COMMUNITYWORKS, A NON-PROFIT COMMUNITY DEVELOPMENT LOAN FUND

REQUEST FOR INVESTORS TO FUND A COVID-19 RELIEF FUND AND LOAN LOSS RESERVE

CommunityWorks (CW) is a 501(c) 3 non-profit US Treasury certified community development financial institution (CDFI) based in Greenville, SC providing economic opportunities for all through equitable lending, investing and financial wellness across South Carolina. CW provides financing for the production and preservation of workforce and affordable housing, small business development, community facilities and nonprofit organizations.

In a crisis such as COVID0-19, CDFI’s tend to be the first responders to community needs. Because CDFI’s are nimble and flexible they can deploy capital quickly where it is needed most. During the housing crisis and natural disasters here in South Carolina, CommunityWorks was a leader in creating financial products and coaching to help nonprofits, small businesses and vulnerable populations. COVID-19 is no different.

In an effort to help small businesses and nonprofits quickly, with cash flow and operating needs, while we wait for federal and state responses, CW has created 3 COVID-19 Relief Products to support our community.

CW is asking Investors and Funding partners to join CW in this effort. Contributions and Investments can be made directly to CommunityWorks to support these products in the form of loan capital, loan loss reserve or operations.

Funders can provide funds in one or all of the ways below:

- Direct contribution for Operations
- Direct contribution for Loan Loss Reserve to support Relief Loans
- Direct 0% Program Related Investment (PRI) for Loan Loss Reserve to support Relief Loans (principal paid back in 3 years)
- Direct 2% Program Related Investment (PRI) for Capital to provide Relief Loans (interest deferred for 6 months with principal paid back in 3 years)

Loan Loss Reserve is a back stop to ensure CommunityWorks is protected from excessive losses if businesses are not able to repay or federal funds do not come available as a repayment source.

HOW IT WORKS

If an Investor/Funder/Foundation wishes to provide a PRI, CW and the Investor would enter into a loan agreement along with a promissory note. CW would pay the Investor/Funder/Foundation based on the terms decided with the principal paid at loan maturity.

An Investor/Funder/Foundation can direct their investment to any one or all of the products being offered by CommunityWorks;

- Small Business Relief
- Nonprofit Relief
- Consumer Relief
An Investor/Funder/Foundation can also direct their contribution to a specific geographical area. Because CW is statewide and works with other statewide CDFIs, CommunityWorks can provide relief anywhere in SC either directly or through partners. Yet we recognize an Investor/Funder/Foundation may wish to direct their resources locally.

Investor/Funder/Foundation can direct their investment to any or all of the areas below:

- Greenville City/County
- Spartanburg City/County
- South Carolina (where most needed)
- Midlands
- Coastal
- Other__________________________________________________________

CONTRIBUTIONS/INVESTMENTS

- **Contributions** can be made at any amount and would receive a tax deduction for the gift.

- **Investments** can be made in the amount of no less than $10,000, though CW may determine to accept smaller investments if financially and administratively feasible.

A RESPONSIBLE INVESTMENT

CW’s investments are pooled together and lent to support small businesses, affordable housing, nonprofit organizations and consumers. The US Treasury Department, Mary Reynolds Babcock Foundation, Jolley Foundation, South State Bank and First Horizon are just a few of our current investors.

Your investment in CommunityWorks is markedly different than investing in government bonds, CDs or the stock market. The capital you invest is applied far more efficiently and is directed to an issue important to you and your community. Best of all, your investment will support real families and real communities during this crisis.

CommunityWorks is a statewide 501 c 3 non-profit financial organization certified by the U.S. Treasury Department as a Community Development Financial Institution (CDFI) that is committed to empowering people to become financially stable through financial education, lending and investing.

Since its inception, CW has generated over $232 million in local economic impact and has provided 33,990 hours of training and coaching, provided over $4.5 million in loans to startups and existing small businesses, and dispersed $7.4 million in affordable housing and community loans that have created or preserved over 820 affordable housing units. CW is based in Greenville, South Carolina.

* Prospective Investors will fall into two categories: institutions and high net worth individuals. Institutional purchasers will typically be financial institutions and private foundations. High net worth individuals must meet the “accredited investor” definition of the Securities Act of 1933 as it pertains to individuals; that is, they must have a net worth of at least one million US dollars or have made at least $200,000 each year for the last two years ($300,000 with his or her spouse if married) and have the expectation to make the same amount this year. Individuals will be required to provide a personal financial statement and transcripts of their tax returns for the past two taxable years prior to purchasing Notes.