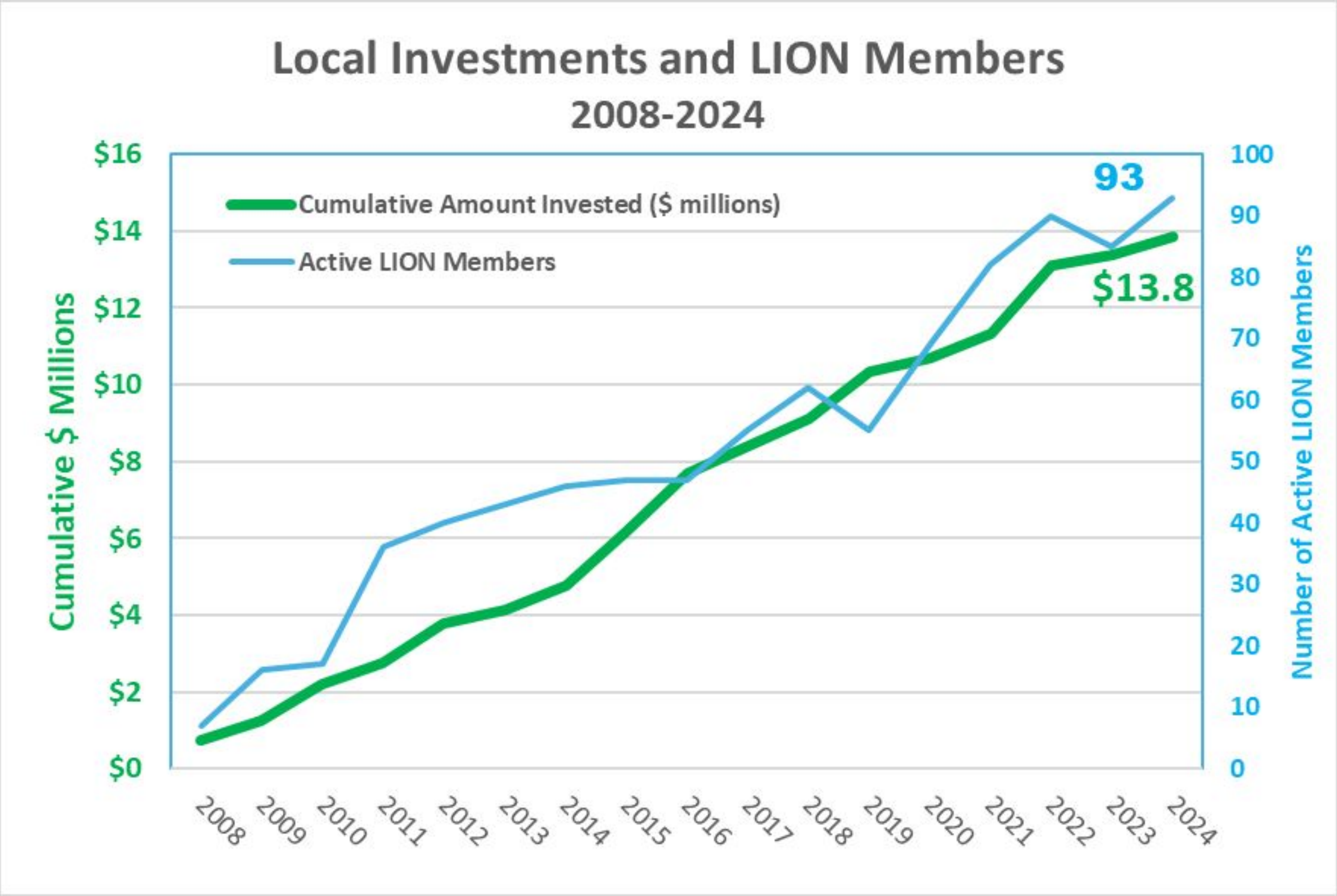
Local Investing Opportunities Network (LION)

LION Builds Community

Our mission is to build prosperous local businesses, keep investing money in our community, and help build a more resilient and sustainable economy in East Jefferson County.

LION is an example of Impact Investing:

"An investment strategy that seeks to generate financial returns while also creating a positive social or environmental impact."



At least $13.8 million has been invested in 132 local entities by 58 LION members through 418 investments in 16 years!

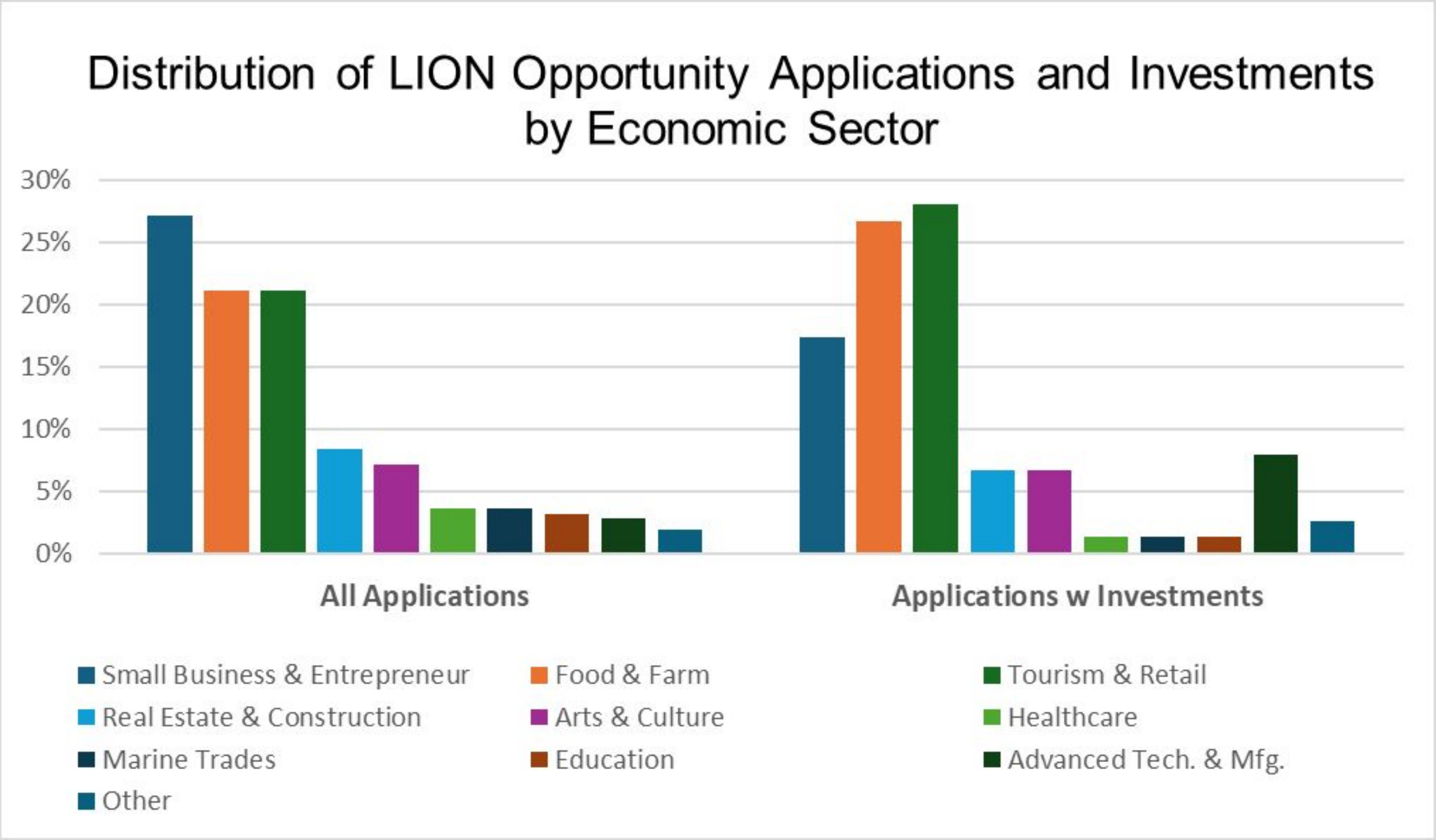
What is LION?

- A network of East Jefferson County, WA residents who want to invest money locally.
- A network that connects local investors with local entities seeking financing – businesses, nonprofits, homeowners.
- LION is not an organization.
  - It is not a pooled investment or loan fund.
  - It does not make collective investment decisions or give advice to investors or businesses.
  - It has no officers, articles of incorporation, bank account, …
- Each LION member makes their own investment decisions.

How the Network Functions

- The LION process is crafted to conform to SEC Private Offerings.
  - A "significant preexisting relationship" is required.
- Businesses (or nonprofits) submit a "Business Opportunity" to introduce themselves and their concept.
- The BO is distributed electronically to all LION members.
- Interested LION members meet with submitter to learn more about the opportunity.
- When a relationship has developed the submitter and LION member(s) address financial matters and financing terms.
- EDC Team Jefferson provides administrative support for processing applications.

LOCAL INVESTING OPPORTUNITIES NETWORK
LION



BAYSIDE HOUSING & SERVICES
2016-2026
CELEBRATING 10 YEARS

ACI BOATS

THE BROKEN SPOKE
EST. 2009
PORT TOWNSEND W.A.

HOPE
Roofing & Construction
Craftsmanship Is Our Calling.
Quality Is Our Promise.

Jefferson County's Only Locally-Grown and Caregiver-Owned Home Care Agency
A Beacon of Light in Senior Care

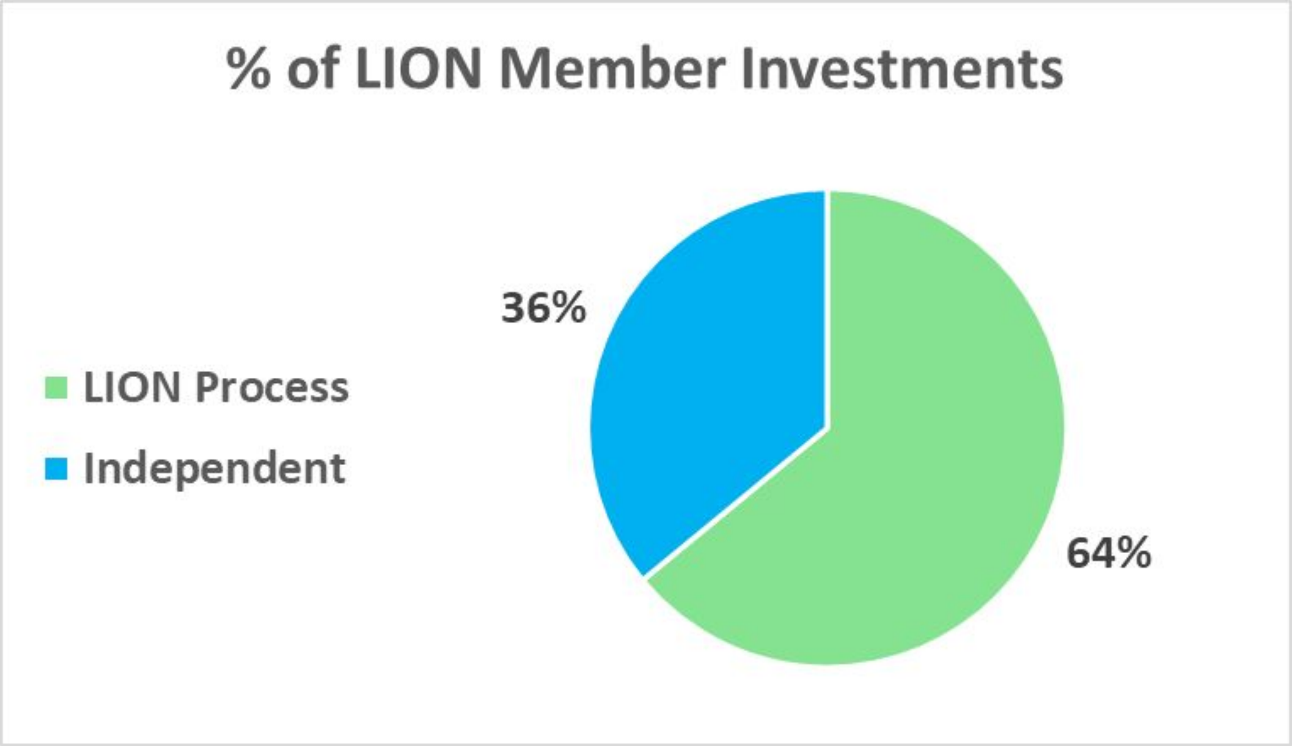
SpringRain Farm & Orchard

KATFISH SALMON CO.

LION Members Also Invest Independently

- About 1/3 of member investments are independent of the LION process

- Often these are subsequent investments to meet growth or cash flow needs.



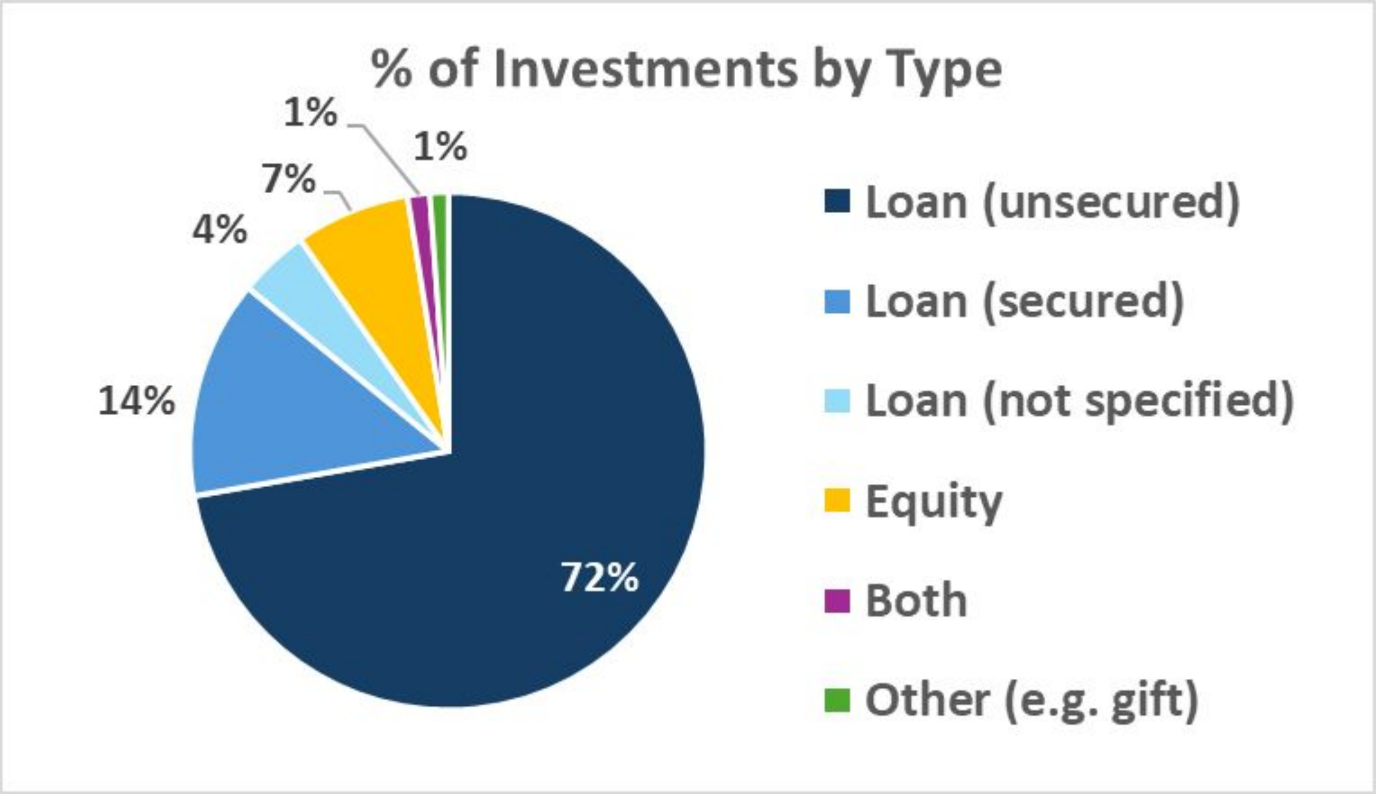
Affordable Housing Opportunities

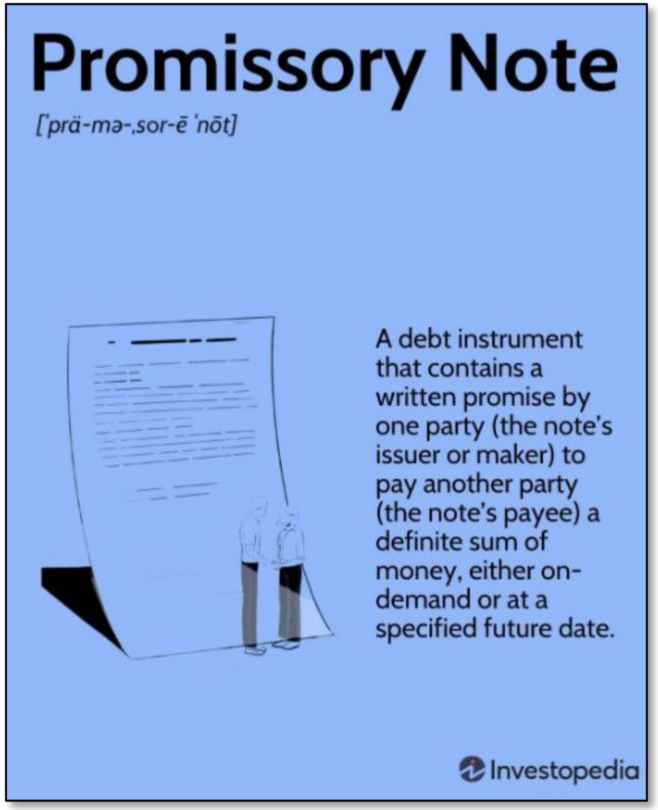
- LION has responded to the need for affordable housing for the local workforce.
- Nonprofits developing affordable housing have applied and received financing from LION members.
- Since 2023 LION has accepted applications from homeowners to create affordable housing.
- The LION process is similar but modified to conform to consumer lending regulations.

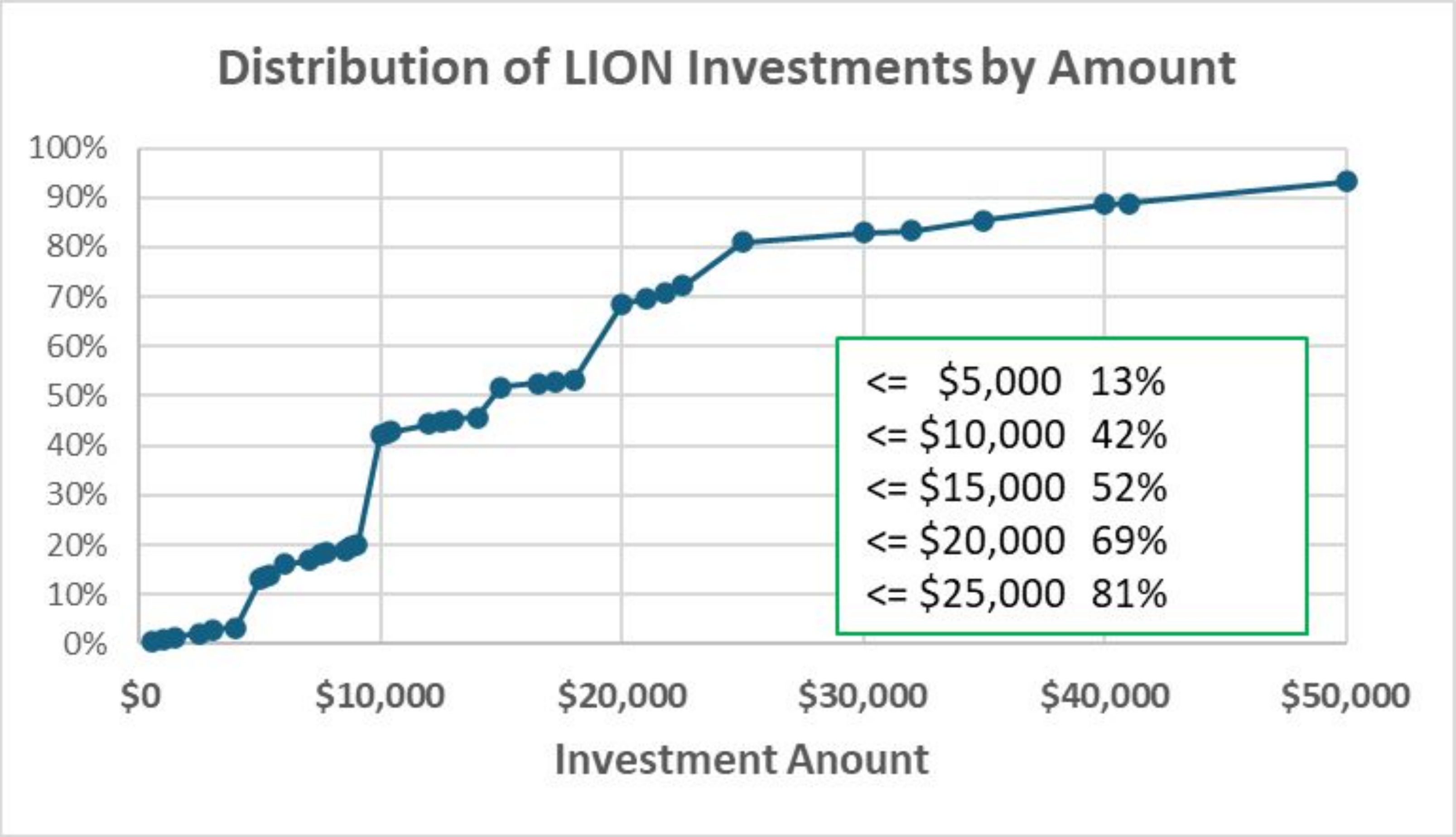
Financing Homeowners for Housing

- Eight projects have received financing.
- Housing includes ADUs, Tiny Homes on Wheels, Tiny Homes, and a Single-Family Residence.
- Total reported investments of $225,000.

Most Financing is via Unsecured Loans

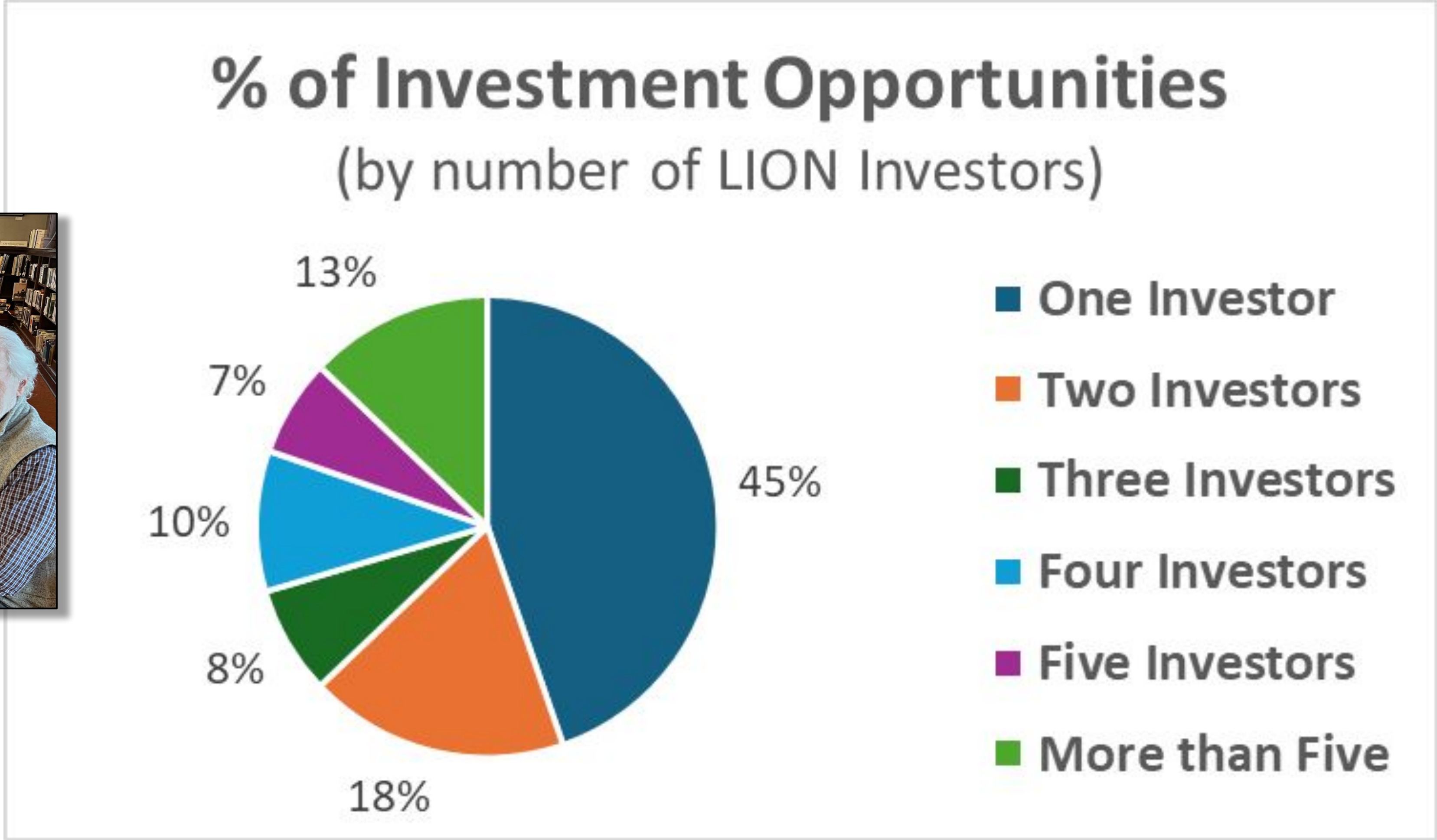






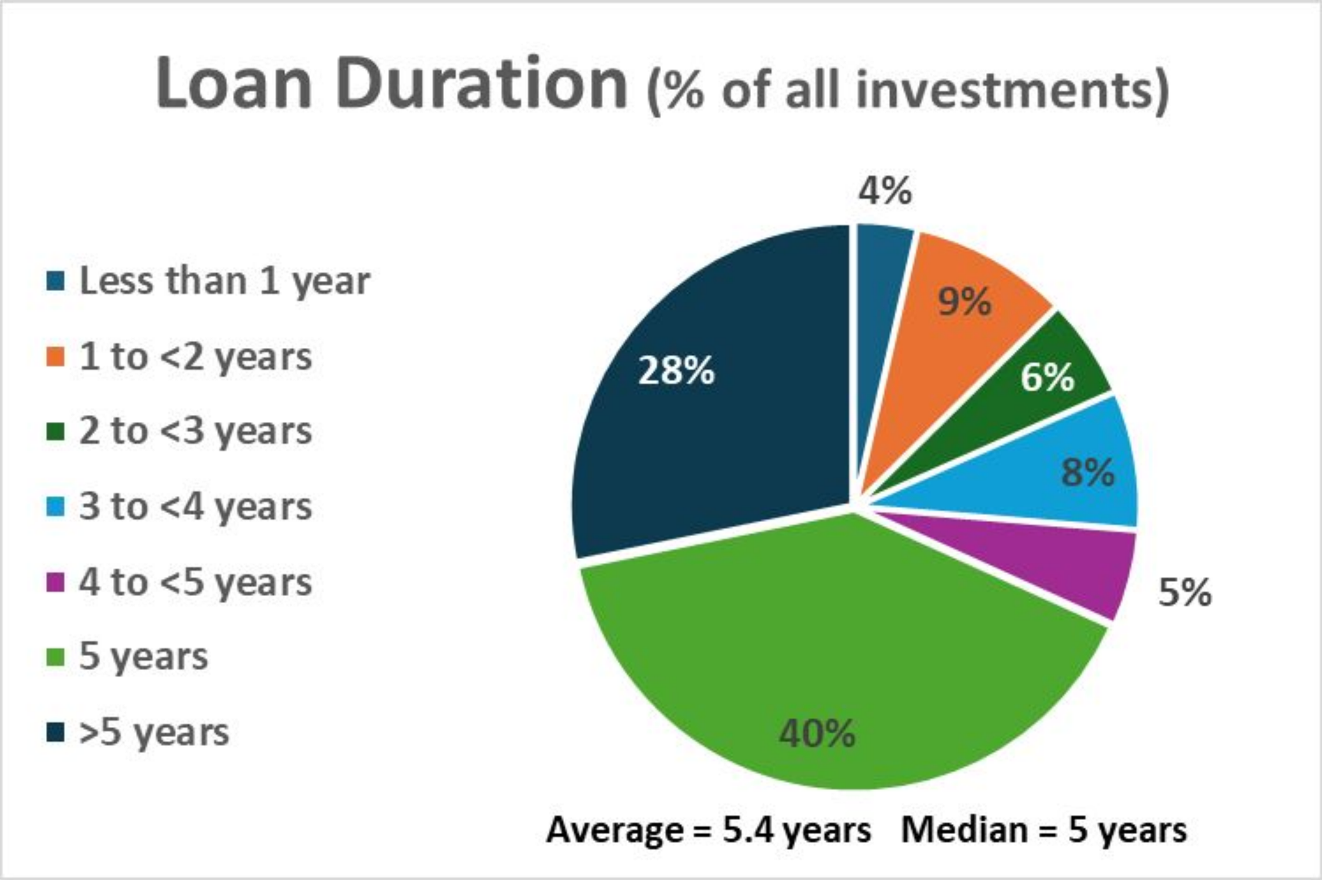
- Investments have ranged from $500 to $250,000.
- More than two-thirds were $20,000 or less.

Often Multiple LION Members Participate

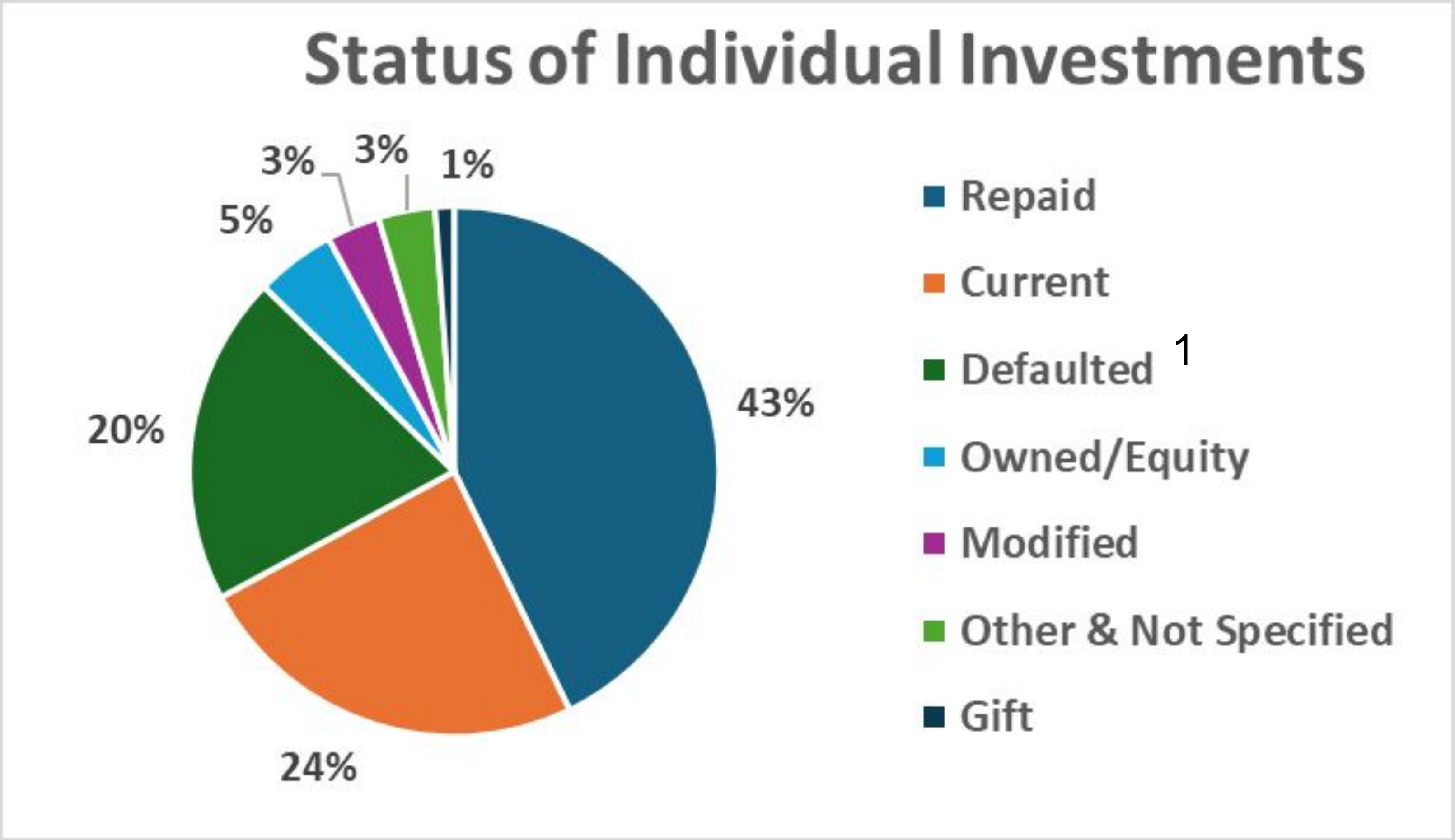


Typical LION Loan Terms

Interest rates are usually 5% to 6% but have ranged from 0% to 8.5%.



Impact Investing Comes With Risk



[1] Defaulted investments have usually repaid a portion of the loan amount.

LION is Part of The Business Ecosystem

Advising, Training, Coaching

EDC Team
Jefferson
The Business Guides
Peninsula College
Enterprise for Equity
Center for Inclusive Entrepreneurship
SCORE

Financing

LION
Banks
Craft3
Family
Friends
SBA Loans
Main Street
Credit Cards
Grants

Business Services

The Business Guides
Clarity
Evergreen BizLink
Bookkeepers
Accountants
Kinship HR
Consultants

Additional Notes

- Most recipients of LION financing are not bankable.
- Most LION members are not accredited investors.
- Less than half of those applying receive financing.
- LION members often offer flexible terms, e.g.
  - Interest only payments for start-up period.
  - Monthly, quarterly or annual payment to meet cash flow.
  - Payment suspension to accommodate difficulties, e.g. COVID.

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https://www.jeffersonlion.net

How Does One Become a LION Member?

- Submits a New Member Application Form.
  - Must be sponsored by an existing member.
  - Must reside in East Jefferson County, WA.
  - No personal financial qualifications required.
- Existing LION members have two weeks to raise any concerns
- New members sign a Membership Agreement
  - Provides confidentiality, conflict resolution, and a disclaimer of legal liability for LION