuation & Advisory

Current Trends

While Vermont boasts one of the lowest unemployment rates in the country, the lack of a dynamic business center and slow population growth has hampered Southern Vermont's economy in the past few years. Southern Vermont's regional economy is anchored by the non-cyclical education & health services sector due to its high concentration of retirees and seniors, increasing demand for regional healthcare. Southern Vermont benefits from its rural location and mountainous landscapes, attracting visitors to its plethora of ski resorts, museums, hiking trails and national forests, which have supplemented economic growth in recent years. The leisure & hospitality sector has demonstrated consistent growth in recent years behind rising consumer confidence and increased domestic travel. Despite consistent growth in the education & health services, professional & business services and leisure & hospitality sectors through late 2018, as well as low unemployment rates and steady demand for regional goods, Southern Vermont's economic recovery will be challenged by several of its structural disadvantages. Persistent outmigration and an inability to retain young, talented workers will inhibit Southern Vermont's recovery and attempt to keep pace with national expansion rates as the region trends in line with the State of Vermont.

Further considerations are as follows:

- The Hermitage Club, a members-only ski resort at Haystack Mountain, was foreclosed by its mortgage holder in early 2018, but plans on reopening this winter if it is able to secure a \$30 million loan. The company is planning the construction of a condominium hotel to breathe new life into the resort, which would span 184,000 square feet and include an 83-unit hotel with seven duplexes.
- Entergy Nuclear Vermont Yankee based in Brattleboro officially closed its facility at the end of 2014 that at one point employed 625 residents in Vermont, New Hampshire, and Massachusetts. The plant was operational for 43 years. During the decommissioning and cleanup process at the plant, 316 people remained on staff until April 2016 when community emergency planning requirements will be dropped. In October 2018, federal regulators approved the transfer of Vermont Yankee's nuclear operating license from Entergy to Northstar. Northstar Vermont Yankee plans on decommissioning the site by 2021 with completion scheduled for 2030 at the latest.
- Following a \$1.0 million incentive package from the state, G.S. Precision – a manufacturer of machine parts – will stay in Vermont instead of heading to New Hampshire as initially planned. This company is one of the largest private employers locally with more than 300 employees. This money will contribute to the \$18 million project that could add 25,000 square feet to the company's facilities, and ultimately help create more than 130 additional jobs.

Demographic Characteristics

The Southern Vermont area's (metropolitan statistical area) median age of 47.0 years is substantially higher than the U.S. median age of 38.0 years. Vermont has traditionally maintained a much older population than other areas in the United States given its rural setting and quality health care centers. Statistics indicate that the number of adults 65 years and older will grow healthily over the next 20 years and put added pressure on the senior housing markets. Southern Vermont's residents are well educated with 32.4 percent of the population having attained a Bachelor's Degree or higher. This is 3.0 percentage points higher than the U.S. average of 29.4 percent. Educational attainment serves to increase the income levels of the Southern Vermont region, but the region's median annual household income is 10.5 percent lower than the nation's. In addition, the migration of internet/tech companies to the area offer competitive salaries that attract job seekers. Southern Vermont's median

The following chart compares the demographic characteristics of Southern Vermont with those of the United States:

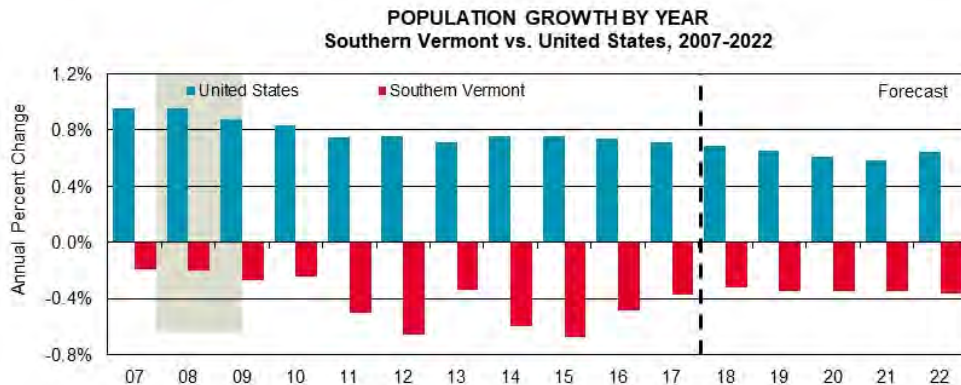
Demographic Characteristics Southern Vermont vs. United States 2017 Estimates		
Characteristic	Southern Vermont	United States
Median Age (years)	47	38
Average Annual Household Income	\$69,611	\$81,219
Median Annual Household Income	\$50,950	\$56,287
<i>Households by Annual Income Level:</i>		
<\$25,000	24.2%	22.2%
\$25,000 to \$49,999	25.0%	22.8%
\$50,000 to \$74,999	19.3%	18.2%
\$75,000 to \$99,999	13.1%	12.6%
\$100,000 plus	18.5%	24.3%
<i>Education Breakdown:</i>		
< High School	8.7%	13.6%
High School Graduate	32.4%	27.9%
College < Bachelor Degree	26.6%	29.0%
Bachelor Degree	19.4%	18.4%
Advanced Degree	13.0%	11.0%

Source: © 2017 Experian Marketing Solutions, Inc. •All rights reserved•
Cushman & Wakefield Valuation & Advisory

Population

The Southern Vermont area’s population growth rates have lagged slightly behind national averages over the past decade. Southern Vermont is home to a large percentage of seniors over the age of 65, most of which are no longer employed. This is putting a drag on population growth as many young workers are searching for more vibrant communities with access to business centers. Moreover, Vermont has some of the highest tax rates in the United States. Despite the high taxes, most of the population growth in the coming years is predicted to come from the older demographic. From 2007 through 2017, the Southern Vermont region averaged 0.4 percent population contraction annually. Very low birthrates and persistent out-migration will cause the Southern Vermont area to sustain its rate of population contraction over the near term, at an average of 0.4 percent annually. Weak population forecasts limit economic improvements and opportunities for Vermont businesses to expand. Larger populations also make it easier for people to meet, communicate and collaborate on new business ideas.

The following chart compares population growth between Southern Vermont and the United States:



Source: Data Courtesy of Moody's Analytics and Cushman & Wakefield Valuation & Advisory
Note: Shaded bars indicate periods of recession

The following table shows Southern Vermont’s annualized population growth:

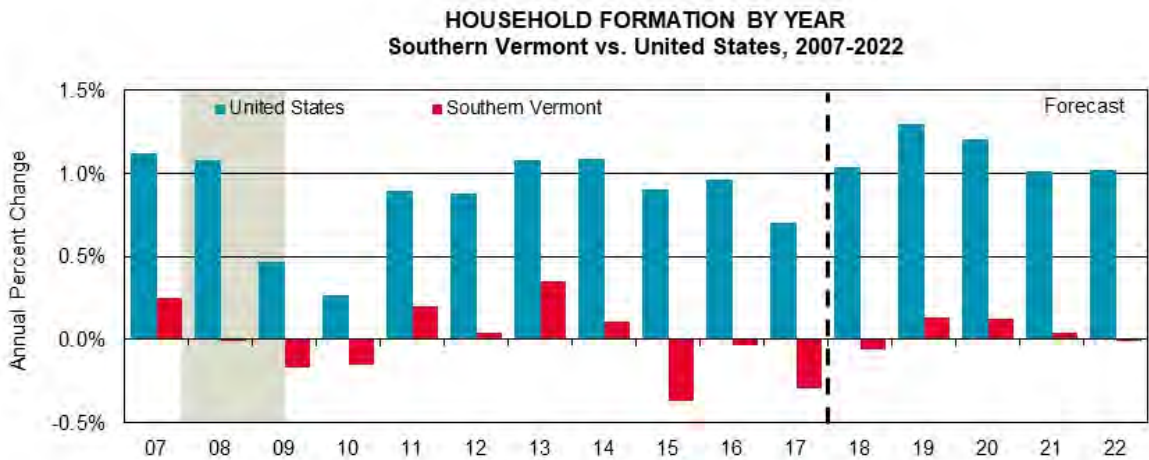
Annualized Population Growth by County Southern Vermont 2007-2022						
Population (000's)	2007	2017	Forecast 2018	Forecast 2022	Compound Annual Growth Rate 07-17	Compound Annual Growth Rate 18-22
United States	301,231.2	325,719.2	327,967.9	336,214.0	0.8%	0.6%
Southern New Hampshire	201.2	192.7	192.0	189.4	-0.4%	-0.4%
Belknap County	37.1	35.6	35.5	35.1	-0.4%	-0.3%
Cheshire County	62.6	59.1	58.8	57.7	-0.6%	-0.5%
Hillsborough County	44.4	42.9	42.8	42.4	-0.4%	-0.3%
Merrimack County	57.1	55.1	54.9	54.2	-0.3%	-0.3%

Source: Data Courtesy of Moody's Analytics, Cushman & Wakefield Valuation & Advisory

Households

Over the past decade, household formation rates in Southern New Hampshire have been stagnant, outpacing population growth but averaging no annual growth through 2017. Over the near term, household formation rates are forecast to accelerate slightly to the average annual growth rate of 0.1 percent due to income growth and a strong inventory mix. The older population in Vermont is less likely to formulate a household than the younger generation, but more likely to migrate toward an assisted living situation. Additionally, there are several outside sociological factors that can be attributed to household growth increasing at a higher rate than population, such as: longer life expectancies, increasing divorce rates and young professionals postponing marriage.

The chart below compares household formation growth between Southern Vermont and the United States:

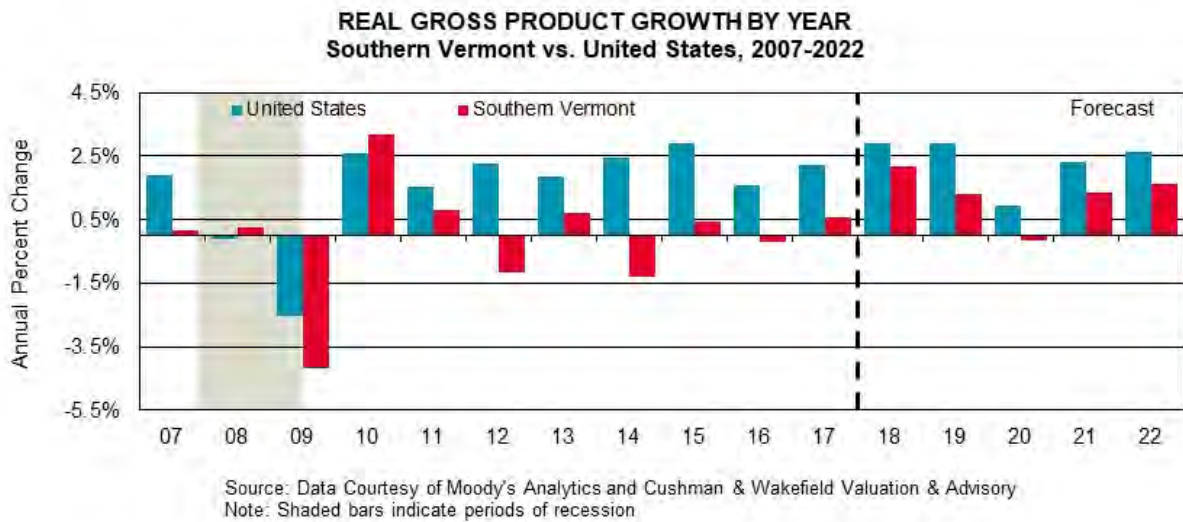


Source: Data Courtesy of Moody's Analytics and Cushman & Wakefield Valuation & Advisory
Note: Shaded bars indicate periods of recession

Gross Metro Product

The employment base in Southern Vermont is generally focused on local needs and lacks traditionally autonomous economic growth drivers. The county’s Gross Metro Product (GMP) has seen significant volatility since the past recession, averaging 0.1 percent annual contraction over the past decade. The regional economy benefits from investment in its leisure & hospitality sector, which will continue to succeed behind increased consumer confidence and subsequent spending on recreation. Increased demand for regional goods will help propel GMP growth through the near term, which is forecast to climb to an average of 1.0 percent annually. The region’s GMP will trail national expansion by an average of 1.2 percentage points through 2022 as weak population growth and relatively slow household formation inhibits fundamentals. The strength of the region’s non-cyclical education & health services will anchor its economic growth and GMP over the near term.

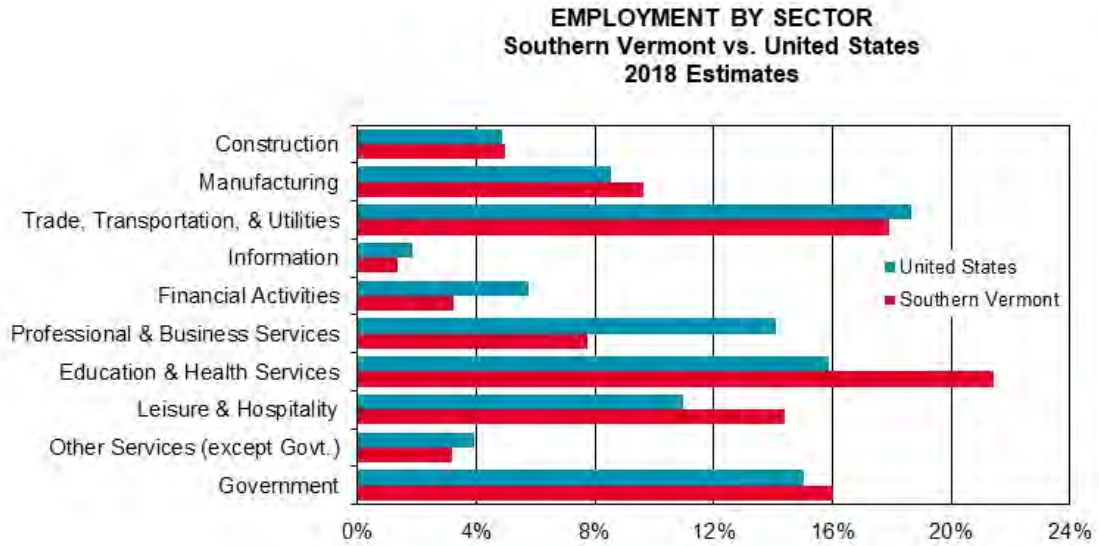
The chart below compares gross product growth by year for Southern Vermont and the United States:



Employment Distribution

The Education & Health Services sector is the Southern Vermont area’s largest employment sector, containing 21.4 percent of total nonfarm employment. Another significant employment base in the region is trade, transportation & utilities, which accounts for 17.9 percent and has seen growth resulting in the influx of technology companies in the area. Government jobs round out the top three employment sectors, holding a 16.0 percent share of nonfarm jobs in the Southern Vermont area. Some of the largest employers in the area are concentrated in the Leisure & Hospitality sector, including the geography’s largest employer, Mount Snow. With consistent positive employment growth, the less-cyclical education & health services sector has helped to stabilize employment in the region due to the high percentage of seniors and retirees. Over the last decade, expansion has been led by the professional & business services and education & health services sectors with average annual growth rates of 0.9 percent and 0.8 percent, respectively. Looking forward, growth in the professional & business services sector is projected to lead the region with an annual average of 0.9 percent through 2022.

The following chart compares non-farm employment sectors for Southern Vermont and the United States:



Source: Data Courtesy of Moody's Analytics and Cushman & Wakefield Valuation & Advisory

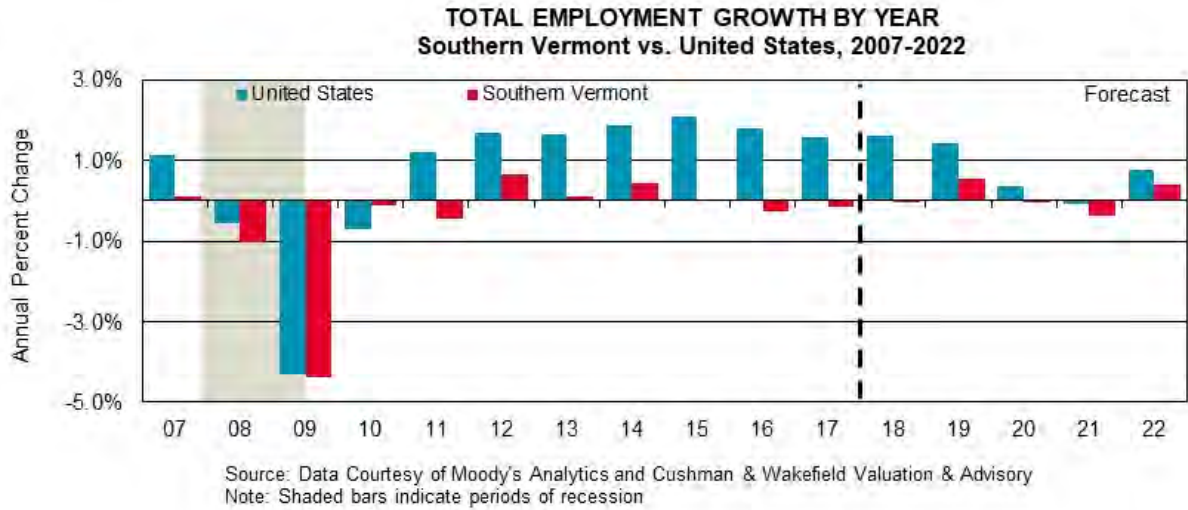
Major Employers

Southern Vermont’s employment picture is focused around only a few sectors, and the largest employers appear to be even more concentrated. All of the top employers in the bottom four counties of Vermont are based in either education & health services or leisure & hospitality. Rutland has more than 2,000 current employees at the Rutland Regional Medical Center and the Southern Vermont Medical Center has 1,300 more. Mount Snow, Okemo, and Stratton Mountain are all ski resorts that boast more than 1,200 employees each. Killington Mountain, Pico Resort, Magic Mountain, and Bromley Mountain are also popular outdoor destinations for tourists in the summer and winter seasons.

Employment Growth

Growth in total nonfarm employment in the Southern Vermont area declined over the past few years. Vermont is focused on building its economy by investing in workforce training funds to attract young workers to the state. Without a strong workforce, it is extremely difficult for businesses to grow and add new jobs. In the last five years, total nonfarm payroll did not see any net growth and some of the region’s largest sectors witnessed significant payrolls losses. Looking forward, leisure & hospitality is poised to see some direct job growth and influence employment gains in other sectors. Southern Vermont is home to several of the nation’s best ski resorts, which should see more visitors as the economy grows. Through 2022, nonfarm employment growth will be led by hiring in the professional & business services and education & health services sectors, which are poised to record average annual growth of 0.9 percent and 0.6 percent, respectively.

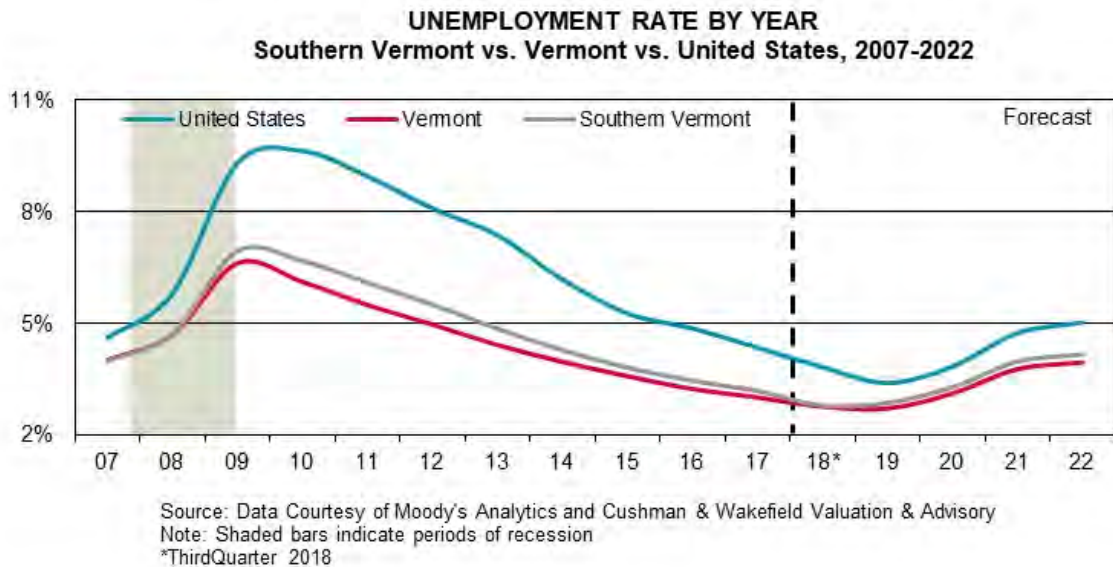
The following chart illustrates employment growth for Southern Vermont and the United States:



Unemployment

The Southern Vermont region reported an October 2018 unemployment rate of 2.8 percent, trending in line with the state unemployment rate and 1.0 percentage point below national unemployment. The region's unemployment rate reached a record low through late 2018, but was heavily influenced by the region's shrinking labor force due to persistent out-migration and a high concentration of retirees. Through the near term, Southern Vermont's unemployment rate is expected to parallel state unemployment trends but remain well below national numbers, fluctuating between 2.8 percent and 4.2 percent through 2022.

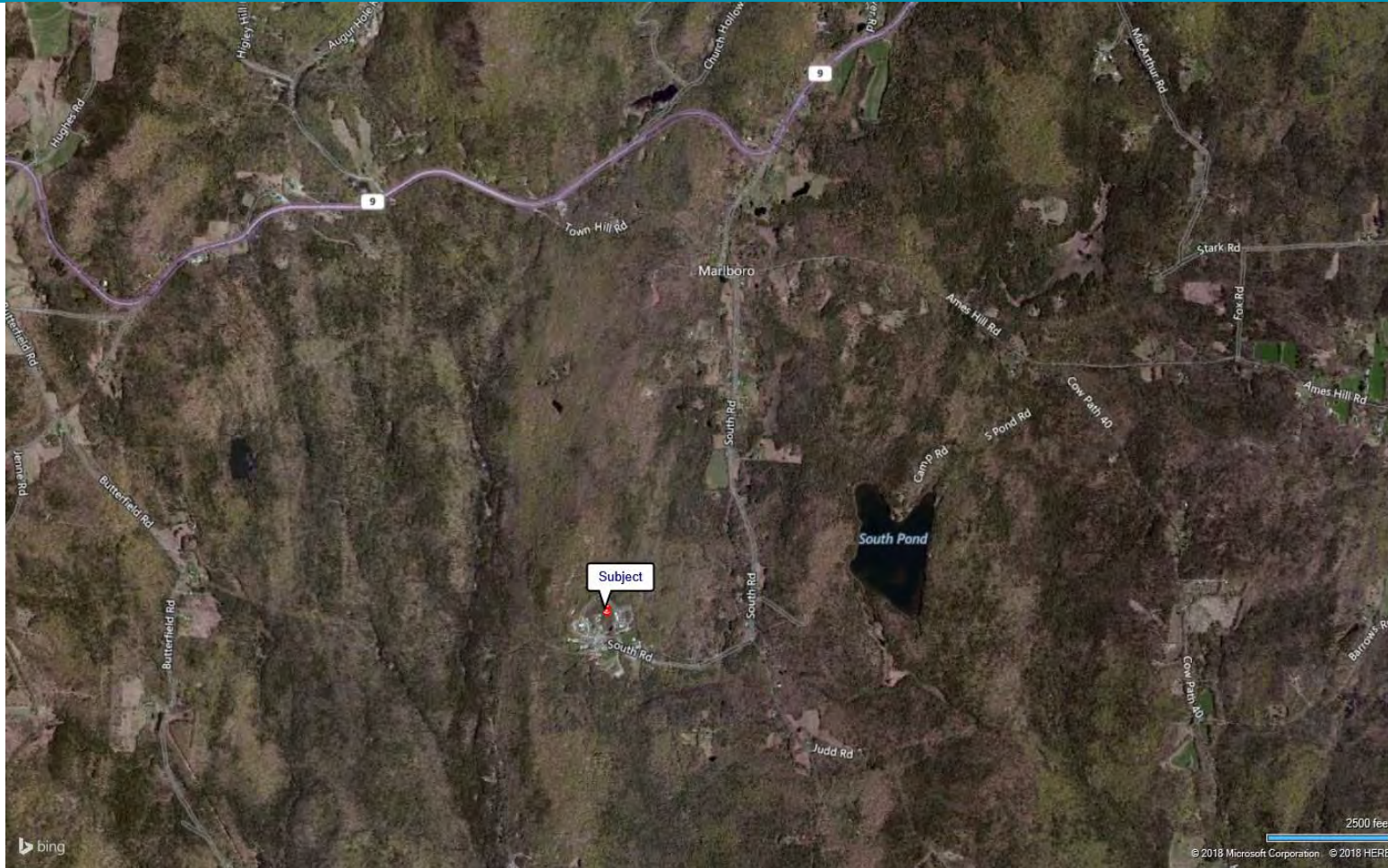
The graph below illustrates unemployment rates for Southern Vermont, the State of Vermont, and the United States:



Conclusion

Though the Southern Vermont area felt the effects of the national recession, recent positive performance in employment participation rates has led to steady economic development in the region. Over the past two years, the region experienced solid improvement from its tourism industry as well, which is expected to continue for the near future. The traditionally stable education & health services sector should prove strong enough to offset the negative effects stemming from the national economic conditions. Long term, costly land laws and a relative lack of high-wage employment opportunities should drive population outmigration, which will hurt Southern Vermont's potential for economic growth. Southern Vermont should perform in line with the state of Vermont over the next few years, but trail the national economy. One aspect of the Southern Vermont area that hurts population growth is the lack of young professionals, which negatively impacts future growth. An aging population can potentially hinder long-term prospects for a strong housing market, labor force growth and consumer-demand driven industries.

NEIGHBORHOOD MAP



Location Overview

The subject property is located in a rural Vermont community, south of Route 9, Molly Stark Trail.

Access

In the local area, the subject and adjacent properties are easily accessible and rely on the following arteries:

- | | |
|----------------|---|
| Interstate 91: | This four to six lane roadway runs from Hartford, CT and Springfield, MA from the south, through eastern Vermont to St Johnsbury and the Canadian border to the north. This highway is located ten miles east of the subject. |
| Route 9: | This east/west roadway connects Brattleboro and Interstate 91 from the east through southern Vermont to Bennington and the NY border to the west. Access to this roadway is made two miles to the north. |
| Route 7: | This two to four lane secondary roadway runs from Bennington from the south through Rutland and central Vermont to the greater Burlington market to the north. Access is made 24 miles west of the subject property. |

In addition to the primary and secondary roadways, the subject property is also located 50 miles south of Rutland State Airport offering limited daily passenger service to Boston, MA, as well as commercial freight services. There is also an Amtrak train station located in Rutland providing direct access to New York City. Bradley International Airport is located 60 miles to the south just north of Hartford, CT. This airport offers ample daily passenger services.

Nearby and Adjacent Uses

The subject property is located in a rural Vermont community between Brattleboro and Bennington. Uses in the immediate area is dominated by sporadic residential uses. The majority of these uses are single family homes and smaller multi-family uses. There are also ample agricultural uses including dairy farms and produce facilities, as well as significant amount of vacant wooded land. Retail uses are limited to Route 9 and include support retail stores and auto related uses. Most residents travel outside of town for shopping, with Brattleboro located ten miles to the east. Brattleboro includes ample retail uses include big box stores and attached centers offering grocery options, home stores, restaurants, lodging and auto related uses. Lastly, Mount Snow is located less than ten miles to the northwest, offering recreational skiing during the winter months.

The subject campus is surrounded by wooded land on all sides with sporadic residential homes mixed in.

Local Area Characteristics

Marlboro is a town in Windham County, Vermont. The population was 978 at the 2017 census. The town is home to both the Southern Vermont Natural History Museum and Marlboro College, which hosts the Marlboro Music School and Festival each summer. According to the United States Census Bureau, the town has a total area of 40.7 square miles, of which 40.3 square miles is land and 0.3 square mile is water. Marlboro is drained by the western branch of the West River, Whetstone Brook and the Green River.

The town is crossed by Vermont Route 9, also known as the "Molly Stark Trail".

Special Hazards or Adverse Influences

No special hazards, adverse or detrimental influences were observed.

Land Use Changes

The subject is located in an area of limited residential and commercial development. There are no land use changes in the local area that would impact the value or utility of the subject property

Conclusion

The subject property is located in a mixed residential area of Marlboro. Uses within this area include vacant land, residential and agricultural. The subject property is located just south of the center of town and is the largest use in town. This area has been an established mixed residential market for the past eighty plus years. We expect overall demand for the neighborhood to be stable at this time.

Institutional Campus Market Analysis

Introduction

When Walter Hendricks established Marlboro College in 1946, he wanted to create a different kind of college—one where students were not just participants but active contributors to the academic and community life of campus. Students and faculty worked together, pounding nails and sawing lumber to turn three neighboring hill farms in southern Vermont into the core of a scenic rural campus. The hands-on approach and sense of common purpose engendered in those early years remain hallmarks of Marlboro today, both on the undergraduate campus and in the Graduate and Professional Studies programs.

Marlboro's egalitarian culture and respect for the individual has been central to many important developments over the years, including Town Meetings, the Plan of Concentration, and the Clear Writing Program. New initiatives along the way, such as the World Studies Program and the Outdoor Program, have helped to extend the civic engagement of Marlboro students to local, regional, and global issues. See *Marlboro College Through the Years* for more details.

The founding of Marlboro College Graduate and Professional Studies programs in 1997 took the Marlboro pedagogy of self-directed learning in a close-knit community to a new level and a broader audience. Today, Marlboro College is one of Vermont's premier institutions, a valuable educational resource serving the diverse educational needs of inspired undergraduates, graduate students, and working professionals from the region and the world.

The goal of the undergraduate program at Marlboro College is to teach students to think clearly and to learn independently through engagement in a structured program of liberal studies. Students are expected to develop a command of concise and correct English and to strive for academic excellence informed by intellectual and artistic creativity; they are encouraged to acquire a passion for learning, discerning judgment and a global perspective. The college promotes independence by requiring students to participate in the planning of their own programs of study and to act responsibly within a self-governing community.

The mission of Marlboro College Graduate and Professional Studies program is to offer responsive, innovative education of the highest standard in professional studies in the topic areas of management, technology, and teaching. The educational practice of the graduate program fosters the development of critical thinking, articulate presentation, coherent concepts and arguments, superior writing skills, and the ability to apply creative, sustainable solutions to real world problems.

Marlboro College Statistics

Total Enrollment for Fall 2018	150 Undergraduate (50 Graduate)
Full Time Faculty	40
Student to Faculty Ratio	20:1
Four-year Graduation Rate	49.1 percent
2018 Tuition Costs	\$26,500 (\$37,600 including room and board)

Marlboro College is a private institution that was founded in 1946. It has a total undergraduate enrollment of 150, its setting is rural, and the campus size is 533 acres. It utilizes a semester-based academic calendar. Marlboro College's ranking in the 2019 edition of Best Colleges is National Liberal Arts Colleges, 116.

While some of the individual buildings comprising the campus could be adapted to other purposes, their integration helps the institution achieve its function in the greater marketplace. In this section, we will review the overall breadth and depth of post-secondary education, focusing on private not-for-profit four-year colleges. To the extent higher education in the United States grows, as an industry, it will sustain demand for its far-flung instruments: the residential college campus.

Definition of the Higher Education Market

Higher education in the United States is distinguished by its diversity, autonomy, competition, accessibility and its sheer size. According to projections from the U.S. Department of Education, there are approximately 7,000 post-secondary institutions in the U.S., with 4,600 of these being degree-granting institutions. As of Fall 2013, degree-granting institutions enrolled approximately 15.6 million undergraduate students and approximately 2.2 million graduate students. The actual accounting for students, the real driver for financial performance, varies because of the diversity of institutions, however it appears enrollment trends have remained fairly stable throughout the past decade, at the national level. Trends are better discerned at the region and state level, and will be discussed below.

Within this academic universe, Vermont Law School is classified as a four-year private institution, as opposed to a public, state-funded institution.

Financial Metrics- the Nation

The information in this section is sourced from The Chronicle of Higher Education's 2014-2015 Almanac, published in August 2014.

Over the last two years, higher education continued to show signs of fiscal improvement. Though sluggish, growth in tuition and endowments and donations grew. Total state spending for higher education increased for the first time in four years, up by 5.7 percent from 2013, and 7.5 percent from 2012. Forty states increased higher-education funding between 2013 and 2014.

Total revenues for the subset of four-year private nonprofit institutions exceeded \$162.6 billion for the 2012 fiscal year. Overall, annual revenues for both public and private postsecondary educational institutions exceeded \$424.8

billion. Tuition and fees account for 38.7 percent of annual budgets for private nonprofit schools, such as Missouri Baptist University, compared with 21.9 percent for public colleges. Private gifts and investment returns from endowments account for another 16.3 percent of revenues while appropriations and grants from Federal and State government provide approximately 12.3 percent of revenue. The balance comes from hospitals many schools operate and other auxiliary enterprises. Most public institutions receive much more significant state appropriations (approximately one-quarter to one-third of annual budgets).

In the last few years, the most positive financial news for higher education has come from endowments and donations. The improving stock market has boosted returns on endowments and has encouraged donors to give more than during the early period of recovery. In the 2013 fiscal year, endowments posted returns of 11.7 percent. Donations increased by nearly 10.0 percent between 2012 and 2013.

The federal government plays a limited, but important role in helping to finance private nonprofit schools through supporting individual low-and-moderate income students with a host of grant and loan programs. These programs help sustain enrollments. While institutions must comply with a wide range of reporting requirements to participate in federal financial aid programs, voluntary accreditation and membership organizations provide peer review to assure the quality of institutions in the marketplace. Thus, MBU is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. Accrediting organizations establish minimum standards institutions must meet in a range of areas including curricula, faculty qualifications, student outcomes, student services and financial health. Membership organizations essentially lobby at the state or federal level representing the interests of their member organizations.

The *National Catholic Reporter* cited a Moody's Investor Service report from August 2008 that highlighted both lower average tuition costs at surveyed institutions and lower endowments and major gifts. This phenomenon could be traced to founding of these institutions by religious orders that historically staffed and managed the schools at lower cost than comparable lay institutions. Only in the past thirty years or so have denominational schools, like Missouri Baptist University, formed lay boards, promoted philanthropic giving and built endowments.

Institutional Survival and Durability

Given the uncertainty still facing the national economy, concerns abound about the survival and durability of institutions like the subject. Statistics accounting for the inventory of institutions of higher education in the U.S. vary between accreditation and membership organizations. However, we have attempted to measure the extent small colleges, similar to the subject, are likely to fail, close or merge.

The Higher Learning Commission of the North Central Association of Colleges and Schools covers eighteen states across the central U.S. excluding only the Pacific Coast States and Montana, it extends from the Rocky Mountains to the Ohio Valley across the northern boundary of the U.S. and taking in West Virginia and Arkansas as well as the entire Midwest. The Association maintains a comprehensive directory of current and past members, noting those institutions that have failed, closed or merged dating back to its founding in 1895. Out of approximately 1,400 entries, 1,000 institutions, including the subject, are listed as accredited. The roster includes community colleges, vocational schools, seminaries, and professional schools (i.e. law and medicine) as well as traditional colleges and universities.

Institutional Closures by Decade	
Decade	School Closures
2010-14	4
2000-09	8
1990-99	19
1980-89	27
1970-79	22
1960-69	6
1950-59	3
1940-49	1
1930-39	3
1920-29	1

Source: Higher Learning Commission
for North Central Association

We found that institutional closures, noted in the table above, by decade, were highest in the 1980s where they approached 3.0 percent of all institutions, for a 10-year period, in this 18-state region. By any measure, the closure rates for the current and previous decade have been insignificant.

Why have schools closed or failed? Trends change and opinions will vary, each circumstance being unique, however, a few observations stand out. First, a disproportionate number of school closures from the 1970s and 1980s appear to have been Roman Catholic seminaries. Their closures or consolidations corresponds with the decline in “vocations” or callings to the priesthood that paralleled a rise in a more diverse and secular culture through that period. Secondly, most single sex institutions went co-ed, merged or in some cases, closed, again reflecting broader cultural changes that prevailed in society as a whole. Finally, there will always be some schools which fail for financial reasons which can be attributable to any number of management decisions, but which does not necessarily bode ill for the “industry” of higher education.

An article in *The New York Times* raises concern about debt loads and cites a 2013 Project on Student Debt study. Nearly 70.0 percent of undergraduates in 2013 had student loan debt that averaged \$28,400 per borrower. In Missouri, average debt was slightly lower than average, at \$24,957.