

.....
Cultivating Healthy Businesses
Because People Matter
.....



3CORE

FINANCING • MENTORING • PERSPECTIVE



Story after story goes like this...

When Randall and his wife and business partner, Joyce, began their business 28 months ago, their enthusiasm was unmatched. They had succeeded in convincing their friends, relatives, themselves that their start-up would secure their future.

They had tired of their old jobs and eagerly jumped into the new business with all the passion of an athlete training for an important event.

Start up monies were collected – a few friends, Aunt Trudy, a home equity line of credit, and a few unused credit cards – gave them the cash they needed to get up and running.

Well, their future didn't come before the money ran out. Profits weren't going to be realized until more capital was invested.

A visit to the local branch of their bank left them with no money and far less confidence. How would they navigate their way through this dilemma?

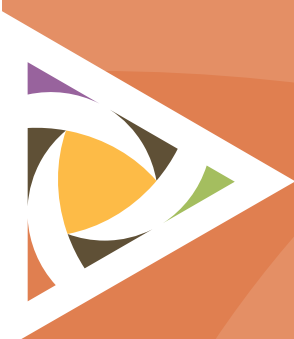
They read the headlines and couldn't make sense of the shifting economic forecast. Family and friends were not returning their phone calls...

What would the future hold?



HARD FACTS

- 6 in 10 businesses fail after 4 years
- 70% of small businesses have less than 10 employees
- 58% of area businesses are sole proprietorships
- Self-employment is growing faster than salaried employment in the tri-county region
- 1.12 new businesses are created each year for every 1 business that ceases operations

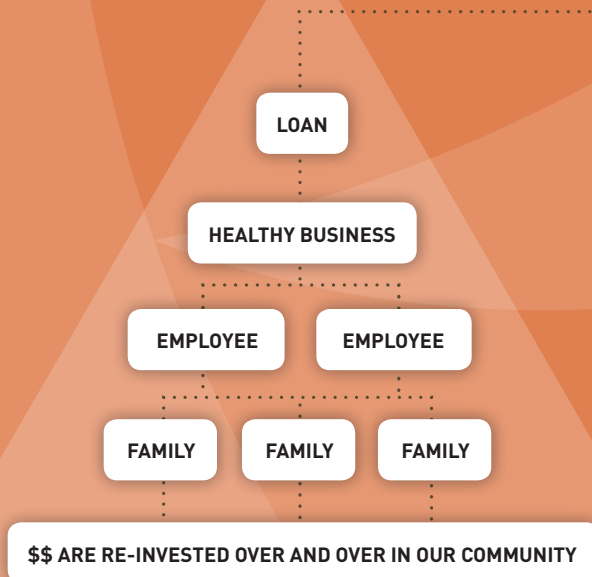


Cultivating Healthy Businesses Because People Matter

At 3CORE we act as a financial “go-between” for small businesses and the financial capital they need. Unlike traditional financial institutions, our team surrounds financing with mentoring and perspective to best serve our clients.

We specialize in business financing for folks like Randall and Joyce.

We build communities. A business receives the capital needed to expand, an employee is hired. This employee cares for his family in a more sustainable way. Other companies do the same. Family after family stabilizes and creates the bedrock of a stable community. A region thrives.



FINANCING

Most small businesses are financed with high interest credit cards, second mortgages and/or loans from friends and family. We help clients obtain good capital that facilitates growth and is manageable to repay at an affordable price and in a reasonable amount of time. At 3CORE we have unique access to a range of financial capital to match business' needs.

MENTORING

When businesses work with 3CORE, they are never just an account number. We know each of our businesses thoroughly. We recognize that most small business owners don't come with a fancy business pedigree, so we offer both formal and informal mentoring services and offer tools and strategies. Given the unusual economic climate we find ourselves in, 3CORE acts as an interpreter of economic factors and realities that can be confusing to a typical small business owner.

PERSPECTIVE

Ultimately, what we offer is a unique vantage point. We are not an institutional lender and we are not a fellow small business person. We have a neutral, not-for-profit business that allows us to counsel businesses without undo concern for our own personal or corporate gain. We have worked with over 300 clients over two decades, and have vast experience with multiple industries and styles of business. We draw on this history to offer businesses a fresh perspective.

Build Loan Confidence Fund

What's been happening since 2007



CURRENT STATE PROGRAM

The California Treasurer's Office (utilizing non-general fund sources) offers the Capital Access Program or CalCAP.

- 1 3CORE and the eligible borrower each place 2% of the approved loan face value in a reserve account
- 2 State then matches these contributions with another 2%
- 3 **Result:** Creation of a 6% reserve to insure against loan loss

3CORE IMPROVES THE PROGRAM

3CORE creates the Loan Confidence Fund (LCF) to back-up the CalCAP reserve account.

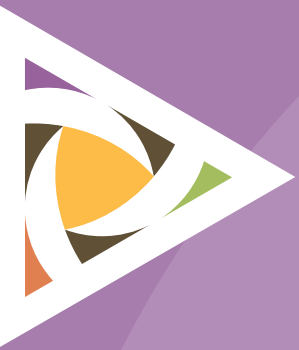
Benefits

- 3CORE low risk on loan loss: .006%
- Leveraged donation—over time and over many loans
- 3CORE increases liquidity net asset level

3CORE AND THE DONOR WORKING TOGETHER

The LCF is held by the North Valley Community Foundation in short-term certificates of deposit insured by the Federal Deposit Insurance Corporation (FDIC).

Arrangements are made with each LCF donor to either reinvest interest earnings in the LCF or remit this income to the donor over the life of the LCF. Any principal or interest contributed as an unrestricted donation will be treated as a charitable donation for donor tax purposes.



Insure Future Lending

CURRENT SITUATION

- The 3CORE funding sources do not allow taking advantage of new opportunities. Each current capital source restricts financial activity.
 - Market whims and economic downturns affect the flexibility and adaptability of the institution.
-

3 CORE SOLUTION

- The Board of Directors has seed funded an endowment fund to provide a future unrestricted flow of funds. The interest from the fund will allow 3CORE to engage in opportunities that come their way .
 - Balance Sheet liquidity establishes more opportunities.
-



I credit the financial assistance we received with taking our business to another level. It allowed us to do in one year what most do in three, saving a lot of time and frustration along the way. 3CORE really wants small businesses to succeed... they care about local businesses and realize it is what makes Chico special.

ISIDRO HURTADO - MAISIE JANE'S



A new kind of donation

Each fund is a leveraged opportunity—meaning a donated dollar gets used over and over rather than simply spent.

Loan Confidence Fund

Fiscal 2010 Goal	3CORE contribution	5 YEAR goal
\$25,000	\$25,000	\$175,000

Endowment Fund

Fiscal 2010 Goal	3CORE contribution	5 YEAR goal
\$15,000	\$15,000	\$150,000

Your Opportunity to Build Confidence

A three year plan

4 Donors	\$15,000	\$60,000
4 Donors	\$10,000	\$40,000
4 Donors	\$5,000	\$20,000
12 Donors		\$120,000



“ I was searching for a creative way of financing the additional line of business, when 3CORE stepped in to help.” Ben said. “They gave us the opportunity to buy a product similar to ours which more than doubled our production of cream cheese. I found the staff of 3CORE to be friendly, knowledgeable and very helpful during the financing process.

BEN GREGERSON, SIERRA NEVADA CHEESE



Certified and Regulated by Department of Corporations of State of California
California Finance Lender
State Department of Insurance Certified Community Development Financial Institution
75 loans currently in portfolio (15-20 loans funded on average/year)
\$5.5 million in capital
\$3.245 million in loans (\$1 million per year)

Board of Directors

Lorrie Pride

Broker/Owner
RPM Realty & Property Management

Tod Kimmelshue

Regional Vice-President
Northern California Farm Credit

Starlyn Brown

Retired Deputy County Administrator
Butte County

Alexa Valavanis

Executive Director
North Valley Community Foundation

Kathy Schmitz

Chief Executive Officer
Job Training Center

Businesses Funded

Maisie Jane's
Mill Creek Veterinary Services
Sierra Nevada Cheese Company
ARC of Butte County
Blackline Manufacturing
Chico Natural Foods
Interstellar Studios
Sutherland Glass Art
Pedrozo Dairy and Cheese Company
Greenfeet

Mentoring Services Provided

Butte View Olive Company
California Organic Flowers
California Habanero Blends
Development Technologies
Dylan Tellesen Art & Design
EnviroMin
Gypsy & Loic
Maria Giordana Interiors
RealWare
ReNouveau Clothing



3120 Cohasset Road
Suite 5
Chico, CA 95973
530.893.8732
www.3coreedc.org