

Fiscal Sponsorship Agreement

This fiscal sponsorship agreement (the “**Agreement**”) is among Watson University, a Colorado not-for-profit corporation (the “**Sponsor**”), and Bean Voyage (the “**Project**”).

RECITALS

WHEREAS, Sponsor is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, as amended (the “**IRC**”), and classified as a public charity under IRC Sections 509(a)(2) and 170(b)(1)(A)(vi), whose mission is to develop next generation leaders and entrepreneurs;

WHEREAS, Project’s mission is *to democratize the coffee industry for women coffee farmers with the goal of tackling gender inequality, promoting direct trade, and improving the livelihoods of farmers around the world* as further described in Appendix A hereto (the “**Program**”), and Sponsor has determined that Program is consistent with Sponsor’s charitable and educational purposes and that acting as a fiscal sponsor to Project will further those purposes; and

WHEREAS, the Parties seek to enter into this Agreement so that Sponsor will receive charitable contributions for Program and provide other support to Project as set forth herein.

NOW THEREFORE, the Parties agree to the following terms and conditions:

1. Term

Effective as of February 1 2017 (the “**Effective Date**”), Sponsor shall assume fiscal sponsorship of Project. The term of this Agreement shall be from the Effective Date until February 1 2018 unless earlier terminated in accordance with Section 10. The Parties may mutually agree in writing to extend the term of this Agreement.

2. Governance

Project shall direct and manage Program activities; provided, however, that all Program activities shall be consistent with Sponsor’s charitable purposes and any limitations imposed by law or set forth in this Agreement; and provided, further, that all Program activities are the ultimate responsibility and are subject to the ultimate direction of Sponsor, in its sole discretion, during the term of this Agreement. Any significant change in the purposes of the Program as described in Appendix A must be approved by Sponsor before implementation.

3. Fundraising and Granting

Project may solicit grants, contributions, donations, and gifts on behalf of Sponsor earmarked for Program purposes (“**Program Funds**”), to be deposited by Sponsor in an interest-bearing account to be used for the sole benefit of Program.

Prior to submission, Project shall provide Sponsor with reasonable advance notice of any grant applications or similar proposals for substantial funds and, at Sponsor’s request, with any grant applications or proposals for Sponsor’s review and approval prior to submission. Project shall cause all donors to make all grants, contributions, donations and gifts payable to Sponsor, provide donors with any reports that donors may require Project to provide and furnish Sponsor, at its request, with copies of such reports.

4. Receipt of Funds

Sponsor shall receive Program Funds, and other Program-related monies of Project, and shall make such funds available to Project for Program purposes, on the terms set forth herein. Program Funds are, and will be reported as, income to Sponsor, for tax purposes and for purposes of Sponsor’s financial statements. Although Program shall direct Sponsor as to the disbursement and use of funds from the account, Sponsor shall retain the right to control the expenditure of such funds so as to ensure that such expenditure is consistent with and in furtherance of Sponsor’s charitable and educational purposes, within Sponsor’s sole judgment and subject to any donor-imposed restrictions.

The Sponsor will take a fee from all funds received on behalf of the Program as follows:

<u>Fee</u>	<u>Total funds received through Sponsor in previous 12 months</u>
0%	\$0-25,000
1%	\$25,001-50,000
2%	\$50,001-75,000
3%	\$75,001 and above

The fee is not meant to cover the Sponsor’s administrative expenses associated with being a fiscal sponsor, but rather to encourage the Program to apply for their own non-profit status as their budget grows.

5. Acknowledgment of Charitable Donations on behalf of Project

Sponsor shall work with Program to acknowledge receipt of Program Funds as required by law and provide a copy of each such acknowledgement to Project; furnish evidence of its status as a tax-exempt organization to donors and funders upon request; and complete and submit any financial reports that donors or funders may require it to provide. To enable Sponsor to meet these obligations, Project shall timely notify Sponsor of any benefits provided by Project to

donors in exchange for any contribution, and estimate the fair market value of such benefits; and provide Sponsor with relevant and accurate information and records concerning its Program activities and expenditures.

6. Program Funds: Use, Procedures, and Limitation

(a) Sponsor shall devote all Program Funds to Program purposes. Project shall not use Program Funds, or direct or commit that Program Funds be used, in any way that would jeopardize the tax-exempt status of Sponsor.

(b) Project shall request that Sponsor disburse Program Funds by delivering to Sponsor a request for payment of Program expenses, stating the purpose of the disbursement (if different from the purposes listed in Appendix A), and attaching any relevant documentation. Sponsor shall disburse Program Funds to third parties only when it has received a request from the Project to do so. Subject to Section 6(a), upon receiving a request from Project to disburse Program Funds, Sponsor shall promptly make such disbursement to the account specified by Project.

(c) Neither Sponsor nor Project shall use or earmark any Program Funds to participate or intervene in any political campaign or to cause any private inurement or improper private benefit to occur. Expenditures of Program Funds for any attempt to influence legislation within the meaning of IRC Section 501(c)(3) shall be permitted only upon Sponsor's prior written approval.

(d) The Parties shall ensure that activities undertaken in regard to Program and this Agreement stay within the boundaries established by law and regulations related to lobbying by nonprofit 501(c)(3) organizations. All lobbying plans and expenditures must be reported to Sponsor.

7. Publicity and Promotion

Sponsor shall be permitted to use the name and the description of Project and Program (or portions thereof) for information and promotional purposes. If Sponsor wishes to use a different description of Project or Program, it may only do so if it first obtains Project's written consent.

During the term of this Agreement, Sponsor grants Project a limited license to use Sponsor's name and logo on Project or Program material for the purpose of denoting the fiscal sponsor relationship between the two entities. The license herein granted shall terminate upon the termination of this Agreement.

8. Intellectual Property

Unless otherwise agreed, and as further described in Section 10, any tangible or intangible property, including intellectual property, such as copyrights, obtained from third parties or created in connection with Program shall be the property of Project.

9. Financial Accounting and Reporting

Sponsor shall pay for Program expenses out of Program Funds and maintain all books and financial records for Program Funds in accordance with generally accepted accounting principles consistently applied. Program Funds shall be separately classified in the books of Sponsor. Sponsor shall keep such classifications up to date, and shall deliver to Project reports reflecting receipts, expenditures and balances at such times as Project may reasonably request. Sponsor shall retain all records relating to Program for such period as required by law.

If so chosen, Project shall submit a written report to Sponsor on an annual basis, by the 15th day after the end of each calendar year, that describes 1) any activities undertaken by Project with respect to Program during the reporting period and the outcome of outreach to funding sources approached by Project over the reporting period; 2) any Program activities and funding applications anticipated for the prospective reporting period that are substantially different from past activities and funding applications; and 3) such other information as Sponsor may reasonably request.

10. Termination

Any Party may terminate this Agreement at any time for any reason upon 60 days written notice to the other Parties. In addition, Project may terminate this Agreement upon 20 days written notice in the event that it obtains a favorable determination letter from the Internal Revenue Service regarding its recognition as a tax-exempt organization under section 501(c)(3) of the IRC.

Upon termination, Sponsor shall transfer the balance of assets in Sponsor's Account, together with any other tangible and intangible assets held, including Program-related intellectual property rights, and liabilities incurred by Sponsor in connection with Program, to Project at the end of the notice period in a manner consistent with applicable tax and charitable trust laws, and Sponsor shall cease using and shall not assert any right to any intellectual property belonging to Project.

11. Limitation on Liability

The maximum amount for which the Project may be liable to Sponsor under this Agreement is \$1,000.

12. Assignment

If not currently incorporated, upon the effective date of the formation of the Project as a limited liability or other business organization, (a) all of the Project's rights and obligations under this Agreement shall be deemed assigned to such business organization, and shall inure to and be binding upon such business organization and its successors; and (b) Project shall have no further liability under this Agreement.

13. Notice

All notices, acknowledgments, requests (including disbursement requests), reports (including financial reports) and other communications under this Agreement shall be in writing, which may include by email or fax, addressed as follows:

1. If to Sponsor:

Attention: Eric Glustrom
Email Address: eric@watsonuniversity.org
Mailing Address: 900 Baseline Road, #219
Boulder, Colorado 80302

2. If to Project:

Attention: Abhinav Khanal
Email address: abhinav.khanal@watsonuniversity.org
Mailing address: 900 Baseline Road, Columbine Lodge
Boulder, Colorado 80302

14. Contract Interpretation

This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado. This Agreement shall be interpreted and construed in accordance only by the contents hereof and there shall be no presumption or standard of construction in favor or against either party. The invalidity or unenforceability of any provision shall in no way affect the validity or enforceability of any of the remaining provisions. This Agreement may be signed in counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

Nothing in this Agreement shall (a) constitute the naming of Project as an agent or legal representative of Sponsor for any purpose whatsoever except to the extent set forth herein; or (b) be deemed to create any relationship of agency, partnership or joint venture between the parties hereto, and Project shall make no such representation.

15. Exclusive Agreement between the Parties

This Agreement shall supersede any prior oral or written understandings or communications between the Parties and constitutes their entire agreement with respect to the subject matter hereof. This Agreement may not be amended or modified except in a writing signed by the Parties.

16. Counterparts

This letter may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of such counterparts shall together constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this letter by facsimile or other electronic transmission (i.e., a “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart thereof.

IN WITNESS WHEREOF, the Parties have caused this Fiscal Sponsorship Agreement to be executed by their duly authorized officers or representatives, and the undersigned representative of Project certifies that he/she is duly authorized to accept this Agreement on behalf of Project, to obligate Project to observe all of the terms and conditions herein, and in connection with this Agreement, to make, execute, and deliver on behalf of Project, all grant agreements, representations, receipts, reports and other instruments of every kind.

WATSON UNIVERSITY

By:



Name: Eric Glustrom
Title: President

February 2, 2017

Date

Bean Voyage

By:



Name: Abhinav Khanal
Title: Co-founder

February 1, 2017

Date

Appendix A

MISSION OF BEAN VOYAGE

Bean Voyage aims to democratize the coffee industry for women coffee farmers with the goal of tackling gender inequality, promoting direct trade, and improving the livelihoods of farmers around the world.

PROGRAM OF BEAN VOYAGE

We work with women coffee farmers in an enrollment program. Our program includes three services. First, we train women coffee farmers to brand their own coffee by helping them design their own logo and packaging. Second, we provide an e-commerce platform through which the farmers can directly sell to consumers. The site also operates as a storytelling space to generate awareness and empathy among consumers. Third, we provide logistical support by curating partnerships with companies that can give discounted rates to roast, pack and ship as part of their corporate social responsibility, which reduces the operation cost for farmers. As part of our program, we also conduct quality control, customer reviews and introduce the coffee to different markets. These programs ensure that the farmers receive 300% higher income than they would otherwise receive from intermediaries. Furthermore, by specifically partnering with women coffee farmers, we are able to impact the groups that are most vulnerable in the industry.

CONTEXT OF BEAN VOYAGE

On our first trip to Costa Rica, we had imagined a country that is known for its progressive society. But, we had 2 interactions that changed our mission in life. We were conducting workshops when we met Leila, a coffee farmer from Tarrazu. She was the sole breadwinner of the family after her husband lost eyesight. As a woman, she faced difficulty in entering the coffee market and received unfair prices for her coffee. A few weeks later, we met Danier. Although his family had been cultivating coffee for generations, he was forced to find employment in the city. This was a systemic issue and we couldn't afford to be bystanders. Through research, we found that this challenge was common around the world. We had the skills and were intrinsically motivated to challenge the status quo. We just had to walk down a path that was rarely explored. If we could democratize the coffee industry, then we could ensure sustainable livelihoods for women farmers such as Leila around the world.