



[Robina Foundation](#)

Copyright Notice:

This material may be protected by copyright law (U.S. Code, Title 17). Researchers are liable for any infringement. For more information, visit www.mnhs.org/copyright.

Twin Cities Campus

*Office of the Dean
The Law School*

*Room 381 Mondak Hall
229 19th Avenue South
Minneapolis, MN 55455
Office: 612-625-4841
Fax: 612-625-2019*

April 26, 2011

Mr. Tom Crosby
Chairman, Robina Foundation
4900 IDS Center
80 South 8th Street
Minneapolis, MN 55402

Dear Tom:

Enclosed please find our quarterly report, which I hope will be suitable for inclusion in the board book for the May board of directors meeting. Please let me know if you have any questions concerning our report.

As always, we are deeply grateful for the Foundation's support.

All best regards,



David Wippman
Dean and William S. Pattee Professor of Law

jj

Enclosure

Interim Report to the Robina Foundation

May 1, 2011

The following provides a brief update to our February 1, 2011 interim report.

A. Building on Strengths in International Law and Human Rights, Criminal Justice, and Law and Science

The Law School continues to build extra-ordinary momentum in its Criminal Justice Group. In April 2011, two international symposia were held at the Law School, supported by the Robina Foundation. The first, a comparative symposium led by Professor Michael Tonry, brought together leading scholars addressing the theory and practice of prosecution in the criminal law. The second symposium, led by Professors Antony Duff and Fionnuala Ní Aoláin, addressed the complex issues arising at the intersection of Criminal Law and Human Dignity, building on Minnesota's strengths in criminal law and human rights. Scholars from multiple countries and multiple disciplines participated in both symposia. Before the commencement of both symposia, a number of the scholars attending taught in regular Law School criminal law classes and offered small faculty seminars in areas of research synergy. During May 2011, two further criminal law symposia are planned. Professor Barry Feld will lead a symposium focused on his new empirical work addressing the experiences of juveniles in the justice system, entitled *Police Interrogation of Juveniles: Practice and Police*, and Professor Richard Frase will lead a symposium on *Just Sentencing: Principles and Procedures for the 21st Century*.

In the Law and Science area, the Law School learned in March that David Hyman, the Richard W. and Marie L. Corman Professor of Law and the Director of the Epstein Program in Health Law and Policy at the University of Illinois Law School, was unable for family reasons to accept its offer to join the faculty as a Robina Chair in Law, Public Policy, and Society. The Law School is now focused on seeking an appointment in the Environmental and Energy Law area given the growth and capacity evidenced by this research group in the last year and strengths elsewhere in the University.

B. Campaign Launch

On April 15th, the public phase of the Law School's Campaign was successfully launched at a vibrant reception at the Law School. Over 200 faculty, alumni and students were in attendance, many of whom were staying for a weekend of class reunions. The Law School announced a goal of \$70M to transition the law school to a new era of financial self-sufficiency. The Robina Foundation's support has been critical in reaching the 50% mark of our campaign goal.

C. Annual Conferences

A Robina sponsored conference on National Security, Human Rights and the "Other" will be led by Professors Hill & Ní Aoláin in May 2011. Leading international scholars of international law, human rights, neuroscience and psychology will be attending.

D. Curricular Developments

The Law School continues to advance its curricular developments and tie them to the Law School's areas of strength. This term we have approved three new concentrations in criminal law, environmental and energy law and international law. A new capstone course in climate change law and policy has also been approved and will be offered to students in the next academic year.

FY 2011

Total Expended to Date	\$ 1,018,728
Allocated for FY 2011	\$ 1,431,512

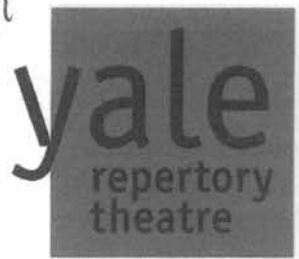
ROBINA EXPENDITURES

Fiscal Year 2011: Third Quarter Report

7/1/2010 - 3/31/2011

	Budget	Expenditures 7/1-12/31/2010	Notes
Center of Excellence Hires	840,047	640,126	
John Borrows		20,272	Includes encumbrances through the end of the Fiscal Year
Bert Kritzer		252,982	
Jennie Green		155,084	
Antony Duff		211,788	
Capstone Courses	100,000	97,519	
Public Policy Internships and Post JD Fellowships	320,000	189,822	
Robina Supported Faculty Public Policy Research and Conferences	171,465		
Research Support		53,188	
F. Ni Aolain (D. Weissbrodt, O. Gross)		4,019	
M. Orfield (K. Reitz)		35,543	
S. Meili		2,717	
S. Wolf		0	
G. Shaffer		0	
M. Tonry (R. Frase, K. Reitz, B. Feld, F. Ni Aolain)		0	
F. Ni Aolain		9,664	
R. Okediji		1,245	
G. Shaffer		0	
Conference Support		38,073	Scheduled
M. Tonry		0	April 7-9, 2011
G. Shaffer		861	
A. Duff, F. Ni Aolain		2,808	April 15-16, 2011
C. Hill, F. Ni Aolain		0	May 20-21, 2011
R. Frase		514	multiple
A. Duff		5,457	multiple
M. Goodwin		28,433	
TOTAL BUDGET/EXPENSES	1,431,512	1,018,728	
TARGET	1,400,000		
Annual Commitment Unspent/(Overspent)	-31,512		

file
Yale Drama
quarterly report
may 2011



April 26, 2011

Ms. Penny Hunt
Executive Director
Robina Foundation
VIA EMAIL

Dear Penny,

It is my pleasure to provide you and the Trustees of the Robina Foundation with this quarterly report on the activities of the Yale Center for New Theatre.

Workshops and Residencies

As mentioned in our previous report, we began this quarter with a three-day workshop of Amy Herzog's Yale Rep commissioned play *Belleville*. On February 3, 4, and 7, Anne Kauffman led a cast of four (Brooke Bloom, Ato Essandoh, Armando Risco, and Nondumiso Tembe) in rehearsal, discussion, and a reading of the play. The workshop schedule allowed Amy time for rewrites, as she focused on the structure of the play's ending.

On February 28, the Center supported a one-day reading of Will Eno's play *The Realistic Joneses*. Sam Gold, who also directed the July 2010 reading of the play, led the company of four actors (Noah Emmerich, Christina Kirk, Julianne Nicholson, and Paul Sparks) in a reading of Will's latest draft. Following this, Will had a dramaturgical discussion about his play with Associate Artistic Director Jennifer Kiger, Resident Dramaturg Catherine Sheehy, and Literary Manager Amy Boratko.

This week, the Center is hosting playwright Dan LeFranc in New Haven for a retreat to work on his Yale Rep commission. He will spend most of his time writing a new draft of his play, and he will also have a series of dramaturgical meetings with Jennifer Kiger and Amy Boratko.

New Play Production

Rinne Groff's *Compulsion* had successful runs at both Berkeley Repertory Theatre (September 13-October 31, 2010) and New York's The Public Theater (February 1-March 13, 2011). *Time Out New York* heralded the production as "elegant, haunting, and undeniably compelling," and Ben Brantley of *The New York Times* praised the "stylish simplicity" of director Oskar Eustis's direction and how "the play admirably balanced the heroic and irrational qualities of its central character." Press clippings and reviews are attached.

As we reported last summer, the Production Enhancement Fund supported Dostoevsky's *Notes From Underground*, adapted by Bill Camp and Robert Woodruff, for its west coast premiere at La Jolla Playhouse (September 17 through October 17) and its New York premiere at Baryshnikov Arts Center in collaboration with Theatre for A New Audience (November 7 through November 28). Bill Camp has just been nominated for the Distinguished Performance Award by the Drama League for his

JAMES BUNDY,
ARTISTIC DIRECTOR

VICTORIA NOLAN,
MANAGING DIRECTOR

YALE REPERTORY THEATRE
PO BOX 208244
NEW HAVEN, CT 06520

PHONE: 203.432.1591
FAX: 203.432.8332

yalerep@yale.edu
yalerep.org

role as the Underground Man. *The New York Times* called Bill Camp "one of the bravest, smartest, and most physically intense actors in New York."

This spring, Yale Rep announced its 2011-12 season. We are especially pleased that the two world premieres announced for next season are Yale Rep commissions: Amy Herzog's *Belleville* and Will Eno's *The Realistic Joneses*. Anne Kauffman will direct *Belleville*, which will run from October 21 to November 12, 2011, and Sam Gold will direct *The Realistic Joneses*, which will run from April 20 to May 12, 2012. Both directors started working on these plays through the workshops and readings provided through the Center's support, as mentioned above. A press release is attached.

Commissions

In our last quarterly report, we announced our participation in New Dramatists' Full Stage USA program, and recently, we selected a project to develop through this exciting partnership. Over the next two years, New Dramatists and Yale Rep will develop a new musical by playwright Carson Kreitzer with music by composer Matt Gould. The musical will center on the life of the astounding Art Deco painter, Tamara de Lempicka. Carson and Matt will shape their work around a critical period in de Lempicka's life from the Russian Revolution to the Nazi takeover in Germany.

The Center has also awarded commissions to Aditi Brennan Kapil and Amy Herzog. This will be Amy Herzog's second Yale Rep commission. I have attached bios for Carson, Matt, Aditi, and Amy for your review. We anticipate awarding at least two more commissions this fiscal year and will update you on our roster of new artists in the next report.

We are enormously grateful to the Foundation for its extraordinary investment in the Yale Center for New Theatre.

Sincerely,

A handwritten signature in black ink, appearing to read "VN", enclosed within a large, loopy, oval-shaped flourish.

Victoria Nolan

Matt Gould wrote and directed *Free Style* for LA's REPRISE Theatre Company (commissioned by Jason Alexander), wrote *Twilight in Manchego* (directed by Billy Porter) in the NYMF (Jonathan Larson Foundation Award), co-wrote *Witness Uganda* (Disney/ASCAP workshop with Stephen Schwartz, Dean Kay Award, Workshop at the Vineyard Arts Project and Boston Court Theatre), was commissioned by Playwrights Horizons to write music for Lucy Thurber's *Dillingham City*, composed music for *Dreyfus In Rehearsal* (Off-Broadway) and translated, adapted and directed *Romeo and Juliet in Pulaar* (Mauritania, West Africa.) He was a composing fellow in New Dramatist's Composer/Librettist studio and has composed and arranged music for Broadway in South Africa and Grammy Winner Desmond Child. His music has been performed at Jazz at Lincoln Center, Symphony Space (NYC), Joes Pub, New World Stages, Huntington Theatre Company (Boston), Rattlestick and The Duplex (NYC).

Amy Herzog received the 2008 Helen Merrill Award for Aspiring Playwrights. Her family drama *After the Revolution* was produced the Williamstown Theatre Festival in the summer and at Playwrights Horizons in the fall of 2010, and its companion play, *4000 Miles*, will be produced at LCT3 this spring. Her other plays have been produced at Ensemble Studio Theater, American Conservatory Theater in San Francisco, H.E.R.E Arts Center, and the Yale School of Drama; she has had readings/workshops at Manhattan Theatre Club, New York Stage and Film, Arena Stage in Washington, D.C., Soho Rep, The Rattlestick, LCT3, and the Juilliard School, among others. She holds commissions from the Yale Repertory Theatre, Steppenwolf, Ars Nova, and Playwrights Horizons. Amy is an alumna of Youngblood and the SoHo Rep Writer/Director Lab, a former Fellow at The Playwrights' Realm, and the 2010 Playwright in Residence at Ars Nova. She teaches Playwriting at Bryn Mawr College. MFA in Playwriting, Yale School of Drama.

Aditi Brennan Kapil is an actress, writer, and director, of Bulgarian and Indian descent, raised in Sweden, and currently residing in Minneapolis, MN. She is a graduate of Macalester College with a BA in English and Dramatic Arts. Her play, *Love Person*, a four part love story in Sanskrit, ASL and English, has been produced to critical acclaim around the country and was produced in a National New Play Network rolling world premiere at Mixed Blood Theatre (MN), Marin Theater (CA), and Phoenix Theatre (IN), in the 2007-08 season. *Love Person* was nominated for the Blackburn Prize, the Francesca Primus Award, and the ATCA/Steinberg Award, and received the Stavis Playwriting Award in 2009. Her play *Agnes Under The Big Top*, a tall tale was selected as a Distinguished New Play Development Project by the NEA New Play Development Program. *Agnes Under the Big Top* was featured in the Arena Stage New Play Festival in January 2011, premiered at Mixed Blood Theatre in February 2011, and produced at Long Wharf Theatre in March 2011. Aditi's playwriting credits include a number of plays for youth, among them *The Deaf Duckling*, a bilingual (ASL & English) educational touring show about growing up Deaf; *The Adventures of Hanuman*, *King of the Monkeys*, a Bollywood style musical inspired by tales from the Ramayana; and *Hanuman and the Girl Prince*, a play for youth in iambic verse inspired by a brief episode in the Mahabharata. She has also collaborated on several productions with In the Heart of the Beast Puppet and Mask Theater, notably *Gotama*, a play about the early life of the Buddha, and *Beneath the Surface*, a water circus. *Messy Utopia* which she directed and co-wrote for Mixed Blood Theatre received an Ivey Award and #6 in the *City Pages* "Best of the Twin Cities" 2007. Aditi is a Resident Artist at Mixed Blood Theatre and a Core Writer at The Playwrights' Center (Minneapolis)

Carson Kreitzer's *The Love Song of J. Robert Oppenheimer* won the Lois and Richard Rosenthal New Play Prize, the American Theatre Critics' Steinberg Citation, the Barrie Stavis Award, and is published in Smith and Kraus' *New Playwrights: Best Plays of 2004* and by Dramatic Publishing. *Self Defense or death of some salesmen* has been produced across the country and is published by Playscripts and in Smith and Kraus' *Women Playwrights: Best Plays of 2002*. Her play chronicling the life of photographer Lee Miller, *Behind the Eye*, was commissioned and recently produced by

Cincinnati Playhouse in the Park. Other work includes *1:23*; *Flesh and the Desert*, a kaleidoscopic portrait of Las Vegas seen in New York's Summer Play Festival; *The Slow Drag* (New York and London); *Freakshow*, *Slither*; *Dead Wait*; and *Take My Breath Away*, featured in BAM's 1997 Next Wave Festival. Ms. Kreitzer has received grants from NYFA, NYSCA, the NEA, TCG, and the Jerome and McKnight foundations. BA: Yale University; MFA: Michener Center for Writers, UT Austin. A resident playwright at New Dramatists, an associated artist with Clubbed Thumb, New Georges, and the Fire Department, and a member of the Workhaus Collective, The Playwrights' Center and the Dramatists Guild, Ms. Kreitzer was the first Playwrights of New York (PONY) fellow at the Lark Play Development Center.

Compulsion
Berkeley Repertory Theatre
Press Clippings



"A riveting drama for three actors and an ensemble of marionettes... Virtuoso acting is just one reason to see Rinne Groff's *Compulsion*: Patinkin and his two castmates deliver the goods. But there is also Oskar Eustis' sleek, multifaceted staging and the way Groff revels in wrestling with knotty ideas in conflict. Her semifictional dive into one real Jewish writer's litigious battle over Anne Frank's diary is a compelling foray along a thin line between idealism and fanaticism... As his understandably fervent advocacy turns to vicious personal attacks on those he thinks are thwarting him—Lillian Hellman and Otto Frank in particular—Patinkin's descent into paranoia and the fanaticism of a true believer is as chilling as it is thrilling to witness."—*San Francisco Chronicle*

"A brilliant and emotional new play... [Sid Silver's] story, based on the true-life author Meyer Levin, is told with puppetry, fantasy, comedy and drama... Oskar Eustis and his actors move seamlessly from fiction to fantasy and back... [Mandy] Patinkin, who has done no less than make Silver part of his DNA, is simply stunning. In a role that requires him to growl, charm and come apart at the seams."—*San Jose Mercury News / Bay Area News Group*

"Berkeley Rep opened its new season in its usual manner, with another winning production... It is such a pleasure to witness the outstanding performance of Mandy Patinkin—an acting masterpiece."—Jerry Friedman, KGO-AM

"Majestic... a work of brilliant and compelling art... an enthralling drama of immense imagination, of emotional and moral complexity, and—of all things—sparkling humor."—*Hartford Courant*

"Fascinating... The puppets eloquently express one of the play's major themes: how real life differs from stage life, how theater lies even when it tells the truth."—*New York Times*

"Propulsive... *Compulsion* takes extraordinary risks—in structure, in style, and in its sarcastic and strident questions about who gets to make art when and for what greater purpose... It's all quite staggering—and unexpectedly moving."—*New Haven Advocate*

"Rinne Groff takes us to the intersection of history and show business in her very powerful new play... *Compulsion* is a rich mix of history, entertainment world gossip, and a man's obsession over a work of art that doesn't really belong to him. It's a terrific show."—*Connecticut Post*

"Fascinating and engrossing... I watched, after intermission, as a middle-aged man, seated in the row just ahead of me, jumped off the end of his seat and punched his fist into the air—during mid-dialogue. That's the type of reaction *Compulsion* elicits."—Talkin' Broadway

The New York Times

This copy is for your personal, noncommercial use only. You can order presentation-ready copies for distribution to your colleagues, clients or customers, please [click here](#) or use the "Reprints" tool that appears next to any article. Visit www.nytreprints.com for samples and additional information. [Order a reprint of this article now.](#) »

February 17, 2011

THEATER REVIEW | 'COMPULSION'

The Young Girl Pulls the Strings in This Relationship

By BEN BRANTLEY

Only a performer of monumental presence can withstand the theatrical typhoon that is Mandy Patinkin. So hats off to the frail-looking, child-size marionette who walks away with "Compulsion," the straight-line bio-drama by Rinne Groff, starring Mr. Patinkin at gale force.

Designed by Matt Acheson, this charismatic puppet — with her side-parted hair and pale, hopeful face — is disturbingly familiar even before she is brought into animation in "Compulsion," which opened on Thursday night at the Public Theater. And once she starts scribbling with a pencil in a small volume, well, forget about anyone else commanding the stage, even though she's been dead for years when the play begins. Her name? Anne Frank.

That the author of "Anne Frank: The Diary of a Young Girl" — a document that for millions of readers gave an intimate human face to the Holocaust — should so dominate Ms. Groff's new drama is appropriate. Everyone, on some level, seems to be in competition with Anne in "Compulsion," including one Sid Silver (Mr. Patinkin), who subjugates his own life to enshrining that of Anne. His ruling mission, he says early in the play, referring to Anne's diary, "is to help the teller to tell."

Sid Silver is modeled, with form-fitting closeness, on the writer Meyer Levin, who chronicled his own story as a curator of Anne's memory in "The Obsession." (It may confuse matters that Mr. Levin's best-known book is called "Compulsion," a 1956 novel about the Leopold-Loeb murder.)

Obsession is a mild word for Mr. Levin's relationship with Anne Frank. Having read her diary in France after World War II and made contact with Anne's father, Otto, he lobbied hard to have the diary published in the United States, wrote a front-page article for The New York Times Book Review that helped make it a best seller, and adapted it for the stage. That his play was passed over by Broadway producers (and Otto Frank) in favor of a softer, more sentimental version (by Frances Goodrich and Albert Hackett) kept Mr. Levin in loud litigation for many years to come.

Directed with stylish simplicity by Oskar Eustis and acted by a three-member cast that also includes Hannah Cabell and Matte Osian, "Compulsion" clearly and conscientiously charts the



Partially Scanned Material

The remainder of this page/item has not been digitized due to copyright considerations. The original can be viewed at the Minnesota Historical Society's Gale Family Library in Saint Paul, Minnesota. For more information, visit www.mnhs.org/library/.



March 10, 2010

FOR IMMEDIATE RELEASE

From: Steven Padla / 203 432 1574 / steven.padla@yale.edu

YALE REPERTORY THEATRE ANNOUNCES 2011-2012 SEASON

THREE SISTERS

By ANTON CHEKHOV

A New Version by SARAH RUHL

Directed by LES WATERS

A co-production with Berkeley Repertory Theatre

WORLD PREMIERE

BELLEVILLE

By AMY HERZOG

Directed by ANNE KAUFFMAN

A DOCTOR IN SPITE OF HIMSELF

By MOLIÈRE

Adapted by CHRISTOPHER BAYES and STEVEN EPP

Directed by CHRISTOPHER BAYES

A co-production with Berkeley Repertory Theatre

THE WINTER'S TALE

By WILLIAM SHAKESPEARE

Directed by LIZ DIAMOND

WORLD PREMIERE

THE REALISTIC JONESES

By WILL ENO

Directed by SAM GOLD

AND A NEW PLAY TO BE ANNOUNCED

YALE REPERTORY THEATRE (James Bundy, Artistic Director; Victoria Nolan, Managing Director) is pleased to announce its **2011-2012 Season**, which will include the world premieres of *Belleville* by Amy Herzog and *The Realistic Joneses* by Will Eno; Sarah Ruhl's new version of Anton Chekhov's masterpiece, *Three Sisters*; Molière's *A Doctor in Spite of Himself*, adapted by Christopher Bayes and

Steven Epp; and William Shakespeare's *The Winter's Tale*. A third world premiere play will be announced soon.

ABOUT THE 2011-2012 SEASON

THREE SISTERS

By Anton Chekhov

A New Version by Sarah Ruhl

Directed by Les Waters

A co-production with Berkeley Repertory Theatre

September 16-October 8, 2011

Opening Night: September 22

University Theatre (222 York Street)

Discover the humor and heartbreak of one of the world's greatest plays, revealed through the lyricism of two leading voices in contemporary theatre: two-time Pulitzer Prize finalist Sarah Ruhl and director Les Waters, whose acclaimed collaborations include *Eurydice* at Yale Rep and the Tony Award-nominated *In the Next Room (or the vibrator play)* on Broadway.

Transplanted from their beloved Moscow to a provincial Russian town, three sisters—school teacher Olga, unhappily married Masha, idealistic Irina—yearn for the city of their childhood, where they imagine their lives will be transformed and fulfilled. *Three Sisters* is the portrait of a family grappling with the bittersweet distance between reality and dreams.

World Premiere

BELLEVILLE

By Amy Herzog

Directed by Anne Kauffman

October 21-November 12, 2011

Opening Night: October 27

Yale Repertory Theatre (1120 Chapel Street)

Amy Herzog, author of *After the Revolution*—heralded by *The New York Times* as “engrossing and incisive” and one of the Ten Best New Plays of 2010—makes her Yale Rep debut with *Belleville*. The world premiere will be directed by OBIE Award winner Anne Kauffman, who recently staged *We Have Always Lived in the Castle* at Yale Rep.

Young Americans Zack and Abby have the perfect ex-pat life in Paris: a funky bohemian apartment in up-and-coming Belleville; a stable marriage; and Zack's noble mission to fight pediatric AIDS. But when Abby finds Zack at home one afternoon when he's supposed to be at work, the questions and answers that follow shake the foundation of their seemingly beautiful life.

A DOCTOR IN SPITE OF HIMSELF

By Molière

Adapted by Christopher Bayes and Steven Epp

Directed by Christopher Bayes

A co-production with Berkeley Repertory Theatre

November 25-December 17, 2011

Opening Night: December 1

Yale Repertory Theatre (1120 Chapel Street)

"Playing doctor" takes on a whole new meaning as a marital squabble escalates into comic pandemonium. The spirited Martine exacts revenge on her scoundrel of a husband, Sganarelle, by convincing the town that he's the best doctor around and that he can cure any ailment. But the trickster turns the tables on his wife—and everyone else—with his own definition of "in sickness and in health."

Bursting with slapstick physical comedy, naughty innuendo, and irreverent hijinks, *A Doctor in Spite of Himself* marks the return to Yale Rep of Christopher Bayes and Steven Epp, whose *The Servant of Two Masters* had audiences and critics alike in stitches—including *The New York Times*, which rejoiced, "Now that's theatre!"

A NEW PLAY TO BE ANNOUNCED

February 3-25, 2012

Opening Night: February 9

Yale Repertory Theatre (1120 Chapel Street)

There's one more world premiere to come in our 2011-2012 season, continuing our exciting tradition of introducing brand new work to the American stage! Yale Rep audiences have been the first to experience vibrant new plays by vital voices in contemporary drama—including Athol Fugard, Suzan-Lori Parks, Christopher Durang, Marcus Gardley, David Adjmi, Sarah Ruhl, and August Wilson—before they reach wider audiences around the world. We will be thrilled to share information about this project with you later this spring!

THE WINTER'S TALE

By William Shakespeare

Directed by Liz Diamond

March 16-April 7, 2012

Opening Night: March 22

University Theatre (222 York Street)

Suspicious that his wife Hermione has been unfaithful, King Leontes of Sicilia imprisons the queen, orders the death of her suspected lover, and banishes his own newborn daughter. But callous hearts are redeemed—and broken ones mended—when the abandoned orphan falls in love with a Bohemian

prince. *The Winter's Tale* leaps from darkest tragedy to lighthearted romance and a truly magical conclusion.

OBIE Award-winning Resident Director Liz Diamond, whose recent productions at Yale Rep include the acclaimed American premiere of *Happy Now?* by Lucinda Coxon, delves deep into a trunk of old-fashioned stagecraft to bring to life the Bard's surprising tale of blinding jealousy and forgiveness.

Please note: *The Winter's Tale* is Yale Rep's 2011-2012 WILL POWER! production. The run includes three 10:30AM performances available only to middle and high school student groups. For information on WILL POWER! performances, please contact Ruth M. Feldman at (203) 432-8425 or rm.feldman@yale.edu.

World Premiere

THE REALISTIC JONESES

By Will Eno

Directed by Sam Gold

April 20-May 12, 2012

Opening Night: April 26

Yale Repertory Theatre (1120 Chapel Street)

Meet Bob and Jennifer, and their new neighbors John and Sally, two suburban couples who have more in common than their identical homes and the same last name on their mailboxes.

Two electrifying artists team up at Yale Rep for the world premiere of *The Realistic Joneses*. Dubbed "a Samuel Beckett for the Jon Stewart generation" by *The New York Times*, playwright Will Eno burst onto the scene in 2005—picking up a Pulitzer Prize nomination along the way—for his play *Thom Pain* (based on *nothing*). His recent *Middletown* was hailed as "totally engrossing" (Associated Press) and "utterly spellbinding!" (*Time Out New York*). Director Sam Gold's recent New York premieres of *Circle Mirror Transformation*, *The Aliens*, and *Tigers Be Still* have secured his place as one of the most insightful and sought-after directors of his generation.

ABOUT YALE REPERTORY THEATRE

Yale Repertory Theatre is dedicated to the production of new plays and bold interpretations of classics and has produced well over 100 premieres—including two Pulitzer Prize winners and four other nominated finalists—by emerging and established playwrights. Eleven Yale Rep productions have advanced to Broadway, garnering more than 40 Tony Award nominations and eight Tony Awards. Yale Rep is also the recipient of the Tony Award for Outstanding Regional Theatre. Established in 2008, the Yale Center for New Theatre is an integrated, artist-driven initiative that devotes major resources to the commissioning, development, and production of new plays and musicals at Yale Repertory Theatre and across the country. Professional assignments at Yale Repertory Theatre are integral components of the program at Yale School of Drama, the nation's leading graduate theatre training conservatory.

2011-2012 SUBSCRIPTION INFORMATION

Yale Repertory Theatre offers a variety of subscription packages for audiences to enjoy the entire season, starting at \$30 per ticket for the general public, and \$10 for students.

Subscriptions are available beginning March 10 online at www.yalerep.org, by phone (203) 432-1234, and in person at the Yale Rep Box Office (1120 Chapel Street) during regular business hours (Monday through Friday 10AM-5PM, Saturday 12-5PM, and until 8PM on all performance evenings).

2011-2012 Group Sales will be available beginning August 1 by calling (203) 432-1572.

Individual tickets for the entire season will go on sale on August 29.

###

www.yalerep.org

ROBINA FOUNDATION
2011 Annual Meeting
August 22-24, 2011
DRAFT

① Financial -

② Prog. Gov. Issues

③
 > Fund
 > Equal
 > Bsq. - Sustain.
 > long lease vs. short lease
 Gov. -

④ Proposals

⑤ Gov. - how apply
 here Directors

Monday, August 22:

- Board dinner - ~~at end~~

Tuesday, August 23:

- Foundation assets and investment:
 2 hrs? > Meeting with Mike Sullivan and representative of US Bank
- > Review of investment policy strategies and scenarios for spending out Foundation assets
- > Consideration of new Investment Policy
- Presentations by U of M, ANW, CFR, Yale? ?
- Other? (Speaker? Topic?)

Budgets

10 + 15 yr.
 scenarios

Tuesday Evening: Board social evening

Wednesday, August 24, morning: Regular Board Meeting including

- Governance:
 Lead Directors: role, rotation
 Board of Directors: Composition, Compensation, Size, Election
 Officers: Term, Designation
- Review of Annual reports from Yale School of Drama, University of Minnesota Law School, Council on Foreign Relations and Abbott Northwestern Hospital: decisions regarding 2011 payments
- Consideration of proposals for new grants and feedback from readers:
 University of Minnesota, ANWH / Allina, Yale, CFR
- Other topics? (Human Rights, Discretionary Fund)

Quarterly Rpts

Comm. for Calif. mto.

Unstructured time to talk abt.

U of M -
 at end.

- > Scenarios
- > Long-lease vs. short lease
- > Bd Terms.
- > Philosophy
- > Term limits

**Robina Foundation
Board Meeting Dates
2011**

DATE	PLACE/TIME
February 21-23, 2011 (Mon, Tues, Wed)	Council on Foreign Relations' Washington, DC Office (Lodging: The University Club) Monday, February 21 – 6:30 p.m. Dinner (EST) Tuesday, February 22 – 9 a.m. (EST) - CFR Offices Wednesday, February 23 – 8:00 a.m. to 2 p.m. (EST)
May 18, 2011 (Wednesday) Conference Call	10:00 a.m. to 12 noon (CDT)
August 22-24, 2011 (Mon, Tues, Wed) Annual Meeting	Minneapolis, MN Monday, August 22 – 6:00 p.m. Dinner (CDT) Tuesday, August 23 – 8 a.m. to 4 p.m. (CDT) Wednesday, August 24 – 8 a.m. to 12 noon (CDT)
November 15, 2011 (Tuesday) Conference Call	10:00 a.m. to 12 noon (CST)

Calendar for year 2011 (United States)

January Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 4:● 12:○ 19:○ 26:●	February Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 2:● 11:○ 18:○ 24:●	March Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 4:● 12:○ 19:○ 26:●
April Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 3:● 11:○ 17:○ 24:●	May Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 3:● 10:○ 17:○ 24:●	June Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 1:● 8:○ 15:○ 23:●
July Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 1:● 8:○ 15:○ 23:○ 30:●	August Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 6:○ 13:○ 21:○ 28:●	September Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 4:○ 12:○ 20:○ 27:●
October Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 3:○ 11:○ 19:○ 26:●	November Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 2:○ 10:○ 18:○ 25:●	December Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 2:○ 10:○ 17:○ 24:●

Holidays and Observances:

Jan 1 New Year's Day
Jan 17 Martin Luther King Day
Feb 14 Valentine's Day
Feb 21 Presidents' Day
Apr 24 Easter Sunday
May 8 Mother's Day

May 30 Memorial Day
Jun 19 Father's Day
Jul 4 Independence Day
Sep 5 Labor Day
Oct 10 Columbus Day (Most regions)
Oct 31 Halloween

Nov 11 Veterans Day
Nov 24 Thanksgiving Day
Dec 24 Christmas Eve
Dec 25 Christmas Day
Dec 26 'Christmas Day' observed

**Robina Foundation
Board Meeting Dates
2012 (Proposed)**

DATE	PLACE/TIME
February 20-22, 2012 (Mon, Tues, Wed) (President's Day, February 20)	California Monday, February 20 – 6:30 p.m. Dinner (PST) Tuesday, February 21 – 9 a.m. (PST) Wednesday, February 22 – 8:00 a.m. to 12 noon (PST)
May 15, 2012 (Tuesday) Conference Call	11:00 a.m. to 1 p.m. (CDT)
August 20-22, 2012 (Mon, Tues, Wed) Annual Meeting	Minneapolis, MN Monday, August 20 – 6:00 p.m. Dinner (CDT) Tuesday, August 21 – 8 a.m. to 4 p.m. (CDT) Wednesday, August 22 – 8 a.m. to 12 noon (CDT)
November 13, 2012 (Tuesday) Conference Call	10:00 a.m. to 12 noon (CST)

Calendar for year 2012 (United States)

<u>January</u>							<u>February</u>							<u>March</u>						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7				1	2	3	4				1	2	3	
8	9	10	11	12	13	14	5	6	7	8	9	10	11	4	5	6	7	8	9	10
15	16	17	18	19	20	21	12	13	14	15	16	17	18	11	12	13	14	15	16	17
22	23	24	25	26	27	28	19	20	21	22	23	24	25	18	19	20	21	22	23	24
29	30	31					26	27	28	29				25	26	27	28	29	30	31

<u>April</u>							<u>May</u>							<u>June</u>						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7				1	2	3	4	5				1	2	
8	9	10	11	12	13	14	6	7	8	9	10	11	12	3	4	5	6	7	8	9
15	16	17	18	19	20	21	13	14	15	16	17	18	19	10	11	12	13	14	15	16
22	23	24	25	26	27	28	20	21	22	23	24	25	26	17	18	19	20	21	22	23
29	30						27	28	29	30	31			24	25	26	27	28	29	30

<u>July</u>							<u>August</u>							<u>September</u>						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7				1	2	3	4							1
8	9	10	11	12	13	14	5	6	7	8	9	10	11	2	3	4	5	6	7	8
15	16	17	18	19	20	21	12	13	14	15	16	17	18	9	10	11	12	13	14	15
22	23	24	25	26	27	28	19	20	21	22	23	24	25	16	17	18	19	20	21	22
29	30	31					26	27	28	29	30	31		23	24	25	26	27	28	29
														30						

<u>October</u>							<u>November</u>							<u>December</u>						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6					1	2	3							1
7	8	9	10	11	12	13	4	5	6	7	8	9	10	2	3	4	5	6	7	8
14	15	16	17	18	19	20	11	12	13	14	15	16	17	9	10	11	12	13	14	15
21	22	23	24	25	26	27	18	19	20	21	22	23	24	16	17	18	19	20	21	22
28	29	30	31				25	26	27	28	29	30		23	24	25	26	27	28	29
														30	31					

Holidays and Observances:

Jan 1	<u>New Year's Day</u>	May	<u>Memorial Day</u>	Nov	<u>Veterans Day</u>
Jan 2	<u>'New Year's Day'</u> observed	Jun 17	<u>Father's Day</u>	Nov	<u>'Veterans Day'</u> observed
Jan 16	<u>Martin Luther King Day</u>	Jul 4	<u>Independence Day</u>	Nov	<u>Thanksgiving Day</u>
Feb 14	<u>Valentine's Day</u>	Sep 3	<u>Labor Day</u>	Dec	<u>Christmas Eve</u>
Feb 20	<u>Presidents' Day</u>	Oct 8	<u>Columbus Day (Most regions)</u>	Dec	<u>Christmas Day</u>
Apr 8	<u>Easter Sunday</u>	Oct 31	<u>Halloween</u>		
May	<u>Mother's Day</u>	Nov 6	<u>Election Day</u>		
13					

Add more holidays/observances: [Major Christian](#) [Major Jewish](#) [Major Muslim](#) [Common observances](#) Select: ☐

RESPONSES TO TOM CROSBY'S EMAIL DATED MARCH 22, 2011 REGARDING FUNDING ROCCO
LANDESMAN'S ARTPLACE AT \$500,000

March 22, 2011

Thanks much, Tom. I agree with your plan.

Steve (Steve Schroeder)

March 22, 2011

And I agree as well Tom - Nice!

Peter (Peter Karoff)

March 22, 2011

I am on-board. Thanks Tom for shepherding this through.

Kathleen (Kathleen Blatz)

Tom, I'm ok with the \$500,000.

Gordy (Gordon Aamoeth)

Email approval of \$500,000 grant
for the ArtPlace Initiative
Ratified by Board action at
May 18, 2011 Board Meeting

*fil
pcc*

Nancy Gilberg

From: Thomas Crosby [tcrosby@tcrosbylaw.com]
Sent: Tuesday, March 22, 2011 3:30 PM
To: 'Gordon Aamoth'; 'Blatz Kathleen'; 'Susan Berresford'; 'H. Peter Karoff'; 'Schroeder, Steve'
Cc: 'penny'; ngilberg@robinafoundation.org
Subject: ArtPlace

Each of us has now voiced an opinion on both the appropriateness of and the level of support for Rocco's ArtPlace request for a \$2,000,000 one time contribution which would be among the \$10,000,000 commitments over five years of several major foundations.

The consensus formed around a onetime gift of \$500,000. Those that were lower and higher have been contacted and have agreed to the consensus figure of \$500,000.

I do not think that we need to wait until May to act on this matter and would prefer informing Rocco of our decision now – we can deal with the specifics of funding later.

Rocco called her last week asking for Penny. Penny was not here and I took the call. He was asking for a status report. I told him that the Board was moving toward a consensus on a one time grant of \$500,000 but that the final decision had not been made. I emphasized that any gift would be out of our guidelines, would be a onetime contribution and would be made with the expectation that he would use it as an example of a smaller foundation participating in the ArtPlace concept (Peter's angle). He did comment that Jim Binger would have made a larger contribution were he around but, in balance, was very pleased with our direction and agreed that such a gift would be a good example for smaller foundations. He did not try to negotiate the number higher as I suspect he would have done if he thought it to be too low.

Please let me have your response as to whether we can inform Rocco now of the \$500,000 grant or whether we, as a Board, need further discussion.

AMENDMENT AND JOINDER TO MASTER FUNDING AND PARTICIPATION
AGREEMENT

THIS AMENDMENT AND JOINDER TO THE MASTER FUNDING AND PARTICIPATION AGREEMENT (this "Joinder") is effective as of June 21, 2011, by and among (i) NONPROFIT FINANCE FUND, a New York not-for-profit corporation ("NFF"), (ii) ROBINA FOUNDATION, a Minnesota-based private grantmaking foundation, ("Additional Funder"), and (iii) THE FORD FOUNDATION, in its capacity as Chair of the Funders Council ("Funders' Representative") on behalf of the Funders identified in the Agreement ("Funders").

RECITALS

A. NFF and the Funders are parties to that certain Master Funding and Participation Agreement dated as of January 13, 2011 (as amended, restated, modified, or supplemented from time to time, the "Agreement").

B. Pursuant to the Agreement, the Funders made Fundings to NFF in the amounts set forth in Schedule 1 to the Agreement.

C. The Agreement provides that new Fundings may be made by additional Funders from time to time to support the Initiative.

D. The parties are executing this Joinder pursuant to the requirements of the Agreement to (i) reflect the joinder of Additional Funder as a Funder under the Agreement and (ii) reflect certain modifications to the Agreement as set forth below.

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises and agreements contained in this Joinder and the Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby agree as follows:

Section 1. Amendment to Schedule 1 of the Agreement. Schedule 1 to the Agreement is hereby deleted in its entirety and replaced with the Schedule 1 attached to this Joinder.

Section 2. Joinder of Additional Funder. The Additional Funder joins in as a "Funder" under the Agreement and the parties hereby agree that all references in the Agreement to Funders shall include the Additional Funder.

Section 3. Reaffirmation. NFF and Funders' Representative, on behalf of all of the Funders, hereby reaffirm their obligations pursuant to the Agreement.

Section 4. Capitalized Terms. All capitalized terms used in this Joinder which are not specifically defined herein shall have the respective meanings set forth in the Agreement.

Section 5. Full Force and Effect. Except as expressly modified by this Joinder, all terms and conditions of the Agreement shall continue in full force and effect.

Section 6. Counterparts. This Joinder may be executed in counterparts by the parties hereto, and each such counterpart shall be considered an original and all such counterparts shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Joinder as of the day and year first above written.

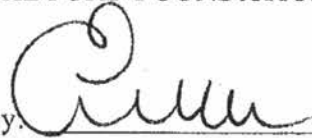
NONPROFIT FINANCE FUND

By: _____
Janet Thompson
Interim President and CEO

ROBINA FOUNDATION

By: _____
Penny A. Hunt
Executive Director

THE FORD FOUNDATION

By:  _____
Elaine Kranich
Director, Office of the Secretary

Section 6. Counterparts. This Joinder may be executed in counterparts by the parties hereto, and each such counterpart shall be considered an original and all such counterparts shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Joinder as of the day and year first above written.

NONPROFIT FINANCE FUND

By: 
Janet Thompson
Interim President and CEO

ROBINA FOUNDATION

By: _____
Penny A. Hunt
Executive Director

THE FORD FOUNDATION

By: _____
Elaine Kranich
Director, Office of the Secretary

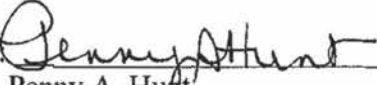
Section 6. Counterparts. This Joinder may be executed in counterparts by the parties hereto, and each such counterpart shall be considered an original and all such counterparts shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Joinder as of the day and year first above written.

NONPROFIT FINANCE FUND

By: _____
Janet Thompson
Interim President and CEO

ROBINA FOUNDATION

By:  _____
Penny A. Huft
Executive Director

THE FORD FOUNDATION

By: _____
Elaine Kranich
Director, Office of the Secretary

SCHEDULE 1

<u>Funder; Grant Reference Number</u>	<u>Amount of Commitment; Number and timing of Disbursements</u>	<u>Time Period in Which to be Utilized</u>	<u>Funder-Specific Uses</u>
The Ford Foundation	\$2,000,000		\$500,000 to be used for administrative expenses of the Initiative during the first year of the initiative, including compensation of the Director and related office and travel expenses, the administrative and legal expenses associated with the start-up of the Initiative, and reimbursement of expenses of NFF attributable to the start-up; \$400,000 to be held in contingency reserve for administrative costs.*
The James Irvine Foundation	\$2,000,000	Twelve months beginning 12/8/2010	Use of funds is restricted to support of projects based in California. Any funds granted to public agencies, or agencies established by the federal, state, or a local government, should supplement and not supplant government support.**
John S. and James L. Knight Foundation Grant No. 2010-0291	\$2,000,000	December 13, 2010– January 31, 2012	Use of funds is restricted to support of projects based in Akron, OH; Charlotte, NC; Detroit, MI; Macon, GA; Miami, FL; Philadelphia, PA;

* The NEA has also committed up to \$150,000 annually for up to three years to be used for certain administrative expenses, with the actual amount depending upon the availability of funds for each fiscal year.

** Notwithstanding the above restrictions, funds may be used on a pro-rata basis with other Fundings to cover overhead expenses, including administrative expenses and program expenses for assessment and public communications.

			San Jose, CA; and St. Paul, MN.** \$10,000 of the grant will be withheld for use in funding a Grant Expenditure Evaluation to be conducted in 2011.
Kresge Foundation	\$2,000,000		
The Andrew W. Mellon Foundation	\$2,000,000	One year, ending December 31, 2011	Use of funds is restricted to the 'Innovative Arts Engagement' Program Area described in Section 4.1.2 to support artistic initiatives of performing arts organizations consistent with the Mellon Foundation's grantmaking activities in performing arts as indicated on the Foundation's website. Use of funds for capital expenditures is prohibited.
The Bloomberg Family Foundation	\$2,000,000		Use of \$500,000 of the funds is restricted to refurbishing under-utilized buildings in New York City for artists' housing.
The Rockefeller Foundation	\$1,500,000	\$500,000 annually from January 1, 2011 to December 31, 2013	Use of funds is restricted to the 'Innovative Arts Engagement' Program Area described in Section 4.1.2 and the 'Planning and Design' Program Area described in Section 4.1.3. The first-year investment of \$500,000 is restricted to support New York City; the Rockefeller Foundation reserves the right to stipulate further geographic restrictions subsequently, to the extent its funds have not yet been expended.
Robina Foundation	\$500,000		

** Notwithstanding the above restrictions, funds may be used on a pro-rata basis with other Fundings to cover overhead expenses, including administrative expenses and program expenses for assessment and public communications.



70 West 36th Street
11th Floor
New York, NY 10018
212 868 6710 tel
212 268 8653 fax
nonprofitfinancefund.org

April 11, 2011

Penny A. Hunt
Executive Director
Robina Foundation
4900 IDS Center
80 South 8th Street
Minneapolis, MN 55402

Dear Ms. Hunt:

Nonprofit Finance Fund (NFF) is requesting \$500,000 to support the ArtPlace Initiative. We invite Robina Foundation to join other leading foundations and the National Endowment for the Arts to assist us in fulfilling our responsibilities under this groundbreaking initiative to promote arts and culture in building living, sustainable communities. We anticipate that this support will go toward the first year of this initiative in the form of a twelve month grant.

As described in detail in the attached Program Plan, through ArtPlace, NFF will work with a cohort of public and private sector partners to promote the role of the arts and culture in building livable, sustainable communities. With strategic investments that are intended to leverage substantial new funding, partners from public, private, nonprofit, and community sectors will shape the physical and social character of a neighborhood, town, city or region around arts and cultural activities. ArtPlace investments will animate public and private spaces, rejuvenate structures and streetscapes, improve local business vitality and public safety, and bring diverse people together to celebrate, inspire, and be inspired. In turn, these creative places will foster entrepreneurs and cultural industries that generate jobs and income, spin off new products and services, and attract and retain unrelated businesses and skilled workers.

Specifically, ArtPlace investments are intended to achieve the following objectives: arts and culture impact: to improve artistic quality, nurture innovation and creativity, and strengthen arts organizations' capacity; community impact: to create jobs, new businesses, and an invigorated sense of pride and place among residents; policy impact: to spur integration of arts and culture into community-building, place-based programs of federal, state, and city agencies; and financial impact: to leverage local financial support from the private and public sectors. ArtPlace investments will be made in four areas: (i) new development; (ii) innovative arts engagement; (iii) planning and design; and (iv) policy, research, and assessment. The investments in each of these four areas will be coordinated by an experienced Project Partner.



NFF will focus its ArtPlace investment management responsibilities in five key areas, including:

- (1) Collection and management of investments in the form of grants and loans received from foundations and other investors ("Funders"),
- (2) Upon the advice of the Funders and Director, disbursement of investment capital to Project Partners. Based on legal agreements, NFF will disburse, monitor and collect on these funds, as appropriate, and will report to the Funders on activity and results. In addition to the transfer of funds and underwriting and disbursement of loans, NFF will provide its professional advice to the Funders on the structure and implementation of the investments through the Project Partners.
- (3) Execution and management of all contracted consultants and services. NFF will engage a number of parties to carry out the ArtPlace initiative, including: the Director, legal counsel, auditors, and other supportive services. NFF will work closely with the Director as each investment decision is made and in the reporting on the outcomes and impact of the investments.
- (4) Finance and Administrative Support Team. Participation of a number of NFF staff will be required to ensure the proper investment, management, monitoring and reporting of the investment funds. These individuals or parties include: Controller, Finance department staff, Managing Director of NFF's loan fund, and NFF's auditor.
- (5) Financial Advisory Services. Beyond the fund and contractual management responsibilities listed above, NFF will also provide professional advisory services at various levels of the initiative.

For the inaugural year of operation, the Ford Foundation has agreed to pay the administrative expenses of ArtPlace to support the program funded by foundation grants. These expenses consist of: (i) the fee/salary of the Director and related office and travel expenses; (ii) the expenses of the Nonprofit Finance Fund, the ArtPlace Investment Manager; (iii) ArtPlace meeting expenses; (iv) ArtPlace legal expenses; and (v) other miscellaneous administrative expenses. The NEA will also provide some of the support for NFF through a cooperative agreement. In this first year, therefore, your \$500,000 grant will directly support ArtPlace investments in the four program areas listed above. The costs of supporting an ArtPlace loan component will be paid by participating lenders.

Nonprofit Finance Fund is a 501(c)(3) tax-exempt organization. Since its inception in 1980, NFF has become a national leader in meeting the financial and organizational needs of the nonprofit sector. NFF works to create a strong, well-capitalized and durable nonprofit sector that connects money to mission effectively. We are a leader in achieving that vision, investing to build effective, innovative organizations. True to its mission, NFF has helped thousands of organizations strengthen their financial health and improve their capacity to serve their communities. NFF serves both nonprofits and their funders, offering an integrated package of financial and consulting services, including loans, asset-building programs, workshops, business analyses, and other consultations to help nonprofit managers understand the



impact of management and program decisions on their finances. Attached are NFF's 2009 audited financials, IRS determination letter, 2011 organizational budget, and Board of Directors listing. Our website – www.nonprofitfinancefund.org --contains additional information.

NFF proposes to work cooperatively with you, National Endowment for the Arts and the other participating private philanthropies, financial institutions and others providing multi-layered resources and services toward the operation of the ArtPlace initiative. As a national intermediary and a Community Development Financial Institution (CDFI), NFF has a unique perspective on the link between money and mission in supporting financial sustainability in the social sector. Through our 30 years of capital deployment and financial consulting to the nonprofit sector, NFF has intimate knowledge of operating models and capital needs in the sector, the means by which revenue flows to these organizations, how they can build business models to most effectively utilize revenues and capital to achieve mission and how the current economic situation is further stressing an already fragile framework of arts and cultural institutions. Significantly, the NFF team for the ArtPlace initiative includes professionals with decades of experience in managing arts and cultural institutions, private and government grant-making and management, loan underwriting and portfolio management, and financial consulting.

Building a collaborative project team and joining the public and private funding arenas, it is expected that NFF's on-the-ground understanding of the sector, our experience managing complex funder initiatives, programmatic expertise of direct service providers (government and nonprofit sector) and the innovative partnership bringing together the philanthropic, governmental, and nonprofit sectors will lead to achieving the goals set forth under this proposed initiative. Since our founding in 1980, we have provided over \$200 million in financing to nearly 600 different nonprofits. The majority of that financing has occurred over the past six years.

NFF remains unique within the CDFI industry because of our virtually exclusive focus on small to mid-sized nonprofits organizations, across all sectors. We strive to build the financial, organizational, and decision making capacity among nonprofits that are working to improve conditions in some of the country's most distressed communities and have become an acknowledged leader in issues relating to nonprofit sustainability. We have a 30-year track record of success, and have brought conventional lenders into projects and communities that they had long shunned and have focused a large portion of our consulting and lending portfolio toward the arts and cultural sector, including:

- **Loans to Arts and Culture Organizations**
235 loans totaling \$62.9 million
34% of closed loans and 29% of total amount closed
- **Philanthropic Equity Deployed to Arts organizations**
398 grants totaling \$30.7 million
45% of transactions and 58% of total amount deployed



- **New Market Tax Credits**
40% of NFF's cumulative allocation finances projects developed by arts organizations
- **Consulting Clients**
58% of NFF's client base
- **Workshops**
25% of attendees

We look forward to partnering with you to build the long-term viability of some of our most innovative nonprofit leaders across the country. If you have any questions or require additional materials, please do not hesitate to contact Emily Guthman, Associate Director – Eastern Region, who will be responsible for providing the information you require to process this grant request. She can be reached at 212.457.4745 or emily.guthman@nffusa.org.

Sincerely,

A handwritten signature in cursive script, appearing to read "Janet Thompson".

Janet Thompson
Interim President and CEO

CC: Kristin Giantris
Emily Guthman

As of 10/21/10

ArtPlace¹

Revitalizing Communities through Arts and Culture

Program Plan

For two decades, American cities, suburbs and small towns have struggled with structural change and residential uprooting. Today, our nation faces a host of challenges. Businesses have closed, people are unemployed, homes and commercial properties have been abandoned. In short, communities are suffering and so are their residents. The capacity of the public and private sectors to respond on their own has been strained. Together, however, public agencies, foundations, corporations, and individuals can make a profound difference. ArtPlace has been created to respond to this opportunity.

ArtPlace is a new initiative focusing on the arts as creative placemakers. Through ArtPlace, the National Endowment for the Arts (NEA) will work alongside the nation's leading foundations and other public and private sector partners to promote the role of the arts and culture in building livable, sustainable communities. With strategic investments that are intended to leverage substantial new funding, partners from public, private, nonprofit, and community sectors will shape the physical and social character of a neighborhood, town, city or region around arts and cultural activities. ArtPlace investments will animate public and private spaces, rejuvenate structures and streetscapes, improve local business vitality and public safety, and bring diverse people together to celebrate, inspire, and be inspired. In turn, these creative places will foster entrepreneurs and cultural industries that generate jobs and income, spin off new products and services, and attract and retain unrelated businesses and skilled workers.² ArtPlace will embody the call to action recently voiced by a leading scholar: "Put creativity to work. Don't leave it on display."

ArtPlace is a unique venture. It is an unprecedented partnership between the NEA and leading foundations to advance the nation's place-based arts agenda. ArtPlace creates the opportunity for leadership from both the public and private sectors. It provides a robust capacity through the arts and culture to channel substantial resources to the best plans for significant revitalization of America's communities.

BACKGROUND

The genesis of ArtPlace occurred at an exploratory meeting in July 2010 at the Ford Foundation attended by the leadership of NEA and seven major foundations.³ At that meeting and in follow up discussions, there was broad consensus around the following points:

¹ The ArtPlace name is a working title, pending trademark clearance and registration.

² Based in part on the description in the executive summary of the 6/18/10 draft report of Ann Markusen and Anne Gadwa, "Creative Placemaking."

³ The Ford Foundation, James Irvine Foundation, John S. and James L. Knight Foundation, Kresge Foundation, Andrew W. Mellon Foundation, Open Society Institute, and the Rockefeller Foundation.

- Acceptance of the basic premise that cultural engagement, economic development, and neighborhood renewal are inextricably linked and that enhancing the cultural qualities that distinguish a region, city, or neighborhood helps to create a sense of place and a stronger sense of community.⁴
- Recognition that in general, there has been a dichotomy between those institutions that support the arts and culture and those that support community development and other place-based strategies; even within the same institution, programs and funding in these two areas often tend to be pursued separately. And many opportunities for creating sustainable, livable communities are missed because there is a general lack of recognition and knowledge that investments in arts and cultural projects can significantly contribute to this desired end. As one funder said, "Both money and opportunities are left sitting on the table."
- Enthusiastic support for the efforts of the NEA chair to engage other federal agencies in integrating arts and culture activities into their respective place-based funding programs.
- Encouragement to move forward with urgency in defining a place-based arts initiative and designating a vehicle in which core investments of private capital can be made and used to attract substantial additional funding from private and public sector sources at local, regional, as well as national levels.
- Support for developing an initiative that would rely on credible existing organizations, reflect lessons learned from other funder collaborations, operate with low overhead and non-bureaucratic agility, and be accountable for defined results.
- Endorsement of investing in place-based projects and programs that accommodate the various geographic and program interests of the founding funders. Places should include communities of all sizes and locations: urban, rural, suburban communities and small towns. Arts and culture should be construed broadly, reflecting diversity, community engagement, and high quality.
- Recognition that a broad-based coalition of the nation's leading foundations and others will create a more powerful force than would be likely with just a single funder, even if that funder provides the same magnitude of dollars. A network of such stature and visibility will attract additional funding and will demonstrate to public agencies and others the breadth of support for the NEA and its place-based objectives, tap extensive expertise, and enable investments to be made in a broad array of projects and programs.

MISSION

⁴ As articulated in Jeremy Nowak's report, *Creativity and Neighborhood Development*, "Arts and culture contribute to the qualities of place that, in turn can attract residents, consumers, and businesses. Creative industries have a measurable impact on employment, investment, and consumer spending."

To promote the arts and culture as central to creating livable, sustainable communities in our nation's cities, towns, and rural areas by providing grants, loans, and technical assistance, supporting research, advancing policy, and promoting best practices.

OBJECTIVES

- Demonstrate and promote the instrumental role that arts and culture play in building livable, sustainable communities
- Use a core investment to leverage substantial capital from foundations, corporations, financial institutions, and individuals
- In partnership with the NEA, cultivate other federal agencies to support arts and culture in their respective community-building, place-based programs
- Convince private and public sector entities devoted to community building -- particularly at the local level -- that arts and culture can be a driver for making those communities more livable and sustainable; foster effective partnerships with non-arts agencies and organizations to embrace arts and culture as a community-building, place-based strategy
- Through ArtPlace investments in targeted places: (i) promote a vibrant arts and cultural environment by advancing artistic excellence, innovation, and creativity; (ii) provide arts-related jobs and business opportunities, especially to underserved populations and locations; (iii) promote active engagement of people from all socioeconomic and ethnic backgrounds; (iv) empower marginalized communities; (v) address the capacity needs of arts programmers; and (vi) support leading arts organizations as they seek to increase participation and extend the arts and culture to underserved populations and communities
- Support needed research and advance important policy changes
- Create a place-based arts funding partnership of sufficient magnitude that will survive changes over time in federal agencies and personnel

INVESTMENTS

▪ Investment Objectives

Generally, ArtPlace investments should be defined and selected with the intent of achieving the following:

- Arts and culture impact: to improve artistic quality, nurture innovation and creativity, and strengthen arts organizations' capacity;
- Community impact: to create jobs, new businesses, and an invigorated sense of pride and place among residents;

- Policy impact: to spur integration of arts and culture into the community-building, place-based programs of federal, state, and city agencies; and
- Financial impact: to leverage local financial support from the private and public sectors.

In the aggregate, ArtPlace should include projects and programs in a variety of locations – cities, towns, suburbs, and rural areas – and reflect various elements of community revitalization that will appeal to corresponding interests of other federal agencies (e.g. investments that relate to transportation systems), foundations (e.g., investments that promote access and equity), and private sector financial institutions (e.g., ability to make loans as their preferred form of investment in target markets).

Finally, ArtPlace projects must be “catalytic” – “impactful, visible, and yielding significant returns.” As one potential funder asked, “Are we going for many touches or a few high impact projects?” The answer leans strongly to the latter. ArtPlace is looking for impact and leverage; the ability to demonstrate “amazing” results and say to others, “This is how it works.”

■ Investment Areas

ArtPlace investments will be made in four areas, where there will frequently be overlap: (i) new development; (ii) innovative arts engagement; (iii) planning and design; and (iv) policy, research, and assessment.

- New development: will involve physical development projects, such as creating live-work space for artists and community performance venues. An example is PS 109 in East Harlem, where the Ford Foundation has provided a grant of \$1,000,000 to help support the reconstruction of an abandoned school building into a mixed-use low income building where artists, their families, and cultural organizations can live, work, and contribute to the community around them. This grant is a critical piece of financing for a project that will cost in excess of \$60 million, with the balance of support coming from a variety of public and private sector sources. The preservation and rejuvenation of PS 109 will have a ripple effect in revitalizing an at-risk New York City neighborhood.
- Innovative arts engagement: will include transforming community sites into public art spaces and creating new ways to engage people with the arts, such as through cutting edge multimedia approaches; producing festivals, community wide celebrations, and outdoor exhibitions; and commissioning temporary and/or permanent site-specific public art such as murals and sculptures, including free-standing site-specific art, free public performances, sculpture gardens, waterfront art walks, and artist studios; and supporting significant efforts of established “white marble” arts and cultural institutions to address the needs of underserved communities. This ArtPlace program area could include such projects as Lafayette College’s program in Easton, Pennsylvania to establish a yearlong festival of art events that will showcase juried outdoor art installations created with labor, materials, and design inspiration from one of Easton’s largest, most diverse and most challenged low- and moderate-income neighborhoods.

Or Carnegie Hall's program for a series of top quality chamber music performances to take place in homeless shelters, hospitals, prisons, senior centers, and other institutional settings.

- Planning and design: will include projects to conduct arts and creative industry/district planning, cultural and artist live/work facility planning, planning for regional creative economy initiatives, and projects to stimulate design excellence in infrastructure and in community outreach. This ArtPlace program area will encompass support for such efforts as the team of artists and urban designers assembled to develop a master plan for Winston-Salem. That plan will incorporate art and a high level of design into the highway infrastructure to create a new visual environment affecting how the nearly million residents and visitors perceive their surroundings. Or Dallas' CityDesign Studio's Connecting the City project, which will use design to overcome physical barriers separating Dallas' communities. This will include cultural mapping of the creative community, with input from all citizens on how to build the city with specific focus on the arts and design.

- Policy, research, and assessment:

Policy. As projects are selected, funded, and implemented, issues and opportunities warranting policy change will most likely be identified, such as the need for new tax credits, new federal legislation facilitating public-private arts partnerships, and possible amendments to the Community Reinvestment Act. Appropriate strategies will be developed and pursued to bring about needed changes.

Research. Much work needs to be done in learning about the direct and indirect impacts of creative placemaking and how these impacts can be measured. ArtPlace will support research such as: Ann Markusen and Anne Gadwa's work on Creative Placemaking that, among other things, addresses the challenges in successful creative placemaking and reviews characteristics shared by successful arts-related revitalization efforts around the country; the "Soul of the Community Study" conducted by Gallup and funded by the Knight Foundation addressing 'What makes a community a desirable place to live? What draws people to stake their future in it? Are communities with more attached residents better off?'; and the American Planning Association's work on the Role of the Arts and Culture in Planning Practice.

Assessment. It will be important to develop a set of indicators to enable ArtPlace to assess and measure implementation progress and impact. A firm should be engaged as the investments/projects are defined to gather baseline information and assess results. Work underway at the Knight Foundation, the NEA, and others on developing appropriate metrics should be starting points for this effort.

- Investment/project selection

Projects for ArtPlace investment will be selected upon the advice of the private sector funders to the Investment Manager (See below for discussion of the Investment Manager and legal restrictions applicable to the NEA).

Most of the founding funders (the initial group of foundation funders) have geographic and/or programmatic criteria and interests for their arts and culture investments. ArtPlace projects will be selected by the Investment Manager upon the advice of the funders to accommodate these interests and requirements. They will be identified through ongoing consultations among the funders having specific interests⁵, a small working group of funders, the Director, the Investment Manager and the Project Partners (See below). In order to reconcile the goal of investing in "best idea" impact projects with the goal of meeting funder geographic requirements and interests, the selection process will require the parties to be nimble, agile, and opportunistic. Other projects will be selected to meet more general funder advice. For example, the funders might advise for various reasons to invest in city X. The Director and relevant Project Partner (see below) would then consult with appropriate local and national officials to identify or shape a project in that locality consistent with ArtPlace investment objectives. Finally, the Project Partners will take the lead in recommending projects that meet investment objectives. These projects could be selected through a competitive process. ArtPlace investment strategy will not entail the upfront selection of an announced number of specific places from which projects would be selected.

Once investments have been defined and described in writing, they will be presented to the private sector funders for review and comment and then to the Investment Manager for approval.

- Allocation of funds among the four program areas

The allocation of funds among the four program areas will not be determined in advance, but will evolve through the selection of projects. Accordingly, it is highly unlikely that the amounts will be equal among the four areas or that investments will occur at the same time. At some point after experience has been gained through initial project selections, percentage or dollar allocations might be established among the program areas as a guide for future investments.

- Overlap between NEA projects and ArtPlace funding

In advising on project investment decisions, the private sector funders may recommend to support already funded NEA projects or complements to those projects (e.g., NEA projects funded through the MICD 25 Program or projects selected by HUD-NEA under the recently announced Sustainable Communities Grants Programs) or projects to be selected by NEA in the future (e.g., under its proposed Our Town program). In such case, ArtPlace will invest additional dollars in or alongside some of these programs.

As discussed below, the NEA, on the other hand, must act in a different manner and cannot reciprocate by directly choosing to support projects recommended by the private sector funders.

⁵ For those investments designed to accommodate specific funder interests and requirements (e.g., Irvine Foundation investments in California), ArtPlace would assure, for example, that Irvine-approved ArtPlace California investments receive at least the amount of Irvine-invested funds in ArtPlace, less Irvine's pro-rata portion of required administrative costs.

For almost all of its grant programs, NEA must follow its competitive, panel-driven process. That means that the NEA staff cannot administratively select projects or locations for NEA funding that complement projects selected by ArtPlace. However, assuming the selection criteria for Our Town (and other NEA programs) are similar to the investment objectives for ArtPlace, there is likely to be overlap.

STRUCTURE, GOVERNANCE, ROLES, AND OPERATIONS

▪ Guiding principles

- No new organizations will be established; will rely on established entities
- Overhead will be minimized
- Operations will be nimble and non-bureaucratic
- Will be accountable for results

▪ Overview (see attached chart)

- NEA and private sector funders
- Investment Manager
- Director
- Project Partners (for each of the four program areas)
 - New development
 - Innovative arts engagement
 - Planning and design
 - Policy, research, and assessment

▪ The NEA and the private sector funders

Consistent with the terms of a Memorandum of Understanding, the NEA and private sector funders will support the operation of ArtPlace. In addition to providing funding for the initiative,⁶ the funders will select the Investment Manager and recommend selection of the Director and Project Partners; advise on investment criteria and investments; advise on research and policy needs; working with the Director seek additional funding for ArtPlace;⁷ monitor investments; and review reports on results. The NEA and funders will meet at least twice each year. The funders may decide to establish one or more committees to focus on each of the four investment areas and the communications function (see below). As the number of funders increases, they may choose to create a small working group to serve like an executive committee. The funders will select a chair or co-chairs to represent them, which will rotate every two or three years.

As a government agency, the NEA is subject to certain legal restrictions. For example, NEA project support must be made through its competitive, panel-driven procedures; and the NEA must avoid showing any favoritism to one locality or project over another. Beyond that, NEA

⁶ The NEA intends to enter a Cooperative Agreement with the Investment Manager, as appropriate, through which it will provide funds to support some of the administrative costs borne by the Investment Manager.

⁷ Significant funding can also be raised through required local match on ArtPlace projects.

officials can attend funder meetings and give general advice (e.g., on policy, investment criteria) and describe factual situations (e.g., describe arts-related aspects of a given locality). They cannot give opinions on specific ArtPlace projects and must not participate in the recommendation and evaluation of specific projects. A Memorandum of Understanding will be entered into between the NEA and the private sector funders that carefully defines NEA's role, outlining what it can and cannot do.

- Investment Manager

A 501(c)(3) tax-exempt organization will have discretion and control over, and responsibility for how the grants provided by the funders will be spent, within the charitable purposes set forth in the Master Grant Agreement and upon the advice of the funders. Specifically, the Investment Manager will: (i) receive grants from foundations, individuals, and others; loans from financial institutions; and program-related investments from foundations; and (ii) upon the advice of the funders, grant, re-loan, and enter contracts to disburse those funds. To deal with loans, as a recipient/borrower, the Investment Manager must have a strong balance sheet to provide ample comfort to lenders; and as a re-lender, it must be experienced in providing this form of financing. The Investment Manager will also execute and manage all contracted consultants and services, monitor all investments and report to the funders on activity and results. In addition to the transfer of funds and underwriting and disbursement of loans, the Investment Manager will provide its professional advice on the structure and implementation of the investments through the Project Partners. Beyond the fund and contractual management responsibilities listed above, the Investment Manager may also provide professional advisory services at various levels of the initiative.

The funders have requested the Nonprofit Finance Fund to serve as Investment Manager. With headquarters in New York City, NFF was established in 1980 and provides financial resources in the form of loans, grants, and asset-building programs in concert with management advice. NFF works directly and with funders to strengthen nonprofit organizations around the country and the systems by which they are funded. See: www.nonprofitfinancefund.org

- The Director

The Director will be critical to the success of the initiative. The person in this position will most likely serve ArtPlace as a contract employee of the Investment Manager and will work closely with the funders. He/she will primarily be a manager, with strong skills in facilitating and coordinating multiple parties, functions, and issues. The Director should also be someone respected in the field of arts and culture who can serve as a public voice for ArtPlace as a representative of the funders and the Investment Manager. Specifically, the Director will facilitate interaction among the funders, the Investment Manager and ArtPlace Project Partners, various engaged professionals (e.g., attorneys and communications⁸ firms), and

⁸ A major objective of ArtPlace is to promote best practices identified from its investment projects and to report publicly on the progress and results of its investment efforts – all with the intent to establish and inform decision makers and the public about a new paradigm that recognizes the contribution of arts and culture to developing livable, sustainable communities. Having a communications capacity is therefore important to ArtPlace, which may choose to engage a communications firm and/or rely on staff of one or more of the private sector funders and the NEA.

others outside of the ArtPlace family, play a leading role in fundraising, and, working with the Investment Manager and Project Partners, oversee the review, recommendation, and management of investments.

■ Project Partners

The Project Partners will be the project managers in each of the four program areas and will act at the direction of the Investment Manager, acting through the Director, in carrying out recommended funder priorities. Each Project Partner will have a credible core competency in its assigned program area -- new development; innovative arts engagement; planning and design; and policy, research and assessment. Working with the Director and appropriate funder committee, they will identify and recommend projects for approval, and will invest ArtPlace funding (received from the Investment Manager) in approved projects, provide technical assistance, and monitor project progress. Organizations that could serve in these Project Partner capacities are⁹:

- Artspace (New development)¹⁰

The Minneapolis-based Artspace was established in 1979 to create, foster, and preserve affordable space for artists and arts organizations. Artspace pursues this mission through development projects, asset management activities, consulting services, and community-building activities that serve artists and arts organizations of all disciplines, cultures, and economic circumstances. See: www.artspace.org/

- On the Boards (Innovative Arts Engagement)¹¹

Founded by artists in 1978, the Seattle-based On the Boards introduces audiences to international innovators in contemporary dance, theater, and music while developing and presenting new work by Northwest performing artists. On the Board's primary activities also include a video-on-demand platform presenting film versions of contemporary performance in high-definition formats to online audiences; an annual two-week festival of world premiere contemporary performances and works-in-progress by Northwest artists; and a monthly showcase of short new works and works-in-progress by local artists. See: www.ontheboards.org

- The Reinvestment Fund (Planning and Design)¹²

Since its inception in 1985, the Philadelphia-based TRF has become a national leader in the financing of neighborhood revitalization and providing data analysis to public and private partners. TRF works closely with a diverse network of investors and business partners to galvanize private initiative and capital. TRF has been a pioneer in community mapping and in 2007 published a seminal study

⁹ The organizations described and listed below are suggestions only.

¹⁰ An alternative is the Local Initiatives Support Corporation. See: www.lisc.org

¹¹ An alternative is Creative Capital. See: <http://creative-capital.org>

¹² An alternative is Urban Land Institute. See: www.uli.org

in collaboration with the Social Impact of the Arts Project at the University of Pennsylvania, "The Power of Place-Making: A Summary of Creativity and Neighborhood Development. See: www.trfund.com/

- The Brookings Institution (Policy, Research, and Assessment)¹³

The Brookings Institution is a public policy organization based in Washington, DC that traces its beginnings to 1916. Its mission is to conduct high-quality, independent research and, based on that research, to provide innovative, practical recommendations that advance three broad goals: strengthening American democracy; fostering the economic and social welfare, security and opportunity of all Americans; and securing a more open, safe, prosperous and cooperative international system. See: www.brookings.edu/

- Role of other federal agencies

One of ArtPlace's primary objectives is to encourage other federal agencies to integrate arts and culture into their place-based program funding. A good example is the relationship established between the United States Department of Housing and Urban Development (HUD) and the NEA with respect to HUD's Sustainable Communities Grants Programs. Because the investments to be selected for ArtPlace financial support will be designed, in part, to relate to and accommodate federal investment (see above investment objectives), it is possible that one or more agencies may choose to invest in projects supported by ArtPlace, enter into joint funding programs similar to the HUD/NEA partnership mentioned above, or choose to join ArtPlace as a participant in the funder collaborative.

- Role of additional private sector funders

A governance approach should be devised to accommodate the ongoing addition of new funders to ArtPlace beyond the core group of founding funders. As new funders join the ArtPlace partnership over the coming months, at some point, it may be necessary to consider: (i) establishing a small working group, similar to an executive committee; (ii) establishing a tiered system for funders based on dollar amounts contributed; and (iii) establishing a network of local funders that support specific ArtPlace investments in their locality.

- Required agreements

A number of agreements will be required to launch and operate ArtPlace. These will consist of: (i) a Memorandum of Understanding that will govern the relationship between NEA and the private-sector funders; (ii) a Participation Agreement that will govern the relationship among the various private sector funders on such matters as decision making,

¹³ An alternative is the Urban Institute. See: www.urban.org

funding commitments, etc.);¹⁴ (iii) a Master Grant Agreement between the funders and the Investment Manager; (iv) a Master Loan Agreement between lenders to ArtPlace and the Investment Manager; (v) a Cooperative Agreement between the NEA and the Investment Manager, as appropriate; (vi) contracts between the Investment Manager and the Director, legal counsel, and other service providers; (vii) agreements between the Investment Manager and Project Partners; and (viii) funding agreements for each investment.

FUNDING

▪ Amount and timing

ArtPlace anticipates receiving approximately \$15 million from the founding funders and the NEA by the end of the first quarter of 2011, with most of it being committed in 2010. With this core in hand, the goal is to increase this amount to at least \$45 million by the end of 2013, through new participants and increased funding from the founders.

▪ Types of funding

Funding from the founding foundations will, at least initially, take the form of grants. In the future some foundations may choose to make program-related investments (PRIs). Financial institutions will most likely structure their support of ArtPlace in the form of loans, with grants to cover their share of administrative costs.¹⁵

▪ Uses of funds

The vast majority of the funds will be used to support the investment opportunities in the four investment areas. A modest portion will be used for ArtPlace administration, including: (i) the fee/salary of the Director and related office and travel expenses; (ii) the expenses of the Investment Manager; (iii) ArtPlace meeting expenses; (iv) ArtPlace legal expenses; and (v) other miscellaneous administrative expenses.

▪ Flow of funds

All funds provided by the foundations and others will be granted or loaned to the Investment Manager for: (i) regranting or reloaning to investment projects through the Project Partners; and (ii) contracting with the Director, Project Partners, and other professionals (e.g., legal and communications). All funds will be pooled and, as necessary, allocations between program and administrative costs will be determined. NEA funds may also be provided to the Investment Manager to support defined ArtPlace administrative costs, as described in the proposed Cooperative Agreement.

¹⁴ The Memorandum of Understanding and the Participation Agreement could possibly be combined into one document.

¹⁵ This is based on the assumption that financial institutions will be interested in contributing only very small amounts of grant support, if any. Their interest will lie primarily in making loans to creditworthy projects, which can be done in the form of pooled investments through ArtPlace.

SCHEDULE AND NEXT STEPS

▪ October – December 2010

Engaged counsel for ArtPlace funders.

Prepared ArtPlace administrative budget.

Negotiated Master Grant Agreement between the funders and the selected Investment Manager.

Several founding funders made initial grants to the Investment Manager; launched processes for first quarter 2011 grants from other founders

NEA made decision regarding a cooperative agreement with the Investment Manager and if positive, entered that agreement

Confirmed use of ArtPlace name for the initiative

Sought participation from financial institutions

Selected the Director

Discussed Project Partners

Began drafting agreements needed for ArtPlace operations

Launched process for identifying investments

NEA continued outreach to other federal agencies

▪ January – June 2011

Execute agreements needed for ArtPlace operations

Identify initial project investments

Obtain remainder of grant funding from founding funders

Determine approach for obtaining communications assistance for public launch of ArtPlace

Hold first meeting of NEA and private sector funders and the Investment Manager; among other actions, upon the advice of the funders, the Investment Manager will consider first round of investments for approval

Publicly announce ArtPlace

Relevant Project Partner oversees development of an assessment plan and engagement of assessment team

Reach out to potential new funders

NEA selects Our Town grantees, pending the outcome of NEA's FY 2011 Congressional budget request

NEA continues to reach out to other federal agencies

■ July 2011 – December 2013

Select additional investment projects

Monitor performance of investments

Develop policy and advocacy strategies

Continue outreach with potential new funders, public and private

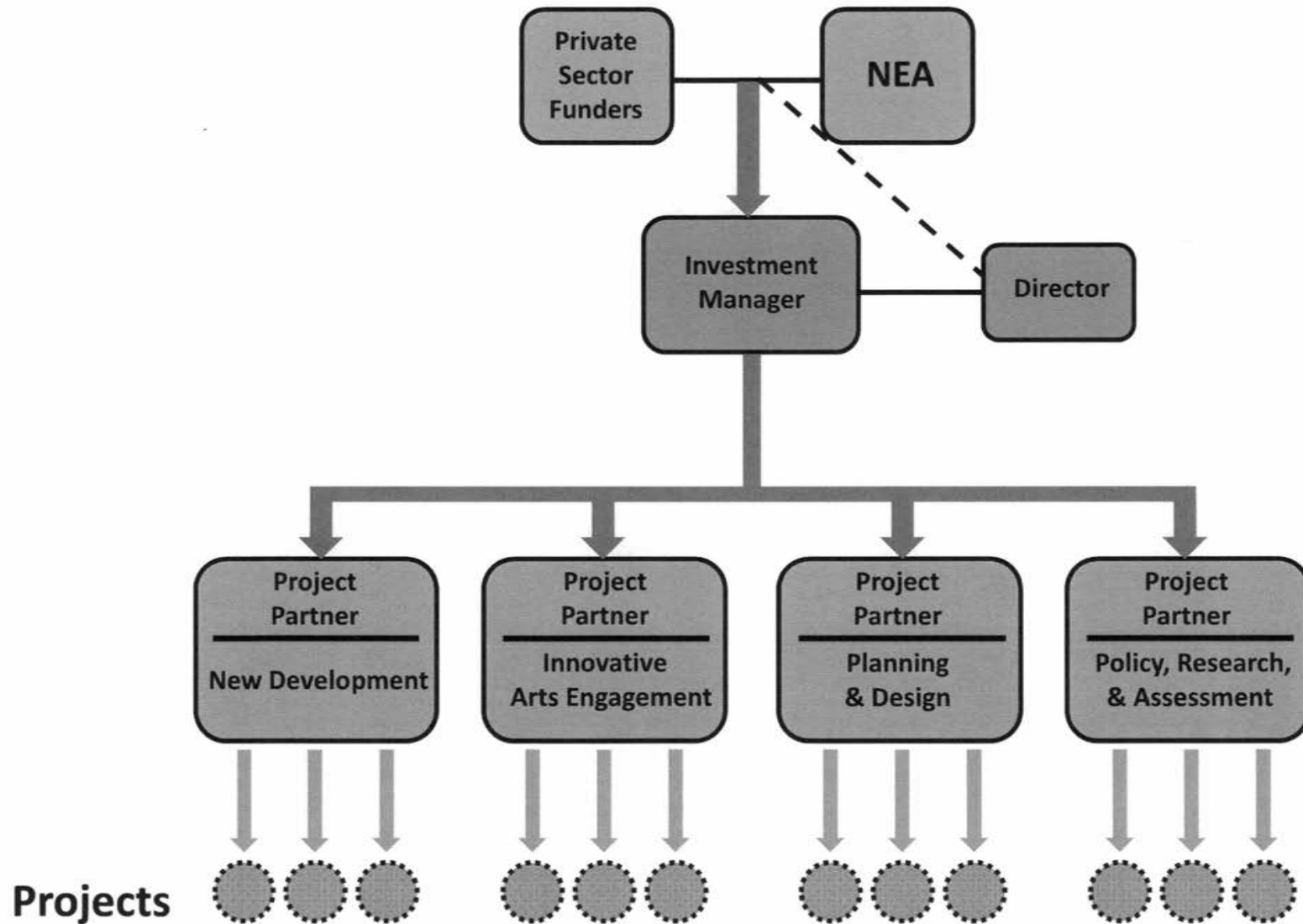
Determine how additional funders to be integrated into ArtPlace structure

Issue three-year report(s) of ArtPlace operations and accomplishments

Decide whether to continue ArtPlace beyond December 2013

ArtPlace

Structure and Flow of Funds



EXECUTION COPY

MASTER FUNDING AND PARTICIPATION AGREEMENT

between

NONPROFIT FINANCE FUND

and

THE FUNDERS PARTY HERETO

for the support of

a New Creative Placemaking Initiative

Dated as of January 13, 2010

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1	
FUNDING COMMITMENTS.....	3
Section 1.1 Initial Funding.....	3
Section 1.2 Additional Funding	4
ARTICLE 2	
PURPOSE OF THE FUNDING	4
Section 2.1 General Charitable Purpose	4
Section 2.2 Impact Objectives	5
ARTICLE 3	
PROJECT OVERSIGHT	5
Section 3.1 NFF	5
Section 3.2 Director	6
Section 3.3 Funders Council	7
Section 3.4 Operations Advisory Committee	8
Section 3.5 Spinoff or Modification	8
ARTICLE 4	
USE OF PROCEEDS	9
Section 4.1 Program Parameters	9
Section 4.2 Procedure for Defining Specific Program Parameters.....	10
Section 4.3 Third-Party Assessment	11
Section 4.4 Budget	12
ARTICLE 5	
CONDITIONS OF FUNDERS' OBLIGATIONS.....	13
Section 5.1 	13
ARTICLE 6	
LEGAL COMPLIANCE AND REPORTING REQUIREMENTS	14
Section 6.1 Reporting Requirements.	14
Section 6.2 Compliance.	16
ARTICLE 7	
REPRESENTATIONS OF NFF	18
Section 7.1 Organization and Powers	18

TABLE OF CONTENTS
continued

	<u>Page</u>
Section 7.2 Tax-Exempt Status; Charitable Purpose	19
Section 7.3 Authorization; Binding Agreement.....	19
Section 7.4 No Conflicts	19
 ARTICLE 8	
GENERAL TERMS AND CONDITIONS	20
Section 8.1 Loan Fundings	20
Section 8.2 Publicity, Publications, and Communications	20
Section 8.3 Publications; Licenses.....	20
Section 8.4 Tax Status.....	20
Section 8.5 Existence and Properties	20
Section 8.6 Notice to Funders	21
Section 8.7 Entire Agreement	21
Section 8.8 Notices	22
Section 8.9 Assignment	22
Section 8.10 No Pledge	22
Section 8.11 Anti-Discrimination	23
Section 8.12 No Joint Venture	23
Section 8.13 No Waivers	23
Section 8.14 Counterparts	23
Section 8.15 Governing Law	23
Section 8.16 Severability	23
Section 8.17 Modification; Amendment.....	23
Section 8.18 Termination.....	24
Section 8.19 Other Parties.....	25

MASTER FUNDING AND PARTICIPATION AGREEMENT

THIS MASTER FUNDING AND PARTICIPATION AGREEMENT ("Agreement"), dated and effective as of January 13, 2011, (the "Initial Commitment Date") is made and entered into by and between the NONPROFIT FINANCE FUND, a New York not-for-profit corporation ("NFF"), with offices at 70 West 36th Street, 11th Floor, New York, NY 10018, and each of the organizations listed as a funder on Schedule 1 to (and forming part of) this Agreement together with any other organizations that may from time to time be joined as a party hereto as a funder (collectively, the "Funders" and each individually, a "Funder") (the above parties collectively, the "Parties" to this Agreement).

RECITALS

WHEREAS, NFF is a New York not-for-profit corporation that was formed for charitable, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and has been recognized by the Internal Revenue Service (the "IRS") as a tax-exempt organization described in Section 501(c)(3) of the Code and a public charity within the meaning of Section 509(a)(1) of the Code;

WHEREAS, NFF is a national Community Development Financial Institution that endeavors to create a well-capitalized, sustainable nonprofit sector by providing a broad array of advisory services to nonprofit organizations and community organizations, including many arts and cultural organizations, in order to strengthen their abilities to carry out their missions and programs more efficiently and effectively;

WHEREAS, historically there has been a divide between those institutions and charitable programs that support the arts and culture and those that support community and economic development and other place-based strategies;

WHEREAS, National Endowment for the Arts ("NEA") and a number of leading private foundations, including many of the Funders, are interested in breaking down the divide between

these two program areas through a strategy of “creative placemaking,” which uses investments in the arts and other cultural or creative assets to support and enhance the physical, social and economic resiliency of neighborhoods, towns, cities and regions;

WHEREAS, the NEA and the Funders have developed a new creative placemaking initiative (the “Initiative”) to accomplish this goal;

WHEREAS, NFF supports innovative initiatives aimed at achieving positive community development outcomes in diverse program areas and believes that the Initiative can serve as an effective mechanism to utilize the arts and culture to catalyze community revitalization and creative placemaking;

WHEREAS, NFF has presented the Funders with a proposal (the “Proposal”) for its sponsorship of the Initiative as a complement to its existing community and economic development programs and its support of arts and cultural organizations;

WHEREAS, NFF and the Funders have engaged in an ongoing dialogue that has further shaped the vision for the Initiative and refined and updated what was set forth in the Proposal, and this Agreement reflects the results of such dialogue;

WHEREAS, the Funders and the NEA believe that it is imperative to establish a broad-based funder coalition to support the Initiative in order to (1) demonstrate to public agencies and potential private funders the breadth of support for the Initiative’s vision and its creative placemaking objectives, (2) provide the Initiative with access to the diverse and extensive programmatic expertise present at the various funding organizations, and (3) enable the Initiative to support a broader array of projects and programs;

WHEREAS, it is anticipated that the NEA will support the startup of the Initiative by providing NFF with up to \$150,000 annually for up to three years (to the extent of available funds for each fiscal year) to fund a portion of NFF’s administrative expenses with respect to the Initiative;

WHEREAS, the NEA and the Funders intend for their participation in the Initiative to (1) encourage other federal agencies to invest in arts and culture as part of their community-building, place-based programs and (2) leverage additional funding from foundations, corporations, financial institutions and individuals, and it is expected that additional funders will continue to join as Funders and signatories of this Agreement after the Initial Commitment Date;

WHEREAS, it is anticipated that NFF, for the purpose of the Initiative, will receive approximately \$12 million in support by the end of the first quarter of 2011 from the Funders herein and, in coordination with the continuing fundraising efforts of the Funders, the goal for the Initiative is to raise at least \$36 million in grants or loans by the end of 2013;

WHEREAS, in furtherance of the charitable purposes and program goals set forth above, each Funder desires to provide funding support, in the amounts set forth on Schedule 1, with respect to the Initiative, upon the terms and conditions set forth herein; and

WHEREAS, NFF has executed preliminary grant agreements with certain Funders in order to facilitate the timely disbursement of the Fundings contemplated herein, and it is the intention of the parties to the aforementioned preliminary grant agreements that those agreements be replaced and superseded by this Agreement upon this Agreement's execution.

NOW, THEREFORE, on the terms and premises set forth herein, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

ARTICLE 1 FUNDING COMMITMENTS

Section 1.1 Initial Funding. Each Funder agrees to make a grant or a loan (each a "Funding") in the amount set forth opposite such Funder's name on Schedule 1, subject to the terms and conditions of this Agreement, including any specific restrictions specified by the Funder and listed on Schedule 1 opposite such Funder's name.

Section 1.2 Additional Funding. In order to join a new Funder to this Agreement, NFF, a Chair of the Funders Council (described below in Section 3.2) or his or her designee, as representative of the Funders, and such new Funder, shall execute a Joinder to this Agreement substantially in the form attached hereto as Exhibit A-1 (the “Joinder Agreement”), which Joinder Agreement, when fully executed, shall be appended to and become a part of this Agreement. Any existing Funder may increase its funding commitment from time to time by executing, along with NFF and a Chair of the Funders Council, or his or her designee, as representative of the Funders, an amendment substantially in the form attached hereto as Exhibit A-2.

ARTICLE 2 PURPOSE OF THE FUNDING

Section 2.1 General Charitable Purpose. The general charitable purpose of the Funding is to further the Initiative’s mission to promote the role of arts and culture as key drivers in creating livable, sustainable communities by enhancing the physical, economic, and social resiliency of neighborhoods, towns, cities and regions, including rural areas, by supporting the Initiative’s strategic deployment of arts and cultural resources and development of creative places to foster entrepreneurs and cultural industries that generate jobs and income, spin off new products and services, and attract and retain businesses and skilled workers, all in furtherance of the exempt purposes of the Funders, as described in Section 170(c)(2)(B) of the Code, of relieving the poor and distressed, combating community deterioration, revitalizing distressed communities, and lessening the burdens of government.

Section 2.2 Impact Objectives. Within the broad purposes set forth in Section 2.1, the Initiative shall focus on achieving the following measurable impact objectives in furtherance of creative placemaking:

2.2.1 Community Impact: to support a reinvigorated local economy and a renewed sense of pride, possibility, and distinctive place among residents;

2.2.2 Policy Impact: to spur the integration of creative placemaking into the community-building, place-based programs of federal, state, and city agencies;

2.2.3 Arts and Culture Impact: to expand access to artistic excellence, nurture innovation and creativity, and strengthen the capacity of arts organizations; and

2.2.4 Financial Impact: to leverage local financial support from the private and public sectors.

ARTICLE 3 PROJECT OVERSIGHT

Section 3.1 NFF. NFF shall administer and implement the Initiative as a project of NFF and oversee the expenditure, monitoring and reporting of the Fundings. In addition to the expenditure, monitoring and reporting obligations specified in this Agreement and pursuant to any applicable law, rule or regulation, NFF shall contribute its facilities, personnel and technical expertise with respect to the structuring and implementation of the grants and other investments to be made in connection with the Initiative, in coordination with the Project Partners (defined below). Subject to the provisions of this Agreement, NFF shall be responsible for retaining such personnel and third-party service providers as NFF deems desirable in connection with its responsibilities concerning the Initiative and its obligations hereunder, including, but not limited to, retaining consultants to provide an assessment of the Initiative (described below) and to maintain a program of regular communications, including an independent, free-standing website,

to inform the public about the progress of the Initiative. In addition to the services of the Director (described below), NFF shall provide facilities, administrative and programmatic support to the Initiative, and make available to the Initiative the services of its Controller, Finance Department staff, Loan Fund Managing Director, auditor, and other officers or staff members, and shall hire and/or contract additional staff, as needed.

Section 3.2 Director. Consistent with its obligations and responsibilities set forth above and herein, NFF shall retain the services of an executive director (the “Director”) for the Initiative who shall, on behalf of NFF, manage and oversee the activities and operations of the Initiative and shall serve as NFF’s primary liaison to the Funders with respect to the Initiative. Among his or her responsibilities, the Director, in consultation with the President of NFF or his or her designee, shall be responsible for reviewing and recommending to NFF the retention of third-party service providers, including Project Partners, to support the Initiative. The terms of the engagement of third-party service providers or Project Partners, shall be developed by the Director, in consultation with the President of NFF or his or her designee. The selection of the Director shall be subject to the approval of the Funders Council. The responsibilities of the Director shall include, but not be limited to, those set forth in Exhibit E, and the engagement contract for the services of the Director shall be submitted by NFF to the Operations Committee (defined below) for its approval prior to execution. Such contract shall not be terminated or amended by NFF without the consent of the Operations Committee; provided, however, that if NFF determines that termination or amendment of such contract is necessary to comply with any applicable law, rule or regulation, NFF shall notify a representative of the Operations Committee, who has been designated for such purpose, of its desire to terminate or amend the contract and the reasons therefor, and such representative shall, on behalf of the Operations

Committee, within ten (10) business days of receiving such notification, notify NFF of the Operations Committee's decision with respect to the requested termination or amendment.

Section 3.3 Funders Council. The Initiative will have a council of advisors composed of Presidents or other senior executive representatives of certain of the Funders (the "Funders Council"). The Funders Council shall make recommendations to the Director regarding the broad policy direction and general programming of the Initiative and shall have the approval rights set forth herein. For each increment of \$500,000 of a grant commitment, or each increment of \$1,000,000 of a loan commitment, a Funder shall have the right to appoint its representative to serve a one-year term on the Funders Council up to a maximum of three years (such that, for example, a Funder who commits \$2,000,000 may have a seat on the Funders Council for three years if the commitment is a grant and for two years if the commitment is a loan); provided, however, that a Funder's term on the Funders Council shall end at the close of the fiscal year of NFF in which such Funder's Funding has been fully expended. The members of the Funders Council shall meet quarterly during the first year of operations of the Initiative and at least semiannually thereafter. The Funders Council shall elect a Chair, or two co-Chairs, who shall preside at all meetings of the Council and act as the primary liaison between the Funders Council and the Director, the President of NFF, and the Operations Committee (defined below). Each member of the Funders Council shall have one vote. A majority of the members of the Funders Council shall constitute a quorum, and the action of a majority of the members of the Funders Council present at a meeting at which a quorum is present shall constitute the action of the Funders Council. It is anticipated that the NEA Chair or his or her designee will meet with the Funders Council from time to time to give general advice to the Initiative on policy and proposed criteria for selection of projects.

Section 3.4 Operations Advisory Committee. The Funders Council shall appoint an operations advisory committee composed of one program officer representative from each of the Funder organizations that have a seat on the Funders Council (the “Operations Committee”). The Operations Committee shall make recommendations and provide technical assistance to the Director regarding the overall management and direction of the Initiative, the selection of projects to be funded by the Initiative, and the realization of projects to which the Initiative has committed. The Operations Committee shall monitor the progress of the Initiative, report to the Funders Council, and have those approval rights set forth herein. The Operations Committee shall meet via teleconference or other means at least monthly. Each member of the Operations Committee shall have one vote. A majority of the members of the Operations Committee shall constitute a quorum, and the action of a majority of the members of the Operations Committee present at a meeting at which a quorum is present shall constitute the action of the Operations Committee. The Director and the President of NFF, or his or her designee, shall each be a nonvoting member of the Operations Committee.

Section 3.5 Spinoff or Modification. In the event that the parties decide in the future that it is desirable to spin off or change the organizational structure of the Initiative, then NFF, the Funders, and the Director will work together to modify the structure and/or transfer the activities, funds and property (including all work product and intellectual property rights) attributable to the Initiative, and take such other steps as may be needed, to effect such spinoff or modification.

Section 3.6 Conflicts of Interest. The Director, in consultation with the President of NFF or his or her designee, and consistent with NFF’s legal obligations and any applicable law, rule or regulation, shall develop a conflicts of interest policy for the Initiative, which shall set

forth, among other things, a process to ensure that full disclosure is made of any potential conflicts of interest that may affect the impartiality of recommendations or decisions made with respect to the use of funds dedicated to the Initiative.

ARTICLE 4 USE OF PROCEEDS

Section 4.1 Program Parameters. NFF shall use all Fundings solely in connection with the Initiative, in accordance with any Funder-specific restrictions (or permissive uses) set forth in Schedule 1, to (1) provide grants, loans, contracts, technical assistance, and other programmatic support to projects and services that further the purposes set forth in this Agreement, and (2) fund associated administrative expenses to the extent such expenses have not been funded by contributions (either from the NEA or other Funders) provided specifically for such expenses,. In addition to assessment and communications activities of the Initiative, the activities of, and support provided by, the Initiative shall be allocated among four program areas (the “Program Areas”), each of which has the following primary imperatives:

4.1.1 New Development: to support physical development projects (including, for example, artist live/work spaces).

4.1.2 Innovative Arts Engagement: to transform community sites into public art spaces and create new ways to engage people with the arts.

4.1.3 Planning and Design: to conduct planning for arts and creative industry districts, cultural and artist live/work facilities, regional creative economy initiatives, and projects to stimulate design excellence in infrastructure and community outreach.

4.1.4 Research and Policy: to identify needed policy changes, develop and pursue strategies to bring about such changes, and conduct research to determine the direct and indirect impacts of creative placemaking and how these impacts can be measured.

Section 4.2 Procedure for Defining Specific Program Parameters.

4.2.1 Program Guidelines. Within ninety (90) days of the date of execution of the contract for the services of the Director (such date of execution, the “Start Date”), the Director, in consultation with the President of NFF or his or her designee, shall present to the Operations Committee a set of program guidelines for each Program Area (the “Program Guidelines”). The Program Guidelines shall set forth the broad parameters defining the permissive uses of funds within each Program Area and shall be consistent with the terms of this Agreement, any Funder-specific restrictions (or permissive uses) set forth in Schedule 1, and any applicable law, rule or regulation. Once approved by the Operations Committee, the Program Guidelines shall be appended to, and made a part of this Agreement, as Exhibits C-1 through C-4 and may only be amended with the consent of the Operations Committee.

4.2.2 Project Partners.

(a) Within 120 days of the Start Date, the Director, in consultation with the President of NFF or his or her designee, shall identify for each Program Area one or more nonprofit organizations or other entities or consultants that will work with the Director to originate and carry out the Initiative’s projects (each such organization a “Project Partner”). The Director, in consultation with the President of NFF or his or her designee, shall submit each proposed Project Partner and its proposed scope of work to the Operations Committee for its review and advice. Each Project Partner may be required to act as the project manager within its respective Program Area, assist in identifying projects for funding in accordance with the objectives, provide technical assistance, and monitor project progress, all under the direction and supervision of the Director.

(b) Within thirty (30) days of receiving approval for a Project Partner from the Operations Committee, NFF shall enter into a memorandum of understanding or funding agreement (“MOU”) with each such Project Partner setting forth the roles and responsibilities of NFF and each Project Partner with respect to the Initiative. Each executed MOU shall be appended to this Agreement as Exhibits D-1 through D-4. Each MOU shall:

(i) require the Project Partner to maintain books and records adequate to substantiate its expenditure of funds received from the Initiative and provide reports adequate to enable NFF to comply with Section 6.1;

(ii) require the Project Partner to retain the books and records and copies of the reports and statements required by this section for a period of at least five (5) years after expenditure of the funds received from the Initiative, and make such books and records, and any other documents relating to the Initiative’s funds, available for inspection, copying and on- or off-site audits by NFF and its agents and representatives at reasonable times;

(iii) prohibit the Project Partner from engaging in those activities described in Section 6.2.3;

(iv) give NFF the right to terminate the MOU and the Initiative’s funding of a Project Partner in the event of noncompliance by the Project Partner with the terms of the MOU; and

(v) explicitly state the amount of the funds received from the Initiative that the Project Partner is permitted to spend on administrative expenses. NFF shall report the administrative expenses of the Project Partners to the Funders in its annual reports.

Section 4.3 Third-Party Assessment. Within 180 days of the Start Date, NFF shall retain, based on the recommendation of the Director made in consultation with the President of

NFF or his or her designee, one or more independent third-party consultants to (1) develop metrics by which the Initiative's implementation progress and impact can be assessed, (2) gather the data necessary to apply such metrics, and (3) analyze the results of its review and assess the progress and impact of the Initiative. The selection of the consultant and the design of the assessment shall be subject to the consent of the Operations Committee.

Section 4.4 Budget.

4.4.1 Initial Budget. Within ninety (90) days of the Start Date, NFF shall deliver to the Operations Committee a one-year budget for the Initiative prepared by the Director in consultation with the President of NFF, or his or her designee, which budget shall group line items into broad category headings, including but not limited to those set forth in Exhibit B. Upon approval by the Operations Committee, the proposed budget shall be appended as a new Exhibit B (such budget, as may be amended with the consent of the Operations Committee from time to time, the "Budget"). The proceeds of the Fundings shall be expended in accordance with the Budget. The Initiative shall not vary from the Budget in any material way without the prior consent of the Operations Committee. For the purposes of this section, a material variance includes a variance in the amount of overall spending in a broad category that exceeds or falls short of the approved amount by more than ten percent (10%).

4.4.2 Annual Budget. Thirty (30) days prior to the close of each fiscal year of NFF, NFF shall deliver to the Operations Committee for its approval a one-year budget for the ensuing year prepared by the Director in consultation with the President of NFF, or his or her designee. Upon approval by the Operations Committee, such Budget shall be appended to this Agreement as a new Exhibit B.

ARTICLE 5
CONDITIONS OF FUNDERS' OBLIGATIONS

Section 5.1 The obligation of each Funder to disburse its Funding is subject to the fulfillment, as determined in the sole discretion of the Funder, of the following conditions precedent:

5.1.1 Delivery of Documents. NFF shall have delivered to each Funder the following documents, each of which shall be in full force and effect:

(a) This Agreement duly executed by NFF and dated the Initial Commitment Date;

(b) The determination letter received by NFF from the IRS recognizing NFF as a tax exempt organization described in Code Section 501(c)(3) and as a public charity described in Code Section 509(a)(1);

(c) A certified copy of the Articles of Incorporation of NFF certified by the Secretary of State of the State of New York and a recent Certificate of the Secretary of State of the State of New York, certifying as to the valid existence and good standing of NFF in the State of New York;

(d) Instructions necessary to effectuate the wire transfer of funds upon disbursement, including the bank's name, address and ABA number, and the name and number of NFF's account.

5.1.2 Additional Conditions for Loan Fundings. In the case of a Loan Funding, NFF shall have complied with any additional conditions precedent set forth in Exhibit E.

ARTICLE 6
LEGAL COMPLIANCE AND REPORTING REQUIREMENTS

Section 6.1 Reporting Requirements.

6.1.1 Financial Reports.

(a) Within sixty (60) days of the close of the fiscal year of NFF (which currently ends December 31), the Director, in consultation with the President of NFF or his or her designee, shall deliver to each Funder:

(i) A financial report substantially in the format of Exhibit H, comparing actual expenditures to the Budget and including explanatory notes regarding any significant variances (greater than 10% of the broad category amounts) from the Budget.

(ii) A copy of Schedule 1 to this Agreement, if it has been updated since last delivered.

(iii) A report documenting how any Funding subject to Funder-specific restrictions (or permissive uses) has been utilized. Except for adjustments to account for Fundings subject to such restrictions (or available for additional uses), which adjustments shall be explained in the aforementioned report, the financial reporting of the Initiative will pool all Fundings, and each expenditure of the Initiative will be attributable to a Funder's Funding in proportion to that Funder's share of the total received Fundings as reflected on the most current Schedule 1.

(iv) A report showing the grants (or loans or other support) approved by the Initiative during the period covered, including (1) the name of grant recipients, (2) total dollar amount of grants, (3) primary communities served by the grant recipients, and (4) a brief statement of the purpose and expected outcomes of the grant.

(v) A one-page comparison detailing the Initiative's operating income and expenses for two years: the most recently completed fiscal year and the current fiscal year (projected).

(b) Within 120 days of the close of the fiscal year of NFF, NFF shall deliver to each Funder a copy of its audited financial statements.

(c) The financial and narrative report that covers the fiscal year of NFF in which a Funder's Funding is fully expended shall be marked "Final Report" with respect to that Funder and will satisfy the Director's reporting obligations with respect to that Funder.

6.1.2 Narrative Report. Within sixty (60) days of the close of the fiscal year of NFF, the Director, in consultation with the President of NFF or his or her designee, shall deliver to each Funder a narrative report that (1) describes the progress made to date toward achieving the objectives set forth in Article 2, including an explanation of the manner in which any Fundings subject to Funder-specific restrictions or permissive uses contributed to such progress, (2) identifies any challenges and obstacles the Initiative and recipients of support from the Initiative have encountered (both programmatic and related to organizational/management issues) and how they have affected the progress of the Initiative and the supported projects or entities, (3) summarizes any changes to the objectives or scope of work made or proposed for the future to address such challenges and further the achievement of the purposes of the Funding, (4) indicates lessons learned that may inform the Initiative's future work, (5) confirms compliance with the terms of this Agreement, and (6) is signed, or submitted electronically by or on behalf of, the Director.

6.1.3 Reports to the Funders Council. At each meeting of the Funders Council, the Director, in consultation with the President of NFF or his or her designee, shall

present an update of the status of the Initiative, which shall discuss to the extent possible the information described in Sections 6.1.1(i), (ii) and (iv) and include a broad overview of the information described in Section 6.1.2.

6.1.4 Books and Records; Access. NFF and the Director shall maintain books and records adequate to substantiate its expenditure of the Fundings and provide the reports required by this section. NFF shall maintain the Fundings in a segregated fund and treat them as restricted assets (but shall be permitted to pool all funds received from Funders pursuant to this Agreement). All earnings on the Fundings shall be reinvested and held as restricted assets with the Fundings until their use in accordance with Section 6.2.2. All expenditures made in support of the purposes of the Initiative shall be charged off against the Fundings and shall appear on NFF's books. NFF and the Director shall retain the books and records and copies of the reports and statements required by this section for a period of at least five (5) years after expenditure of the Fundings. NFF and the Director shall make such books and records, and any other documents relating to the Funding, available for inspection, copying and on- or off-site audits by a Funder and its agents and representatives at reasonable times.

Section 6.2 Compliance.

6.2.1 Repayment of Misused Funds. The Funding may be expended only in accordance with the terms set forth in this Agreement. NFF shall repay to each Funder any portion of its Funding which is not spent or committed for the purposes stated in this Agreement.

6.2.2 Investment and Interest. NFF shall invest the proceeds of the Fundings, prior to their expenditure, in a prudent manner that takes into consideration the needs of the Initiative. Any interest earned on the proceeds shall be applied in furtherance of the purposes of the Funding as set forth in this Agreement.

6.2.3 Prohibited Activities. NFF shall not expend any proceeds of the Fundings or any income from the investment thereof (a) for any activity described in Section 170(c)(2)(D) of the Code; (b) to (i) carry on propaganda or otherwise attempt to influence legislation (within the meaning of Section 4945(d)(1) of the Code), (ii) participate in or intervene in (including the publishing or distributing of any statements) any political campaign on behalf of (or in opposition to) any candidate for public office or (iii) attempt to influence the outcome of any specific public election, or carry on, directly or indirectly, any voter registration drive (within the meaning of Section 4945(d)(2) of the Code); (c) to promote or engage in violence, terrorism, bigotry or the destruction of any State, or to provide funds to any entity or individual that promotes or engages in such activities; (d) for reportable or discloseable activities under applicable state or local campaign finance or disclosure or election laws, such as ballot measure contributions; (e) to induce or encourage violations of law or public policy; (f) to cause any private inurement or improper private benefit to occur or to take any other action inconsistent with Code Section 501(c)(3); or (g) to further any purpose other than a purpose described in Section 170(c)(2)(B) of the Code.

6.2.4 Anti-Terrorism Requirements. NFF certifies that, to the best of its knowledge, the members of its governing body, its staff, and any consultants/contractor(s) for the Initiative do not advocate, plan, sponsor, commit, threaten to commit, or support terrorism. NFF shall provide any Funder with information required for it to comply with Executive Order 13224, the USA Patriot Act, and other applicable laws, administrative rules, and Executive Orders. All proceeds of the Funding shall be used in compliance with all applicable anti-terrorist financing and asset control laws, regulations, rules, and executive orders. NFF shall take reasonable steps to ensure that no person or entity expected to receive funds in connection with this grant is

designated on (a) the Annex to Executive Order No. 13224, as amended or supplemented from time to time, or (b) the Lists of Specially Designated Nationals or Blocked Persons maintained by the Office of Foreign Assets Controls of the U.S. Department of the Treasury. NFF shall not provide material support or resources to any individual or entity that it knows, or has reason to know, is acting as an agent for any individual or entity that advocates, plans, sponsors, engages in, or has engaged in, terrorist activity, or that has been designated as so acting, and NFF shall immediately cease support to an entity if such entity is so designated after the Initial Commitment Date.

6.2.5 No Earmarking. Notwithstanding anything to the contrary in this Agreement, no individual Funder may cause the selection of any recipient of assistance out of the proceeds of the Fundings. NFF shall exercise full discretion and control over the awarding of grants, loans or other forms of assistance hereunder, in a manner consistent with the provisions of Sections 3.1 and 3.2, and otherwise consistent with the terms of this Agreement and pursuant to any applicable law, rule or regulation.

ARTICLE 7 REPRESENTATIONS OF NFF

NFF represents and warrants to the Funders that:

Section 7.1 Organization and Powers. NFF is a not-for-profit corporation duly organized, validly existing and in good standing under the laws of the State of New York. NFF has all requisite power and authority to own and operate its assets and properties and to carry on its activities as now conducted and proposed to be conducted. NFF is duly qualified or licensed and in good standing as a foreign corporation authorized to conduct its activities in all jurisdictions in which the character of the assets and properties owned or the nature of the

activities conducted makes such qualification or licensing necessary, except where the failure of which would not reasonably be expected to result in a material adverse change in the activities, operations, assets or properties or in the condition, financial or otherwise, of NFF or impair the ability of NFF to perform its obligations under this Agreement.

Section 7.2 Tax-Exempt Status; Charitable Purpose. NFF is exempt from federal income taxation under Section 501(a) of the Code through recognition by the IRS as an organization described in Section 501(c)(3) of the Code and a public charity within the meaning of Section 509(a)(1) of the Code. The execution, delivery and performance by NFF of the Agreement and the use by NFF of the proceeds of the Fundings as contemplated by the Agreement directly further exempt purposes described in Section 170(c)(2)(B) of the Code. There has been no substantial change in the sources of support of NFF that would materially affect its status as a public charity.

Section 7.3 Authorization; Binding Agreement. The execution, delivery and performance by NFF of the Agreement and the use by NFF of the proceeds of the Fundings as contemplated by the Agreement are within NFF's powers and have been duly authorized by all requisite corporate action. The Agreement has been duly executed and delivered on behalf of NFF, and constitutes the legal, valid and binding obligations of NFF enforceable in accordance with their respective terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, moratorium, fraudulent conveyance or other similar laws of general application relating to or affecting.

Section 7.4 No Conflicts. The execution, delivery and performance by NFF of the Agreement and the use by NFF of the proceeds of the Fundings as contemplated by the Agreement will not (a) violate any provision of law or any judgment, writ, injunction, decree,

order, rule or regulation of any governmental entity; (b) violate any provision of the Articles of Incorporation or Bylaws of NFF; or (c) conflict with, result in a breach of or constitute (with notice or lapse of time or both) a default under any indenture, agreement or instrument to which NFF is a party or by which any of its assets or properties are bound.

ARTICLE 8 GENERAL TERMS AND CONDITIONS

Section 8.1 Loan Fundings. In the event NFF receives Funding to support the Initiative in the form of a loan, such loan Funding shall be subject to any additional terms and conditions agreed upon prior to the funding of the loan and appended to this Agreement as Exhibit F.

Section 8.2 Publicity, Publications, and Communications. All public communications about the Initiative by NFF shall be approved by the Director in consultation with the Operations Committee. Each Funder shall be recognized for its support of the Initiative in NFF's public communications about the Initiative, including on any websites or web pages about the Initiative, in accordance with any guidelines provided to the Director by each Funder.

Section 8.3 Publications; Licenses. All publications, studies, or research produced by the Initiative shall be made available to the public. NFF grants to each Funder an irrevocable, nonexclusive license to publish any publications, studies, or research funded by the Fundings at its sole discretion in any and all media formats.

Section 8.4 Tax Status. NFF shall maintain its status as an organization described in Section 501(c)(3) of the Code and a public charity within the meaning of Section 509(a)(1) of the Code.

Section 8.5 Existence and Properties. NFF shall preserve and maintain its corporate existence and good standing under the laws of the State of New York and qualify and remain

qualified as a foreign corporation in each jurisdiction in which qualification is necessary. NFF shall (a) comply or cause compliance with all laws, judgments, writs, injunctions, decrees, orders, rules and regulations of every governmental entity applicable to it and the use, occupancy and ownership of its properties including, without limitation, all building, fire, health and safety codes; and (b) obtain and maintain in full force and effect all consents, licenses, approvals, authorizations, exemptions, franchises, permits and orders of all governmental entities necessary for the performance of any act, the carrying on of any activity or the entering into of any transaction applicable to NFF or necessary in connection with the use, occupancy and ownership of its properties.

Section 8.6 Notice to Funders. As soon as possible and in any event within ten (10) business days after NFF learns of the following or causes any of the following to occur, NFF shall promptly notify the Funders in reasonable detail of any of the following events:

8.6.1 Any change in the executive staff of NFF or in other key personnel with responsibilities relating to the Initiative.

8.6.2 Any occurrence that might affect NFF's status as a tax-exempt public charity described by Code Sections 501(c)(3) and 509(a)(1).

8.6.3 Any material change in the activities, operations, assets or properties or in the condition, financial or otherwise, of the Initiative.

Section 8.7 Entire Agreement. This Agreement (including the Recitals hereto), the Schedules and Exhibits attached hereto, and any additional agreements executed in connection with the consummation of the transactions contemplated hereby constitute the entire agreement between the parties with respect to the transactions contemplated hereby and supersede all prior

agreements or understandings, written or oral, in respect thereof. The Schedules and Exhibits attached hereto are incorporated in and made a part of this Agreement.

Section 8.8 Notices. Any notice or communication given pursuant hereto by either party shall be in writing and delivered by hand, mailed by certified or registered mail, return receipt requested, or delivered by overnight courier addressed as follows:

If to NFF at:

70 West 36th Street
11th Floor
New York, NY 10018

Attention: Clara Miller, President

If to the Funders, at the address set forth opposite their names on Exhibit G.
or to any other address or addresses as the addressee may have specified in a notice duly given to the sender. Except as otherwise specified herein, all notices and other communications shall be deemed to have been duly given (a) on the date of delivery, if delivered by hand or by overnight courier, or (b) three (3) business days after the date of mailing, if duly transmitted by mail.

Section 8.9 Assignment. The rights and obligations of NFF under this Agreement may not be assigned or transferred by any means without the prior written consent of the Funders Council. Assignment includes assignment through liquidation, dissolution, merger, consolidation, sale of assets, and similar processes.

Section 8.10 No Pledge. Neither this Agreement nor any other statement, oral or written, nor the making of any contribution or grant to NFF shall be interpreted to create any pledge or any commitment by a Funder or by any related person or entity to make any other grant or contribution (other than the Funding) to NFF or any other entity for the Initiative or any other project. The Funding contemplated by this Agreement shall be a separate and independent transaction from any other transaction between each Funder and NFF or any other entity.

Section 8.11 Anti-Discrimination. NFF agrees that, in the performance of this Agreement, it will not unlawfully discriminate in its employment practices, volunteer opportunities, or the delivery of programs or services, on the basis of race, color, religion, gender, national origin, ancestry, age, medical condition, handicap, veteran status, marital status, sexual orientation, or any other characteristic protected by law.

Section 8.12 No Joint Venture. This Agreement creates no agency relationship, partnership, or joint venture between NFF and the Funders, and NFF shall make no representation of such.

Section 8.13 No Waivers. The failure of a Funder to exercise any of its rights under this Agreement shall not be deemed a waiver of such rights.

Section 8.14 Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement.

Section 8.15 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed entirely within the State.

Section 8.16 Severability. If any provision of this Agreement shall for any reason be held to be illegal, invalid or unenforceable, the illegal, invalid or unenforceable provision shall not affect any other provision of this Agreement, but this Agreement shall be construed as if the illegal, invalid or unenforceable provision had never been contained herein.

Section 8.17 Modification; Amendment. Except as otherwise provided herein, the written consent of each Funder shall be required for all amendments and modifications to the Agreement.

Section 8.18 Termination. Each Funder, at its sole option, may terminate its participation in this Agreement or withhold payments, or both, at any time, if, in the Funder's judgment: a) the Funder is not satisfied with the quality of the Initiative's progress toward achieving its goals; b) the Funder is of the opinion that the Initiative is incapable of satisfactorily completing the project or has ceased to be an appropriate means of accomplishing the purposes of the Funding; c) NFF dissolves or ceases to operate; or d) NFF materially fails to comply with the terms and conditions of this Agreement, including but not limited to failure to submit reports when due and failure to obtain the consents contemplated in Section 3.2. A Funder wishing to terminate its participation in this Agreement shall provide to NFF and the Chair of the Funders Council notice of its intent to terminate indicating its reasons for termination. The termination will become effective ten (10) days after the date such notice is given, unless rescinded by the Funder prior to such time. If termination occurs prior to the scheduled end date, NFF shall, upon request by the Funder, provide to the Funder a full accounting of the receipt and disbursement of funds and expenditures incurred under the Funding as of the effective date of termination. Within sixty (60) days after written request by the Funder, NFF shall remit all unexpended funds as of the effective date of termination. The Funder may also avail itself of any other remedies available at law.

NFF may terminate its participation in this Agreement upon 120 days prior written notice to the Funders; provided, however, that NFF shall remit all unexpended funds as of the effective date of termination and provide to each Funder a full accounting of the receipt and disbursement of funds and expenditures incurred under the Funding as of the effective date of termination.

Section 8.19 Other Parties. Nothing in this Agreement shall be construed as giving any person, firm, corporation or other entity, other than the parties hereto, any right, remedy or claim under or in respect of this Agreement or any provision hereof.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of
the date first above written.

NONPROFIT FINANCE FUND

By: _____
Name:
Title:

THE FORD FOUNDATION

By: _____
Name:
Title:

THE JAMES IRVINE FOUNDATION

By: _____
Name:
Title:

**JOHN S. AND JAMES L. KNIGHT
FOUNDATION**

By: _____
Name:
Title:

THE KRESGE FOUNDATION

By: _____
Name:
Title:

THE ANDREW W. MELLON FOUNDATION

By: _____
Name:
Title:

BLOOMBERG FAMILY FOUNDATION, INC.

By: _____
Name:
Title:

LIST OF SCHEDULES AND EXHIBITS

Schedule 1	Funders and Specific Terms of Fundings
Exhibit A-1	Form of Joinder Agreement
Exhibit A-2	Form of Amendment
Exhibit B	Budget
Exhibit C-1	Program Guidelines for New Development Program
Exhibit C-2	Program Guidelines for Innovative Arts Engagement Program
Exhibit C-3	Program Guidelines for Planning and Design Program
Exhibit C-4	Program Guidelines for Research and Policy Program
Exhibit D-1	Memorandum of Understanding and/or Funding Agreement with New Development Project Partner(s)
Exhibit D-2	Memorandum of Understanding and/or Funding Agreement with Innovative Arts Engagement Project Partner(s)
Exhibit D-3	Memorandum of Understanding and/or Funding Agreement with Planning and Design Project Partner(s)
Exhibit D-4	Memorandum of Understanding and/or Funding Agreement with Research and Policy Project Partner(s)
Exhibit E	Key Responsibilities of Director
Exhibit F	Additional Terms and Conditions of Loan Fundings
Exhibit G	Addresses of Funders
Exhibit H	Form of Financial Report

SCHEDULE 1

<u>Funder; Grant Reference Number</u>	<u>Amount of Commitment; Number and timing of Disbursements</u>	<u>Time Period in Which to be Utilized</u>	<u>Funder-Specific Uses</u>
The Ford Foundation	\$2,000,000		\$500,000 to be used for administrative expenses of the Initiative during the first year of the initiative, including compensation of the Director and related office and travel expenses, the administrative and legal expenses associated with the start-up of the Initiative, and reimbursement of expenses of NFF attributable to the start-up; \$400,000 to be held in contingency reserve for administrative costs.*
The James Irvine Foundation	\$2,000,000	Twelve months beginning 12/8/2010	Use of funds is restricted to support of projects based in California. Any funds granted to public agencies, or agencies established by the federal, state, or a local government, should supplement and not supplant government support.**
John S. and James L. Knight Foundation Grant No. 2010-0291	\$2,000,000	December 13, 2010 – January 31, 2012	Use of funds is restricted to support of projects based in Akron, OH; Charlotte, NC; Detroit,

* The NEA has also committed up to \$150,000 annually for up to three years to be used for certain administrative expenses, with the actual amount depending upon the availability of funds for each fiscal year.

** Notwithstanding the above restrictions, funds may be used on a pro-rata basis with other Fundings to cover overhead expenses, including administrative expenses and program expenses for assessment and public communications.

			MI; Macon, GA; Miami, FL; Philadelphia, PA; San Jose, CA; and St. Paul, MN. ** \$10,000 of the grant will be withheld for use in funding a Grant Expenditure Evaluation to be conducted in 2011.
Kresge Foundation	\$2,000,000		
The Andrew W. Mellon Foundation	\$2,000,000	One year, ending December 31, 2011	Use of funds is restricted to the “Innovative Arts Engagement” Program Area described in Section 4.1.2 to support artistic initiatives of performing arts organizations consistent with the Mellon Foundation’s grantmaking activities in performing arts as indicated on the Foundation’s website. Use of funds for capital expenditures is prohibited.
Bloomberg Family Foundation	\$2,000,000		Use of \$500,000 of the funds is restricted to refurbishing old, under-utilized buildings in New York City for low-income artists’ housing.

** Notwithstanding the above restrictions, funds may be used on a pro-rata basis with other Fundings to cover overhead expenses, including administrative expenses and program expenses for assessment and public communications.

FORM OF JOINDER AGREEMENT

AMENDMENT AND JOINDER TO MASTER FUNDING AND PARTICIPATION
AGREEMENT

THIS AMENDMENT AND JOINDER TO THE MASTER FUNDING AND PARTICIPATION AGREEMENT (this "Joinder") is effective as of the ____ day of _____, 20____, by and among (i) NONPROFIT FINANCE FUND, a New York not-for-profit corporation ("NFF"), (ii) _____, a _____, ("Additional Funder"), and (iv) [The Ford Foundation], in its capacity as Chair of the Funders Council ("Funders' Representative") on behalf of the Funders identified in the Agreement ("Funders").

RECITALS

A. NFF and the Funders are parties to that certain Master Funding and Participation Agreement dated as of _____, 2010 (as amended, restated, modified, or supplemented from time to time, the "Agreement").

B. Pursuant to the Agreement, the Funders made Fundings to NFF in the amounts set forth in Schedule 1 to the Agreement.

C. The Agreement provides that new Fundings may be made by additional Funders from time to time to support the Initiative.

D. The parties are executing this Joinder pursuant to the requirements of the Agreement to (i) reflect the joinder of Additional Funder as a Funder under the Agreement and (ii) reflect certain modifications to the Agreement as set forth below.

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises and agreements contained in this Joinder and the Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby agree as follows:

Section 1. Amendment to Schedule 1 of the Agreement. Schedule 1 to the Agreement is hereby deleted in its entirety and replaced with the Schedule 1 attached to this Joinder.

Section 2. Joinder of Additional Funder. The Additional Funder joins in as a "Funder" under the Agreement and the parties hereby agree that all references in the Agreement to Funders shall include the Additional Funder.

Section 3. Reaffirmation. NFF and Funders' Representative, on behalf of all of the Funders, hereby reaffirm their obligations pursuant to the Agreement.

Section 4. Capitalized Terms. All capitalized terms used in this Joinder which are not specifically defined herein shall have the respective meanings set forth in the Agreement.

Section 5. Full Force and Effect. Except as expressly modified by this Joinder, all terms and conditions of the Agreement shall continue in full force and effect.

Section 6. Counterparts. This Joinder may be executed in counterparts by the parties hereto, and each such counterpart shall be considered an original and all such counterparts shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Joinder as of the day and year first above written.

NONPROFIT FINANCE FUND

By: _____
Name: _____
Title: _____

[ADDITIONAL FUNDER]

By: _____
Name: _____
Title: _____

[FUNDERS' REPRESENTATIVE]

By: _____
Name: _____
Title: _____

FORM OF AMENDMENT

AMENDMENT TO MASTER FUNDING AND PARTICIPATION AGREEMENT

THIS AMENDMENT TO THE MASTER FUNDING AND PARTICIPATION AGREEMENT (this "Amendment") is effective as of the ____ day of _____, 20____, by and among (i) NONPROFIT FINANCE FUND, a New York not-for-profit corporation ("NFF"), (ii) _____, a _____, ("[Foundation]"), and (iv) [The Ford Foundation], in its capacity as Chair of the Funders Council ("Funders' Representative") on behalf of the Funders identified in the Agreement ("Funders").

RECITALS

A. NFF and the Funders are parties to that certain Master Funding and Participation Agreement dated as of _____, 2010 (as amended, restated, modified, or supplemented from time to time, the "Agreement").

B. Pursuant to the Agreement, the Funders made Fundings to NFF in the amounts set forth in Schedule 1 to the Agreement.

C. The Agreement provides that a Funder may make additional Fundings from time to time to support the Initiative.

D. The parties are executing this Amendment pursuant to the requirements of the Agreement to reflect an additional Funding being made by [Foundation] under the Agreement.

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises and agreements contained in this Amendment and the Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby agree as follows:

Section 1. Amendment to Schedule 1 of the Agreement. Schedule 1 to the Agreement is hereby deleted in its entirety and replaced with the Schedule 1 attached to this Amendment.

Section 2. Reaffirmation. NFF, [the Foundation], and Funders' Representative, on behalf of all of the Funders, hereby reaffirm their obligations pursuant to the Agreement.

Section 3. Capitalized Terms. All capitalized terms used in this Amendment which are not specifically defined herein shall have the respective meanings set forth in the Agreement.

Section 4. Full Force and Effect. Except as expressly modified by this Amendment, all terms and conditions of the Agreement shall continue in full force and effect.

Section 5. Counterparts. This Amendment may be executed in counterparts by the parties hereto, and each such counterpart shall be considered an original and all such counterparts shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

NONPROFIT FINANCE FUND

By: _____
Name: _____
Title: _____

[FOUNDATION]

By: _____
Name: _____
Title: _____

[FUNDERS' REPRESENTATIVE]

By: _____
Name: _____
Title: _____

EXHIBIT B – The Initiative’s Proposed Budget

Budget Category	
Program - Grants	
- line item	
- line item	
Program - Communications	
- line item	
- line item	
Program - Assessment	
- line item	
- line item	
Administrative Expenses [1]	
- line item	
- line item	
Totals	\$ 0

[1] \$500,000 of the Ford Foundation grant is dedicated to administrative expenses for the first year of operations, and an additional \$400,000 of the Ford grant is held in a contingency reserve for administrative expenses). The NEA has also committed up to \$150,000 annually for up to three years to be used for certain administrative expenses, with the actual amount depending upon the availability of funds for each fiscal year.

Exhibits C-1 through C-4

Exhibits D-1 through D-4

(to come)

Key Responsibilities of Director

Consistent with NFF's and the Director's responsibilities and obligations under this Agreement and such laws, rules or regulations as may apply, the Director of the Initiative shall be responsible for:

- Leading the programmatic and strategic development and implementation of the Initiative;
- Managing the review, selection, and realization of the Initiative's projects, either directly or in coordination with the Initiative's partner organizations;
- Managing the participation of the Initiative's partner organizations, contracted third-party professionals, and other non-Funder and non-NFF personnel assigned or retained to perform services for the Initiative;
- Representing the Initiative in dealing with leadership of federal, state, and local government agencies, and private sector entities;
- Representing the Initiative in forums, conferences and public speaking engagements;
- Raising funds from foundations, corporations, financial institutions, and individuals for the benefit of the Initiative;
- Facilitating interaction and decision making among the Funders on such issues as funding criteria and target locations for project support regarding the Initiative;
- Organizing and facilitating meetings of the Funders Council and Operations Committee concerning the Initiative;
- Making presentations to Funders Council and Operations Committee and NFF's board of directors;
- Developing and tracking the budget of the Initiative and related project budgets;
- Preparing narrative and financial reports to Funders concerning the progress of the Initiative;
- Managing assessment and public communications efforts regarding the Initiative;
- Ensuring, together with the President of NFF or his or her designee, compliance with this Agreement and the Budget attached hereto as Exhibit B, and consulting and coordinating as necessary with the President of NFF or his or her designee and other senior executives of NFF having responsibility for the Initiative's activities;
- Monitoring Project Partner compliance with the terms and conditions of the MOUs;
- Preparing reports or responding to queries regarding the Initiative or any of the Director's services rendered hereunder;
- Attendance at, or participation in, calls, meetings and other communications or gatherings regarding the Initiative;
- Compliance with reporting requirements concerning the Initiative in connection with this Agreement or the Director's services hereunder;
- Compliance with NFF, NEA and the Funders' legal requirements or obligations concerning the Initiative and otherwise;
- Ensuring there is no conflict between the Director and any of the parties to this Agreement or the goals of the Initiative

EXHIBIT H – The Initiative’s Financial Report

	<A> Approved Budget	 Amount Spent in Previous Periods	<C> Amount Spent in Current Period	<D> = B + C Total Spent to Date	<E> = A - D Unexpended Balance	<F> Explanation of significant budget variances
Budget Category						
Program - Grants						
- line item						
- line item						
Program - Communications						
- line item						
- line item						
Program - Assessment						
- line item						
- line item						
Administrative Expenses [1]						
- line item						
- line item						
Totals						

[1] \$500,000 of the Ford Foundation grant is dedicated to administrative expenses for the first year of operations, and an additional \$400,000 of the Ford grant is held in a contingency reserve for administrative expenses. The NEA has also committed up to \$150,000 annually for up to three years to be used for certain administrative expenses, with the actual amount depending upon the availability of funds for each fiscal year.

Nonprofit Finance Fund and Affiliates

Consolidated Financial Statements

December 31, 2009 and 2008

Nonprofit Finance Fund and Affiliates

Consolidated Financial Statements and Independent Auditors' Report

December 31, 2009 and 2008

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Consolidated Statements of Financial Position	2
Consolidated Statements of Activities	3
Consolidated Statements of Cash Flows	4
Notes to Consolidated Financial Statements	5-17
Supplemental Information	
Consolidating Statements of Financial Position	18
Consolidating Statements of Activities	19



O'Connor Davies Munns & Dobbins, llp
ACCOUNTANTS AND CONSULTANTS

Independent Auditors' Report

Board of Directors Nonprofit Finance Fund and Affiliates

We have audited the accompanying consolidated statements of financial position of Nonprofit Finance Fund and Affiliates (the "Fund") as of December 31, 2009 and 2008 and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Nonprofit Finance Fund and Affiliates as of December 31, 2009 and 2008 and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplementary information is presented for the purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audits of the 2009 and 2008 basic consolidated financial statements, and in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

O'Connor Davies Munns & Dobbins, LLP

New York, New York
April 28, 2010

Nonprofit Finance Fund and Affiliates
Consolidated Statements of Financial Position
December 31,

	2009	2008
ASSETS		
Cash and Cash Equivalents		
Operating	\$ 9,221,263	\$ 9,876,336
Program specific	8,996,339	11,147,026
Loan Fund	3,363,522	2,897,881
Total Cash and Cash Equivalents	<u>21,581,124</u>	<u>23,921,243</u>
Investments (Note 4)	246,424	-
Loans receivable (Note 5)	48,261,067	39,924,962
Allowance for loan losses (Note 5)	<u>(3,832,200)</u>	<u>(2,862,133)</u>
	44,428,867	37,062,829
Accounts and grants receivable (Note 6)	16,179,694	16,207,451
Loan interest receivable	134,193	136,775
Prepaid expenses and other assets	206,815	287,039
Property and equipment, net (Note 7)	243,496	325,004
Other real estate owned (Note 5)	789,000	-
Cash held as agent	<u>19,983</u>	<u>24,507</u>
Total Assets	<u>\$ 83,829,596</u>	<u>\$ 77,964,848</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 1,350,572	\$ 964,771
Grants payable	381,149	192,230
Program specific loans payable	1,000,000	-
Loans payable (Note 8)	34,474,857	30,332,000
Amount held as agent for other organizations	<u>19,983</u>	<u>24,507</u>
Total Liabilities	<u>37,226,561</u>	<u>31,513,508</u>
Net Assets		
Unrestricted		
Operations	3,181,656	2,895,360
Board Designated for Loan Fund Capital	<u>2,177,355</u>	<u>2,177,355</u>
Total Unrestricted	<u>5,359,011</u>	<u>5,072,715</u>
Temporarily Restricted (Note 9)		
Program Fund	7,656,659	6,299,538
Investment Capital Fund	1,456,910	2,857,685
Grant Fund	16,018,305	16,973,146
Loan Fund Capital	12,057,815	10,825,350
BFF Fund	<u>4,054,335</u>	<u>4,422,906</u>
Total Temporarily Restricted	<u>41,244,024</u>	<u>41,378,625</u>
Total Net Assets	<u>46,603,035</u>	<u>46,451,340</u>
Total Liabilities and Net Assets	<u>\$ 83,829,596</u>	<u>\$ 77,964,848</u>

See notes to consolidated financial statements

Nonprofit Finance Fund and Affiliates

Consolidated Statements of Activities

Years Ended December 31,

	2009			2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUE						
Operating						
Grants	\$ 237,024	\$ 7,757,301	\$ 7,994,325	\$ 85,100	\$ 3,653,190	\$ 3,738,290
Investment income	22,478	11,444	33,922	269,354	238,554	507,908
Program fees	2,395,372	-	2,395,372	2,282,541	-	2,282,541
Net assets released from restrictions	8,045,739	(8,045,739)	-	6,801,354	(6,801,354)	-
Total Operating Revenue	10,700,613	(276,994)	10,423,619	9,438,349	(2,909,610)	6,528,739
Lending and Financing						
Loan and financing fees	1,428,791	-	1,428,791	849,834	-	849,834
Interest income, net of interest expense of \$934,502 and \$1,259,305 in 2009 and 2008	1,343,234	-	1,343,234	1,384,889	-	1,384,889
Total Lending and Financing Revenue	2,772,025	-	2,772,025	2,234,723	-	2,234,723
Total Revenue	13,472,638	(276,994)	13,195,644	11,673,072	(2,909,610)	8,763,462
EXPENSES						
Operating						
Salaries	6,542,588	-	6,542,588	6,192,545	-	6,192,545
Employee benefits and payroll taxes	1,534,175	-	1,534,175	1,333,609	-	1,333,609
Total Salaries and Related Expenses	8,076,763	-	8,076,763	7,526,154	-	7,526,154
Program consultants	483,757	-	483,757	776,716	-	776,716
Professional support	1,224,170	-	1,224,170	851,950	-	851,950
Occupancy	1,106,722	-	1,106,722	839,920	-	839,920
Administration	872,384	-	872,384	1,123,463	-	1,123,463
Depreciation and amortization	114,451	-	114,451	128,881	-	128,881
Total Operating Expenses	11,878,247	-	11,878,247	11,247,084	-	11,247,084
Lending and Financing						
Provision for loan loss	1,308,095	-	1,308,095	356,417	-	356,417
Total Expenses	13,186,342	-	13,186,342	11,603,501	-	11,603,501
Excess (Deficiency) of Revenue over Expenses	286,296	(276,994)	9,302	69,571	(2,909,610)	(2,840,039)
OTHER CAPITAL ACCESS AND RELATED ACTIVITY						
Contribution for Loan Fund	-	1,615,000	1,615,000	-	-	-
Contribution for Grant Fund	-	4,957,449	4,957,449	-	2,485,367	2,485,367
Net assets released from restrictions	6,430,056	(6,430,056)	-	3,896,035	(3,896,035)	-
Grants	(5,912,290)	-	(5,912,290)	(3,746,375)	-	(3,746,375)
BFF contract disbursements	(135,231)	-	(135,231)	(149,660)	-	(149,660)
Owned real estate remediation	(382,535)	-	(382,535)	-	-	-
Change in Net Assets	286,296	(134,601)	151,695	69,571	(4,320,278)	(4,250,707)
NET ASSETS						
Beginning of year	5,072,715	41,378,625	46,451,340	5,003,144	45,698,903	50,702,047
End of year	\$ 5,359,011	\$ 41,244,024	\$ 46,603,035	\$ 5,072,715	\$ 41,378,625	\$ 46,451,340

See notes to consolidated financial statements

Nonprofit Finance Fund and Affiliates

Consolidated Statements of Cash Flows

Years Ended December 31,

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 151,695	\$ (4,250,707)
Adjustments to reconcile change in net assets to net cash from operating activities		
Provision for loan losses	1,308,095	356,417
Depreciation and amortization	114,451	128,881
Changes in operating assets and liabilities		
Accounts and grants receivable	27,757	5,684,983
Loan interest receivable	2,582	216,481
Prepaid expenses and other assets	80,224	42,335
Accounts payable and accrued expenses	385,801	(941,159)
Grants payable	188,919	(10,789)
Net Cash from Operating Activities	<u>2,259,524</u>	<u>1,226,442</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(32,943)	(69,077)
Loans disbursed during the year	(23,651,540)	(16,863,412)
Collections of loans receivable	14,188,407	21,602,658
Purchase of investments	(246,424)	-
Proceeds from sale of investments	-	99,875
Net Cash from Investing Activities	<u>(9,742,500)</u>	<u>4,770,044</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans	14,520,758	2,500,000
Repayment of loans	(9,377,901)	(9,599,940)
Net Cash from Financing Activities	<u>5,142,857</u>	<u>(7,099,940)</u>
Net Change in Cash and Cash Equivalents	(2,340,119)	(1,103,454)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>23,921,243</u>	<u>25,024,697</u>
End of year	<u>\$ 21,581,124</u>	<u>\$ 23,921,243</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	\$ 1,004,449	\$ 1,204,269
NONCASH INVESTING ACTIVITY		
Transfer of real estate	789,000	-

See notes to consolidated financial statements

Nonprofit Finance Fund and Affiliates

Notes to Consolidated Financial Statements

1. Organization and Tax Status

The accompanying consolidated financial statements include the accounts of the Nonprofit Finance Fund ("NFF") (the "Organization"), the New England Cultural Facilities Fund ("NECFF") and Building for the Future, Inc. ("BFF"). NECFF and BFF are supporting organizations to NFF and are controlled by NFF through Board majority.

NFF was incorporated in 1984 in New York State and certified in 1996 by the U.S. Department of the Treasury as a Community Development Financial Institution ("CDFI"). This certification was renewed in 2000. NECFF was established in 1995 to help cultural organizations in New England and BFF was established in 1999 to help build assets of nonprofits nationally.

All three entities (collectively referred to as the "Fund") have been granted tax exempt status under Section 501(c)(3) of the Internal Revenue Code.

NFF's mission is to create a strong, well-capitalized and durable nonprofit sector that connects money to mission effectively, supporting the highest aspirations and most generous impulses of people and communities. The majority of NFF's activities, as well as the clients it serves, directly support the revitalization of low-to-moderate income neighborhoods across its target markets.

For nearly 30 years, through good economic times and bad, NFF has worked with funders and nonprofit organizations to bolster the strength and readiness of the sector. Our staff of 77, working from offices in New York, Newark, Philadelphia, Boston, Detroit, Washington, D.C. and San Francisco, strives to address the unique needs of the social sector in their regional communities. To help organizations cope with the current economic climate and beyond, NFF offers a continuum of rapid-response services for nonprofits of all sectors, sizes, and states of financial health. We conduct a diagnostic of an individual organization's financial situation and put together a customized program of services designed to meet its specific needs, ranging from advice and training to workshops to access to capital. A selection of our services includes:

Access to Capital

Loans: NFF makes loans of up to \$2 million to small and mid-sized nonprofits and social enterprises. The financing is used for a variety of purposes including facility related needs such as acquisition, new construction, renovation and leasehold improvement. The Fund also provides loans for operating needs including equipment loans and lines of credit.

New Market Tax Credits: Since 2006 NFF has been awarded a total of \$130 million in New Markets Tax Credits from the U.S. Treasury Department, which we use to attract private investment for facilities in low-income communities. NFF is one of a few organizations using these credits exclusively to help finance projects benefiting small and mid-sized nonprofits.

Program-Related Investment (PRI) Support: For foundations considering PRI's, or for those seeking assistance with an existing program, NFF provides underwriting, structuring, portfolio management services, and advice that enhances the efficiency and impact of the program.

Nonprofit Finance Fund and Affiliates

Notes to Consolidated Financial Statements

1. Organization and Tax Status (*continued*)

Access to Capital (continued)

NFF Capital Partners: NFF Capital Partners helps design strategic capital campaigns of \$5 million or more to raise investment capital. Our Sustainable Enhancement Grant (SEGUE) methodology provides the organization and its philanthropic investors with a plan for attracting and managing these investment capital funds.

Other Capital Access and Related Activities: NFF works in partnership with its funders and other providers of capital to create customized initiatives which provide for program-specific, capital investment in organizations participating in these grant-funded programs. Building for the FutureSM, as one example is a matching grants program to fund facility-related costs. It attracts and uses foundation and government contributions as a financial incentive for nonprofits to create and maintain building reserves. Other active funder initiatives in 2009 include, the Doris Duke Charitable Trust *Leading for the Future Initiative*, for nationally-recognized, innovative arts organizations and the public-private partnership childcare initiative in Philadelphia.

Advice and Training

Consultation and Analysis: To make good decisions, nonprofits need accurate, up-to-date, and clear financial information. NFF's initial consultation evaluates an organization's financial data to gain a clearer understanding of their particular financial trends, challenges and opportunities. This leads to suggestions or tools that can improve financial decision-making and communication, both internally and with funders. These tools range from scenario planning, which develops best and worst case budget scenarios, to our program profitability model, which helps nonprofits understand which programs are operating at a profit or loss. NFF also works with nonprofit management to help them better communicate their financial story to funders, lenders, and others.

Nonprofit Merger and Alliance Consultations: For nonprofits considering a merger or alliance, NFF can engage in thorough analysis and planning—from determining feasibility, to final implementation, to forecasting.

Workshops and Clinics

Workshops: NFF's core workshop helps managers and board members become more comfortable with reading and interpreting their financial statements, and using this data in decision-making. Other workshops offer nonprofit leaders the insight, tools, and guidance to help lead their organizations during these challenging times.

Financial Leadership Clinics: NFF works intensively with up to five nonprofits in a common sector to provide financial training, individual financial exercises, audit analyses, and peer-based learning.

Nonprofit Finance Fund and Affiliates

Notes to Consolidated Financial Statements

2. Summary of Significant Accounting Policies

Basis of Consolidation

The consolidated financial statements include the accounts of the Nonprofit Finance Fund and the aforementioned affiliates. All significant intercompany balances and transactions are eliminated.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires the Fund's management to make certain estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

The Fund reports amounts separately by class of net assets based on the presence or absence of donor imposed restrictions. Unrestricted amounts are those currently available at the discretion of the Fund for use in its programs and operations. Temporarily restricted amounts are those which are subject to donor-imposed restrictions that will be met either by actions of the Fund or the passage of time. All contributions are considered available for unrestricted use, unless specifically restricted by the donor or subject to other legal restrictions.

Cash and Cash Equivalents

Cash and cash equivalents include all short-term highly liquid investments with an initial maturity of three months or less at the time of purchase, which are not intended for investment.

Fair Value of Financial Instruments

The Fund follows Financial Accounting Standards Board ("FASB") guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Investments

Investments are reported at fair value based on quoted market prices.

Nonprofit Finance Fund and Affiliates

Notes to Consolidated Financial Statements

2. Summary of Significant Accounting Policies (*continued*)

Investments Valuation

Investments are carried at fair value. The fair value of private equity has been estimated using the Net Asset Value ("NAV") as reported by the management of the respective alternative investment fund. The Fund follows FASB guidance which provides for the use of NAV as a "*Practical Expedient*" for estimating fair value of alternative investments. NAV reported by each alternative investment fund is used as a practical expedient to estimate the fair value of the Fund's interest therein and their classification within Level 2 or 3 is based on the Fund's ability to redeem its interest in the near term.

Investment Income Recognition

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets. Interest, dividends and changes in the fair value of investments are reported in the consolidated statement of activities as investment income and unrealized and realized gains on investments

Loans Receivable and Payable

The Fund both receives and makes loans with stated rates of interest that vary from the prevailing market rates for commercial loans. The Fund accounts for these loans at the stated rates. FASB guidance generally requires that loans with below market interest rates be restated for financial reporting purposes at amounts that reflect the expected cash flows discounted at market rates. The guidance includes several exceptions to this rule, including the customary lending activities of financial institutions whose primary business is lending money. Management of the Fund believes that this exception is applicable to the Fund. Accordingly, interest rates have not been restated.

Allowance for Estimated Losses

An allowance for estimated losses on loans is based on management's estimates of the credit-worthiness of its borrowers, current economic conditions and historic information.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation is removed from the accounts, with any net gain or loss reflected in the consolidated statement of activities for the period. Expenses for maintenance and repairs are charged to operations as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of their useful lives or the term of the lease.

Nonprofit Finance Fund and Affiliates

Notes to Consolidated Financial Statements

2. Summary of Significant Accounting Policies *(continued)*

Cash Held as Agent

Cash held as agent represents funds collected on behalf of other organizations.

Contributions

The Fund reports gifts of cash and other assets as unrestricted support unless they are received with donor stipulations that limit the use of the donated assets, in which case they are reported as temporarily restricted support. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions.

Non Operating Activity

The Fund reports donor restricted contributions for the Grant Fund and the Loan Fund as non operating income. Likewise, the Fund also reports Grant Fund and BFF contract disbursements as non operating expenses.

New Market Tax Credit Program

These statements do not consolidate the financial statements of NFF's New Market Tax Credit ("NMTC") related entities as NFF holds less than a 1% interest in such entities. The U.S. Department of Treasury awarded NFF three allocations of NMTC in 2006, 2008 and 2009 of \$20 million, \$50 million and \$60 million, respectively. It is using the \$130 million of allocations to attract and provide investment capital in low-income communities. As a NMTC allocatee and a Community Development Entity ("CDE") as certified by the U.S. Department of the Treasury, NFF may establish subsidiary CDE's for the purpose of implementing its NMTC program. As of the end of 2009, NFF has closed seven transactions using approximately \$60 million of this allocation and using seven subsidiary CDE's: NFF New Markets Fund I, LLC, NFF New Markets Fund II, LLC, NFF New Markets Fund III, LLC, NFF New Markets Fund IV, LLC, NFF New Markets Fund V, LLC, NFF New Markets Fund VI, LLC and NFF New Markets Warehouse, LLC for which it serves as managing member. NFF also serves as the non-member manager of one investment fund related to one of these transactions.

Accounting for Uncertainty in Income Taxes

Management has determined that the Fund has no uncertain tax positions that would require financial statement recognition. The Fund is no longer subject to audits by the applicable taxing jurisdictions for periods prior to 2006.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is April 28, 2010.

Nonprofit Finance Fund and Affiliates

Notes to Consolidated Financial Statements

3. Concentrations of Credit Risk

The Fund makes loans to nonprofit organizations. Although the Fund is diversified as to the type of nonprofit borrowers, the ability of these organizations to repay their loans may be affected by a downturn in the economy or other financial constraints.

The Fund maintains cash and cash equivalents at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. During the year, the Fund may have cash balances in these financial institutions in excess of their limits. In addition the Fund maintained balances in selected financial institutions participating in the Transaction Account Guarantee program, which provides unlimited FDIC guarantees.

4. Fair Value of Financial Instruments

The following are major categories of assets measured at fair value on a recurring basis at December 31, grouped by the fair value hierarchy:

<u>Description</u>	2009		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Cash and cash equivalents			
Money market accounts	\$ 7,680,448	\$ -	\$ 7,680,448
Checking/savings accounts	13,900,676	-	13,900,676
Investments			
Certificate of deposits	-	246,424	246,424
Other real estate owned	-	789,000	789,000
	<u>\$ 21,581,124</u>	<u>\$ 1,035,424</u>	<u>\$ 22,616,548</u>
<u>Description</u>	2008		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Cash and cash equivalents			
Money market accounts	\$ 20,066,378	\$ -	\$ 20,066,378
Certificate of deposits	-	71,138	71,138
Checking/savings accounts	3,783,727	-	3,783,727
	<u>\$ 23,850,105</u>	<u>\$ 71,138</u>	<u>\$ 23,921,243</u>

Nonprofit Finance Fund and Affiliates

Notes to Consolidated Financial Statements

5. Loans Receivable

Loans receivable, net of allowance for loan losses, at December 31, 2009 and 2008 include collateralized loans of approximately \$40,830,000 and \$28,837,000. These loans are collateralized by borrowers' assets such as mortgages, assignments of leases and rents, equipment, receivables and bank accounts.

Scheduled collections on the outstanding loans (before any application of loan reserves) are to be received as follows:

2010	\$ 17,244,732
2011	5,046,518
2012	3,363,942
2013	2,050,258
2014	1,835,396
Thereafter	<u>18,720,221</u>
	<u>\$ 48,261,067</u>

Interest on the outstanding loans is calculated using the simple interest method. Interest rates vary between 2.50% and 9.50% per annum. In addition, loans outstanding include a small amount of loans at lower interest rates and/or flexible terms made available under special programs. Nonaccrual loans generally include loans where interest is more than 90 days past due. Such nonaccrual loans amounted to approximately \$3,158,912 and \$2,224,239 as of December 31, 2009 and 2008.

The allowance for loan losses is \$3,832,200 and \$2,862,133, approximately 8% and 7% of gross loans receivables at December 31, 2009 and 2008. Ultimate losses, however, may vary materially from current estimates at December 31, 2009. Management reviews these estimates on an ongoing basis and, as changes become necessary, adjusts the provision accordingly.

As of December 31, 2009, loans committed for future payment totaled \$11,967,270. This is comprised of closed and undrawn loans of \$6,813,270 and approved and committed loans of \$5,154,000.

Allowance for Loan Losses

Changes in the allowance for loan losses are summarized as follows:

	<u>2009</u>	<u>2008</u>
Balance, beginning of year	\$ 2,862,133	\$ 2,778,561
Add: provision for loan loss	1,308,095	356,417
Less: charge-offs	<u>(338,028)</u>	<u>(272,845)</u>
Balance, end of year	<u>\$ 3,832,200</u>	<u>\$ 2,862,133</u>

Nonprofit Finance Fund and Affiliates

Notes to Consolidated Financial Statements

5. Loans Receivable *(continued)*

Other Real Estate Owned

During 2009 the Fund took title to a single real estate property that served as collateral on a loan. The amount reported on the statement of financial position at December 31, 2009 is shown net of estimated selling costs of approximately \$66,000.

6. Accounts and Grants Receivable

The Fund has the following accounts and grants receivable, for which the Fund determined that no allowance for doubtful accounts is required, as of December 31:

	<u>2009</u>	<u>2008</u>
Grants receivable		
Foundations	\$ 10,441,970	\$ 9,200,813
Government	3,830,021	3,425,635
Corporations and others	<u>125,000</u>	<u>100,000</u>
	14,396,991	12,726,448
Discount to present value (4% for 2009 and 2008)	<u>(695,887)</u>	<u>(137,500)</u>
	13,701,104	12,588,948
Other receivables	<u>2,478,590</u>	<u>3,618,503</u>
	<u><u>\$ 16,179,694</u></u>	<u><u>\$ 16,207,451</u></u>

7. Property and Equipment

Property and equipment consist of the following at December 31:

	<u>2009</u>	<u>2008</u>	<u>Estimated Useful Lives</u>
Leasehold improvements	\$ 509,432	\$ 506,031	3-10 years
Computer equipment	579,900	566,808	3 years
Furniture and fixtures	<u>562,085</u>	<u>545,634</u>	3-10 years
	1,651,417	1,618,473	
Accumulated depreciation	<u>(1,407,921)</u>	<u>(1,293,469)</u>	
	<u><u>\$ 243,496</u></u>	<u><u>\$ 325,004</u></u>	

Nonprofit Finance Fund and Affiliates

Notes to Consolidated Financial Statements

8. Loans Payable

Loans payable consist of the following as of December 31:

	2009	2008	Amortization
Annie E. Casey Foundation	\$ 500,000	\$ -	Principal payable in 2 equal annual installments of \$250,000 on 10/13/15 and 10/13/16.
Bank Hapoalim	400,000	400,000	Principal payable on 3/21/11.
Bank of America Community Development	5,000,000	5,000,000	Principal payable in \$1,500,000 installments on 12/16/13 and 12/16/14 with all remaining principal payable on 12/16/15.
Bank Leumi, USA	250,000	450,000	Revolving credit converted to term loan on 2/11/07. Payable in 16 equal quarterly payments on 1/1, 4/1, 7/1, and 10/1; first payment 4/1/07, last payment 1/1/11.
Calvert Social Investment Foundation	1,500,000	1,500,000	Payable in one lump sum on 12/31/12.
CDFI Fund	600,000	800,000	Payable in 3 equal installments of \$200,000 each; first payment 12/31/10, last payment 12/31/12.
Citicorp, USA	500,000	500,000	Subordinated debt, principal payable on 12/31/11.
Commerce Bank	2,500,000	5,000,000	Principal payable in 2 equal annual payments on 6/30/10 and 12/31/10.
Consumer Health Foundation	750,000	750,000	Principal payable on 4/22/20.
Geraldine R. Dodge Foundation	-	200,000	Principal payable in 5 equal annual installments of \$200,000 each; first payment 12/31/05, last payment 12/31/09.
Goldman Sachs Foundation	-	500,000	Payable in two equal installments of \$500,000 each: 11/14/08; 11/14/09.
The F. B. Heron Foundation	500,000	500,000	Principal payable on 3/31/16.
HSBC Bank USA	5,000,000	500,000	Revolving credit to be converted to term loan on 1/1/10. Payable in 4 equal semi-annual payments; first payment 6/30/10, last payment 1/31/12.
JPMorgan Chase Bank, N.A.	500,000	500,000	Revolving credit will be converted to term loan on 7/31/10. Principal is due on 7/31/11.
Marty and Dorothy Silverman Foundation	300,000	300,000	Principal payable on 7/31/10.
MetLife Bank	3,000,000	3,000,000	Principal payable in 4 semi-annual payments; first payment 5/18/11, last payment 11/18/2012.

Nonprofit Finance Fund and Affiliates

Notes to Consolidated Financial Statements

8. Loans Payable *(continued)*

	2009	2008	Amortization
Metropolitan Life Insurance Company	\$ 750,000	\$ 2,250,000	Principal payable in 4 semi-annual payments; first payment 10/31/08, last payment 4/30/2010.
New Jersey Economic Development Authority	500,000	500,000	Principal payable in 5 equal annual payments; first payment 6/1/12, last payment 6/1/16.
Northern Trust	1,000,000	1,000,000	Principal payable on 2/8/13.
Opportunity Finance Network (formerly National Community Capital Association)	430,000	430,000	Principal payable on 9/30/10.
Opportunity Finance Network (formerly National Community Capital Association)	1,450,000	1,450,000	Principal payable on 9/30/10.
PEDFA	642,857	-	Principal payable on 2/8/13.
PNC Community Partners	1,000,000	1,000,000	Principal payable on 12/6/15.
Prudential	1,000,000	-	Principal payable in semiannual installments of \$200,000 on 6/30/17, 12/31/17, 6/30/18, 12/31/18 and 5/19/19.
Samuel S. Fels Fund	100,000	100,000	Principal payable in 2 payments; first payment of \$25,000 on 8/31/2010, and final payment of \$75,000 on 8/31/2011.
TD Bank USA	3,000,000	-	Revolving credit with principal payable on 8/4/2010.
The Ford Foundation	-	400,000	Consolidation of previous loan agreements. Payable in 8 equal annual installments, last payment 9/13/09.
Tzedec Economic Development	252,000	252,000	Principal payable on 3/1/10.
United States Trust Company of New York	2,000,000	2,000,000	Subordinated debt with principal payable on 2/28/17.
Wachovia Regional Community Development Corporation	250,000	250,000	Principal payable in two equal installments; 11/8/11 and 11/8/2012.
Wells Fargo Community Development Corporation	750,000	750,000	Subordinated debt with principal payable on 5/22/2016.
Woodlands Investment Management	50,000	50,000	Principal payable on 1/25/10.
	<u>\$ 34,474,857</u>	<u>\$ 30,332,000</u>	

Nonprofit Finance Fund and Affiliates

Notes to Consolidated Financial Statements

8. Loans Payable (*continued*)

Minimum future principal payments are as follows:

2010	\$ 10,564,143
2011	5,907,143
2012	4,782,143
2013	2,707,143
2014	1,707,143
Thereafter	<u>8,807,142</u>
	<u>\$ 34,474,857</u>

Interest rates (fixed and variable) on loans payable had a weighted average of 3.16% and 3.59% in 2009 and 2008.

At December 31, 2009, the Fund had the following available commitments:

JPMorgan Chase Bank, N.A.	\$ 4,500,000
Mizuho Corporate Bank USA	1,500,000
Prudential	4,000,000
U.S. Trust Company, N.A.	1,000,000
Casey Foundation	<u>1,000,000</u>
	<u>\$ 12,000,000</u>

The Fund has certain loan covenants that require among other things, maintenance of certain financial ratios and limits on the amount of debt that the Fund can incur. The Fund was in compliance with all covenants at December 31, 2009 and 2008.

9. Temporarily Restricted Net Assets

Temporarily restricted net assets were released from donor restrictions during the year ended December 31, 2009 and 2008 by incurring expenses satisfying the restricted purpose of providing program expenses. As of December 31, 2009 and 2008, temporarily restricted net assets are available for the provision of loans, grants to nonprofit organizations, BFF contract disbursements or other specific expenditures. In addition, as of December 31, 2009 and 2008, NFF's temporarily restricted net assets include \$1.5 million and \$2.9 million of Investment Capital.

NFF has received several grants to invest in expansion or enhancements to NFF's services, which offer management discretion about their specific use. These are collectively deemed Investment Capital. Funds from these Investment Capital grants are released either 1) to fund specific, one-time investments that enable expansion or enhancement, or 2) to fund the temporary deficits associated with developing lines of business until they are fully sustained by recurring revenues. The following table summarizes activity among NFF's Investment Capital Grants:

Nonprofit Finance Fund and Affiliates

Notes to Consolidated Financial Statements

9. Temporarily Restricted Net Assets *(continued)*

	<u>2009</u>	<u>2008</u>
Balance, beginning of year	\$ 2,857,685	\$ 3,107,043
Additional Investment Capital		
Commitments raised	-	300,000
Impact of discounting	-	81,290
Releases of Investment Capital	<u>(1,400,775)</u>	<u>(630,648)</u>
Balance, end of year	<u>\$ 1,456,910</u>	<u>\$ 2,857,685</u>

NFF recognizes the following grantmakers as sources of Investment Capital:

<u>Sources</u>	<u>Total Contribution</u>	<u>Released in 2008 and 2009</u>	<u>Remaining at 12/31/09</u>
Surdna Foundation, Inc.	\$ 433,333	\$ (287,327)	\$ 146,006
Kresge Foundation	2,000,000	(1,395,647)	604,353
Doris Duke Charitable Foundation	755,000	(348,449)	406,551
Rockefeller Foundation	300,000	-	300,000
	<u>\$ 3,488,333</u>	<u>\$ (2,031,423)</u>	<u>\$ 1,456,910</u>

10. Retirement Plan

The Fund sponsors a qualified defined contribution pension plan covering all eligible employees. The Fund contributes an amount equal to 4% of all eligible employees' salaries. Additionally, the Fund matches staff members' voluntary contributions up to a maximum of 2% of their salaries. Pension expense for 2009 and 2008 was \$356,900 and \$302,000.

11. Commitments and Contingencies

As of December 31, 2009, the Fund had contractual commitments of approximately \$3,104,552 to nonprofit client organizations participating in BFF programs that encourage sound fiscal management practices. These contractual commitments have not been recorded as a liability since they are conditional based upon the nonprofit client organizations meeting the terms of the contracts.

As of December 31, 2009 and 2008, the Fund has guaranteed commitments for certain outstanding loans of other nonprofit client organizations with maximum payouts of \$658,403 and \$673,615. The term of these guarantees are generally over the life of the outstanding loans ranging from 2010 to 2016. The Fund has provided for a liability for the carrying value for these guarantees in the consolidated financial statements.

Nonprofit Finance Fund and Affiliates

Notes to Consolidated Financial Statements

11. Commitments and Contingencies (*continued*)

The Fund's obligation for minimum annual rentals pursuant to various lease arrangements for real property are as follows:

2010	\$ 724,723
2011	627,800
2012	523,815
2013	489,529
2014	497,989
Thereafter	<u>638,916</u>
	<u>\$ 3,502,772</u>

Rent expense amounted to approximately \$589,832 (net of sublease income of \$43,500) in 2009.

12. Functional Expenses

The Fund's functional classification of expenses for 2009 and 2008 consists of the following:

	<u>2009</u>	<u>2008</u>
Operating expenses		
Program expenses	\$ 11,156,140	\$ 9,968,496
Management and general	1,411,362	936,683
Fundraising	<u>618,840</u>	<u>698,322</u>
	13,186,342	11,603,501
Other capital access and related expenses		
Program expenses	<u>6,430,056</u>	<u>3,896,035</u>
Total expenses	<u>\$ 19,616,398</u>	<u>\$ 15,499,536</u>

Nonprofit Finance Fund and Affiliates

Supplemental Information

December 31, 2009

Nonprofit Finance Fund and Affiliates

Consolidating Statements of Financial Position

December 31, 2009

(with comparative totals at December 31, 2008)

	2009			
	NFF	BFF	Total	2008
ASSETS				
Cash and cash equivalents	\$ 17,265,805	\$ 4,315,319	\$ 21,581,124	\$ 23,921,243
Investments	246,424	-	246,424	-
Loans receivable, net	44,428,867	-	44,428,867	37,062,829
Accounts and grants receivable	16,179,694	-	16,179,694	16,207,451
Loan interest receivable	134,193	-	134,193	136,775
Prepaid expenses and other assets	206,815	-	206,815	287,039
Property and equipment, net	243,496	-	243,496	325,004
Other real estate owned	789,000	-	789,000	-
Cash held as agent	19,983	-	19,983	24,507
Total Assets	<u>\$ 79,514,277</u>	<u>\$ 4,315,319</u>	<u>\$ 83,829,596</u>	<u>\$ 77,964,848</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Due (to) from affiliates	\$ (260,984)	\$ 260,984	\$ -	\$ -
Accounts payable and accrued expenses	1,350,572	-	1,350,572	964,771
Grants payable	381,149	-	381,149	192,230
Program specific loans payable	1,000,000	-	1,000,000	-
Loans payable	34,474,857	-	34,474,857	30,332,000
Amount held as agent for other organizations	19,983	-	19,983	24,507
Total Liabilities	<u>36,965,577</u>	<u>260,984</u>	<u>37,226,561</u>	<u>31,513,508</u>
Net Assets				
Unrestricted				
Operations	3,181,656	-	3,181,656	2,895,360
Board Designated for Loan Fund Capital	2,177,355	-	2,177,355	2,177,355
Total Unrestricted	<u>5,359,011</u>	<u>-</u>	<u>5,359,011</u>	<u>5,072,715</u>
Temporarily Restricted				
Program Fund	7,656,659	-	7,656,659	6,299,538
Investment Capital Fund	1,456,910	-	1,456,910	2,857,685
Grant Fund	16,018,305	-	16,018,305	16,973,146
Loan Fund Capital	12,057,815	-	12,057,815	10,825,350
BFF Fund	-	4,054,335	4,054,335	4,422,906
Total Temporarily Restricted	<u>37,189,689</u>	<u>4,054,335</u>	<u>41,244,024</u>	<u>41,378,625</u>
Total Net Assets	<u>42,548,700</u>	<u>4,054,335</u>	<u>46,603,035</u>	<u>46,451,340</u>
Total Liabilities and Net Assets	<u>\$ 79,514,277</u>	<u>\$ 4,315,319</u>	<u>\$ 83,829,596</u>	<u>\$ 77,964,848</u>

See independent auditors' report

Nonprofit Finance Fund and Affiliates

Consolidating Statements of Activities

Year Ended December 31, 2009
(with comparative totals at December 31, 2008)

	Unrestricted			Temporarily Restricted			Totals	
	NFF	BFF	Total	NFF	BFF	Total	2009	2008
REVENUE								
Operating								
Grants	\$ 237,024	\$ -	\$ 237,024	\$ 7,757,301	\$ -	\$ 7,757,301	\$ 7,994,325	\$ 3,738,290
Investment income	22,478	-	22,478	9,820	1,624	11,444	33,922	507,908
Program fees	2,395,372	-	2,395,372	-	-	-	2,395,372	2,282,541
Net assets released from restrictions	8,045,739	-	8,045,739	(7,810,775)	(234,964)	(8,045,739)	-	-
Total Operating Revenue	10,700,613	-	10,700,613	(43,654)	(233,340)	(276,994)	10,423,619	6,528,739
Lending and Financing								
Loan and financing fees	1,428,791	-	1,428,791	-	-	-	1,428,791	849,834
Interest income, net of interest expense of \$934,502 and \$1,259,305 in 2009 and 2008	1,343,234	-	1,343,234	-	-	-	1,343,234	1,384,889
Total Lending and Financing Revenue	2,772,025	-	2,772,025	-	-	-	2,772,025	2,234,723
Total Revenue	13,472,638	-	13,472,638	(43,654)	(233,340)	(276,994)	13,195,644	8,763,462
EXPENSES								
Operating								
Salaries	6,542,588	-	6,542,588	-	-	-	6,542,588	6,192,545
Employee benefits and payroll taxes	1,534,175	-	1,534,175	-	-	-	1,534,175	1,333,609
Total Salaries and Related Expenses	8,076,763	-	8,076,763	-	-	-	8,076,763	7,526,154
Program consultants	483,757	-	483,757	-	-	-	483,757	776,716
Professional support	1,224,170	-	1,224,170	-	-	-	1,224,170	851,950
Occupancy	1,106,722	-	1,106,722	-	-	-	1,106,722	839,920
Administration	872,384	-	872,384	-	-	-	872,384	1,123,463
Depreciation and amortization	114,451	-	114,451	-	-	-	114,451	128,881
Total Operating Expenses	11,878,247	-	11,878,247	-	-	-	11,878,247	11,247,084
Lending and Financing								
Provision for loan loss	1,308,095	-	1,308,095	-	-	-	1,308,095	356,417
Total Expenses	13,186,342	-	13,186,342	-	-	-	13,186,342	11,603,501
Excess (Deficiency) of Revenue over Expenses	286,296	-	286,296	(43,654)	(233,340)	(276,994)	9,302	(2,840,039)
OTHER CAPITAL ACCESS AND RELATED ACTIVITY								
Contribution for Loan Fund	-	-	-	1,615,000	-	1,615,000	1,615,000	-
Contribution for Grant Fund	-	-	-	4,957,449	-	4,957,449	4,957,449	2,485,367
Net assets released from restrictions	6,294,825	135,231	6,430,056	(6,294,825)	(135,231)	(6,430,056)	-	-
Grants	(5,912,290)	-	(5,912,290)	-	-	-	(5,912,290)	(3,746,375)
BFF contract disbursements	-	(135,231)	(135,231)	-	-	-	(135,231)	(149,660)
Owned real estate remediation	(382,535)	-	(382,535)	-	-	-	(382,535)	-
Change in Net Assets	286,296	-	286,296	233,970	(368,571)	(134,601)	151,695	(4,250,707)
NET ASSETS								
Beginning of year	5,072,715	-	5,072,715	36,955,719	4,422,906	41,378,625	46,451,340	50,702,047
End of year	\$ 5,359,011	\$ -	\$ 5,359,011	\$ 37,189,689	\$ 4,054,335	\$ 41,244,024	\$ 46,603,035	\$ 46,451,340

See independent auditors' report

RECEIVED FEB 14 2000

Internal Revenue Service

Department of the Treasury

**P. O. Box 2508
Cincinnati, OH 45201**

Date: February 9, 2000

Person to Contact:
Vicki Adams 31-04011
Customer Service Representative
Toll Free Telephone Number:
877-829-5500
Fax Number:
513-263-3756
Federal Identification Number:
13-3238657

Nonprofit Finance Fund
70 W 36th St. 11th Fl.
New York, NY 10018-8007

Dear Sir or Madam:

This letter is in response to your request for a copy of your organization's determination letter. This letter will take the place of the copy you requested.

Our records indicate that a determination letter issued in April 1985 granted your organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

Based on information subsequently submitted, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in section 509(a)(1) and 170(b)(1)(A)(vi).

This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's sources of support, or its character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on the exempt status and foundation status of your organization.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid to each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Nonprofit Finance Fund
13-3238657

Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

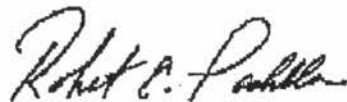
The law requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. You are also required to make available for public inspection a copy of your organization's exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. You can charge only a reasonable fee for reproduction and actual postage costs for the copied materials. The law does not require you to provide copies of public inspection documents that are widely available, such as by posting them on the Internet (World Wide Web). You may be liable for a penalty of \$20 a day for each day you do not make these documents available for public inspection (up to a maximum of \$10,000 in the case of an annual return).

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

This letter affirms your organization's exempt status.

Sincerely,

A handwritten signature in dark ink, appearing to read "Robert C. Padilla". The signature is fluid and cursive, with the first name "Robert" being the most prominent part.

Robert C. Padilla
Manager, Customer Service



Board of Directors List

Ami Dar
Executive Director
Action Without Borders
(dba Idealist.org)

Andrew B. Cohn (Secretary)
Kaplin Stewart

Janet Thompson
Interim President/CEO
Nonprofit Finance Fund

Daniel Ben-Horin
Founder/ Co-CEO
Tech Soup Global

David L. Vollmayer
President
Liberator Management, LLC

Elizabeth C. Sullivan (Board Chair)
Vice President, Community Investment
Community Foundation for Southeast Michigan

Jim Bildner
General Partner
New Horizons Partners, LLC

Kimberly Johnson
Partner
KPMG

Maria E. Blair
Deputy Associate Director
White House Council on Environmental Quality

Maurice Jones
President & Publisher
The Virginian Pilot

Robert S. Robbin
Holland & Knight, LLP

Ruth Salzman
Executive Director & CEO
Russell Berrie Foundation

Tessie Guillermo
President and C.E.O.
Zero Divide

2011 Consolidated Budget

UNRESTRICTED GRANTS	101,250
NET ASSETS RELEASED	7,400,312
TOTAL CONTRIBUTED REVENUE	7,501,562
INVESTMENT INTEREST	19,600
FEE FOR SERVICE CONTRACTS	1,334,063
LOAN FEES	286,750
NET INTEREST INCOME	1,995,880
NMTC FEES	1,368,216
MISCELLANEOUS	-
TOTAL EARNED REVENUE	5,004,509
TOTAL REVENUE	12,506,071
SALARIES & BENEFITS	7,741,836
OCCUPANCY	1,108,191
TOTAL SALARY & OCCUPANCY	8,850,027
PROGRAM CONSULTANTS	333,784
TOTAL DIRECT GRANT EXPENSES	333,784
MANAGEMENT CONSULTANTS	691,892
TEMPORARY PERSONNEL	-
OTHER PROFESSIONAL SUPPORT	294,524
ADMINISTRATIVE EXPENSES	888,377
TOTAL OTHER OPERATING EXPENSES	1,874,793
TOTAL DIRECT EXPENSES	11,058,604
PROVISION FOR LOAN LOSS	1,000,000
TOTAL EXPENSES	12,058,604
NET OPERATING SURPLUS/(DEFICIT)	447,467

ROBINA FOUNDATION

4900 IDS Center
80 South 8th Street
Minneapolis, MN 55402
Phone: 612-333-2313
Fax: 612-333-0182
www.robinafoundation.org

July 5, 2011

Emily Guthman
Associate Director, Eastern Region
Nonprofit Finance Fund
70 West 36th St., 11th Floor
New York, NY 10018

Dear Emily,

Enclosed, as you requested, please find three executed copies of the Amendment and Joinder to Master Funding and Participation Agreement in connection with the ArtPlace Initiative. We understand that you will circulate the Joinder for signature by NFF and the Funders' Council and will return one fully executed copy to me.

The Robina Foundation is very pleased to participate in this innovative and important initiative. We look forward to learning more about the implementation of the initiative and the programs funded as part of the initiative. As I have indicated, the Robina Foundation is prepared to provide its funding if you will send me instructions on wire transferring the funds to NFF.

Thank you again for your assistance in our review and participation in the initiative. Please feel to contact me if you have questions.

Sincerely,

Penny A. Hunt
Executive Director
Robina Foundation

Hi Penny,

I am attaching the ArtPlace joinder agreement. While I had hoped this would have reached you a while ago, I needed to walk through many of the steps with the ArtPlace legal team. Robina Foundation is the first Foundation to enter by Joinder agreement (several more are now following) – the process is now much clearer.

Attached to this email, please find the Master Funding and Participation Agreement as amended to include the generous support of Robina Foundation. Robina's commitment has been added to Schedule 1 (bottom of page 34). To move forward, I ask that you print and sign three (3) copies of the Joinder Agreement (Schedule A-1). Your signature is required on page 36. Please return those three Joinder copies to my attention at the address below. Simultaneously, we will circulate the Joinder for signature by NFF and the funders' council, eventually returning one executed copy back to your attention.

If you have any questions, do not hesitate to reach out to me.

Best, Emily

Emily Guthman
ASSOCIATE DIRECTOR, EASTERN REGION
Nonprofit Finance Fund
70 West 36th St., 11th Floor
New York, NY 10018
Tel: (212) 457-4745
Fax: (212) 947-9872
emily.guthman@nffusa.org

EXECUTION COPY

MASTER FUNDING AND PARTICIPATION AGREEMENT

between

NONPROFIT FINANCE FUND

and

THE FUNDERS PARTY HERETO

for the support of

a New Creative Placemaking Initiative

Dated as of January 13, 2010

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1	
FUNDING COMMITMENTS	3
Section 1.1 Initial Funding	3
Section 1.2 Additional Funding	4
ARTICLE 2	
PURPOSE OF THE FUNDING	4
Section 2.1 General Charitable Purpose	4
Section 2.2 Impact Objectives	5
ARTICLE 3	
PROJECT OVERSIGHT	5
Section 3.1 NFF	5
Section 3.2 Director	6
Section 3.3 Funders Council	7
Section 3.4 Operations Advisory Committee	8
Section 3.5 Spinoff or Modification	8
ARTICLE 4	
USE OF PROCEEDS	9
Section 4.1 Program Parameters	9
Section 4.2 Procedure for Defining Specific Program Parameters	10
Section 4.3 Third-Party Assessment	11
Section 4.4 Budget	12
ARTICLE 5	
CONDITIONS OF FUNDERS' OBLIGATIONS	13
Section 5.1 	13
ARTICLE 6	
LEGAL COMPLIANCE AND REPORTING REQUIREMENTS	14
Section 6.1 Reporting Requirements	14
Section 6.2 Compliance	16
ARTICLE 7	
REPRESENTATIONS OF NFF	18
Section 7.1 Organization and Powers	18

TABLE OF CONTENTS
continued

	<u>Page</u>
Section 7.2 Tax-Exempt Status; Charitable Purpose	19
Section 7.3 Authorization; Binding Agreement	19
Section 7.4 No Conflicts	19
ARTICLE 8	
GENERAL TERMS AND CONDITIONS	20
Section 8.1 Loan Fundings	20
Section 8.2 Publicity, Publications, and Communications	20
Section 8.3 Publications; Licenses	20
Section 8.4 Tax Status	20
Section 8.5 Existence and Properties	20
Section 8.6 Notice to Funders	21
Section 8.7 Entire Agreement	21
Section 8.8 Notices	22
Section 8.9 Assignment	22
Section 8.10 No Pledge	22
Section 8.11 Anti-Discrimination	23
Section 8.12 No Joint Venture	23
Section 8.13 No Waivers	23
Section 8.14 Counterparts	23
Section 8.15 Governing Law	23
Section 8.16 Severability	23
Section 8.17 Modification; Amendment	23
Section 8.18 Termination	24
Section 8.19 Other Parties	25

MASTER FUNDING AND PARTICIPATION AGREEMENT

THIS MASTER FUNDING AND PARTICIPATION AGREEMENT ("Agreement"), dated and effective as of January 13, 2011, (the "Initial Commitment Date") is made and entered into by and between the NONPROFIT FINANCE FUND, a New York not-for-profit corporation ("NFF"), with offices at 70 West 36th Street, 11th Floor, New York, NY 10018, and each of the organizations listed as a funder on Schedule 1 to (and forming part of) this Agreement together with any other organizations that may from time to time be joined as a party hereto as a funder (collectively, the "Funders" and each individually, a "Funder") (the above parties collectively, the "Parties" to this Agreement).

RECITALS

WHEREAS, NFF is a New York not-for-profit corporation that was formed for charitable, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and has been recognized by the Internal Revenue Service (the "IRS") as a tax-exempt organization described in Section 501(c)(3) of the Code and a public charity within the meaning of Section 509(a)(1) of the Code;

WHEREAS, NFF is a national Community Development Financial Institution that endeavors to create a well-capitalized, sustainable nonprofit sector by providing a broad array of advisory services to nonprofit organizations and community organizations, including many arts and cultural organizations, in order to strengthen their abilities to carry out their missions and programs more efficiently and effectively;

WHEREAS, historically there has been a divide between those institutions and charitable programs that support the arts and culture and those that support community and economic development and other place-based strategies;

WHEREAS, National Endowment for the Arts ("NEA") and a number of leading private foundations, including many of the Funders, are interested in breaking down the divide between

these two program areas through a strategy of “creative placemaking,” which uses investments in the arts and other cultural or creative assets to support and enhance the physical, social and economic resiliency of neighborhoods, towns, cities and regions;

WHEREAS, the NEA and the Funders have developed a new creative placemaking initiative (the “Initiative”) to accomplish this goal;

WHEREAS, NFF supports innovative initiatives aimed at achieving positive community development outcomes in diverse program areas and believes that the Initiative can serve as an effective mechanism to utilize the arts and culture to catalyze community revitalization and creative placemaking;

WHEREAS, NFF has presented the Funders with a proposal (the “Proposal”) for its sponsorship of the Initiative as a complement to its existing community and economic development programs and its support of arts and cultural organizations;

WHEREAS, NFF and the Funders have engaged in an ongoing dialogue that has further shaped the vision for the Initiative and refined and updated what was set forth in the Proposal, and this Agreement reflects the results of such dialogue;

WHEREAS, the Funders and the NEA believe that it is imperative to establish a broad-based funder coalition to support the Initiative in order to (1) demonstrate to public agencies and potential private funders the breadth of support for the Initiative’s vision and its creative placemaking objectives, (2) provide the Initiative with access to the diverse and extensive programmatic expertise present at the various funding organizations, and (3) enable the Initiative to support a broader array of projects and programs;

WHEREAS, it is anticipated that the NEA will support the startup of the Initiative by providing NFF with up to \$150,000 annually for up to three years (to the extent of available funds for each fiscal year) to fund a portion of NFF’s administrative expenses with respect to the Initiative;

WHEREAS, the NEA and the Funders intend for their participation in the Initiative to (1) encourage other federal agencies to invest in arts and culture as part of their community-building, place-based programs and (2) leverage additional funding from foundations, corporations, financial institutions and individuals, and it is expected that additional funders will continue to join as Funders and signatories of this Agreement after the Initial Commitment Date;

WHEREAS, it is anticipated that NFF, for the purpose of the Initiative, will receive approximately \$12 million in support by the end of the first quarter of 2011 from the Funders herein and, in coordination with the continuing fundraising efforts of the Funders, the goal for the Initiative is to raise at least \$36 million in grants or loans by the end of 2013;

WHEREAS, in furtherance of the charitable purposes and program goals set forth above, each Funder desires to provide funding support, in the amounts set forth on Schedule 1, with respect to the Initiative, upon the terms and conditions set forth herein; and

WHEREAS, NFF has executed preliminary grant agreements with certain Funders in order to facilitate the timely disbursement of the Fundings contemplated herein, and it is the intention of the parties to the aforementioned preliminary grant agreements that those agreements be replaced and superseded by this Agreement upon this Agreement's execution.

NOW, THEREFORE, on the terms and premises set forth herein, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

ARTICLE 1 FUNDING COMMITMENTS

Section 1.1 Initial Funding. Each Funder agrees to make a grant or a loan (each a "Funding") in the amount set forth opposite such Funder's name on Schedule 1, subject to the terms and conditions of this Agreement, including any specific restrictions specified by the Funder and listed on Schedule 1 opposite such Funder's name.

Section 1.2 Additional Funding. In order to join a new Funder to this Agreement, NFF, a Chair of the Funders Council (described below in Section 3.2) or his or her designee, as representative of the Funders, and such new Funder, shall execute a Joinder to this Agreement substantially in the form attached hereto as Exhibit A-1 (the “Joinder Agreement”), which Joinder Agreement, when fully executed, shall be appended to and become a part of this Agreement. Any existing Funder may increase its funding commitment from time to time by executing, along with NFF and a Chair of the Funders Council, or his or her designee, as representative of the Funders, an amendment substantially in the form attached hereto as Exhibit A-2.

ARTICLE 2 PURPOSE OF THE FUNDING

Section 2.1 General Charitable Purpose. The general charitable purpose of the Funding is to further the Initiative’s mission to promote the role of arts and culture as key drivers in creating livable, sustainable communities by enhancing the physical, economic, and social resiliency of neighborhoods, towns, cities and regions, including rural areas, by supporting the Initiative’s strategic deployment of arts and cultural resources and development of creative places to foster entrepreneurs and cultural industries that generate jobs and income, spin off new products and services, and attract and retain businesses and skilled workers, all in furtherance of the exempt purposes of the Funders, as described in Section 170(c)(2)(B) of the Code, of relieving the poor and distressed, combating community deterioration, revitalizing distressed communities, and lessening the burdens of government.

Section 2.2 Impact Objectives. Within the broad purposes set forth in Section 2.1, the Initiative shall focus on achieving the following measurable impact objectives in furtherance of creative placemaking:

2.2.1 Community Impact: to support a reinvigorated local economy and a renewed sense of pride, possibility, and distinctive place among residents;

2.2.2 Policy Impact: to spur the integration of creative placemaking into the community-building, place-based programs of federal, state, and city agencies;

2.2.3 Arts and Culture Impact: to expand access to artistic excellence, nurture innovation and creativity, and strengthen the capacity of arts organizations; and

2.2.4 Financial Impact: to leverage local financial support from the private and public sectors.

ARTICLE 3 PROJECT OVERSIGHT

Section 3.1 NFF. NFF shall administer and implement the Initiative as a project of NFF and oversee the expenditure, monitoring and reporting of the Fundings. In addition to the expenditure, monitoring and reporting obligations specified in this Agreement and pursuant to any applicable law, rule or regulation, NFF shall contribute its facilities, personnel and technical expertise with respect to the structuring and implementation of the grants and other investments to be made in connection with the Initiative, in coordination with the Project Partners (defined below). Subject to the provisions of this Agreement, NFF shall be responsible for retaining such personnel and third-party service providers as NFF deems desirable in connection with its responsibilities concerning the Initiative and its obligations hereunder, including, but not limited to, retaining consultants to provide an assessment of the Initiative (described below) and to maintain a program of regular communications, including an independent, free-standing website,

to inform the public about the progress of the Initiative. In addition to the services of the Director (described below), NFF shall provide facilities, administrative and programmatic support to the Initiative, and make available to the Initiative the services of its Controller, Finance Department staff, Loan Fund Managing Director, auditor, and other officers or staff members, and shall hire and/or contract additional staff, as needed.

Section 3.2 Director. Consistent with its obligations and responsibilities set forth above and herein, NFF shall retain the services of an executive director (the “Director”) for the Initiative who shall, on behalf of NFF, manage and oversee the activities and operations of the Initiative and shall serve as NFF’s primary liaison to the Funders with respect to the Initiative. Among his or her responsibilities, the Director, in consultation with the President of NFF or his or her designee, shall be responsible for reviewing and recommending to NFF the retention of third-party service providers, including Project Partners, to support the Initiative. The terms of the engagement of third-party service providers or Project Partners, shall be developed by the Director, in consultation with the President of NFF or his or her designee. The selection of the Director shall be subject to the approval of the Funders Council. The responsibilities of the Director shall include, but not be limited to, those set forth in Exhibit E, and the engagement contract for the services of the Director shall be submitted by NFF to the Operations Committee (defined below) for its approval prior to execution. Such contract shall not be terminated or amended by NFF without the consent of the Operations Committee; provided, however, that if NFF determines that termination or amendment of such contract is necessary to comply with any applicable law, rule or regulation, NFF shall notify a representative of the Operations Committee, who has been designated for such purpose, of its desire to terminate or amend the contract and the reasons therefor, and such representative shall, on behalf of the Operations

Committee, within ten (10) business days of receiving such notification, notify NFF of the Operations Committee's decision with respect to the requested termination or amendment.

Section 3.3 Funders Council. The Initiative will have a council of advisors composed of Presidents or other senior executive representatives of certain of the Funders (the "Funders Council"). The Funders Council shall make recommendations to the Director regarding the broad policy direction and general programming of the Initiative and shall have the approval rights set forth herein. For each increment of \$500,000 of a grant commitment, or each increment of \$1,000,000 of a loan commitment, a Funder shall have the right to appoint its representative to serve a one-year term on the Funders Council up to a maximum of three years (such that, for example, a Funder who commits \$2,000,000 may have a seat on the Funders Council for three years if the commitment is a grant and for two years if the commitment is a loan); provided, however, that a Funder's term on the Funders Council shall end at the close of the fiscal year of NFF in which such Funder's Funding has been fully expended. The members of the Funders Council shall meet quarterly during the first year of operations of the Initiative and at least semiannually thereafter. The Funders Council shall elect a Chair, or two co-Chairs, who shall preside at all meetings of the Council and act as the primary liaison between the Funders Council and the Director, the President of NFF, and the Operations Committee (defined below). Each member of the Funders Council shall have one vote. A majority of the members of the Funders Council shall constitute a quorum, and the action of a majority of the members of the Funders Council present at a meeting at which a quorum is present shall constitute the action of the Funders Council. It is anticipated that the NEA Chair or his or her designee will meet with the Funders Council from time to time to give general advice to the Initiative on policy and proposed criteria for selection of projects.

Section 3.4 Operations Advisory Committee. The Funders Council shall appoint an operations advisory committee composed of one program officer representative from each of the Funder organizations that have a seat on the Funders Council (the “Operations Committee”). The Operations Committee shall make recommendations and provide technical assistance to the Director regarding the overall management and direction of the Initiative, the selection of projects to be funded by the Initiative, and the realization of projects to which the Initiative has committed. The Operations Committee shall monitor the progress of the Initiative, report to the Funders Council, and have those approval rights set forth herein. The Operations Committee shall meet via teleconference or other means at least monthly. Each member of the Operations Committee shall have one vote. A majority of the members of the Operations Committee shall constitute a quorum, and the action of a majority of the members of the Operations Committee present at a meeting at which a quorum is present shall constitute the action of the Operations Committee. The Director and the President of NFF, or his or her designee, shall each be a nonvoting member of the Operations Committee.

Section 3.5 Spinoff or Modification. In the event that the parties decide in the future that it is desirable to spin off or change the organizational structure of the Initiative, then NFF, the Funders, and the Director will work together to modify the structure and/or transfer the activities, funds and property (including all work product and intellectual property rights) attributable to the Initiative, and take such other steps as may be needed, to effect such spinoff or modification.

Section 3.6 Conflicts of Interest. The Director, in consultation with the President of NFF or his or her designee, and consistent with NFF’s legal obligations and any applicable law, rule or regulation, shall develop a conflicts of interest policy for the Initiative, which shall set

forth, among other things, a process to ensure that full disclosure is made of any potential conflicts of interest that may affect the impartiality of recommendations or decisions made with respect to the use of funds dedicated to the Initiative.

ARTICLE 4 USE OF PROCEEDS

Section 4.1 Program Parameters. NFF shall use all Fundings solely in connection with the Initiative, in accordance with any Funder-specific restrictions (or permissive uses) set forth in Schedule 1, to (1) provide grants, loans, contracts, technical assistance, and other programmatic support to projects and services that further the purposes set forth in this Agreement, and (2) fund associated administrative expenses to the extent such expenses have not been funded by contributions (either from the NEA or other Funders) provided specifically for such expenses,. In addition to assessment and communications activities of the Initiative, the activities of, and support provided by, the Initiative shall be allocated among four program areas (the “Program Areas”), each of which has the following primary imperatives:

4.1.1 New Development: to support physical development projects (including, for example, artist live/work spaces).

4.1.2 Innovative Arts Engagement: to transform community sites into public art spaces and create new ways to engage people with the arts.

4.1.3 Planning and Design: to conduct planning for arts and creative industry districts, cultural and artist live/work facilities, regional creative economy initiatives, and projects to stimulate design excellence in infrastructure and community outreach.

4.1.4 Research and Policy: to identify needed policy changes, develop and pursue strategies to bring about such changes, and conduct research to determine the direct and indirect impacts of creative placemaking and how these impacts can be measured.

Section 4.2 Procedure for Defining Specific Program Parameters.

4.2.1 Program Guidelines. Within ninety (90) days of the date of execution of the contract for the services of the Director (such date of execution, the “Start Date”), the Director, in consultation with the President of NFF or his or her designee, shall present to the Operations Committee a set of program guidelines for each Program Area (the “Program Guidelines”). The Program Guidelines shall set forth the broad parameters defining the permissive uses of funds within each Program Area and shall be consistent with the terms of this Agreement, any Funder-specific restrictions (or permissive uses) set forth in Schedule 1, and any applicable law, rule or regulation. Once approved by the Operations Committee, the Program Guidelines shall be appended to, and made a part of, this Agreement, as Exhibits C-1 through C-4, and may only be amended with the consent of the Operations Committee.

4.2.2 Project Partners.

(a) Within 120 days of the Start Date, the Director, in consultation with the President of NFF or his or her designee, shall identify for each Program Area one or more nonprofit organizations or other entities or consultants that will work with the Director to originate and carry out the Initiative’s projects (each such organization a “Project Partner”). The Director, in consultation with the President of NFF or his or her designee, shall submit each proposed Project Partner and its proposed scope of work to the Operations Committee for its review and advice. Each Project Partner may be required to act as the project manager within its respective Program Area, assist in identifying projects for funding in accordance with the objectives, provide technical assistance, and monitor project progress, all under the direction and supervision of the Director.

(b) Within thirty (30) days of receiving approval for a Project Partner from the Operations Committee, NFF shall enter into a memorandum of understanding or funding agreement (“MOU”) with each such Project Partner setting forth the roles and responsibilities of NFF and each Project Partner with respect to the Initiative. Each executed MOU shall be appended to this Agreement as Exhibits D-1 through D-4. Each MOU shall:

(i) require the Project Partner to maintain books and records adequate to substantiate its expenditure of funds received from the Initiative and provide reports adequate to enable NFF to comply with Section 6.1;

(ii) require the Project Partner to retain the books and records and copies of the reports and statements required by this section for a period of at least five (5) years after expenditure of the funds received from the Initiative, and make such books and records, and any other documents relating to the Initiative’s funds, available for inspection, copying and on- or off-site audits by NFF and its agents and representatives at reasonable times;

(iii) prohibit the Project Partner from engaging in those activities described in Section 6.2.3;

(iv) give NFF the right to terminate the MOU and the Initiative’s funding of a Project Partner in the event of noncompliance by the Project Partner with the terms of the MOU; and

(v) explicitly state the amount of the funds received from the Initiative that the Project Partner is permitted to spend on administrative expenses. NFF shall report the administrative expenses of the Project Partners to the Funders in its annual reports.

Section 4.3 Third-Party Assessment. Within 180 days of the Start Date, NFF shall retain, based on the recommendation of the Director made in consultation with the President of

NFF or his or her designee, one or more independent third-party consultants to (1) develop metrics by which the Initiative's implementation progress and impact can be assessed, (2) gather the data necessary to apply such metrics, and (3) analyze the results of its review and assess the progress and impact of the Initiative. The selection of the consultant and the design of the assessment shall be subject to the consent of the Operations Committee.

Section 4.4 Budget.

4.4.1 Initial Budget. Within ninety (90) days of the Start Date, NFF shall deliver to the Operations Committee a one-year budget for the Initiative prepared by the Director in consultation with the President of NFF, or his or her designee, which budget shall group line items into broad category headings, including but not limited to those set forth in Exhibit B. Upon approval by the Operations Committee, the proposed budget shall be appended as a new Exhibit B (such budget, as may be amended with the consent of the Operations Committee from time to time, the "Budget"). The proceeds of the Fundings shall be expended in accordance with the Budget. The Initiative shall not vary from the Budget in any material way without the prior consent of the Operations Committee. For the purposes of this section, a material variance includes a variance in the amount of overall spending in a broad category that exceeds or falls short of the approved amount by more than ten percent (10%).

4.4.2 Annual Budget. Thirty (30) days prior to the close of each fiscal year of NFF, NFF shall deliver to the Operations Committee for its approval a one-year budget for the ensuing year prepared by the Director in consultation with the President of NFF, or his or her designee. Upon approval by the Operations Committee, such Budget shall be appended to this Agreement as a new Exhibit B.

ARTICLE 5
CONDITIONS OF FUNDERS' OBLIGATIONS

Section 5.1 The obligation of each Funder to disburse its Funding is subject to the fulfillment, as determined in the sole discretion of the Funder, of the following conditions precedent:

5.1.1 Delivery of Documents. NFF shall have delivered to each Funder the following documents, each of which shall be in full force and effect:

(a) This Agreement duly executed by NFF and dated the Initial Commitment Date;

(b) The determination letter received by NFF from the IRS recognizing NFF as a tax exempt organization described in Code Section 501(c)(3) and as a public charity described in Code Section 509(a)(1);

(c) A certified copy of the Articles of Incorporation of NFF certified by the Secretary of State of the State of New York and a recent Certificate of the Secretary of State of the State of New York, certifying as to the valid existence and good standing of NFF in the State of New York;

(d) Instructions necessary to effectuate the wire transfer of funds upon disbursement, including the bank's name, address and ABA number, and the name and number of NFF's account.

5.1.2 Additional Conditions for Loan Fundings. In the case of a Loan Funding, NFF shall have complied with any additional conditions precedent set forth in Exhibit E.

ARTICLE 6
LEGAL COMPLIANCE AND REPORTING REQUIREMENTS

Section 6.1 Reporting Requirements.

6.1.1 Financial Reports.

(a) Within sixty (60) days of the close of the fiscal year of NFF (which currently ends December 31), the Director, in consultation with the President of NFF or his or her designee, shall deliver to each Funder:

(i) A financial report substantially in the format of Exhibit H, comparing actual expenditures to the Budget and including explanatory notes regarding any significant variances (greater than 10% of the broad category amounts) from the Budget.

(ii) A copy of Schedule 1 to this Agreement, if it has been updated since last delivered.

(iii) A report documenting how any Funding subject to Funder-specific restrictions (or permissive uses) has been utilized. Except for adjustments to account for Fundings subject to such restrictions (or available for additional uses), which adjustments shall be explained in the aforementioned report, the financial reporting of the Initiative will pool all Fundings, and each expenditure of the Initiative will be attributable to a Funder's Funding in proportion to that Funder's share of the total received Fundings as reflected on the most current Schedule 1.

(iv) A report showing the grants (or loans or other support) approved by the Initiative during the period covered, including (1) the name of grant recipients, (2) total dollar amount of grants, (3) primary communities served by the grant recipients, and (4) a brief statement of the purpose and expected outcomes of the grant.

(v) A one-page comparison detailing the Initiative's operating income and expenses for two years: the most recently completed fiscal year and the current fiscal year (projected).

(b) Within 120 days of the close of the fiscal year of NFF, NFF shall deliver to each Funder a copy of its audited financial statements.

(c) The financial and narrative report that covers the fiscal year of NFF in which a Funder's Funding is fully expended shall be marked "Final Report" with respect to that Funder and will satisfy the Director's reporting obligations with respect to that Funder.

6.1.2 Narrative Report. Within sixty (60) days of the close of the fiscal year of NFF, the Director, in consultation with the President of NFF or his or her designee, shall deliver to each Funder a narrative report that (1) describes the progress made to date toward achieving the objectives set forth in Article 2, including an explanation of the manner in which any Fundings subject to Funder-specific restrictions or permissive uses contributed to such progress, (2) identifies any challenges and obstacles the Initiative and recipients of support from the Initiative have encountered (both programmatic and related to organizational/management issues) and how they have affected the progress of the Initiative and the supported projects or entities, (3) summarizes any changes to the objectives or scope of work made or proposed for the future to address such challenges and further the achievement of the purposes of the Funding, (4) indicates lessons learned that may inform the Initiative's future work, (5) confirms compliance with the terms of this Agreement, and (6) is signed, or submitted electronically by or on behalf of, the Director.

6.1.3 Reports to the Funders Council. At each meeting of the Funders Council, the Director, in consultation with the President of NFF or his or her designee, shall

present an update of the status of the Initiative, which shall discuss to the extent possible the information described in Sections 6.1.1(i), (ii) and (iv) and include a broad overview of the information described in Section 6.1.2.

6.1.4 Books and Records; Access. NFF and the Director shall maintain books and records adequate to substantiate its expenditure of the Fundings and provide the reports required by this section. NFF shall maintain the Fundings in a segregated fund and treat them as restricted assets (but shall be permitted to pool all funds received from Funders pursuant to this Agreement). All earnings on the Fundings shall be reinvested and held as restricted assets with the Fundings until their use in accordance with Section 6.2.2. All expenditures made in support of the purposes of the Initiative shall be charged off against the Fundings and shall appear on NFF's books. NFF and the Director shall retain the books and records and copies of the reports and statements required by this section for a period of at least five (5) years after expenditure of the Fundings. NFF and the Director shall make such books and records, and any other documents relating to the Funding, available for inspection, copying and on- or off-site audits by a Funder and its agents and representatives at reasonable times.

Section 6.2 Compliance.

6.2.1 Repayment of Misused Funds. The Funding may be expended only in accordance with the terms set forth in this Agreement. NFF shall repay to each Funder any portion of its Funding which is not spent or committed for the purposes stated in this Agreement.

6.2.2 Investment and Interest. NFF shall invest the proceeds of the Fundings, prior to their expenditure, in a prudent manner that takes into consideration the needs of the Initiative. Any interest earned on the proceeds shall be applied in furtherance of the purposes of the Funding as set forth in this Agreement.

6.2.3 Prohibited Activities. NFF shall not expend any proceeds of the Fundings or any income from the investment thereof (a) for any activity described in Section 170(c)(2)(D) of the Code; (b) to (i) carry on propaganda or otherwise attempt to influence legislation (within the meaning of Section 4945(d)(1) of the Code), (ii) participate in or intervene in (including the publishing or distributing of any statements) any political campaign on behalf of (or in opposition to) any candidate for public office or (iii) attempt to influence the outcome of any specific public election, or carry on, directly or indirectly, any voter registration drive (within the meaning of Section 4945(d)(2) of the Code); (c) to promote or engage in violence, terrorism, bigotry or the destruction of any State, or to provide funds to any entity or individual that promotes or engages in such activities; (d) for reportable or discloseable activities under applicable state or local campaign finance or disclosure or election laws, such as ballot measure contributions; (e) to induce or encourage violations of law or public policy; (f) to cause any private inurement or improper private benefit to occur or to take any other action inconsistent with Code Section 501(c)(3); or (g) to further any purpose other than a purpose described in Section 170(c)(2)(B) of the Code.

6.2.4 Anti-Terrorism Requirements. NFF certifies that, to the best of its knowledge, the members of its governing body, its staff, and any consultants/contractor(s) for the Initiative do not advocate, plan, sponsor, commit, threaten to commit, or support terrorism. NFF shall provide any Funder with information required for it to comply with Executive Order 13224, the USA Patriot Act, and other applicable laws, administrative rules, and Executive Orders. All proceeds of the Funding shall be used in compliance with all applicable anti-terrorist financing and asset control laws, regulations, rules, and executive orders. NFF shall take reasonable steps to ensure that no person or entity expected to receive funds in connection with this grant is

designated on (a) the Annex to Executive Order No. 13224, as amended or supplemented from time to time, or (b) the Lists of Specially Designated Nationals or Blocked Persons maintained by the Office of Foreign Assets Controls of the U.S. Department of the Treasury. NFF shall not provide material support or resources to any individual or entity that it knows, or has reason to know, is acting as an agent for any individual or entity that advocates, plans, sponsors, engages in, or has engaged in, terrorist activity, or that has been designated as so acting, and NFF shall immediately cease support to an entity if such entity is so designated after the Initial Commitment Date.

6.2.5 No Earmarking. Notwithstanding anything to the contrary in this Agreement, no individual Funder may cause the selection of any recipient of assistance out of the proceeds of the Fundings. NFF shall exercise full discretion and control over the awarding of grants, loans or other forms of assistance hereunder, in a manner consistent with the provisions of Sections 3.1 and 3.2, and otherwise consistent with the terms of this Agreement and pursuant to any applicable law, rule or regulation.

ARTICLE 7 REPRESENTATIONS OF NFF

NFF represents and warrants to the Funders that:

Section 7.1 Organization and Powers. NFF is a not-for-profit corporation duly organized, validly existing and in good standing under the laws of the State of New York. NFF has all requisite power and authority to own and operate its assets and properties and to carry on its activities as now conducted and proposed to be conducted. NFF is duly qualified or licensed and in good standing as a foreign corporation authorized to conduct its activities in all jurisdictions in which the character of the assets and properties owned or the nature of the

activities conducted makes such qualification or licensing necessary, except where the failure of which would not reasonably be expected to result in a material adverse change in the activities, operations, assets or properties or in the condition, financial or otherwise, of NFF or impair the ability of NFF to perform its obligations under this Agreement.

Section 7.2 Tax-Exempt Status; Charitable Purpose. NFF is exempt from federal income taxation under Section 501(a) of the Code through recognition by the IRS as an organization described in Section 501(c)(3) of the Code and a public charity within the meaning of Section 509(a)(1) of the Code. The execution, delivery and performance by NFF of the Agreement and the use by NFF of the proceeds of the Fundings as contemplated by the Agreement directly further exempt purposes described in Section 170(c)(2)(B) of the Code. There has been no substantial change in the sources of support of NFF that would materially affect its status as a public charity.

Section 7.3 Authorization; Binding Agreement. The execution, delivery and performance by NFF of the Agreement and the use by NFF of the proceeds of the Fundings as contemplated by the Agreement are within NFF's powers and have been duly authorized by all requisite corporate action. The Agreement has been duly executed and delivered on behalf of NFF, and constitutes the legal, valid and binding obligations of NFF enforceable in accordance with their respective terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, moratorium, fraudulent conveyance or other similar laws of general application relating to or affecting.

Section 7.4 No Conflicts. The execution, delivery and performance by NFF of the Agreement and the use by NFF of the proceeds of the Fundings as contemplated by the Agreement will not (a) violate any provision of law or any judgment, writ, injunction, decree,

order, rule or regulation of any governmental entity; (b) violate any provision of the Articles of Incorporation or Bylaws of NFF; or (c) conflict with, result in a breach of or constitute (with notice or lapse of time or both) a default under any indenture, agreement or instrument to which NFF is a party or by which any of its assets or properties are bound.

ARTICLE 8 GENERAL TERMS AND CONDITIONS

Section 8.1 Loan Fundings. In the event NFF receives Funding to support the Initiative in the form of a loan, such loan Funding shall be subject to any additional terms and conditions agreed upon prior to the funding of the loan and appended to this Agreement as Exhibit F.

Section 8.2 Publicity, Publications, and Communications. All public communications about the Initiative by NFF shall be approved by the Director in consultation with the Operations Committee. Each Funder shall be recognized for its support of the Initiative in NFF's public communications about the Initiative, including on any websites or web pages about the Initiative, in accordance with any guidelines provided to the Director by each Funder.

Section 8.3 Publications; Licenses. All publications, studies, or research produced by the Initiative shall be made available to the public. NFF grants to each Funder an irrevocable, nonexclusive license to publish any publications, studies, or research funded by the Fundings at its sole discretion in any and all media formats.

Section 8.4 Tax Status. NFF shall maintain its status as an organization described in Section 501(c)(3) of the Code and a public charity within the meaning of Section 509(a)(1) of the Code.

Section 8.5 Existence and Properties. NFF shall preserve and maintain its corporate existence and good standing under the laws of the State of New York and qualify and remain

qualified as a foreign corporation in each jurisdiction in which qualification is necessary. NFF shall (a) comply or cause compliance with all laws, judgments, writs, injunctions, decrees, orders, rules and regulations of every governmental entity applicable to it and the use, occupancy and ownership of its properties including, without limitation, all building, fire, health and safety codes; and (b) obtain and maintain in full force and effect all consents, licenses, approvals, authorizations, exemptions, franchises, permits and orders of all governmental entities necessary for the performance of any act, the carrying on of any activity or the entering into of any transaction applicable to NFF or necessary in connection with the use, occupancy and ownership of its properties.

Section 8.6 Notice to Funders. As soon as possible and in any event within ten (10) business days after NFF learns of the following or causes any of the following to occur, NFF shall promptly notify the Funders in reasonable detail of any of the following events:

8.6.1 Any change in the executive staff of NFF or in other key personnel with responsibilities relating to the Initiative.

8.6.2 Any occurrence that might affect NFF's status as a tax-exempt public charity described by Code Sections 501(c)(3) and 509(a)(1).

8.6.3 Any material change in the activities, operations, assets or properties or in the condition, financial or otherwise, of the Initiative.

Section 8.7 Entire Agreement. This Agreement (including the Recitals hereto), the Schedules and Exhibits attached hereto, and any additional agreements executed in connection with the consummation of the transactions contemplated hereby constitute the entire agreement between the parties with respect to the transactions contemplated hereby and supersede all prior

agreements or understandings, written or oral, in respect thereof. The Schedules and Exhibits attached hereto are incorporated in and made a part of this Agreement.

Section 8.8 Notices. Any notice or communication given pursuant hereto by either party shall be in writing and delivered by hand, mailed by certified or registered mail, return receipt requested, or delivered by overnight courier addressed as follows:

If to NFF at:

70 West 36th Street
11th Floor
New York, NY 10018

Attention: Clara Miller, President

If to the Funders, at the address set forth opposite their names on Exhibit G.
or to any other address or addresses as the addressee may have specified in a notice duly given to the sender. Except as otherwise specified herein, all notices and other communications shall be deemed to have been duly given (a) on the date of delivery, if delivered by hand or by overnight courier, or (b) three (3) business days after the date of mailing, if duly transmitted by mail.

Section 8.9 Assignment. The rights and obligations of NFF under this Agreement may not be assigned or transferred by any means without the prior written consent of the Funders Council. Assignment includes assignment through liquidation, dissolution, merger, consolidation, sale of assets, and similar processes.

Section 8.10 No Pledge. Neither this Agreement nor any other statement, oral or written, nor the making of any contribution or grant to NFF shall be interpreted to create any pledge or any commitment by a Funder or by any related person or entity to make any other grant or contribution (other than the Funding) to NFF or any other entity for the Initiative or any other project. The Funding contemplated by this Agreement shall be a separate and independent transaction from any other transaction between each Funder and NFF or any other entity.

Section 8.11 Anti-Discrimination. NFF agrees that, in the performance of this Agreement, it will not unlawfully discriminate in its employment practices, volunteer opportunities, or the delivery of programs or services, on the basis of race, color, religion, gender, national origin, ancestry, age, medical condition, handicap, veteran status, marital status, sexual orientation, or any other characteristic protected by law.

Section 8.12 No Joint Venture. This Agreement creates no agency relationship, partnership, or joint venture between NFF and the Funders, and NFF shall make no representation of such.

Section 8.13 No Waivers. The failure of a Funder to exercise any of its rights under this Agreement shall not be deemed a waiver of such rights.

Section 8.14 Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement.

Section 8.15 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed entirely within the State.

Section 8.16 Severability. If any provision of this Agreement shall for any reason be held to be illegal, invalid or unenforceable, the illegal, invalid or unenforceable provision shall not affect any other provision of this Agreement, but this Agreement shall be construed as if the illegal, invalid or unenforceable provision had never been contained herein.

Section 8.17 Modification; Amendment. Except as otherwise provided herein, the written consent of each Funder shall be required for all amendments and modifications to the Agreement.

Section 8.18 Termination. Each Funder, at its sole option, may terminate its participation in this Agreement or withhold payments, or both, at any time, if, in the Funder's judgment: a) the Funder is not satisfied with the quality of the Initiative's progress toward achieving its goals; b) the Funder is of the opinion that the Initiative is incapable of satisfactorily completing the project or has ceased to be an appropriate means of accomplishing the purposes of the Funding; c) NFF dissolves or ceases to operate; or d) NFF materially fails to comply with the terms and conditions of this Agreement, including but not limited to failure to submit reports when due and failure to obtain the consents contemplated in Section 3.2. A Funder wishing to terminate its participation in this Agreement shall provide to NFF and the Chair of the Funders Council notice of its intent to terminate indicating its reasons for termination. The termination will become effective ten (10) days after the date such notice is given, unless rescinded by the Funder prior to such time. If termination occurs prior to the scheduled end date, NFF shall, upon request by the Funder, provide to the Funder a full accounting of the receipt and disbursement of funds and expenditures incurred under the Funding as of the effective date of termination. Within sixty (60) days after written request by the Funder, NFF shall remit all unexpended funds as of the effective date of termination. The Funder may also avail itself of any other remedies available at law.

NFF may terminate its participation in this Agreement upon 120 days prior written notice to the Funders; provided, however, that NFF shall remit all unexpended funds as of the effective date of termination and provide to each Funder a full accounting of the receipt and disbursement of funds and expenditures incurred under the Funding as of the effective date of termination.

Section 8.19 Other Parties. Nothing in this Agreement shall be construed as giving any person, firm, corporation or other entity, other than the parties hereto, any right, remedy or claim under or in respect of this Agreement or any provision hereof.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

NONPROFIT FINANCE FUND

By: _____
Name:
Title:

THE FORD FOUNDATION

By: _____
Name:
Title:

THE JAMES IRVINE FOUNDATION

By: _____
Name:
Title:

**JOHN S. AND JAMES L. KNIGHT
FOUNDATION**

By: _____
Name:
Title:

THE KRESGE FOUNDATION

By: _____
Name:
Title:

THE ANDREW W. MELLON FOUNDATION

By: _____
Name:
Title:

BLOOMBERG FAMILY FOUNDATION, INC.

By: _____
Name:
Title:

THE ROCKEFELLER FOUNDATION

By: _____

Name:

Title:

LIST OF SCHEDULES AND EXHIBITS

Schedule 1	Funders and Specific Terms of Fundings
Exhibit A-1	Form of Joinder Agreement
Exhibit A-2	Form of Amendment
Exhibit B	Budget
Exhibit C-1	Program Guidelines for New Development Program
Exhibit C-2	Program Guidelines for Innovative Arts Engagement Program
Exhibit C-3	Program Guidelines for Planning and Design Program
Exhibit C-4	Program Guidelines for Research and Policy Program
Exhibit D-1	Memorandum of Understanding and/or Funding Agreement with New Development Project Partner(s)
Exhibit D-2	Memorandum of Understanding and/or Funding Agreement with Innovative Arts Engagement Project Partner(s)
Exhibit D-3	Memorandum of Understanding and/or Funding Agreement with Planning and Design Project Partner(s)
Exhibit D-4	Memorandum of Understanding and/or Funding Agreement with Research and Policy Project Partner(s)
Exhibit E	Key Responsibilities of Director
Exhibit F	Additional Terms and Conditions of Loan Fundings
Exhibit G	Addresses of Funders
Exhibit H	Form of Financial Report

SCHEDULE 1

<u>Funder; Grant Reference Number</u>	<u>Amount of Commitment; Number and timing of Disbursements</u>	<u>Time Period in Which to be Utilized</u>	<u>Funder-Specific Uses</u>
The Ford Foundation	\$2,000,000		\$500,000 to be used for administrative expenses of the Initiative during the first year of the initiative, including compensation of the Director and related office and travel expenses, the administrative and legal expenses associated with the start-up of the Initiative, and reimbursement of expenses of NFF attributable to the start-up; \$400,000 to be held in contingency reserve for administrative costs.*
The James Irvine Foundation	\$2,000,000	Twelve months beginning 12/8/2010	Use of funds is restricted to support of projects based in California. Any funds granted to public agencies, or agencies established by the federal, state, or a local government, should supplement and not supplant government support.**
John S. and James L. Knight Foundation Grant No. 2010-0291	\$2,000,000	December 13, 2010 – January 31, 2012	Use of funds is restricted to support of projects based in Akron, OH; Charlotte, NC; Detroit, MI; Macon, GA; Miami, FL; Philadelphia, PA;

* The NEA has also committed up to \$150,000 annually for up to three years to be used for certain administrative expenses, with the actual amount depending upon the availability of funds for each fiscal year.

** Notwithstanding the above restrictions, funds may be used on a pro-rata basis with other Fundings to cover overhead expenses, including administrative expenses and program expenses for assessment and public communications.

			San Jose, CA; and St. Paul, MN.** \$10,000 of the grant will be withheld for use in funding a Grant Expenditure Evaluation to be conducted in 2011.
Kresge Foundation	\$2,000,000		
The Andrew W. Mellon Foundation	\$2,000,000	One year, ending December 31, 2011	Use of funds is restricted to the "Innovative Arts Engagement" Program Area described in Section 4.1.2 to support artistic initiatives of performing arts organizations consistent with the Mellon Foundation's grantmaking activities in performing arts as indicated on the Foundation's website. Use of funds for capital expenditures is prohibited.
The Bloomberg Family Foundation	\$2,000,000		Use of \$500,000 of the funds is restricted to refurbishing under-utilized buildings in New York City for artists' housing.
The Rockefeller Foundation	\$1,500,000	\$500,000 annually from January 1, 2011 to December 31, 2013	Use of funds is restricted to the "Innovative Arts Engagement" Program Area described in Section 4.1.2 and the "Planning and Design" Program Area described in Section 4.1.3. The first-year investment of \$500,000 is restricted to support New York City; the Rockefeller Foundation reserves the right to stipulate further geographic restrictions subsequently, to the extent its funds have not yet been expended.
Robina Foundation	\$500,000		

** Notwithstanding the above restrictions, funds may be used on a pro-rata basis with other Fundings to cover overhead expenses, including administrative expenses and program expenses for assessment and public communications.

FORM OF JOINDER AGREEMENT

AMENDMENT AND JOINDER TO MASTER FUNDING AND PARTICIPATION
AGREEMENT

THIS AMENDMENT AND JOINDER TO THE MASTER FUNDING AND PARTICIPATION AGREEMENT (this "Joinder") is effective as of the 21 day of June, 2011, by and among (i) NONPROFIT FINANCE FUND, a New York not-for-profit corporation ("NFF"), (ii) Robina Foundation, a Minnesota-based private grantmaking foundation, ("Additional Funder"), and (iv) [The Ford Foundation], in its capacity as Chair of the Funders Council ("Funders' Representative") on behalf of the Funders identified in the Agreement ("Funders").

RECITALS

A. NFF and the Funders are parties to that certain Master Funding and Participation Agreement dated as of January 13, 2011 (as amended, restated, modified, or supplemented from time to time, the "Agreement").

B. Pursuant to the Agreement, the Funders made Fundings to NFF in the amounts set forth in Schedule 1 to the Agreement.

C. The Agreement provides that new Fundings may be made by additional Funders from time to time to support the Initiative.

D. The parties are executing this Joinder pursuant to the requirements of the Agreement to (i) reflect the joinder of Additional Funder as a Funder under the Agreement and (ii) reflect certain modifications to the Agreement as set forth below.

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises and agreements contained in this Joinder and the Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby agree as follows:

Section 1. Amendment to Schedule 1 of the Agreement. Schedule 1 to the Agreement is hereby deleted in its entirety and replaced with the Schedule 1 attached to this Joinder.

Section 2. Joinder of Additional Funder. The Additional Funder joins in as a "Funder" under the Agreement and the parties hereby agree that all references in the Agreement to Funders shall include the Additional Funder.

Section 3. Reaffirmation. NFF and Funders' Representative, on behalf of all of the Funders, hereby reaffirm their obligations pursuant to the Agreement.

Section 4. Capitalized Terms. All capitalized terms used in this Joinder which are not specifically defined herein shall have the respective meanings set forth in the Agreement.

Section 5. Full Force and Effect. Except as expressly modified by this Joinder, all terms and conditions of the Agreement shall continue in full force and effect.

Section 6. Counterparts. This Joinder may be executed in counterparts by the parties hereto, and each such counterpart shall be considered an original and all such counterparts shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Joinder as of the day and year first above written.

NONPROFIT FINANCE FUND

By: _____
Name: Janet Thompson
Title: Interim President and CEO

[ADDITIONAL FUNDER]

By: _____
Name: Penny A. Hunt
Title: Executive Director, Robina Foundation

[FUNDERS' REPRESENTATIVE]

By: _____
Name: _____
Title: _____

FORM OF AMENDMENT

AMENDMENT TO MASTER FUNDING AND PARTICIPATION AGREEMENT

THIS AMENDMENT TO THE MASTER FUNDING AND PARTICIPATION AGREEMENT (this "Amendment") is effective as of the ____ day of _____, 20____, by and among (i) NONPROFIT FINANCE FUND, a New York not-for-profit corporation ("NFF"), (ii) _____, a _____, ("[Foundation]"), and (iv) [The Ford Foundation], in its capacity as Chair of the Funders Council ("Funders' Representative") on behalf of the Funders identified in the Agreement ("Funders").

RECITALS

A. NFF and the Funders are parties to that certain Master Funding and Participation Agreement dated as of _____, 2010 (as amended, restated, modified, or supplemented from time to time, the "Agreement").

B. Pursuant to the Agreement, the Funders made Fundings to NFF in the amounts set forth in Schedule 1 to the Agreement.

C. The Agreement provides that a Funder may make additional Fundings from time to time to support the Initiative.

D. The parties are executing this Amendment pursuant to the requirements of the Agreement to reflect an additional Funding being made by [Foundation] under the Agreement.

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises and agreements contained in this Amendment and the Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby agree as follows:

Section 1. Amendment to Schedule 1 of the Agreement. Schedule 1 to the Agreement is hereby deleted in its entirety and replaced with the Schedule 1 attached to this Amendment.

Section 2. Reaffirmation. NFF, [the Foundation], and Funders' Representative, on behalf of all of the Funders, hereby reaffirm their obligations pursuant to the Agreement.

Section 3. Capitalized Terms. All capitalized terms used in this Amendment which are not specifically defined herein shall have the respective meanings set forth in the Agreement.

Section 4. Full Force and Effect. Except as expressly modified by this Amendment, all terms and conditions of the Agreement shall continue in full force and effect.

Section 5. Counterparts. This Amendment may be executed in counterparts by the parties hereto, and each such counterpart shall be considered an original and all such counterparts shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

NONPROFIT FINANCE FUND

By: _____
Name: _____
Title: _____

[FOUNDATION]

By: _____
Name: _____
Title: _____

[FUNDERS' REPRESENTATIVE]

By: _____
Name: _____
Title: _____

EXHIBIT B – The Initiative’s Proposed Budget

Budget Category	
Program - Grants	
- line item	
- line item	
Program - Communications	
- line item	
- line item	
Program - Assessment	
- line item	
- line item	
Administrative Expenses [1]	
- line item	
- line item	
Totals	\$ 0

[1] \$500,000 of the Ford Foundation grant is dedicated to administrative expenses for the first year of operations, and an additional \$400,000 of the Ford grant is held in a contingency reserve for administrative expenses). The NEA has also committed up to \$150,000 annually for up to three years to be used for certain administrative expenses, with the actual amount depending upon the availability of funds for each fiscal year.

Exhibits C-1 through C-4

Exhibits D-1 through D-4

(to come)

Key Responsibilities of Director

Consistent with NFF's and the Director's responsibilities and obligations under this Agreement and such laws, rules or regulations as may apply, the Director of the Initiative shall be responsible for:

- Leading the programmatic and strategic development and implementation of the Initiative;
- Managing the review, selection, and realization of the Initiative's projects, either directly or in coordination with the Initiative's partner organizations;
- Managing the participation of the Initiative's partner organizations, contracted third-party professionals, and other non-Funder and non-NFF personnel assigned or retained to perform services for the Initiative;
- Representing the Initiative in dealing with leadership of federal, state, and local government agencies, and private sector entities;
- Representing the Initiative in forums, conferences and public speaking engagements;
- Raising funds from foundations, corporations, financial institutions, and individuals for the benefit of the Initiative;
- Facilitating interaction and decision making among the Funders on such issues as funding criteria and target locations for project support regarding the Initiative;
- Organizing and facilitating meetings of the Funders Council and Operations Committee concerning the Initiative;
- Making presentations to Funders Council and Operations Committee and NFF's board of directors;
- Developing and tracking the budget of the Initiative and related project budgets;
- Preparing narrative and financial reports to Funders concerning the progress of the Initiative;
- Managing assessment and public communications efforts regarding the Initiative;
- Ensuring, together with the President of NFF or his or her designee, compliance with this Agreement and the Budget attached hereto as Exhibit B, and consulting and coordinating as necessary with the President of NFF or his or her designee and other senior executives of NFF having responsibility for the Initiative's activities;
- Monitoring Project Partner compliance with the terms and conditions of the MOUs;
- Preparing reports or responding to queries regarding the Initiative or any of the Director's services rendered hereunder;
- Attendance at, or participation in, calls, meetings and other communications or gatherings regarding the Initiative;
- Compliance with reporting requirements concerning the Initiative in connection with this Agreement or the Director's services hereunder;
- Compliance with NFF, NEA and the Funders' legal requirements or obligations concerning the Initiative and otherwise;
- Ensuring there is no conflict between the Director and any of the parties to this Agreement or the goals of the Initiative

EXHIBIT G

Lenders' Addresses

Notices should be sent to:

The Ford Foundation
320 East 43rd Street
New York, NY 10017
Attention: Assistant Secretary and Associate General Counsel
with reports sent by email to secretary@fordfoundation.org

The James Irvine Foundation
575 Market St., Suite 3400
San Francisco, CA 94105
Attention: Jim Canales

John S. and James L. Knight Foundation
Wachovia Building
200 S. Biscayne Blvd., Suite 3300
Miami, FL 33131
Attention: Dennis Scholl, Vice President/Arts
with copy to Juan Martinez, CFO

The Kresge Foundation
3215 W. Big Beaver Road
Troy, Michigan 48034
Attention: Rip Rapson, President
with copy to Marcus L. McGrew, Director of Grants Management

The Andrew W. Mellon Foundation
140 E. 62nd Street
New York, NY 10065
Attention: Michele S. Warman, General Counsel and Secretary

The Bloomberg Family Foundation Inc.
25 East 78th Street
New York, NY 10075
Attention: Allison Jaffin

The Rockefeller Foundation
420 Fifth Ave.
New York, NY 10018
Attention: Edwin Torres, Associate Director
with copy to Peter Helm, Manager, Grants Administration

EXHIBIT H – The Initiative’s Financial Report

Budget Category	<A> Approved Budget	 Amount Spent in Previous Periods	<C> Amount Spent in Current Period	<D> = B + C Total Spent to Date	<E> = A - D Unexpended Balance	<F> Explanation of significant budget variances
Program - Grants						
- line item						
- line item						
Program - Communications						
- line item						
- line item						
Program - Assessment						
- line item						
- line item						
Administrative Expenses [1]						
- line item						
- line item						
Totals						

[1] \$500,000 of the Ford Foundation grant is dedicated to administrative expenses for the first year of operations, and an additional \$400,000 of the Ford grant is held in a contingency reserve for administrative expenses. The NEA has also committed up to \$150,000 annually for up to three years to be used for certain administrative expenses, with the actual amount depending upon the availability of funds for each fiscal year.

"file copy"

Yale Law
update
aug 2011



Yale Law School

KATHERINE R. NORTON
Associate Director of Development

August 1, 2011

Penny A. Hunt
Executive Director
The Robina Foundation
4900 IDS Center 80 South 8th Street
Minneapolis, MN 55402

Dear Penny,

In lieu of a formal update, I am pleased to present the information below regarding the final allocation of the funds from the Robina Human Rights Fellowship Initiative at the end of Year 3 of the grant period (on June 30, 2011). I hope that you will enjoy reviewing this information.

UPDATED FINANCIAL REPORT

Below is a report of the funds that have been expended from the Robina Human Rights Fellowship Initiative through the end of Year 3 on June 30, 2011.

<u>Actual Expenses</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Total Expenses (Year 1-3)</u>	<u>Variance</u>
Robina Human Rights Scholarships	\$253,000	\$254,130	\$258,300	\$765,430	\$15,430
Robina Summer Fellowships & Travel Support	\$210,486	\$206,890	\$189,862	\$607,238	\$7,238
Robina Post-Graduate Fellowships	\$18,333	\$96,776	\$155,626	\$270,735	(\$89,265)
<i>Includes salary and benefits</i>					
Robina Visiting Fellows	\$198,212	\$321,788	\$427,241	\$947,241	\$167,241
<i>Includes salary and benefits</i>					
Robina Human Rights Coordinator	\$27,899	\$29,823	\$68,900	\$126,622	(\$173,378)
<i>Includes salary and benefits</i>					
Clerical Support & Associated Expenses	\$70,000	\$70,000	\$1,985	\$141,985	(\$68,015)
Total	\$777,930	\$979,407	\$1,101,913	\$2,859,250	(\$140,750)

Explanation of Financial Report for Year 3 of the Robina Human Rights Initiative

The *Robina Human Rights JD Scholarships* include the support provided to ten JD students chosen as 2010-11 Robina Human Rights JD Scholars. The scholarships ranged in value from \$32,400 to \$16,750; the average scholarship amount provided to students was \$25,000.

The *Robina Summer Fellowships and Travel Support* includes all of the travel, living, and related expenses associated with providing summer support to 37 students working in human rights jobs throughout Africa, South America, the Middle East, Asia, Europe, and North America. The fellowships ranged from \$1,200 to \$6,904, with the average fellowship costing \$5,021.

The *Robina Post-Graduate Fellowships* include the salary and benefits for Terra Gearhart-Serna '10 JD, Jason Pielemeier '07 JD, and Aaron Zelinsky '10 JD as the 2010-11 *Robina Foundation Post-Graduate Fellows*.

The *Robina Visiting Human Rights Fellows* costs include the salary, benefits and associated expenses of Professors Alice Miller, Yitzhak Benbaji, Daniel Bonilla '00 JSD, Lucas Guttentag, and Samuel Moyn, as well as Jeffrey Kahn '10 JD as the 2010-11 *Robina Foundation Visiting Human Rights Fellows*.

The *Robina Human Rights Coordinator* expenses reflect the salary and benefits of Katy Lawder in her role as the Robina Human Rights Coordinator. Ms. Lawder began this role in late August 2010 and will continue in the position in the coming year.

The *Clerical Support and Associated Expenses* include only the direct costs of supplies associated with the Robina Initiative this year. (Please note that this is a change from previous years. In Years 1 and 2 of the grant, this line item included the costs of administrator Barbara Mianzo as well as the associated supplies and facility expenses necessitated by the Robina program.) The reason that the expenses are much lower this year than in previous years is because Robina Human Rights Coordinator Katy Lawder has taken on much of the work associated with facilitating the Robina Initiative that was previously handled by administrator Barbara Mianzo. Accordingly, we did not charge any portion of administrator Barbara Mianzo's salary to the grant this year. We hope that the Robina Foundation will be pleased with the fact that we have been able to save valuable resources in this way.

In light of our past discussions with the Robina Foundation, we plan to carry over the balance of \$89,265 associated with the Robina Post-Graduate Fellowships to support similar fellowships in the future. Per the permission of the Robina Foundation, we have reallocated the unexpended funds from the Robina Human Rights Coordinator and the Clerical and Associated Expenses line items to cover the increased expenses of the Robina Visiting Human Rights Fellows and other categories.

We are very grateful for the Robina Foundation's support of this impressive initiative, which is having a valuable impact on the Law School's human rights program. Please feel free to contact me with any questions that you may have. Thank you!

Best regards,

Kate Norton

*file -
yale law*

From: "Post, Robert" <robert.post@yale.edu>
Date: June 14, 2011 12:59:34 PM CDT
To: Penny Hunt <pennhunt@gmail.com>
Subject: The Immigration Program and Lucas Guttentag

Penny:

I promised that I would write you today with a brief survey of immigration programs that presently exist. I'm attaching a document that gives you some specific information on this point. We are hoping to situate the new Immigration program at the intersection of policy reform, the NGO/advocate community, and the academic expertise of Yale University. You will see from the attached document that there presently exist programs with academic foci; there exist programs with clinical foci; and there exist programs with policy foci. But no single program seeks to link world-class interdisciplinary scholarship to the world of human rights and advocacy, and to produce as a result practical and effective policy reform in the area of immigration. We would be unique in that regard.

In regard to your question about Lucas, I know from my many conversations with him that he is incredibly enthusiastic about this program and that he is committed to developing and leading it. He is excited about being at Yale, loves the teaching, collegiality and intellectual inspiration, is thrilled with our students, and believes deeply in the importance of this undertaking based on his long experience as an advocate and national leader in the field.

We are honored and pleased to have the opportunity to be able to establish such a trendsetting and innovative program at Yale Law School, which will service not only our own students and the University, but also advocacy, academic, and policy communities nationwide. Lucas's stature and long-standing relationships with these communities will be key to the program's success, and we are very thankful for the Robina Foundation's consideration. Please feel free to be in touch with any additional questions that might pop up. I look forward to receiving additional guidance from you soon.

Warmly,

Robert

Robert Post
Dean and Sol & Lillian Goldman Professor of Law
Yale Law School
127 Wall Street
PO Box 208215
New Haven, CT 06520-8215
Robert.C.Post@yale.edu

A Brief Overview of Immigration or Migration-Related Programs at Other Universities and Law Schools

The following brief summary of the principal immigration- or migration-related programs or centers at major schools that our scan identified provides a sense of their purpose and agenda. Each is valuable in its own right but none has the mission or focus of the proposed Yale center to address the urgent issue of immigration and individual rights and to bring innovation, collaboration and continuous engagement with the larger society while also enhancing the scholarship and program of the Law School.

Immigration, Migration and Refugee Centers or Programs

Columbia University has a Program on International Migration: Economics, Ethics, and the Law, which is under direction of a prominent economist. The program aims at providing an umbrella for faculty and students engaged in scholarly research on analytical and policy issues raised by the international flows of humanity. Associated faculty includes scholars of economics, literary theory, philosophy, sociology, political science, international relations and law.

The Columbia program is focused specifically on scholarly activity in the context of economics, ethics, philosophy and other disciplines. Among many differences, it does not have the Yale program's key component of focusing on immigration policy in the context of protecting individual rights and working collaboratively with the advocacy community to help develop new and innovative strategies.

University of Virginia Law School has an Immigration Program. It is designed to allow students to explore legal and policy issues such as who should qualify for asylum, immigration and national security, and the effect of globalization on migration patterns. The program is a forum for considering philosophical and theoretical issues, for practical skills training through clinical work, and for inviting expert speakers for talks, panels and symposia.

This Virginia program focuses on student training and experience, inviting speakers and considering philosophical and theoretical issues. It does not have our goal of linking to outside advocates, developing innovative strategies for reform, undertaking empirical and applied research or engaging in collaborative initiatives designed to advance the protection of individual rights.

Georgetown University has an Institute for the Study of International Migration (ISIM), which is part of the Foreign Service School and affiliated with the law school. The Institute focuses on international migration and its effects on foreign policy and national security, comparative migration studies and forced movements of people, and integration of migrants into host societies (which encompasses immigration and refugee issues).

ISIM conducts and sponsors research, convenes symposia and sponsors conferences. It provides a certificate program for Masters level in the School of Foreign Service.

The Georgetown program has a broad migration agenda and, as its location in the School of Foreign Service reflects, is especially focused on foreign relations and national security. Its consideration of refugee issues arises in that context. The Yale program will address immigration issues in the larger context of broader human rights principles and protections.

The University of Michigan has a Program in Refugee and Asylum Law, which brings together students, visiting scholars, and faculty with a commitment to reconciling international legal principles to the practical challenges posed by involuntary migration in all parts of the world. The heart of the program is a formal academic program, allowing in-depth study of international refugee law doctrine, its application in comparative jurisprudence, and direct engagement with the process of international refugee law reform.

The Michigan program focuses solely on refugee and asylum law, which comprises only one aspect of immigration policy, and emphasizes the applicable international legal norms. It does not encompass immigration law and policy as a whole nor does it seek to synthesize the advocacy and academic approaches that are central to Yale's program.

The University of California-Hastings has a Center for Gender and Refugee Studies (CGRS). The CGRS's mission is to protect the basic human rights of refugee women and girls by advancing gender-sensitive asylum laws, helping advocates successfully represent women in need of protection, and preventing these refugees from being forcibly returned to the countries from which they have fled. The Center carries out original research and advocacy initiatives around human rights violations in specific countries or regions of the world.

The Hastings program centers on female refugees in the context of advancing gender-sensitive asylum and refugee protections. Its agenda does not include other broader issues of immigration policy and individual rights.

Social Policy Centers

Among numerous social policy centers at various law schools, some include immigration as a specific area of interest.

U.C. Berkeley (Boalt Hall) School of Law has The Chief Justice Earl Warren Institute on Law and Social Policy. It is a multidisciplinary research center designed to address civil rights, education, criminal justice, family and economic security, immigration and healthcare issues facing California and the country. The Warren Institute defines its mission as engaging a wide range of legal and public policy subject areas. One program area is immigration, which seeks to offer research-based policy proposals from its unique vantage point in California.

The Berkeley program has immigration as one among many program areas and has a special focus on California. Yale's program would be national in scope and would engage specifically on the range of immigration law and policy issues related to individual rights. We could incorporate research-based policy proposals from California or elsewhere while synthesizing those into new strategies and initiatives in collaboration with advocates and leaders.

City University of New York (CUNY) Law School has a Center on Latino and Latina Rights and Equality (CLORE) that is envisioned as an academic and scholarly institution seeking to meld community service and educational activities to improve the quality of legal care provided to Latinos and Latinas in the city and nationwide and highlighting issues that impact this population. Among the issues of concern are an increase in hate crimes, negative profiling by local law enforcement, rejection of constitutional and statutory protections at the workplace, at home and in school, and the popular movement to "close the borders" to Latino and Latina immigrants.

The CUNY program is focused on the entire range of issues related to Latino and Latina rights, of which immigration is one among many. The Yale program's agenda would encompass immigration more broadly and the focus would be distinguished from CUNY's program by encompassing not only issues affecting Latino and Latina rights, but also the rights of immigrants from a myriad of different countries – ranging from Europe and Africa to Asia. Our program would seek to address the underlying issues affecting immigrants' quality of life, especially those topics pertaining to recognition of immigrants' rights and access to services and education.