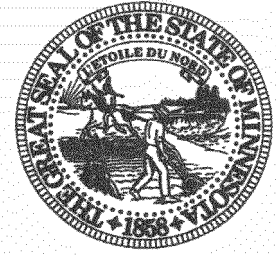




Office of the Minnesota Secretary of State
Minnesota Public Benefit Corporation / Annual Benefit Report
Minnesota Statutes, Chapter 304A



Read the instructions before completing this form
Must be filed by March 31
Filing Fee: \$55 for expedited service in-person, \$35 if submitted by mail

The Annual Benefit Report covers the 12 month period ending on December 31 of the previous year.
Notice: Failure to file this form by March 31 of this year will result in the revocation of the corporation's public benefit status without further notice from the Secretary of State, pursuant to Minnesota Statutes, Section 304A.301

1. Corporate Name: (Required)

2. The public benefit corporation's board of directors has reviewed and approved this report.

3. In the field below, enter the information required by section 304A.301 subd. 2 or 3 for the period covered by this report, (see instructions for further information): Note: Use additional sheets if needed. (Required)

4. I, the undersigned, certify that I am the chief executive officer of this public benefit corporation. I further certify that I have signed this document no more than 30 days before the document is delivered to the secretary of state for filing, and that this document is current when signed. I further certify that I have completed all required fields, and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.

Signature of Public Benefit Corporation's Chief Executive Officer

Date (Must be dated within 30 days before the report is delivered to the Secretary of State for Filing)

Email Address for Official Notices

Enter an email address to which the Secretary of State can forward official notices required by law and other notices:

Check here to have your email address excluded from requests for bulk data, to the extent allowed by Minnesota law.

List a name and daytime phone number of a person who can be contacted about this form:

Contact Name

Phone Number

Entities that own, lease, or have any financial interest in agricultural land or land capable of being farmed must register with the MN Dept. of Agriculture's Corporate Farm Program.

Does this entity own, lease, or have any financial interest in agricultural land or land capable of being farmed?

Yes No

Shade Tree Financial, SBC, was incorporated on May 8, 2018, as a Specific Benefit Corporation with a Specific Public Benefit. Pursuant to Section 304A.101 of the Minnesota Public Benefit Corporation Act, the specific public benefit purposes of the Corporation as stated in its Articles of Incorporation are:

(a) Helping small businesses in rural communities obtain financing, with a focus on young entrepreneurs, beginning farmers and other demographics and industries that have historically struggled to obtain traditional bank financing; and

(b) Investing in and rehabilitating rural downtowns to attract small businesses and provide community spaces.

For the period covered by this report, from January 1, 2021 to December 31, 2021, the Corporation pursued and created its specific public benefit in the following ways:

The Corporation continued relationships with community bankers to help identify potential entrepreneurs and formulate how best the Corporation could support them in obtaining financing. The Corporation reviewed one opportunity and committed to it. However, due to Covid, supply chain issues, and inflationary concerns the project was later canceled. Two previously funded projects continued operations in 2021.

The Corporation continues to review potential business plans and refine its criteria for selecting projects to back.

The Board believes that the Corporation succeeded in achieving its goals for its specific public benefit as follows:

The Board met its goal of reviewing at least one proposal during the calendar year. Ongoing discussions with the referral network the Corporation has built have proved helpful not only in identifying entrepreneurs and businesses that match the Corporation's mission, but also in identifying ways the Corporation can support these businesses without requiring an equity stake in these companies or adding debt to their balance sheets. Namely, the Corporation has and plans to continue pledging cash collateral as additional security for start-up business loans, to help entrepreneurs meet minimum collateral requirements or obtain lower interest rates.

The Board believes that the following circumstances (if any) hindered efforts to pursue or create the Corporation's specific public benefit during the period covered by this report:

The Board is satisfied with the Corporation's progress and the successful return of collateral from its first project and continued support of two projects. The Board believes that the best way for the Corporation to achieve its specific public benefit is to ensure its own sustainability. To that end, the Board determined that the Corporation should continue to focus on one or two projects to identify challenges or issues to be addressed before juggling multiple projects at one time. Covid, supply chain issues, and inflationary concerns reduced the flow of projects for consideration.



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OFFICE OF THE SECRETARY OF STATE
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Steve Simon

Steve Simon
Secretary of State