

# LEND<sup>o</sup>nate

## INVESTMENT NOTICE



[www.cherpsolar.org](http://www.cherpsolar.org)

For Accredited Investors Only

*Creating an American Solar  
Manufacturing Renaissance*

## ABOUT THE BORROWER

### MISSION AND VISION

- 1) Achieve massive greenhouse gas reductions to address global warming.
- 2) Create living-wage green-sector jobs for those with workforce barriers.
- 3) Stimulate local economic development in our country's most economically disadvantaged communities.
- 4) Pursue environmental & social justice by providing free renewable energy to low-income families.



### HISTORY AND PROGRAM

CHERP is leading an American Solar Manufacturing Renaissance that was launched in 2019 with receipt of \$2.1 million in startup funding from the State of California. This initial investment allowed us to establish the country's first nonprofit solar module assembly microfactory in Pomona, California that will produce highly advanced solar modules using idealPV™ patented technology. We are also launching a cooperative and rapidly scalable network of other nonprofit microfactories in our nation's most economically disadvantaged communities to create broad economic, social, and environmental impact where it's needed most.

CHERP has evolved from an organization that formed collaborative partnerships with community organizations, contractors, and cities to promote sustainable practices and fossil fuel reduction in buildings throughout California. Between 2015-19, CHERP retrofitted over 400 homes, helped homeowners obtain more than \$1 million in rebates, and mitigated over 600 metric tons of carbon.



# INVESTMENT TERMS

\$600,000 NOTE | 10% CEILING RATE  
3 YR TERM | INTEREST ACCRUES IN MONTHS 1-6 | INTEREST-ONLY PAYMENTS  
BEGIN MONTH 7 | PRINCIPAL + ACCRUED INTEREST PAID AT TERM

## USE OF PROCEEDS

Working capital that enables CHERP to:

- Purchase silicon cells needed for production this fall
- Cover wages of staff who will lead and manage our Pomona microfactory and others who are planning for microfactory replication
- Pay for essential microfactory overhead expenses.

## REASON TO SUPPORT

Funding will help us to initiate solar module production in our Pomona microfactory, which will train and employ 70 people and produce 100,000 modules annually at full capacity. This production level is enough to supply 6,000 households with renewable energy and mitigate 26,700 metric tons of CO2 per year. It also enables us to deliver on our social, economic, and environmental commitments.

## PRIMARY SOURCE OF REPAYMENT

The loan will be repaid with Net Operating Income from module sales, Manufacturing Production Tax Credits & Refunds, and Design Build fees from nonprofits that replicate our microfactory.



## ABOUT LENDONATE

LENDonate's mission is to create a new financial ecosystem that allows capital to flow more freely in the social sector by developing an expressive marketplace that connects affordable capital with impactful projects.

*Doing Good, Only Better*



# LENDonate Composite Risk Rating

The Composite Risk Rating takes into account the Borrower risk rating along with the duration of the loan and strength of collateral.

## Gold

This loan rating denotes high credit quality. A Gold rating generally means the borrower either has excess demonstrable cash flow and liquidity to support the size of the loan, or the loan is fully secured by strong collateral, or both. LENDonate's ceiling rate for loans in this category is no more than the U.S. Prime Rate plus 1.5%.

## Silver

This loan rating denotes stable credit quality. A Silver rating generally means the borrower either has adequate demonstrable cash flow and liquidity to support the size of the loan, and the loan is secured by documented expected earned income, such as accounts receivable. The loan may also be partially secured by pledged assets. LENDonate's ceiling rate for loans in this category is between the U.S. Prime Rate plus 1.5% and the U.S. Prime Rate plus 4%.

## Bronze

This loan rating denotes acceptable credit quality. A Bronze rating generally means the borrower either has acceptable but less dependable cash flow and liquidity to support the size of the loan, or has documented expected revenue, such as service contracts or grant receivables. Liquidity and cash-flow protection may be narrow, and market access for refinancing is likely to be less well-established. The loan may also be partially secured by pledged assets. LENDonate's ceiling rate in this category is the U.S. Prime Rate plus 4% and the U.S. Prime Rate plus 6%.



## Starfish

This loan rating denotes a nonstandard credit quality that is not quantifiable by traditional credit models. The significance of this rating is that each loan is unique and requires careful review of underlying investment risk by the investor.

A Starfish rating generally means the borrower does not possess the requirements for the Gold, Silver or Bronze ratings, but has mitigating factors worthy of consideration. These factors may include the loan's significant impact to the nonprofit or social cause, the financial strength being dependent on program outcome (PRI), and/or the uncertainty of timing and size of expected cash inflow.