

Memorandum of Understanding between
Alternatives Federal Credit Union
and
Alternatives Venture Fund

1. The Credit Union, with the approval of the Alternatives Venture Fund's Board of Directors, will do the following on behalf of the Alternatives Venture Fund:

- * receive, manage, and disburse funds
- * hire and manage staff
- * supply and equip staff
- * house staff and facilities
- * maintain financial records using generally accepted accounting practices
- * all other activities necessary for the conduct of Venture Fund business.

In doing so, the Credit Union will enter into necessary long-term contracts and agreements with funders, staff, and others on behalf of the Alternatives Venture Fund.

2. The Credit Union will provide unaudited quarterly financial statements to the Venture Fund Board. An independent audit will be performed annually. Unless otherwise agreed, the Venture Fund will reimburse the Credit Union for costs incurred in acting as fiscal agent for and host to the Venture Fund. The Credit Union will be reimbursed for direct costs, staff services, facilities and equipment use.

3. To ensure that the Credit Union is not prevented from fulfilling the obligations and commitments it enters into, the Credit Union will retain the authority and funding necessary to meet any obligations and commitments it enters into on behalf of the Alternatives Venture Fund, including contractual agreements with funders as well as employment and consulting contracts.

4. The Venture Fund Board will be responsible for policies pertaining to Venture Fund programs. In the unlikely event that a Venture Fund policy or position would have a substantial adverse effect on the Credit Union or its members, the Credit Union reserves the right to refuse to carry out the policy or position and/or to terminate its role as fiscal agent for and sponsor of the Venture Fund.

5. Either the Credit Union or the Venture Fund may elect to terminate the Credit Union's responsibilities by giving 90 days notice to the other in writing. Funds raised to pay for Venture Fund activities may be transferred to a new fiscal agent and host with the written consent of the Credit Union, the appropriate funding sources, and the new fiscal agent and host. The Credit Union will cooperate to the fullest extent possible in the event of such a transfer.

6. This agreement will be reviewed annually.

Signed.