Pioneer Valley Grows Investment Fund, Inc. is administered by the Franklin County Community Development Corporation.

THIS OFFERING IS OPEN TO RESIDENTS OF MASSACHUSETTS, CONNECTICUT, MAINE, NEW HAMPSHIRE, NEW YORK, RHODE ISLAND, AND VERMONT ONLY.

October 1, 2015
Revised on May 1, 2016
Welcome to the Pioneer Valley Grows Investment Fund, Inc.

Thank you for your interest in building a healthy food economy in the Pioneer Valley. The Franklin County Community Development Corporation is delighted to administer this $2.6 million Fund, which provides the dual benefits of flexible financing for food system businesses, and an opportunity for people to invest in the creation of a food system that works for all of us.

The Pioneer Valley Grows Investment Fund, Inc. accepts community investments from non-accredited investors of $1,000 to $10,000, with a five-year term and 2% interest, as well as investments of $10,000 - $250,000, with a term of 8 years and interest of 4% from larger investors, including foundations, institutions, and accredited investors.

The Pioneer Valley Grows Investment Fund, Inc. (PVGIF) is a registered non-profit corporation in the state of Massachusetts and is a supporting organization of the Franklin County Community Development Corporation (FCCDC). The FCCDC Board of Directors appoints the Directors of PVGIF and the FCCDC will be the administrator of the Pioneer Valley Grows Investment Fund (PVGrows Fund or the Fund). The PVGrows Fund is being established in close connection with the PVGrows network and builds on many successful initiatives in the Pioneer Valley. These include opportunities to invest in our local community and the farms and farmland that sustain us, offered by individual businesses such as Real Pickles and River Valley Market and organizations like The Carrot Project, Common Capital, Cooperative Fund of New England and Equity Trust. Together, we serve the many farm and food businesses that are working to achieve profitability while also accruing benefits to our local communities, economy, and environment. This network also includes the technical assistance, promotion, and educational roles played by other organizations including Community Involved in Sustaining Agriculture, New England Small Farm Institute, and Massachusetts Department of Agricultural Resources.

The PVGIF allows us to pool our financial assets, our community expertise, and our collective buying power to support and sustain businesses that can make real changes to how we grow, distribute, and buy food. We don’t expect that any one enterprise will meet all of our goals, which include job creation, racial equity, environmental health, energy sustainability, and good food for all. Together, the full portfolio of businesses supported by our community investments will work to achieve these benchmarks of a healthy food economy.

Thank you for your consideration.

Sincerely,

John Waite
Executive Director
Franklin County Community Development Corporation
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Summary of Offering

Pioneer Valley Grows Investment Fund, Inc. (PVGIF) offers three investment opportunities to be invested in farm and food enterprises.

- Up to $500,000 in PVGrows Community Investment Notes (comprising the PVGrows Community Investment Pool).
- Up to $2,000,000 in PVGrows Patient Capital Notes (comprising the PVGrows Patient Capital Pool).
- Up to $100,000 in Risk Capital Notes (comprising the PVGrows Risk Capital Pool).

Notices of the Offering

This Offering Memorandum contains forward-looking statements that involve risks and uncertainties. We use words such as “anticipates,” “believes,” “plans,” “expects,” “future,” “intends,” and similar expressions to identify such forward-looking statements. You should not place undue reliance on these forward-looking statements. PVGIF’s actual results could differ materially from those anticipated in these forward-looking statements for many reasons, including but not limited to the risks described under the heading “Investment Risk Factors” and elsewhere in this Offering Memorandum.

Neither the Securities and Exchange Commission nor any state securities regulator has approved, disapproved, or endorsed these securities, nor determined if this Offering Memorandum is truthful or complete. Any representation to the contrary is a criminal offense.

The Notes may be sold in, and Investment Applications may be honored from, residents of the following states: Massachusetts, Connecticut, Maine, New Hampshire, Rhode Island, New York, and Vermont. The Notes may not be sold in, and Investment Applications will not be honored from, any other state.

This Offering Memorandum will be updated any time there is a material event of which investors should be aware for the purposes of making an investment decision.

Purchase of a Note is not a donation to PVGIF and is not tax deductible. Interest paid on a Note is taxable. Please consult your tax advisor for information specific to your circumstances (see “Tax Aspects” section).

You should not rely on this Offering Memorandum for investment, legal, accounting, or tax advice. You should consult your own professional advisors before investing in the Notes.

INVESTMENT IN THE NOTES IS SUBJECT TO CERTAIN RISKS, AND YOU SHOULD NOT INVEST IN THE NOTES IF YOU CANNOT AFFORD TO LOSE THE PRINCIPAL AMOUNT OR IF YOU NEED LIQUIDITY (SEE “RISK FACTORS” SECTION).
PVGIF will not pay any direct or indirect underwriting, sales, fees, or commissions. Therefore, with the exception of operational expenses, all of the proceeds of this offering will be available to support PVGIF’s mission. PVGIF’s estimated total operational expenses from January 1, 2015, through December 31, 2015 (excluding interest on the Notes) are $100,000.

It is anticipated that investors in the Notes will be persons and organizations who wish to align their investments with their values of environmental sustainability and social responsibility.

To invest in PVGIF, please complete the attached Investment Agreement and mail to:

   PVGrows Investment Fund, Inc.
   Franklin County CDC
   324 Wells Street
   Greenfield, MA 01301

For more information please contact the FCCDC at (413) 774-7204 or email johnw@fccdc.org.

This Offering Memorandum is dated October 1, 2015 and revised on May 1, 2016.

No one has been authorized to give any information or to make any representations in connection with this offering other than those contained in this Offering Memorandum. You should not rely on any information or representation that is inconsistent with this Offering Memorandum.

The United States Securities and Exchange Commission (SEC) has not reviewed this Offering Memorandum, and the offer and sale of these Notes have not been registered with the SEC, in reliance upon the exemption from registration for charitable organizations contained in Section 3(a)(4) of the Federal Securities Act of 1933.

The Notes have not been registered with the securities departments of any states, in reliance on laws exempting from registration securities of certain religious, charitable and educational organizations. Additionally, no securities department of any state has passed upon the merits of the securities hereby offered or recommended or given approval to the securities or the accuracy of this Offering Memorandum.

The Notes are not savings or deposit accounts or other obligations of a bank and are not insured by the Federal Deposit Insurance Corporation (FDIC), any state bank insurance fund or any other governmental agency. The payment of principal and interest to an investor in the Notes is dependent upon PVGIF’s financial condition. Any prospective investor is entitled to review PVGIF’s financial statements, which will be furnished at any time during business hours upon request. The Notes are obligations of PVGIF and are not obligations of, nor guaranteed by, any other person or organization.

NEW HAMPSHIRE RESIDENTS. In making an investment decision, investors must rely on their own examination of the Fund and the terms of the offering, including the merits and risks involved. These
securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

NEW YORK RESIDENTS. The Attorney General of the State of New York has not passed on or endorsed the merits of this offering. Any representation to the contrary is unlawful.
Brief Description of Offering

Pioneer Valley Grows Investment Fund, Inc. (PVGIF) offers three investment opportunities to be invested in farm and food enterprises:

- Up to $500,000 in PVGrows Community Investment Notes (comprising the PVGrows Community Investment Pool)
- Up to $2,000,000 in PVGrows Patient Capital Notes (comprising the PVGrows Patient Capital Pool)
- Up to $100,000 in Risk Capital Notes (comprising the PVGrows Risk Capital Pool)

Pioneer Valley Grows Investment Fund, Inc.

Pioneer Valley Grows Investment Fund, Inc. (PVGIF) is a supporting organization of the Franklin County Community Development Corporation (FCCDC) and offers the three pools of assets identified below: the PVGrows Community Investment Pool, the PVGrows Patient Capital Pool, and the PVGrows Risk Capital Pool. Neither the Fund nor any of the three Pools comprising the Fund is a separate entity; rather, all of the Notes offered hereby are obligations of PVGIF, and with recourse limited to the assets of the particular Pool to which each Note relates.

The PVGrows Community Investment Pool

PVGIF is offering up to $500,000 in PVGrows Community Investment Notes, comprising the Fund’s Community Investment Pool, to be invested in farm and food enterprises that meet the criteria described in the “Mission Criteria” (see Appendix D). The Community Investment Notes have a five (5) year term and receive interest at a fixed rate of 2% per year. If the Community Investment Pool experiences losses, all or a portion of those losses (up to a maximum aggregate amount of $100,000) may be covered by the Risk Capital Pool, as described below. **The minimum investment is $1,000, and the maximum investment is $10,000. However, the investment may not exceed 10% of the investor’s liquid net worth (excluding value of home, home furnishings, and automobiles).** The offering is made primarily to Massachusetts’ residents, although investments will also be accepted from investors residing in Connecticut, Maine, New Hampshire, Rhode Island, New York, and Vermont, provided that this offering complies with State and Local securities regulations in those states.

The PVGrows Patient Capital Pool

PVGIF is offering up to $2,000,000 in PVGrows Patient Capital Notes, comprising the Fund’s Patient Capital Pool to be invested in farm and food enterprises that meet the criteria described in the “Mission Criteria” (see Appendix D). The Patient Capital Notes have an eight (8) year term and receive interest at a fixed rate of 4% per year. Any losses in this pool will **not** be covered by the Risk Capital Pool and may have the effect of reducing the principal amount of all PVGrows Patient Capital Notes on a pro rata basis. **The minimum investment is $10,000 and the maximum investment is $250,000, open to accredited investors and others that meet the criteria in the PVGrows Patient Capital Pool Investment Agreement (see definition of accredited investor in Appendix H).**
The PVGrows Risk Capital Pool

PVGIF is offering up to $100,000 in PVGrows Risk Capital Notes, comprising the Fund's Risk Capital Pool. This Pool is only open to accredited investors (see definition in Appendix H) and institutions, including grantmaking foundations, and is intended to serve as a loan loss reserve for the Community Investment Pool. This Pool will be used to cover (in whole or in part) any losses on investments made in the Community Investment Pool for the first five-year term. This Pool will be invested in money market funds or other investment vehicles with relatively high liquidity and relatively low risk, and all interest earned in such money market funds and other investment vehicles will be distributed to the holders of the PVGrows Risk Capital Notes in satisfaction of the interest due thereon.

Summary of the Three Pools Comprising the PVGrows Investment Fund

<table>
<thead>
<tr>
<th>Pool</th>
<th>Open to:</th>
<th>Minimum Per Investor</th>
<th>Maximum Per Investor</th>
<th>Offering Period</th>
<th>Maximum Offering</th>
<th>Investment Agreement and Form of Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Investment Pool</td>
<td>Everyone</td>
<td>$1,000</td>
<td>$10,000</td>
<td>Continuous</td>
<td>$500,000</td>
<td>Appendix A</td>
</tr>
<tr>
<td>Patient Capital Pool</td>
<td>Qualified Investors &amp; Institutions</td>
<td>$10,000</td>
<td>$250,000</td>
<td>Through 6/30/2019</td>
<td>$2,000,000</td>
<td>Appendix B</td>
</tr>
<tr>
<td>Risk Capital Pool</td>
<td>Foundations &amp; Institutions</td>
<td>$10,000</td>
<td>$100,000</td>
<td>Continuous</td>
<td>$100,000</td>
<td>Appendix C</td>
</tr>
</tbody>
</table>

Potential investors are directed to the Risk Factor disclosure that appears later in this Offering Memorandum.
About the Pioneer Valley Grows Investment Fund, Inc.

Pioneer Valley Grows Investment Fund, Inc. (PVGIF) is a registered non-profit corporation in the state of Massachusetts and is a supporting organization of the Franklin County Community Development Corporation (FCCDC). The FCCDC Board of Directors appoints the Directors of PVGIF and the FCCDC will be the administrator of the Pioneer Valley Grows Investment Fund (PVGIF Fund or the Fund). (See Appendix E for a list of PVGIF Directors.) PVGIF was established in close connection with the PVGrows network and builds on many successful initiatives in the Pioneer Valley. It was created and designed to provide the capital and business assistance that is needed for scaling up our local food system. The PVGIF objective is to provide financing and technical assistance at the right time and right terms to mission-driven and finance-ready farm and food entrepreneurs and businesses.

The Franklin County CDC will administer the Pioneer Valley Grows Investment Fund and, in order to maintain active involvement with the PVGrows network and strengthen the impact of the Fund, there will be a PVGrows Fund Advisory Committee. The PVGrows Fund Advisory Committee advises the FCCDC on mission alignment of projects seeking financing and provides technical assistance to prospects to help them become finance-ready, as needed. The PVGrows Fund Advisory Committee consists of ten organizations, including lenders, foundations, non-profits, and government agencies, that have expertise in supporting farm and food businesses. Each of these organizations offers aligned missions and experience providing business assistance and investments in the local economy and the food system (see Appendix F for a list of Advisory Committee members). Additional support for technical assistance may be provided by the Fair Food Fund and/or other organizations.

When PVGIF receives a financing inquiry from a farm or food business, the PVGrows Fund Advisory Committee reviews the business to evaluate if it fits with the PVGrows Mission Criteria (see Appendix D). Any business that is approved for mission fit will be forwarded to the FCCDC for underwriting, loan decision, documentation, and ongoing administration. If a prospective borrower is not a good fit with the PVGrows Fund’s mission criteria, it may be referred to the FCCDC’s general lending program or another organization that provides financing, including other organizations that are members of PVGrows. The FCCDC’s lending practices are described in the section “About The Franklin County Community Development Corporation.” The PVGrows Fund Advisory Committee focuses on mission; it does not engage in practices that approximate underwriting or lending.

In addition, in order to maintain the connection to the PVGrows network, another committee referred to as the PVGrows Fund Development Committee will provide guidance and serve as a resource to the FCCDC. This committee consists of seven members including CISA (PVGrows network’s fiscal sponsor), two foundations that provide grant funding to the Fund, two community lenders from the Advisory Committee and two PVGrows Steering Committee members. The Committee will meet on a quarterly basis (see Appendix G for a list of Fund Development members).
About PVGrows

Pioneer Valley Grows Investment Fund, Inc. (PVGIF) is using the name “PVGrows” with the consent of PVGrows, which is an unincorporated network of individuals and organizations focused on support for sustainable food systems in the Pioneer Valley in Western Massachusetts. PVGrows is a fiscally sponsored project of Community Involved in Sustaining Agriculture (CISA) and has approximately 1,000 members. As the fiscal sponsor, CISA receives tax-deductible donations to cover the expenses of PVGrows.

PVGrows operates the website www.pvgrows.net, which is intended as a resource for anyone who is involved in, or wishes to support, a just and sustainable food system in the Pioneer Valley. PVGrows receives a variety of inquiries, including inquiries requesting finance. These financing-related inquiries will be reviewed by the PVGrows Fund Advisory Committee for mission fit and then considered for financing by the FCCDC. The PVGrows website also has dedicated web pages for the PVGrows Fund (pvgrows.net/loan-fund/), where both prospective borrowers and community investors can learn more about PVGIF and begin the process of borrowing from or investing in the Fund.

PVGrows has a Steering Committee composed of individuals who are committed to the organizational mission of creating a just and sustainable food system in the Pioneer Valley. The PVGrows Steering Committee develops policies and strategic direction and supports PVGrows staff and members. The Steering Committee supports staff in designing PVGrows programs (primarily the annual Forum), sets policy, and establishes overall direction for the network.

Neither PVGrows, nor CISA, will be involved in the control or management of PVGIF, and neither of them will guarantee any obligations associated with the Fund. The PVGrows Steering Committee will have two representatives, and CISA will have one representative, on the PVGrows Fund Development Committee described above.

For more information about PVGrows, go to www.pvgrows.net.
About the Franklin County Community Development Corporation

The Franklin County Community Development Corporation (FCCDC) is a private non-profit 501(c)(3) charitable organization incorporated in 1979 and controlled by a 15-member board of directors. The FCCDC has more than 35 years of experience assisting local residents in western Massachusetts. In particular, the FCCDC works with entrepreneurs and small business owners by providing business assistance, financing and work space that helps create and retain jobs.

The FCCDC’s years of service demonstrate an understanding of the community, the ability to connect with the underserved, and the sensitivity to provide appropriate assistance that leads to starting and growing a business and obtaining financing. Most clients began with fewer than 10 employees (often with just one), and some have exceeded 100 employees since receiving assistance from the FCCDC.

The FCCDC has worked with thousands of small businesses, provided approximately 400 loans amounting to more than $10 million and leveraged more than $24 million, while helping create more than 2,000 jobs in their target market. The FCCDC has earned a reputation as the place people go to start or grow a business.

The FCCDC serves the whole population of western Massachusetts by supporting the economic development needs of the community, but the target constituents fall into the following four main categories:

- **Existing businesses seeking to grow:** These are businesses that typically require financing and have the potential to create new stable jobs.
- **Existing businesses experiencing trouble:** These businesses can stabilize and retain employees, often by exploring new markets and revenue streams and more efficient operations.
- **Residents ready to start a business:** Entrepreneurs with skills and experience in a variety of fields who could benefit from assistance and financing to organize and operate a small business.
- **Farm and food businesses:** The FCCDC has been active in providing technical assistance and financing to farms and food businesses since its inception in 1979, and it has been an important focus since opening the Western MA Food Processing Center in 2001.

The FCCDC is well known and respected in the region. The majority of community members learn about the FCCDC through word of mouth, followed by a phone inquiry, walk-in inquiry, or attendance at a monthly information session or another workshop. The FCCDC’s annual service population of more than 300 clients speaks to the significant role that the FCCDC plays in the development of small businesses in this primarily rural region. Monthly information sessions typically draw 20 people interested in learning about business planning and/or bringing a food product to market. Current and past clients continue to follow up and receive assistance by telephone, email, individual counseling session, and trainings.

Collaborations with other community and governmental organizations, chambers of commerce, business associations and commercial lenders provide a steady stream of inquiries about the FCCDC financial products and services, and development services. Often another organization will identify certain
members who would benefit from development or financial products offered by the FCCDC. Trainings are frequently co-sponsored with business associations enhancing the technical assistance available. Demand for financial products remains constant from small business owners seeking new capital for growth, working capital, equipment financing, or gap financing with a bank for a new venture.

**FCCDC Mission**

The FCCDC’s overall mission is to stimulate a more vital rural economy, to maximize community control over our future economic destiny, and to expand opportunities for low and moderate-income residents.

**FCCDC Activities**

The FCCDC accomplishes the organization’s mission and goals through the following community development activities:

- **Business Lending**: FCCDC’s oldest program continues to remain vital to the mission of providing opportunities to entrepreneurs who cannot obtain all their financing through other sources.
- **Business Development**: Provides business assistance and entrepreneurial training to businesses throughout the region. Expertise in areas such as business planning, finance, marketing, social media, graphic design, and computer applications is provided by staff and outside consultants.
- **Food Processing Center and Food System Development**: The Western Massachusetts Food Processing Center (FPC), opened in 2001, includes a commercial kitchen, cooler, freezer and dry storage space, and a packaging area. This unique Center supports local agriculture by adding value to farm products and creating new business opportunities. The FPC offers professional development courses and a community of food entrepreneurs to provide mutual support and problem-solve, as well as access to lending and technical assistance programs. FCCDC staff are also involved in food system work at the local, state, regional, and national levels.
- **Venture Center**: This 36,000 sq. ft. small business incubator provides six light industrial spaces and seven offices, as well as office equipment and a receptionist, for start-up and young businesses. This allows businesses to keep their capital costs lower as they get started. While at the Venture Center, tenants receive business assistance as needed on a range of issues. The Venture Center has supported over 50 businesses since 1989.
- **Rehabilitation of the First National Bank Building**: As a way to help revitalize a downtown area, the FCCDC accepted a donation of this abandoned building in downtown Greenfield. The FCCDC is working with the Town of Greenfield and other organizations and individuals to renovate the building for arts and cultural organizations to offer community activities and events.

While the FCCDC provides services to a wide variety of people, the majority of its clients are low- and moderate-income residents. Applicants often turn to the FCCDC after being rejected by a bank or because they lack the funds to hire specialized consultants for their businesses. The FCCDC is perceived to be a safe, comfortable, and supportive place to get started and receive ongoing assistance.
FCCDC Funding

The FCCDC consistently finances approximately 65% of its operating budget through revenue generated from community development activities:

- **Interest and fees from the revolving loan funds:** The FCCDC has loans of over $1 million from the USDA Rural Development’s Intermediary Lending Program at 1% interest for 30 years, $500,000 from USDA Rural Development’s Rural Microenterprise Assistance Program at 2% interest for 20 years, and an $800,000 restricted grant from the US Economic Development Administration, all of which is re-lent to small businesses. This generates revenue from the spread on the interest rate between the borrowing and lending rate. During the past 5 years, the loan portfolio has had an average delinquency rate of less than 2% and we have only written off 3 loans for a total of $50,000 during that same period. The FCCDC also manages another $750,000 of loan funds for towns in the region, which generate an administration fee that is equivalent to the amount of interest earned.

- **Rent from the Venture Center:** The FCCDC owns and operates a 36,000 square foot small business incubator, the Venture Center, which generates approximately $140,000 of gross revenue per year from tenants. Rents are set at slightly below market rate so businesses can benefit from lower upfront costs during their start-up phase.

- **User fees and sales revenue from the Food Processing Center:** Since 2001, the FCCDC has owned and operated the Western MA FPC, which generates approximately $160,000 of gross revenue per year from fees paid by users of the facility and another $60,000 gross revenue from sales of frozen vegetables. This amount is expected to increase substantially over the next few years with the addition of new infrastructure.

However, the FCCDC’s mission is to provide services to all residents regardless of income or wealth and this restricts them from raising interest rates, rents or fees to generate more revenue. Therefore, the FCCDC relies on grants and donations in order to provide these important services our community.

Due to the FCCDC’s reputation for providing high-quality programs and services, they have received many state and federal grants. In recent years, the FCCDC has been awarded the following grants/loans:

- $300,000 grant over 24 months from the U.S. Economic Development Administration for Economic Resiliency in the Northern Tier;

- $100,000 over 2 years to provide business technical assistance from the U.S. Treasury Department’s CDFI program;

- $105,000 over 2 years to provide business technical assistance from the USDA Rural Microenterprise Assistance Program, along with a loan of $500,000 in revolving loan funds;

- $125,000 for FY2015 from Mass Growth Community Capital for the Western Mass Means Business project;

- $300,000 over 3 years from USDA NIFA for a Community Food Projects initiative;

- $750,000 low interest loan and a $50,000 grant from USDA Community Facilities Program for the Venture Center and the Food Processing Center improvements and expansion; and,

- Several grants from private foundations for work at the Food Processing Center.
Without a dedicated development staff, the FCCDC has consistently raised approximately $35,000 annually from over 300 community residents and businesses and another $35,000 annually from local banks, corporations and foundations. During its 25th and 30th anniversaries, the FCCDC made extra efforts to solicit donations and exceeded $100,000 each time. In calendar year 2014 alone, the FCCDC raised $205,000 largely due to the 35th anniversary and the newly established Massachusetts Community Investment Tax Credit (CITC) Program that offered donors a 50% tax credit on donations of $1,000 or more. This CITC program will be in effect at least through 2019.

**FCCDC Management and Staffing**

The Executive Director is John Waite. He provides overall guidance to the organization, has supervisory authority and is responsible to a fifteen-member board of directors. The Executive Director ensures that the FCCDC programs are integrated with other economic development activities in the region to maximize efficiencies. John has been Executive Director of the FCCDC since March 2000. He holds a masters degree from Columbia University and an undergraduate business degree from University of Massachusetts. He brings over 30 years of community economic development experience, overseas and in New York City, including Peace Corps assignments assisting small business development in Burkina Faso and Uzbekistan, and in Uganda with CARE/UNDP helping to establish a rural bank. At the FCCDC, John has helped expand the Business Assistance Program, the Small Business Lending program, construct and operate the Western Massachusetts Food Processing Center, complete organizational strategic plans and acquire and begin rehabilitation of a historic building in downtown Greenfield that had been vacant for thirty years. In 2010, John completed the NeighborWorks Training Program in conjunction with the Achieving Excellence in Community Development program at Harvard University’s Kennedy School of Government.

The Business Lending Director is Alan Singer. He is responsible for reviewing all loan applications, working with potential borrowers on their financial projections, conducting underwriting and presenting loan proposals to the Loan Review Committee. Alan has worked with the FCCDC since 2003 and he has both an undergraduate degree in economics and an MBA with an accounting concentration. He was formally trained as a lender by a major commercial bank and has worked in the private sector in various capacities managing and underwriting commercial loans to businesses of all sizes. Alan reaches out to businesses that are likely to create good jobs and helps them through the loan application process. He works closely with the local banks as about half of the FCCDC loan portfolio is gap financing with traditional lenders.

The Business Development Director is Amy Shapiro. She is responsible for organizing and implementing the organizations outreach and educational activities such as facilitating trainings, conducting business assessments, matching businesses with consultants and trainings and providing direct technical assistance when appropriate. Amy Shapiro, who has been working with the FCCDC since 2001, has an MBA and owned and operated a family business for many years. She lives in West County and has more than 25 years of experience working for and with small businesses. For the past eight years, she has been the instructor for the FCCDC’s Business Training course Plan For Success. The FCCDC works with consultants with expertise in many different areas and Amy Shapiro coordinates matching them with business owners depending on the specific needs of the clients. Amy Shapiro has also been active in the
community. She is currently the chairperson of the Fostering Arts and Culture organization. She is on the board of directors of the Greater Shelburne Falls Area Business Association and the Rural Development Institute. In 2014, Amy Shapiro received the Richard Smith Award awarded to an outstanding Massachusetts CDC staff person.

The Finance Director is Vinny Natale. He is responsible for all the organization’s finances, including handling all invoicing, accounts receivable and payable, and account reconciliation, including all the loan funds. Vinny has held this position since 2009. He has worked with a CPA firm and has worked as finance director with several other businesses.

The PVGrows Fund Coordinator is Rebecca Busansky. She has worked as a consultant to PVGrows since 2013 and recently joined the FCCDC team to coordinate the PVGrows Investment Fund, specifically focusing on marketing and outreach, maintaining relationships with borrowers and investors, and liaising with the PVGrows network. She has an undergraduate degree from Brown University and has worked in community economic development for over 20 years.

The Business Development Coordinator has been Judy Scherer since 2007. She coordinates the outreach, sets up trainings and workshops, and maintains the database for outreach, follow-up, monitoring and evaluating progress.

The Food Processing Center Manager is Liz Buxton who joined the FCCDC in 2013. She provides technical assistance to FPC clients with recipe development, scale-up of product, pricing, packaging, storage, marketing and distribution. She is responsible for all operations in the Food Processing Center, including maintaining all FDA, USDA, and other health and safety certifications.

The FCCDC has two Business Development Specialists: Anita Eliason and Nico Lustig. They provide direct counseling, and maintain follow-up with clients, coordinate trainings, and implement outreach strategies. Nico focuses specifically with farm and food businesses.

The FCCDC also hires business consultants and industry experts for professional support on an as needed basis. Over the years the FCCDC has developed a cadre of consultants to help businesses with issues such as business planning, finances, marketing, legal, human resource and website development. The FCCDC also works with several collaborator organizations that provide business counseling and workshops as part of the programs marketed in the region.

**FCCDC Lending Practices**

The purpose of the Franklin County Community Development Corporation's Business Lending Program is to make fixed-interest rate loans to borrowers that show community and economic development potential for the defined service area of western Massachusetts. The FCCDC's Credit Policies and Lending Practices are available upon request. The Franklin County Community Development Corporation is an equal opportunity provider, lender and employer.

For more information about the FCCDC including financial information please visit their website at [www.fccdc.org](http://www.fccdc.org).
Financing Operations

The PVGIF requires grant funding in order to meet its mission objectives and cover its operational costs, including a significant sum for its investment expertise. Banks and large loan funds generate resources by charging a differential (or “spread”) between the cost of borrowed capital and the amount charged to borrowers. In order to make loans affordable for this relatively small fund, grant funding is necessary during the early years.

The launch year, 2015, will require more grant support than in future years and the two long-standing funding partners, the Lydia B. Stokes Foundation and the Solidago Foundation, have committed to a minimum grant-making period of three years. In addition, as both foundations have contributed to the design of the Fund, they have agreed to assist in fundraising for the PVGIF within their respective peer networks in the philanthropic community.

Use of Proceeds

All investments in the PVGrows Fund will be deposited in a separate bank account owned and controlled by PVGIF. This will be an interest-bearing account at a local bank. PVGrows Fund loans and investments in farm and food businesses will be made from this account. Repayments of principal, interest and fees will be deposited back into that account. For the first 12 months all PVGrows Fund operational expenses will be paid out of grant funds, not investor’s funds. This should allow the PVGrows Fund to grow as principal, interest and fees are received.

Loans will have flexible terms depending on the business. Generally, interest rates will be 1 to 2 points higher than local banks. Duration will normally range from 3 to 7 years, although amortization periods may be longer to help with cash flow during the early years. Interest-only periods will also be available as determined by cash flow projections. Loans or investments from the Patient Capital Pool may have longer terms with higher rates.

PVGIF will pay the FCCDC to administer and manage the PVGrows Fund. As discussed above, the FCCDC operates several other loan funds and the PVGrows Fund will take advantage of the efficiencies these systems afford, and use the same administrative systems and the same loan policies and procedures as well as the same loan review committee.

The following projections are for planning purposes only and may be substantially different from actual performance.

During the initial 18 months (July 2015 – Dec. 2016), PVGIF projects raising $500,000 for the Community Investment Pool, $1 million for the Patient Capital Pool, and $100,000 for the Risk Capital Pool. During this same time period it is projected that $1.5 million will be lent to farm and food businesses. $200,000 of principal is projected to be repaid along with $30,000 of interest. Interest allocated to investors during
this time period is projected to be $10,000. Therefore $20,000 is projected to be available to partially fund a Loan Loss Reserve and the rest added to the PVGIF capital.

Below is the projected operational budget for PVGIF during the start-up phase:

<table>
<thead>
<tr>
<th>PVGrows Investment Fund</th>
<th>Start-Up Totals</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidated Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant and Philanthropic Support</td>
<td>$200,000</td>
<td>$100,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>Interest Income</td>
<td>$31,750</td>
<td>$26,000</td>
<td>$5,750</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$231,750</td>
<td>$126,000</td>
<td>$105,750</td>
</tr>
<tr>
<td><strong>Consolidated Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Coordinator (Marketing, Outreach, Donor Relations)</td>
<td>$44,335</td>
<td>$22,495</td>
<td>$21,840</td>
</tr>
<tr>
<td>Fundraising</td>
<td>$38,875</td>
<td>$22,495</td>
<td>$16,380</td>
</tr>
<tr>
<td>Fundraising Materials, Travel, etc.</td>
<td>$11,000</td>
<td>$5,000</td>
<td>$6,000</td>
</tr>
<tr>
<td>Investment Management</td>
<td>$58,740</td>
<td>$33,990</td>
<td>$24,750</td>
</tr>
<tr>
<td>Legal &amp; Professional Fees (including Outsourced TA and Due Diligence)</td>
<td>$22,050</td>
<td>$11,250</td>
<td>$10,800</td>
</tr>
<tr>
<td>Admin Support</td>
<td>$27,913</td>
<td>$14,163</td>
<td>$13,750</td>
</tr>
<tr>
<td>Overhead @ 9% of Expenses</td>
<td>$16,178</td>
<td>$9,845</td>
<td>$6,332</td>
</tr>
<tr>
<td>Interest Payments to Investors</td>
<td>$4,000</td>
<td>$4,000</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$223,091</td>
<td>$123,238</td>
<td>$99,852</td>
</tr>
<tr>
<td><strong>Net Income and Expense</strong></td>
<td>$8,659</td>
<td>$2,762</td>
<td>$5,898</td>
</tr>
</tbody>
</table>

Beginning in the second half of 2016, revenues from investments in PVGIF are expected to begin covering a portion of operational expenses of the Fund, including payment of interest to investors, and fewer grant funds are expected to be required. The goal is to pay all ongoing expenses associated with the PVGrows Fund using revenue generated from the Fund's investment portfolio within five years of operation.
Investment Parameters

PVGIF will seek to diversify its investments, fill a gap in the current capital market, protect its investor’s interests, and operate efficiently, by seeking to place investments in the following sectors:

- Focus on farm and food businesses ready for expansion, and mature businesses seeking to transition to a local food business line.
- Focus on strong management teams that might be launching start-ups or require financing in some pre-revenue stage.
- The geographic focus will be as follows:
  - 70% or more in deals either located in, or with clear, demonstrable impact on the food system in Western Massachusetts.
  - 30% or less in New England and the State of New York through partners in the regional food system investment field on investments with regional impact.

How to Invest

1. Review this Offering Memorandum, including all appendices.

2. Complete and sign the Investment Agreement for the particular Pool of the PVGrows Fund in which you wish to invest. (Note: If the investor is an entity, the Investment Agreement must be signed by an individual authorized to bind the investor.)

3. Write a check, payable to PVGIF for the amount you wish to invest in the PVGrows Fund (Note: See page 6 & 7 for minimum and maximum investment amounts). Send the Investment Agreement and your check to PVGIF, c/o FCCDC, 324 Wells Street, Greenfield, MA 01301. If you are investing in the Patient Capital Pool, you are requested to send in half of the total investment amount with your Investment Agreement, and to send in the other half upon request by the FCCDC.

4. If your investment is accepted, the FCCDC will mail you a copy of your Investment Agreement and the appropriate Note, both signed on behalf of PVGIF. Important: Your investment has not been accepted until your Investment Agreement is counter-signed by the PVGIF representative and the PVGIF representative signs the Investment Note. PVGIF reserves the right to reject any prospective investment, in whole or in part, for any reason.

5. If you do not hear from the FCCDC within 14 days of sending in your Investment Agreement, please contact the FCCDC at 413-774-7204 to make sure it was received.

If your investment is not accepted, your check will be returned to you. If your investment is accepted, but only in part, your check will be deposited but the portion that is not accepted will be refunded to you by a check from PVGIF.
Plan of Distribution

This offering will be offered and sold on a best efforts basis, with an aggregate maximum of $2,600,000 to be raised.

FCCDC’s employees, consultants and volunteers will conduct the offering on behalf of PVGIF. They will not receive any special commissions for work performed related to this offering, but may receive regular wages. PVGIF or FCCDC will not employ any outside underwriters, recipients of finders’ fees, selling groups, broker-dealers, or any other agents in connection with the offering. PVGIF or FCCDC will not offer any underwriting or selling discounts or commissions or finders’ fees of any kind in connection with the offering.

The offering will be marketed using PVGIF, FCCDC and PVGrows existing marketing channels, including existing networks, websites, email lists, Facebook pages, and printed materials. This investment opportunity will be advertised at public events where PVGIF, FCCDC and PVGrows services are being presented. Press releases to local newspapers and radio stations will be sent. Public presentations to educate potential investors about the offering will be made.

All communications will direct potential investors to this Offering Memorandum.

Description of the Notes

The following description applies to all three of the Notes offered by this Offering Memorandum. This is not a complete description, and investors should refer to the Notes set forth in the Appendices to this Offering Memorandum for more detail.

No Voting or Conversion Rights

An investment in the PVGrows Investment Fund is a limited-recourse loan to Pioneer Valley Grows Investment Fund, Inc. and is not an equity investment. It is not convertible into any other type of security and carries no voting rights.

The PVGIF Directors hold all decision-making rights with respect to the management of each of the Pools and of the PVGrows Investment Fund.

Limited Recourse

Investors in a particular Pool will have no recourse to the assets of either of the other Pools, nor to any other assets of PVGIF or the FCCDC. If there are losses in a Pool such that the aggregate value of assets in the Pool are less than the aggregate total of the principal balance of all Investment Notes plus accrued and unpaid interest, the principal balance of each Note for that Pool may be reduced, on a pro rata basis, to an amount that reflects the value of the assets.
This means that investors in one Pool may lose money on their investment even while investors in another Pool earn a positive return on their investment.

Restrictions on Transferability
The Notes are nontransferable, because no market exists for them, and any transfer must be in compliance with applicable securities laws. Therefore, no attempted transfer will be valid unless approved by PVGIF.

No Revocation
Once an Investment Agreement has been submitted to PVGIF with payment and the investment has been accepted, it may not be revoked without the consent of PVGIF.

Description of the PVGrows Community Investment Notes

Returns
The Community Investment Note will pay simple interest at the rate of 2% per year. Investors will be paid interest annually. Investors are given an opportunity to reduce the interest rate payable on the Community Investment Note, from 2% to 1%, which will have the effect of further supporting the work of the PVGrows Fund.

There is no guarantee that Investors will receive positive financial returns in any particular amount in any given year. THE INVESTOR WILL HAVE NO REMEDY if assets of the Pool are insufficient to provide investors with complete repayment of principal and interest.

Principal Reduction Due to Losses in the Pool
If, as a result of losses in the Community Investment Pool's portfolio of assets, and after payment of reasonable operating expenses not to exceed 2% of the aggregate value of the principal in the Pool per year, the value of all of the Pool's assets is insufficient to cover the aggregate principal and interest balance of all Community Investment Notes, the Fund may, in its sole discretion, reduce the principal balance of all Community Investment Notes, on a pro rata basis, by an amount necessary to close the deficit. As a result, the principal balance of each Community Investment Note may be reduced even if no principal payments have been made, and investors may lose money on their investment in the Pool.

To the extent that a balance remains in the PVGrows Risk Capital Pool at such time as PVGIF determines that a deficit exists in the Community Investment Pool as a result of losses as described in the previous paragraph, PVGIF intends to apply a portion of the Risk Capital Pool to the Community Investment Pool to offset such a loss. In this sense, the Risk Capital Pool serves as a loan loss reserve for the Community Investment Pool.
Term
The PVGrows Community Investment Note has a maturity of five years from the date of the investment. Upon Maturity, all principal and outstanding interest from the Community Investment Note will automatically be paid to investor.

Early Redemption
While investors in the Community Investment Pool have no right to early redemption of their investment, PVGIF may make exceptions in extraordinary situations. An investor in the Community Investment Pool who wishes to request early redemption may submit a written request to PVGIF with a brief explanation of the circumstances supporting the request. PVGIF will, in its sole discretion, determine whether to grant the request, in whole or in part, taking into consideration the circumstances described by the investor, the financial condition and anticipated needs of the Pool, potential losses in the Pool (if any), and whether early redemption would be fair to other investors in the Pool.

Description of the PVGrows Patient Capital Notes

Investment in Installments
PVGIF requests (but does not require) that investors in the Patient Capital Pool submit half of their total investment with their Investment Agreement and send the remaining half of their investment upon request by PVGIF. For investors who invest in installments, PVGIF will notify the investor when the second installment is needed, and investors will be expected to send the second installment to PVGIF within 30 days of the request.

Returns
The Patient Capital Note will pay simple interest at the rate of 4% per year. Investors will be paid interest annually. Investors are given an opportunity to reduce the interest rate payable on the Patient Capital Note, with a minimum of 1%, which will have the effect of further supporting the work of PVGIF.

There is no guarantee that Investors will receive positive financial returns in any particular amount in any given year. THE INVESTOR WILL HAVE NO REMEDY if assets of the Pool are insufficient to provide investors with complete repayment of principal and interest.

Repayments
From the date of investment until June 30, 2018, the Patient Capital Pool will make annual interest payments. Beginning in July 2018, the Pool will begin distributing all available cash in the Pool, after payment of reasonable operating expenses not to exceed 2% of the aggregate value of the principal in the Pool per year, to investors on a pro rata basis, with the timing of these payments determined by PVGIF but at least annually. To the extent these payments exceed the amount of accrued interest owed to Investor as of each payment date, the excess payment will be deemed a repayment of principal and will reduce the principal balance due under each Note.
Term
The Patient Capital Notes will have a maturity of eight years from the date of investment.

Principal Reduction Due to Losses in the Pool
If, as a result of losses in the Patient Capital Pool's portfolio of assets, the value of all of the Pool's assets is insufficient to cover the aggregate principal and interest balance of all Patient Capital Notes, PVGIF may, in its sole discretion, reduce the principal balance of all Patient Capital Notes, on a pro rata basis, by an amount necessary to close the deficit. As a result, the principal balance of each Patient Capital Note may be reduced even if no principal payments have been made, and investors may lose some or all of their investment in the Pool.

Early Redemption
While investors in the Patient Capital Pool have no right to early redemption of their investment, PVGIF may make exceptions in extraordinary situations. An investor in the Patient Capital Pool who wishes to request early redemption may submit a written request to PVGIF with a brief explanation of the circumstances supporting the request. PVGIF will, in its sole discretion, determine whether to grant the request, in whole or in part, taking into consideration the circumstances described by the investor, the financial condition and anticipated needs of the Pool, potential losses in the Pool (if any), and whether early redemption would be fair to other investors in the Pool.
Description of the PVGrows Risk Capital Notes

Highest Risk
Of the three Pools comprising the PVGrows Investment Fund, the Risk Capital Pool bears the greatest risk of losses because it is intended to serve as a kind of loan loss reserve for the Community Investment Pool.

Returns
All funds invested in the Risk Capital Pool will be invested in certificates of deposit, money market deposit accounts, and/or other investments insured by the Federal Deposit Insurance Corporation (or other similar institution), as selected by PVGIF in its sole discretion. Interest earned on these investments will be allocated pro rata to investors in the Risk Capital Pool, without deducting any spread. Hence, the interest earned by investors in the Risk Capital Pool will be each investor’s pro rata share of interest earned on investments made by the PVGrows Risk Capital Pool.

There is no guarantee that Investors will receive positive financial returns in any particular amount in any given year. THE INVESTOR WILL HAVE NO REMEDY if assets of the Pool are insufficient to provide investors with complete repayment of principal and interest.

Investors will be paid interest annually.

Principal Reduction Due to Losses in the Pool
If, as a result of losses in the Community Investment Pool’s portfolio of assets, the value of all of the Community Investment Pool’s assets is insufficient to cover the aggregate principal and interest balance of all Community Investment Notes, PVGIF may, in its sole discretion, apply a portion of the assets of the Risk Capital Pool to offset those losses (but only to the extent needed to offset those losses). In that event the unpaid principal balance of each Risk Capital Note will be reduced accordingly, on a pro rata basis. As a result, the principal balance of each Risk Capital Note may be reduced even if no principal payments have been made to investors; and investors may lose money on their investment in the Pool.

Term
The PVGrows Risk Capital Note has a maturity of December 31, 2021. On that date, the principal balance of each Note, together with accrued interest, if any, will be paid to investors. Investors may at that time be given an opportunity to renew their investment for a subsequent term but will not be required to do so.

Early Redemption
No early redemption will be permitted in the Risk Capital Pool.
Risk Factors

Each investor is aware that an investment in PVGIF is **SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK**, including the possible loss of the entire investment, and each investor has carefully read and considered the following Risk Factors and all matters specified in these offering documents in determining whether or not to invest in the PVGrows Fund as specified herein. Each investor understands that the following factors are not an all-inclusive list of possible risks inherent in the Offering.

- **Dependence on Grant Funds**: This fund relies on grant support, at least during the first five years. If the core funders withdrew support or failed to garner the additional support necessary, it would be more difficult for PVGIF to meet its mission objectives.

- **Certain Factors Beyond Our Control May Affect Future Success**: Any future success that PVGIF might achieve will depend upon many factors, including factors beyond our control and/or which cannot be predicted at this time. These factors may include but are not limited to changes in general economic conditions; increases in viable investment opportunities; the impact on borrowers from weather; competition or other factors which cannot be predicted. These conditions may have a material adverse effect upon our borrowers’ businesses, operating results, and financial condition.

- **Dependence on Key Personnel of the Fund’s Administrator**: Much of PVGIF’s success depends on the skills, experience, and performance of the FCCDC’s staff. Success also depends on the ability to recruit, train, and retain qualified personnel. The loss of and subsequent failure to adequately replace the services of any key personnel, or a failure to recruit, train, and retain key personnel may have a material adverse effect upon the administration of PVGIF.

- **Increased Competition**: As demand for investment in local food enterprises has continued to increase in recent years in the Northeast, the available capital has outpaced the number of viable deals. While there is currently limited competition in the Pioneer Valley for this type of fund there is the possibility that others will develop. PVGIF may find itself competing with other investors or investment funds for deals, which could increase the risk and reduce the return of the portfolio. In addition, borrowers with a unique niche and a marketplace advantage may find themselves competing with similar, local food brands, as more regional or national firms emerge.

- **The PVGrows Fund’s Investments Are Subject to Risk of Nonpayment**: Loans and other investments made from the PVGrows Fund are subject to unique risks, including: (i) the inability of borrowers to make interest and principal payments on loans; (ii) so-called lender-liability claims by borrowers; (iii) environmental liabilities that may arise with respect to collateral securing a loan; and (iv) limitations on the ability of PVGIF to directly enforce its rights with respect to loan participations. In analyzing each investment, PVGIF compares the relative significance of the risks against the expected benefits of the loan. Successful claims by third parties arising from these and other risks may result in a loss to Note holders.
• **Weather and Global Climate Change**: To help promote the idea of a regionally based food system, the PVGIF is committed to investing in food businesses and farms only within the Northeast, primarily the Pioneer Valley. This decision increases the chances that agricultural production in a given year will be adversely affected by the region's weather in that year. Weather patterns can be unpredictable from one year to the next, resulting in poor crop yields for even the most skilled farmer. Such challenges could have a material adverse effect upon the businesses that borrow from this Fund, and on PVGIF itself.

• **Control of PVGIF**: Control of PVGIF and all of its operations rests solely with the Directors of PVGIF and its volunteer Committee members, upon whose judgment and skills investors must rely.

• **Administration of the PVGrows Fund**: Administration of the Fund and its operations rests with the Board of Directors, Staff and volunteer Committee members of the FCCDC, upon whose judgment and skills investors must rely. The PVGrows Fund is administered and managed by FCCDC, and its activities will be conducted by FCCDC staff, who will typically have other obligations not associated with PVGIF. Hence, conflicts of interest may arise from time to time. There is no guarantee that the FCCDC staff will devote sufficient time and attention to the PVGrows Fund to foster its success.

• **No Guarantee of Return**: No assurance can be given that an Investor will realize a substantial return on investment, or any return at all, or that an Investor will not lose a substantial portion or all of the investment. For this reason, each prospective investor should carefully read this memorandum and all exhibits attached hereto and should consult with an attorney, accountant, and/or business advisor prior to making any investment decision.

• **Tax Risks**: No representation or warranty of any kind is made by PVGIF, the officers, directors, counsel to PVGIF or the FCCDC, or any other professional advisors thereto with respect to any tax consequences of any investment in PVGIF. EACH PROSPECTIVE INVESTOR SHOULD SEEK THE INVESTOR’S OWN TAX ADVICE CONCERNING THE TAX CONSEQUENCES OF AN INVESTMENT IN PVGIF.

• **Earnings on the Notes are Not Tax-Exempt**: All of the interest, if any, earned on the Notes will be taxable as ordinary income to non-exempt investors, regardless of whether it is paid out or is retained and reinvested. Although the Pioneer Valley Grows Investment Fund, Inc. has applied to be a tax-exempt organization under Internal Revenue Code section 501(c)(3), earnings from an investment in PVGIF are not tax-exempt.

• **No Operating History**: This is a new entity and new fund, commencing operations in 2015, and lacks any prior history; therefore projections may not meet expectations. While the Fund Administrator, the FCCDC, has operated similar funds for many years, and PVGrows has operated a similar loan fund for the past four years, there is no assurance that this PVGrows Fund will generate significant revenues and/or that its operations will be profitable.
• **This is a Speculative Investment:** The investor must be willing and able to tolerate a total loss of his/her investment, as this is a speculative venture. While notes are expected to be interest-bearing as set forth herein, there is no prospect for capital appreciation in ownership of the Notes.

• **Lawsuits Could Adversely Impact PVGIF:** Any lawsuit against PVGIF could reduce the profitability of PVGIF by diverting both time and financial resources to defend against the suit.

• **Notes Are Unsecured:** Investments in the PVGrows Fund are unsecured obligations of PVGIF, and Note holders will have no recourse against any of the assets of PVGIF or FCCDC as administrator in the event of a loss of principal.

• **Note Holders Have No Recourse to PVGIF or FCCDC:** Under the terms of the Notes, any losses on investments made from any of the three pools comprising the PVGrows Fund may reduce the balance of the Notes associated with that pool, which means the Note holders may experience a loss on their investment, which cannot be recovered against PVGIF, the FCCDC or against anyone else.

• **Notes Are Not Insured:** Investments in PVGIF are not insured by the FDIC, nor by any governmental or private entity. The risks of an investment in the Notes may be greater than implied by relatively low interest rates on the Notes.

• **Notes Are Unrated:** The Notes have not been submitted to any rating agency to obtain an opinion or rating of the risk of timely collection of principal and interest.

• **No Early Redemption:** Investments in PVGIF cannot be redeemed before their due date, and there is no known secondary market in which to sell or trade them before maturity.

• **No Other Organization Takes Responsibility for PVGIF or the Fund:** The PVGrows Fund is solely the responsibility of the PVGrows Investment Fund, Inc. Neither FCCDC (Fund Administrator), Community Involved in Sustaining Agriculture (fiscal sponsor of PVGrows) nor the other members of the PVGrows Committees accept any legal responsibility for the PVGrows Fund or PVGIF.

• **The Fund Has Limited Liquidity:** PVGIF intends to lend substantially all of the proceeds from the sale of the Notes to borrowing enterprises. The outgoing loans will typically have maturities of from 3 to 7 years. Such loans are not publicly traded, are illiquid and are subject to long-term financing commitments. PVGIF does not expect to be able to readily dispose of such loans and, in some cases, may be prohibited from doing so. Note proceeds that are not lent to borrowers will remain in a local bank account. Since the loans themselves are illiquid, the sources of repayment of the Notes are limited to regularly scheduled loan payments from borrowing enterprises and cash reserves. Accordingly, substantial losses or delinquencies in the loan portfolio, accompanied by depletion of the Fund’s undeployed cash, may impede PVGIF’s ability to pay principal and interest in a timely fashion.
• **Exemption from the US Investment Company Act of 1940:** Pioneer Valley Grows Investment Fund, Inc. will not be registered as a U.S. investment company under the U.S. Investment Company Act of 1940, as amended (the "Company Act"), and, therefore, will not be required to adhere to certain operational restrictions and requirements under the Company Act. PVGIF relies on the exclusion from the definition of an investment company provided in Section 3(c)(10) of the Company Act, which applies to companies organized and operated exclusively for religious, educational, benevolent, fraternal, charitable, or reformatory purposes, the net earnings of which do not inure to the benefit of any private shareholder or individual. Accordingly, the provisions of the Company Act (which, among other things, prohibit PVGIF from engaging in certain transactions with its affiliates and regulate the relationship between advisors and investment companies) are not applicable.
**Tax Aspects**

Investors will not receive a charitable tax deduction for investing in a Note. Interest earned on the Notes is taxable as ordinary income to the investor, regardless of whether it is paid by check or reinvested and added to the principal amount of the Note. The repayment of principal on maturity is not taxable.

PVGIF will issue to investors an IRS Form 1099INT after the end of each year, reflecting all interest earned. Information about interest will also be reported to the U.S. Internal Revenue Service as income to the investor.

If an individual investor makes or maintains aggregate investments of $250,000 or more in PVGIF, the Notes may fall within the provisions of Internal Revenue Code Section 7872, which in some circumstances require PVGIF to report imputed interest on Notes that is more than the actual interest earned. It is possible that the excess imputed portion may be treated as a deductible charitable contribution. Investors should consult their own tax advisor regarding the tax implications of an investment in the Notes.

In addition, if the principal balance of a Note is reduced as a result of losses in a particular Pool, it is possible that the principal reduction may be treated as a deductible charitable contribution. Investors should consult their own tax advisor before claiming such a deduction.
Restrictions

Other Information Is Not Authorized
NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION WITH RESPECT TO PVGIF OR THIS OFFERING EXCEPT SUCH INFORMATION AS IS CONTAINED IN THIS MEMORANDUM. ONLY INFORMATION OR REPRESENTATIONS CONTAINED HEREIN MAY BE RELIED UPON AS HAVING BEEN AUTHORIZED.

THE INFORMATION IN THIS MEMORANDUM SUPERSEDES AND REPLACES IN ITS ENTIRETY ANY INFORMATION PREVIOUSLY DISTRIBUTED TO, PROVIDED TO, OR VIEWED BY ANY INVESTOR.

Withdrawal, Cancellation or Modification
THIS OFFERING IS MADE SUBJECT TO WITHDRAWAL, CANCELLATION, OR MODIFICATION BY PVGIF WITHOUT NOTICE. OFFERS TO INVEST IN THIS OFFERING MAY BE REJECTED IN WHOLE OR IN PART BY PVGIF AND NEED NOT BE ACCEPTED IN THE ORDER RECEIVED. PVGIF RESERVES THE RIGHT, IN ITS SOLE DISCRETION, TO ALLOT TO ANY PROSPECTIVE INVESTOR LESS THAN THE AMOUNT OF THE SECURITIES SUCH INVESTOR DESIRES TO PURCHASE. PVGIF SHALL HAVE NO LIABILITY WHATSOEVER TO ANY OFFEREE AND/OR INVESTOR IN THE EVENT THAT ANY OF THE FOREGOING SHALL OCCUR.

THE STATEMENTS IN THIS MEMORANDUM ARE MADE AS OF THE EFFECTIVE DATE UNLESS OTHERWISE SPECIFIED.

No Warranty of Projections or Assumptions
Projections concerning the business or financial affairs of PVGIF that may be provided to prospective investors, including without limitation those set forth in this Memorandum and its exhibits and Appendices, are for illustrative purposes only. These projections are based upon assumptions that management of PVGIF and the FCCDC believes to be reasonable. However, there can be no assurance that actual events will correspond to the assumptions, and the projections should be viewed merely as financial possibilities based on the assumptions stated and not as a prediction or guarantee of future performance. The assumptions upon which these projections are based should be carefully reviewed by each prospective investor. Projections or conclusions regarding the financial condition of PVGIF or the FCCDC, including projections regarding the profitability, may be substantially adversely affected by variances from the assumptions made.

Forward-Looking Statements
This statement is being included in connection with the safe harbor provision of the Private Securities Litigation Reform Act. THIS MEMORANDUM CONTAINS FORWARD LOOKING STATEMENTS. FROM TIME TO TIME, ADDITIONAL WRITTEN FORWARD LOOKING STATEMENTS MAY BE MADE BY PVGIF. SUCH FORWARD LOOKING STATEMENTS ARE WITHIN THE MEANING OF THAT TERM IN SECTION 27A OF THE SECURITIES ACT AND MAY INCLUDE PROJECTIONS OF REVENUES, INCOME OR LOSS, CAPITAL EXPENDITURES, BUSINESS RELATIONSHIPS, FINANCINGS, PROPOSED FINANCINGS OR INVESTMENTS BY THIRD PARTIES, PRODUCT DEVELOPMENT, PLANS FOR FUTURE OPERATIONS, PLANS RELATING TO
PRODUCTS OF PVGIF, AS WELL AS ASSUMPTIONS RELATING TO THE FOREGOING. SUCH STATEMENTS ARE BASED UPON MANAGEMENT’S CURRENT EXPECTATIONS, BELIEFS, AND ASSUMPTIONS ABOUT FUTURE EVENTS, AND ARE OTHER THAN STATEMENTS OF HISTORICAL FACT AND INVOLVE A NUMBER OF RISKS AND UNCERTAINTIES.

THE WORDS “BELIEVE,” “EXPECT,” “INTEND,” “ANTICIPATE,” “ESTIMATE,” “PROJECT,” AND SIMILAR EXPRESSIONS IDENTIFY FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE THE STATEMENT WAS MADE, BUT ARE NOT THE EXCLUSIVE MEANS OF IDENTIFYING SUCH STATEMENTS. FORWARD-LOOKING STATEMENTS ARE INHERENTLY SUBJECT TO RISKS AND UNCERTAINTIES, SOME OF WHICH CANNOT BE PREDICTED OR QUANTIFIED. FUTURE EVENTS AND ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN, CONTEMPLATED BY, OR UNDERLYING THE FORWARD-LOOKING STATEMENTS. STATEMENTS IN THIS MEMORANDUM -- INCLUDING THOSE CONTAINED IN THE SECTION ENTITLED “RISK FACTORS” -- DESCRIBE FACTORS, AMONG OTHERS, THAT COULD CONTRIBUTE TO OR CAUSE SUCH DIFFERENCES.
Appendix A-1: Community Investment Pool Investment Agreement
### Community Investment Pool Investment Agreement

#### I: About You

Your investment in Pioneer Valley Grows Investment Fund, Inc. (PVGIF) will be used to make loans to farm and food-related businesses, primarily in the Pioneer Valley of Western Mass.

The PVGrows Community Investment Pool is one of three pools comprising the PVGrows Investment Fund, administered by the Franklin County Community Development Corporation (FCCDC).

To invest in the PVGrows Community Investment Pool, please complete this Agreement and return it with a check for the amount of your investment to: PVGrows Investment Fund, Inc. c/o Franklin County CDC 324 Wells Street Greenfield, MA. 01301

If you wish to make your investment electronically, please contact the FCCDC at 413-774-7204 for instructions.

Upon acceptance by PVGIF, this form will constitute an agreement between you and PVGIF, and you will be issued an Investment Note as described in the Offering Memorandum for the Fund.

<table>
<thead>
<tr>
<th>Name of Investor</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint investor (if any)</td>
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</tr>
<tr>
<td>Address</td>
<td></td>
</tr>
<tr>
<td>Phone</td>
<td></td>
</tr>
<tr>
<td>Email</td>
<td></td>
</tr>
</tbody>
</table>

**Amount of Investment** $  

If the Investor is an organization, identify an individual who is authorized to transact business on its behalf relating to this investment. If the Investor is an individual, you may identify another person authorized to act on the Investor’s behalf:

<table>
<thead>
<tr>
<th>Name</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Title</td>
<td></td>
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<tr>
<td>Phone</td>
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</tr>
<tr>
<td>Email</td>
<td></td>
</tr>
</tbody>
</table>

If more than one Investor is named above, how should title be held? (Default is “Joint tenants with right of survivorship”.)

- Joint tenants with right of survivorship
- Tenants in common

#### II: Investment Interest

The Fund will pay simple interest on the Note at the fixed rate of 2% per year annually, unless you tell us otherwise.

Optional: To further support PVGIF’s work, we invite you to participate in our reduced rate investment program through the following option:

- I would like to reduce the interest rate on my investment from 2% to 1%.
### III: Certification and Signatures

Before you sign this Agreement, you must have read and understood the Offering Memorandum for PVGIF. There are significant risks that you must understand before you invest. These risks are discussed in the Offering Memorandum under the heading “Investment Risk Factors.”

Representatives of PVGIF will be glad to answer any questions you have or to provide information that you need in order to make an informed investment decision. Please call John Waite at 413-774-7204, ext. 102 or email johnw@fccdc.org.

By signing below, you certify under penalty of perjury as follows:

- Investor has read and understood the Offering Memorandum for PVGrows Investment Fund, Inc.;
- The total amount of Investor’s investment in PVGIF does not exceed 10% of Investor’s liquid net worth (excluding Investor's home, home furnishings, and automobiles);
- The number shown on this form is Investor’s correct taxpayer identification number;
- Investor is not subject to backup withholding because: (a) Investor is exempt from backup withholding, or (b) Investor has not been notified by the Internal Revenue Service (IRS) that Investor is subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified Investor that Investor is no longer subject to backup withholding; and,
- Investor is a U.S. person (including a U.S. resident alien),
- Investor represents, warrants and agrees that the subscribed Note is being acquired by the undersigned solely for the undersigned’s own account, for investment purposes only, and not with a view to the distribution or sale. Investor has no agreement or other arrangement with any person to sell, transfer or pledge any part of the subscribed Note.

<table>
<thead>
<tr>
<th></th>
<th>Investor</th>
<th>Joint Investor (if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Signature</strong></td>
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</tr>
<tr>
<td><strong>Print name (include capacity if signing for an organization)</strong></td>
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<tr>
<td><strong>Tax ID/Social Security #</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Date</strong></td>
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</tr>
</tbody>
</table>

**For Use by PVGIF**

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<tbody>
<tr>
<td><strong>Accepted by</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Date</strong></td>
<td></td>
</tr>
</tbody>
</table>
Appendix A-2: Community Investment Pool Investment Note
## Community Investment Pool Investment Note

*(Sample – to be completed by the PVGrows Fund, Inc.)*

<table>
<thead>
<tr>
<th>Principal Amount</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td></td>
</tr>
<tr>
<td>Borrower</td>
<td>PVGrows Investment Fund, Inc.</td>
</tr>
<tr>
<td></td>
<td>324 Wells St</td>
</tr>
<tr>
<td></td>
<td>Greenfield MA 01301</td>
</tr>
<tr>
<td>Lender</td>
<td></td>
</tr>
<tr>
<td>Street</td>
<td></td>
</tr>
<tr>
<td>City, State, Zip</td>
<td></td>
</tr>
</tbody>
</table>

**CONTINGENT PROMISE TO PAY:** Subject to the terms, contingencies and adjustments set forth below, Pioneer Valley Grows Investment Fund Inc., (PVGIF) a Massachusetts nonprofit corporation ("Borrower") promises to pay to _____________________________ ("Lender"), or order, in lawful money of the United States of America, the principal amount of _____________________________ and 00/100 Dollars ($____________.00), together with simple interest at the fixed rate of two percent (2%) per annum on the unpaid principal balance (as it may be adjusted as set forth below) from this Note date until paid in full. Interest will be calculated on the basis of actual days elapsed and a 365-day year. Borrower will pay Lender at Lender’s address shown above or at such other place as Lender may designate in writing.

**PROCEEDS OF THE NOTE:** This Investment Note is one of a series of notes being issued by the Borrower for the specific purpose of funding the PVGrows Community Investment Pool (the "Pool"). The proceeds of this Loan and the proceeds of other loans in this series will be segregated from other funds of the Borrower and used only for the funding of loans and other investments from the Pool in accordance with PVGIF’s mission statement described in the Offering Memorandum for this Note, and to pay administrative expenses of the Pool.

**PAYMENTS:** Borrower will pay accrued interest annually. Each payment will be due by January 31st of each year until the unpaid principal balance of this Note is paid in full.

The unpaid principal balance of this Note, as it may be adjusted in the manner set forth below, and together with any accrued but unpaid interest, will be due and payable on the Maturity Date. The Maturity Date will be five (5) years from the date of this Note.

If the Pool experiences losses in any of the loans or other investments made from the Pool such that Borrower determines, in its sole but reasonable discretion, that the recoverable value of the assets remaining in the Pool as of any date (an “Adjustment Date”) are insufficient to pay the aggregate unpaid interest and principal balance of all of the notes issued by the Borrower with respect to the Pool (regardless of the maturity date of the other notes), then the unpaid principal balance of this Note will be deemed reduced to an amount equal to the aggregate recoverable balance.
or value of all loans or other investments made from the Pool (as determined by Borrower in its sole but reasonable judgment), multiplied by a fraction the numerator of which is the balance otherwise owed under this Note (including any accrued but unpaid interest) and the denominator of which is the aggregate principal balance and interest balance of all notes issued by the Borrower with respect to the Pool as of the Adjustment Date. Upon payment of the adjusted balance of the Note, as calculated in the manner set forth above, all of Borrower’s obligations under this Note will be deemed satisfied in full, and no further payments will be due under this Note, regardless of the subsequent performance of loans or other investments made from the Pool.

While Borrower reserves the right to determine in its sole, but reasonable, judgment, when and to what extent a loss has occurred with respect to an investment, Borrower expects to make reasonable efforts to collect on or liquidate investments that it judges to be at risk of loss of all or a portion of the Pool’s investment.

Borrower may pre-pay any portion of the principal of this Note at any time without penalty.

NONRECOURSE: The Lender acknowledges and agrees that the Loan is unsecured and is made without recourse to the Borrower. The sole source of repayment of this Note will be the payments made to Borrower on account of loans and investments made from the Pool. Lender acknowledges that if there is any loss in the Pool’s portfolio of loans and other investments, this Note may be deemed paid in full despite Lender receiving aggregate payments that are less than Lender’s original loan as evidenced herein.

GOVERNING LAW: This Note has been drawn in and will be governed by the laws of the Commonwealth of Massachusetts.

COMMERCIAL LOAN: This is a commercial loan, and the proceeds of this loan will not be used for personal, family, or household purposes, but instead will be used solely for business purposes. This transaction is not a consumer transaction subject to Massachusetts General Laws, Federal Reserve Board Regulations, or any other “consumer protection” statues, regulations, or restrictions, without exception.

INCORPORATION OF ALL DISCUSSIONS: This Note supersedes all discussions and negotiations between Borrower and Lender concerning repayment of the indebtedness evidenced hereby.

ILLEGAILITY: If any provision of this Note is held by a court of competent jurisdiction to be illegal or unenforceable, such provision will be deemed limited or excised from this Note to the least degree necessary to give effect to the intentions of the parties as expressed in this Note.

SUCCESSOR INTERESTS: The terms of this Note shall be binding upon Borrower, and upon Borrower’s heirs, personal representatives, successors, and assigns, and will inure to the benefit of Lender and its successors and assigns.

BORROWER: Pioneer Valley Grows Investment Fund, Inc.

<table>
<thead>
<tr>
<th>Borrower Signature</th>
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</thead>
<tbody>
<tr>
<td>Borrower Name</td>
</tr>
<tr>
<td>Borrower Title</td>
</tr>
<tr>
<td>Date</td>
</tr>
</tbody>
</table>
Appendix B-1: Patient Capital Pool Investment Agreement
**Patient Capital Pool Investment Agreement**

**I: About You**

Your investment in Pioneer Valley Grows Investment Fund, Inc. (PVGIF) will be used to make loans to farm and food-related businesses, primarily in the Pioneer Valley of Western Mass.

The PVGrows Patient Capital Pool is one of three pools comprising the PVGrows Investment Fund, administered by Franklin County Community Development Corporation (FCCDC).

To invest in the PVGrows Patient Capital Pool, please complete this Agreement and return it with a check for the amount of your investment to: PVGrows Investment Fund, Inc. c/o Franklin County CDC 324 Wells Street Greenfield, MA 01301

If you wish to make your investment electronically, please contact the FCCDC at 413-774-7204 for instructions.

Upon acceptance by PVGIF, this form will constitute an agreement between you and PVGIF, and you will be issued an Investment Note as described in the Offering Memorandum for the Fund.

<table>
<thead>
<tr>
<th>Name of Investor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint investor (if any)</td>
</tr>
<tr>
<td>Address</td>
</tr>
<tr>
<td>Phone</td>
</tr>
<tr>
<td>Email</td>
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</tbody>
</table>

If the Investor is an organization, identify an individual who is authorized to transact business on its behalf relating to this investment. If the Investor is an individual, you may identify another person authorized to act on the Investor’s behalf:

<table>
<thead>
<tr>
<th>Name</th>
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<tbody>
<tr>
<td>Title</td>
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<tr>
<td>Phone</td>
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<tr>
<td>Email</td>
</tr>
</tbody>
</table>

If more than one Investor is named above, how should title be held? (Default is “Joint tenants with right of survivorship”.)

- Joint tenants with right of survivorship
- Tenants in common

**II: Investor Status**

Investments in the Patient Capital Pool are open to accredited investors and other qualified investors.

By signing this Agreement you certify that you are (check the applicable box):

- An individual with net worth of at least $1,000,000 (excluding primary residence).
- An individual with income over $200,000 in the past 2 years, and expectation of the same this year.
- A married couple with joint income over $300,000 in the past 2 years, and expectation of the same this year.
- An entity in which all equity owners are accredited.
- A 501(c)(3) organization with assets over $5,000,000.
- The total amount of Investor’s investment in PVGIF does not exceed 10% of Investor’s liquid net worth (excluding Investor’s home, home furnishings, and automobiles).
- Other (please explain):
### III: Amount of Investment

| PVGIF requests (but does not require) that your investment in the Patient Capital Pool be funded in two installments, with half of your investment paid with this Agreement and the remaining half paid upon request by PVGIF. Investor agrees to send to PVGIF the additional amount indicated at right within 30 days of PVGIF’s request. |
|---|---|
| Amount submitted with this agreement | $ |
| Additional amount to be paid upon request | $ |
| Total amount of investment | $ |

The Fund will pay simple interest annually on the Note at the fixed rate of 4% per year, unless you tell us otherwise.

Optional: To further support PVGIF’s work, we invite you to participate in our reduced rate investment program through one of the following options:

- I would like to reduce the interest rate on my investment from 4% to
  - 3%
  - 2%
  - 1%

### IV: Certification and Signatures

Before you sign this Agreement, you must have read and understood the Offering Memorandum for PVGIF. There are significant risks that you must understand before you invest. These risks are discussed in the Offering Memorandum under the heading “Investment Risk Factors.”

Representatives of PVGIF will be glad to answer any questions you have or to provide information that you need in order to make an informed investment decision. Please call John Waite at 413-774-7204, ext. 102 or email johnw@fccdc.org.

By signing below, you certify under penalty of perjury as follows:
- Investor has read and understood the Offering Memorandum for PVGrows Investment Fund, Inc.;
- The total amount of Investor’s investment in PVGIF does not exceed 10% of Investor’s liquid net worth (excluding Investor’s home, home furnishings, and automobiles);
- The number shown on this form is Investor’s correct taxpayer identification number;
- Investor is not subject to backup withholding because: (a) Investor is exempt from backup withholding, or (b) Investor has not been notified by the Internal Revenue Service (IRS) that Investor is subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified Investor that Investor is no longer subject to backup withholding; and,
- Investor is a U.S. person (including a U.S. resident alien).
- Investor represents, warrants and agrees that the subscribed Note is being acquired by the undersigned solely for the undersigned’s own account, for investment purposes only, and not with a view to the distribution or sale. Investor has no agreement or other arrangement with any person to sell, transfer or pledge any part of the subscribed Note.
<table>
<thead>
<tr>
<th>Investor</th>
<th>Joint Investor (if any)</th>
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<tbody>
<tr>
<td>Signature</td>
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<tr>
<td>Print name (include capacity if signing for an organization)</td>
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<tr>
<td>Tax ID/Social Security #</td>
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<tr>
<td>Date</td>
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**For Use by PVGIF**

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<th>Accepted by</th>
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<tr>
<td>Date</td>
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Appendix B-2: Patient Capital Pool Investment Note
### Patient Capital Pool Investment Note

*(Sample – to be completed by the PVGrows Fund, Inc.)*

<table>
<thead>
<tr>
<th>Principal Amount</th>
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<tbody>
<tr>
<td>Date</td>
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</table>
| Borrower         | PVGrows Investment Fund, Inc.  
324 Wells St  
Greenfield MA 01301 |
| Lender           |   |
| Street           |   |
| City, State, Zip |   |

**CONTINGENT PROMISE TO PAY:** Subject to the contingencies and adjustments set forth below, Pioneer Valley Grows Investment Fund, Inc. (PVGIF) a Massachusetts nonprofit corporation (“Borrower”) promises to pay to __________________ ("Lender"), or order, in lawful money of the United States of America, the principal amount of __________________ and 00/100 Dollars ($ __________00) or such lesser amount as actually loaned by Lender to Borrower under this Note, together with simple interest at the fixed rate of four percent (4%) per annum on the unpaid principal balance (as it may be adjusted as set forth below) from this Note date until paid in full. Interest will be calculated on the basis of actual days elapsed and a 365-day year. Borrower will pay Lender at Lender’s address shown above or at such other place as Lender may designate in writing.

**PROCEEDS OF THE NOTE:** This Investment Note is one of a series of notes being issued by the Borrower for the specific purpose of funding the PVGrows Patient Capital Pool (the "Pool"). The proceeds of this Loan and the proceeds of other loans in this series will be used only for the funding of loans and other investments from the Pool in accordance with PVGIF’s mission statement described in the Offering Memorandum for this Note, and to pay reasonable operating expenses of the Pool.

**PAYMENTS OF PRINCIPAL AND INTEREST:** It is anticipated that during a “Deployment Period” beginning on the date hereof and ending on June 30, 2018, Borrower will make reasonable efforts to deploy (or re-deploy) available cash in the Pool, including principal repayments on loans or investments made from the pool as described in the Offering Memorandum. Borrower will pay accrued interest annually by January 31st of each year during the Deployment Period.

A “Repayment Period” will begin on July 1, 2018, and will continue until all assets of the Pool are repaid to investors in the Pool, at which time this Note will be deemed paid in full. During the Repayment Period, Borrower will no longer re-deploy principal repayments on loans or investments made from the pool but will, instead, distribute all available cash in the Pool (after payment of reasonable operating expenses not to exceed 2% of the aggregate value of the principal in the Pool per year), to investors on a pro rata basis on such dates as Borrower may from time to time determine in its sole discretion, but at least annually (each, a “Payment Date”). To the extent such payment exceeds the amount of accrued interest owed to Investor as of each Payment Date, the excess payment will be deemed a repayment of principal and will reduce the principal balance due under this Note. Each payment to Lender will be accompanied by a statement summarizing activity in the Pool since the previous Payment Date and indicating how each payment is calculated and how it is allocated between principal and interest.
If the Pool experiences losses in any of the loans or other investments made from the Pool such that Borrower determines, in its sole but reasonable discretion, that the recoverable value of the assets remaining in the Pool as of any date (an “Adjustment Date”) are insufficient to pay the aggregate unpaid interest and principal balance of all of the notes issued by the Borrower with respect to the Pool (regardless of the date of any other notes), then the unpaid principal balance of this Note will be deemed reduced to an amount (an “Adjustment”) equal to the aggregate recoverable balance or value of all loans or other investments made from the Pool (as determined by Borrower in its sole but reasonable judgment), multiplied by a fraction the numerator of which is the balance otherwise owed under this Note (including any accrued but unpaid interest) and the denominator of which is the aggregate principal balance and interest balance of all notes issued by the Borrower with respect to the Pool as of the Adjustment Date.

If, upon a final distribution of all assets of the Pool to Lender and other lenders in this series of notes in the manner described above, Lender has not been repaid the full principal amount invested under this Note as a result of one or more Adjustments as described above, this Note will nonetheless be deemed paid in full, effective upon such final distribution. Borrower will exercise commercially reasonable efforts to collect on or liquidate all assets of the Pool no later than December 31, 2024. To the extent a loan or other investment made from the Pool is judged by Borrower, in its sole but reasonable discretion, to be uncollectible or unrecoverable, that loan or investment (or the uncollectible or unrecoverable portion of that loan or investment) will be deemed, for purposes of this Note, to be no longer an asset of the Pool.

NONRECOERCSE: This Loan is unsecured and is made without recourse to the Borrower. The sole source of repayment of this Note will be the payments made to Borrower on account of loans and investments made from the Pool. If there is any loss in the Pool’s portfolio of loans and other investments, this Note may be deemed paid in full despite Lender receiving aggregate payments that are less than the original amount of this Note.

GOVERNING LAW: This Note has been drawn in and will be governed by the laws of the Commonwealth of Massachusetts.

COMMERCIAL LOAN: This is a commercial loan, and the proceeds of this loan will not be used for personal, family, or household purposes, but instead will be used solely for business purposes. This transaction is not a consumer transaction subject to Massachusetts General Laws, Federal Reserve Board Regulations, or any other “consumer protection” statues, regulations, or restrictions, without exception.

INCORPORATION OF ALL DISCUSSIONS: This Note supersedes all discussions and negotiations between Borrower and Lender concerning repayment of the indebtedness evidenced hereby.

ILLEGALITY: If any provision of this Note is held by a court of competent jurisdiction to be illegal or unenforceable, such provision will be deemed limited or excised from this Note to the least degree necessary to give effect to the intentions of the parties as expressed in this Note.

SUCCESSOR INTERESTS: The terms of this Note shall be binding upon Borrower, and upon Borrower’s heirs, personal representatives, successors, and assigns, and will inure to the benefit of Lender and its successors and assigns.

<table>
<thead>
<tr>
<th>BORROWER: Pioneer Valley Grows Investment Fund, Inc.</th>
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<tbody>
<tr>
<td>Borrower Signature</td>
</tr>
<tr>
<td>Borrower Name</td>
</tr>
<tr>
<td>Borrower Title</td>
</tr>
<tr>
<td>Date</td>
</tr>
</tbody>
</table>
Appendix C-1: Risk Capital Pool Investment Agreement
## Risk Capital Pool Investment Agreement

This Investment Agreement is entered into by and between Pioneer Valley Grows Investment Fund, Inc. (PVGIF) and the following investor (“Investor”):

<table>
<thead>
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<th>Name of investor</th>
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<th>Address</th>
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<table>
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<tr>
<th>Name of individual authorized to act on behalf of investor</th>
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<th>Phone</th>
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<th>Email</th>
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### Background

Pioneer Valley Grows Investment Fund, Inc. has established the PVGrows Investment Fund (PVGrows Fund) to attract investments to be deployed in loans and investments to businesses working in the farming and food sector, primarily in the Pioneer Valley of western Massachusetts. The PVGrows Fund comprises three distinct pools of assets: the Community Investment Pool, which is open to unaccredited investors; the Patient Capital Pool, which is open to accredited investors only; and the Risk Capital Pool, which is also open to accredited investors only and which is intended to serve as a loan loss reserve for loans made from the Community Investment Pool.

Investor wishes to encourage and participate in the PVGrows Fund by intentionally and voluntarily placing its investment at risk as described in this Agreement.

Now, therefore, in consideration of the foregoing and of the mutual promises in this Agreement and for other consideration, the adequacy of which is acknowledged, PVGIF and Investor agree as follows:

### 1. Investment

Investor will invest $____________________ (the “Investment”) in a Risk Capital Note (the “Note”) issued by PVGIF as described in this current Offering Memorandum. If there are any inconsistencies, the provisions of this Agreement supplement and supersede the terms of the Offering Memorandum. This Agreement is irrevocable and unconditional during the term of the Note and continues notwithstanding the death, incapacity, dissolution or bankruptcy of, or any other event or proceeding affecting, Investor.

### 2. Term

This Agreement will expire on December 31, 2021 or, if earlier, on the Maturity Date set forth in the Note.

### 3. Reliance

PVGIF is raising or intends to raise capital in the Community Investment Pool by issuing Community Investment Notes to unaccredited investors. The Community Investment Pool limits its noteholders’ recourse to the assets of that pool. In light of the risk to holders of Community Investment Notes, PVGIF would not offer that investment opportunity to unaccredited investors without assets in the Risk Capital Pool being available to offset losses in the Community Investment Pool. Investor
understands that PVGIF is relying on this Agreement and would not make the planned investments from the PVGrows Community Investment Pool without this Agreement. Investor represents to PVGIF that Investor can afford to lose all of the Investment.

Investor expressly and knowingly waives and promises not to assert any claim that any provision of this agreement is unenforceable by reason of PVGIF’s failure to provide Investor with information about loans or other investments made from the Community Investment Pool, whether before or after origination, including information regarding the borrower, the collateral, loan performance or defaults, or any modifications to the loans or other investments.

4. Community Investment Pool Losses

If the Community Investment Pool experiences losses in any of the loans or other investments made from that Pool such that PVGIF determines, in its sole but reasonable discretion, that the recoverable value of the assets remaining in the Community Investment Pool are insufficient to pay the aggregate unpaid interest and principal balance of all of the Community Investment Notes issued by PVGIF with respect to the Community Investment Pool, then PVGIF may, in its sole discretion, apply a portion of the assets of the Risk Capital Pool to offset such losses (but only to the extent needed to offset such losses); and in that event the unpaid principal balance of the Investment will be reduced on a pro rata basis with other investors in the Risk Capital Pool. Upon payment of the adjusted balance of the Investment, all of PVGIF’s obligations with respect to the Investment will be deemed satisfied in full, and no further payments will be due with respect to the Investment, regardless of the subsequent performance of loans or other investments made from the Community Investment Pool.

While PVGIF reserves the right to determine in its sole but reasonable judgment when and to what extent a loss has occurred with respect to an investment, PVGIF expects to make reasonable efforts to collect on or liquidate investments that it judges to be at risk of loss.

Investor will have no right of subrogation or reimbursement against any borrower from PVGIF and no right of contribution against any other investor in the Risk Capital Pool.

5. Tax Implications

To the extent consistent with any applicable tax laws, the parties intend to treat any loan losses absorbed by Investor as a charitable donation from Investor to PVGIF. PVGIF makes no representations about the tax deductibility of any such losses, and Investor has been advised to consult with Investor’s tax advisor regarding any tax implications of this Agreement.

6. Interest

Interest will be paid annually.

7. General

This Agreement will be binding upon and inure to the benefit of the heirs, legal representatives, successors, and assigns of the parties. This Agreement may be amended or modified only in writing signed by PVGIF and Investor. This Agreement, together with the Note, supersedes all discussions and negotiations between PVGIF and Investor concerning repayment of the indebtedness evidenced hereby.
8. Investor Status
Investor understands that this investment opportunity is open to foundations and institutions. By signing this Agreement Investor certifies that Investor meets at least one of the following criteria (check as applicable):

- An entity in which all equity owners are accredited.
- A 501(c)(3) organization with assets over $5,000,000.
- Another type of investor defined as accredited under federal securities laws because (please explain):

9. Signatures
By signing below, Investor certifies under penalty of perjury as follows:

- Investor has read and understood the Offering Memorandum for PVGrows Investment Fund Inc.;
- The number shown on this form is Investor’s correct taxpayer identification number;
- Investor is not subject to backup withholding because: (a) Investor is exempt from backup withholding, or (b) Investor has not been notified by the Internal Revenue Service (IRS) that Investor is subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified Investor that Investor is no longer subject to backup withholding; and,
- Investor is a U.S. person (including a U.S. resident alien).

<table>
<thead>
<tr>
<th></th>
<th>Investor</th>
<th>Joint Investor (if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signature</td>
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</tr>
<tr>
<td>Print name (include capacity if signing for an organization)</td>
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<td></td>
</tr>
<tr>
<td>Tax ID/Social Security #</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date</td>
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</tbody>
</table>

**For Use by PVGIF**

|                         |          |                         |
| Accepted by             |          |                         |
| Date                    |          |                         |
Appendix C-2: Risk Capital Pool Investment Note
Risk Capital Pool Investment Note
(Sample – to be completed by the PVGrows Fund, Inc.)

<table>
<thead>
<tr>
<th>Principal Amount</th>
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<tbody>
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<td>Date</td>
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</tbody>
</table>
| Borrower         | PVGrows Investment Fund, Inc.
|                  | 324 Wells St
|                  | Greenfield MA 01301 |
| Lender           |   |
| Street           |   |
| City, State, Zip |   |

**CONTINGENT PROMISE TO PAY:** Subject to the terms and contingencies set forth below, Pioneer Valley Grows Investment Fund, Inc., (PVGF) a Massachusetts nonprofit corporation (“Borrower”) promises to pay to ____________________ (“Lender”), or order, in lawful money of the United States of America, the principal amount of ____________________ and 00/100 Dollars ($_________,00), together with interest as provided below on the unpaid principal balance from this Note date until paid in full. Borrower will pay Lender at Lender’s address shown above or at such other place as Lender may designate in writing.

**PROCEEDS OF THE NOTE:** This Investment Note is one of a series of notes being issued by the Borrower for the specific purpose of raising funds into the PVGrows Risk Capital Pool (the "Pool"). The proceeds of this Loan and the proceeds of other loans in this series will be segregated from other funds of the Borrower and used as a loan loss reserve for the PVGrows Community Investment Pool, as described in the Offering Memorandum for this Note.

**INTEREST RATE:** The assets of the PVGrows Risk Capital Pool will be invested in certificates of deposit, money market deposit accounts, and/or other investments insured by the Federal Deposit Insurance Corporation (or other similar institution), as selected by Borrower in its sole discretion. Interest earned on such investments will be distributed pro rata to investors in the PVGrows Risk Capital Pool, without deducting any spread. Hence, the interest payable on this Note will be Lender’s pro rata share of interest earned on investments made by the PVGrows Risk Capital Pool.

**INTEREST PAYMENTS:** Borrower will pay accrued interest annually. Each payment will be due by January 31st of each year until the unpaid principal balance of this Note is paid in full.

**PRINCIPAL PAYMENTS:** The unpaid principal balance of this Note, as it may be adjusted in the manner set forth below, and together with any accrued but unpaid interest, will be due and payable on December 31, 2021 (the “Maturity Date”).


REDUCTION OF PRINCIPAL: If the PVGrows Community Investment Pool experiences losses in any of the loans or other investments made from that Pool such that Borrower determines, in its sole but reasonable discretion, that the recoverable value of the assets remaining in the PVGrows Community Investment Pool are insufficient to pay the aggregate unpaid interest and principal balance of all of the Community Investment Notes issued by the Borrower with respect to the PVGrows Community Investment Pool, then Borrower may, in its sole discretion, apply a portion of the assets of the Risk Capital Pool to offset such losses (but only to the extent needed to offset such losses); and in that event the unpaid principal balance of this Note will be reduced on a pro rata basis with other notes of this series. Upon payment of the adjusted balance of the Note, all of Borrower’s obligations under this Note will be deemed satisfied in full, and no further payments will be due under this Note, regardless of the subsequent performance of loans or other investments made from the Community Investment Pool.

While Borrower reserves the right to determine in its sole but reasonable judgment when and to what extent a loss has occurred with respect to an investment, Borrower expects to make reasonable efforts to collect on or liquidate investments that it judges to be at risk of loss.

NONRECOURSE: This Note is unsecured and is made without recourse to the Borrower. The sole source of repayment of this Note will be the payments made to Borrower on account of investments made from the PVGrows Community Investment Pool, as the value of such investments may be reduced as described above as a result of losses in the PVGrows Community Investment Pool. If there is any loss in the Community Investment Pool, this Note may be deemed paid in full despite Lender receiving aggregate payments that are less than Lender’s original loan as evidenced herein.

GOVERNING LAW: This Note has been drawn in and will be governed by the laws of the Commonwealth of Massachusetts.

COMMERCIAL LOAN: This is a commercial loan, and the proceeds of this loan will not be used for personal, family, or household purposes, but instead will be used solely for business purposes. This transaction is not a consumer transaction subject to Massachusetts General Laws, Federal Reserve Board Regulations, or any other “consumer protection” statutes, regulations, or restrictions, without exception.

INCORPORATION OF ALL DISCUSSIONS: This Note supersedes all discussions and negotiations between Borrower and Lender concerning repayment of the indebtedness evidenced hereby.

ILLEGALITY: If any provision of this Note is held by a court of competent jurisdiction to be illegal or unenforceable, such provision will be deemed limited or excised from this Note to the least degree necessary to give effect to the intentions of the parties as expressed in this Note.

SUCCESSOR INTERESTS: The terms of this Note shall be binding upon Borrower, and upon Borrower’s heirs, personal representatives, successors, and assigns, and will inure to the benefit of Lender and its successors and assigns.

BORROWER: Pioneer Valley Grows Investment Fund, Inc.

<table>
<thead>
<tr>
<th>Borrower Signature</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrower Name</td>
<td></td>
</tr>
<tr>
<td>Borrower Title</td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td></td>
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</tbody>
</table>
Appendix D — Mission Criteria
**PVGrows Investment Fund: Mission Criteria**

The PVGrows Investment Fund is administered by the Franklin County CDC. It grows out of the work of the PVGrows network, a collaborative project dedicated to enhancing the environmental and economic sustainability and vitality of the Pioneer Valley food system. Our goal is to build a food system that supports thriving farms and provides healthy food to all residents. In assessing whether loan applicants fit our mission, we consider the positive and negative impacts that the proposed enterprise may have on the community, the environment, and the agricultural system.

For example, we are interested in whether a business will provide new infrastructure, services, or markets for agricultural producers; will create new jobs; will make healthy food more available to underserved residents or communities; or will rely on renewable energy. However, we recognize that no one business can address all of the challenges facing our current food economy, and we do not expect applicants to meet all of these criteria. Below, we provide a list of the criteria that the PVGrows Advisory Committee considers favorably when assessing mission fit.

### Agricultural System Impacts

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relates primarily to agricultural products/inputs</td>
<td>are produced in the Pioneer Valley</td>
</tr>
<tr>
<td>Value-adding activities take place</td>
<td>in the Pioneer Valley</td>
</tr>
<tr>
<td>Year-round value-added effort</td>
<td></td>
</tr>
<tr>
<td>Benefits more than one farm/farm-related business</td>
<td></td>
</tr>
<tr>
<td>Provides key piece of ag-related infrastructure</td>
<td></td>
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<tr>
<td>Poses solution for post-harvest activity such as packing, processing,</td>
<td>storage, distribution, etc.</td>
</tr>
<tr>
<td></td>
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<tr>
<td>Other:</td>
<td></td>
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</tbody>
</table>

### Community Impacts

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proven commitment to PV communities (e.g. location, residence, investment)</td>
<td></td>
</tr>
<tr>
<td>Ownership structure encourages local control</td>
<td></td>
</tr>
<tr>
<td>Ownership focused on providing social benefit</td>
<td></td>
</tr>
<tr>
<td>Anticipates more local food to local community (food security)</td>
<td></td>
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<tr>
<td>Anticipates increased nutritional access for underserved communities (food justice)</td>
<td></td>
</tr>
<tr>
<td>Anticipates creation of new jobs at a reasonable rate of return</td>
<td></td>
</tr>
<tr>
<td>Anticipates creation of new high-quality jobs (FT w/benefits etc.)</td>
<td></td>
</tr>
<tr>
<td>Other:</td>
<td></td>
</tr>
</tbody>
</table>

### Environmental Impacts

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improves environmental footprint by, for example, displacing food miles</td>
<td></td>
</tr>
<tr>
<td>Improves farm- and food-sector environmental practices</td>
<td></td>
</tr>
<tr>
<td>Improves farm- and food-sector energy use</td>
<td></td>
</tr>
<tr>
<td>Re-uses pre-existing facilities</td>
<td></td>
</tr>
<tr>
<td>Energy-efficient production processes for business</td>
<td></td>
</tr>
<tr>
<td>Other:</td>
<td></td>
</tr>
</tbody>
</table>
## Appendix E: Pioneer Valley Grows Investment Fund, Inc. Directors

<table>
<thead>
<tr>
<th><strong>Name</strong></th>
<th><strong>Affiliation</strong></th>
<th><strong>Town (Residence)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Margaret Christie</td>
<td>FCCDC Director and employee of Community Involved in Sustaining Agriculture</td>
<td>Whately, MA</td>
</tr>
<tr>
<td>Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gary Gruber</td>
<td>FCCDC Director and Attorney</td>
<td>Leverett, MA</td>
</tr>
<tr>
<td>Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joe Shoenfeld</td>
<td>FCCDC Chairperson and employee of UMass – Center for Agriculture</td>
<td>Conway, MA</td>
</tr>
<tr>
<td>Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>John Waite</td>
<td>Franklin County Community Development Corporation, Executive Director</td>
<td>Deerfield, MA</td>
</tr>
<tr>
<td>President, Treasurer, Clerk</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix F: The PVGrows Fund Advisory Committee

Common Capital

CISA
Community involved in sustaining agriculture

Cooperative Fund of New England

Equity Trust, Inc.

Franklin County CDC
Community Development Corporation
Western MA Food Processing Center
Now serving Hampshire & Berkshire Counties

MDAR

NESFI

The carrot project
Appendix G: The PVGrows Fund Development Committee

Michael Abbate
Common Capital

Margaret Christie
Community Involved in Sustaining Agriculture (CISA)

Dorian Gregory
Cooperative Fund of New England

Jeff Rosen
Solidago Foundation

Alex Risley Schroeder
PVGrows Steering Committee

Tom Willets
Lydia B. Stokes Foundation
Appendix H: Definition of Accredited and Non-Accredited Investor

Accredited Investor
According to the SEC, an *accredited investor*, in the context of a natural person, includes anyone who:

- Earned income that exceeded $200,000 (or $300,000 together with a spouse) in each of the prior two years, and reasonably expects the same for the current year, OR
- Has a net worth over $1 million, either alone or together with a spouse (excluding the value of the person’s primary residence).

On the income test, the person must satisfy the thresholds for the three years consistently either alone or with a spouse, and cannot, for example, satisfy one year based on individual income and the next two years based on joint income with a spouse. The only exception is if a person is married within this period, in which case the person may satisfy the threshold on the basis of joint income for the years during which the person was married and on the basis of individual income for the other years.

In addition, entities such as banks, partnerships, corporations, nonprofits and trusts may be accredited investors. Of the entities that would be considered accredited investors and depending on your circumstances, the following may be relevant to you:

- Any trust, with total assets in excess of $5 million, not formed to specifically purchase the subject securities, whose purchase is directed by a sophisticated person, or
- Any entity in which all of the equity owners are accredited investors.

In this context, a *sophisticated* person means the person must have, or the company or private fund offering the securities reasonably believes that this person has, sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of the prospective investment.¹

Non-Accredited Investor
An investor who does not meet the net worth requirements for an accredited investor under the Securities & Exchange Commission’s Regulation D. A non-accredited individual investor is one who has a net worth of less than $1 million (including spouse) and who earned less than $200,000 annually ($300,000 with spouse) in the last two years.²

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Appendix I: Frequently Asked Questions

What is the Pioneer Valley Grows Investment Fund, Inc.?

The Pioneer Valley Grows Investment Fund, Inc. (PVGIF) is an investment vehicle for individuals, institutions and foundations to invest in building a healthier food system. It is administered by the Franklin County Community Development Corporation and grew from the work of the PVGrows network. PVGIF has a Fund that is comprised of three distinct pools of investment in local food systems so that individuals, institutions and foundations can all invest. Your investment will provide financing to farm and food businesses located primarily in the Pioneer Valley. Together, we will work to strengthen and grow the local food economy – more vibrant farm and food businesses, more local jobs, and more access to healthy food.

The PVGIF’s mission is to:

- Increase the amount of food that is produced locally.
- Increase the percentage of food consumed locally that is produced locally.
- Spur expansion of existing farms and creation of new farm and food businesses.
- Increase local control of the food system by supporting farm and food businesses with a commitment to long-term local ownership.
- Create new high-quality jobs within the local food system.
- Increase access to affordable, healthy food in food-insecure communities.
- Provide farmers with opportunities for higher margins and better profitability.
- Increase the viability of improved environmental practices on farms and in businesses.
- Provide a local option for investors.

Why would I invest in the PVGrows Fund?

You buy local food. You care about local farm and food businesses. Maybe you even invest locally when you can. Now you can make an investment for as little as $1,000 and put your money to work to create more quality jobs, decrease our reliance on an increasingly unstable global food system and increase access to healthy, local food for many communities in our region, including those who currently lack access to affordable, local food.

What is the history of PVGrows Network and the PVGrows Fund?

PVGrows Network advances an equitable, racially just, healthy and sustainable food system through a collaborative network that educates, finances, and connects stakeholders throughout the Pioneer Valley. The PVGrows Network was formed in 2008 to amplify the existing network of individuals and organizations already involved in this work. PVGrows Network holds annual forums, convenes working groups, and provides space for stakeholders to connect, share, and match goals and expertise. From agriculture finance to policy formulation, from farm-to-institution to job creation and food justice, PVGrows Network helps partners build on each other’s strengths. For more information about PVGrows Network or to become a member, go to [www.pvgrows.net](http://www.pvgrows.net).
In 2009, the PVGrows network launched a pilot lending program, the PVGrows Loan Fund. This pilot provided loans up to $250,000 to Pioneer Valley businesses involved in the local food economy, as well as access to business development assistance through member organizations and a partnership with the Fair Food Network. The PVGrows Investment Fund is based, in large part, on this pilot version. The PVGrows Investment Fund is administered by the FCCDC in collaboration with PVGrows.

Why is the FCCDC administering the PVGrows Fund?

The Franklin County Community Development Corporation has a proven track record of providing financing to small businesses in the area for more than 35 years. In addition, the FCCDC:

- Has been a member of the PVGrows network since its inception.
- Currently owns and/or manages $3 million of revolving loan funds in 5 different funds for small businesses. Since their inception, they have directly lent more than $8 million and leveraged another $24 million from banks.
- Has an excellent record of lending and collections. In the past 10 years, the average delinquency rate has been less than 2% and the FCCDC has written off just 3 loans.
- Has a deep commitment to food and farm businesses, demonstrated by the Western Massachusetts Food Processing Center which it has owned and operated for more than 15 years.

What is unique about PVGIF and the PVGrows Fund?

An easier way to invest in the local food economy. The PVGrows Fund finances a portfolio of farm and food businesses, which increases investors’ capacity to help strengthen the local food economy in the Pioneer Valley, while mitigating some of the risk that occurs when investing in a single business.

Embedded in the PVGrows Network. The PVGrows network is a network of more than 900 members. Since its inception, the network’s mission has been to connect the economics of the local food system to individuals, organizations and business partners working on a broad array of food system challenges. The Franklin County CDC works with the PVGrows network to identify potential borrowers, inspire investors, and link farm and food businesses to technical assistance and marketing opportunities.

A collaborative process. The FCCDC is raising capital for the PVGrows Fund that fills a financing niche – not competing with banks or lending partners within the Valley. Our PVGrows Fund Advisory Committee includes representatives from community lending and technical assistance organizations who offer their specialized knowledge, including technical assistance and access to lending resources where appropriate.

Efficient for farmers and food entrepreneurs. The PVGrows Fund serves as a single point-of-entry that can provide potential borrowers with the appropriate types of financing and business assistance services.
What other food system funds are out there, and how does the PVGrows Fund fit in?

Due to strong interest in investing in the local food system, several new funds, including Slow Money chapters, the Vermont Sustainable Jobs Fund Flex Capital Fund, Fair Food Fund, and Fresh Source Capital have emerged recently in the region, joining an already crowded space that includes local community lenders. Many have loan funds with undeployed capital. Currently it appears that the demand for capital is lower than the available resources.

The PVGrows Fund’s set of offerings is presented to potential borrowers in this climate. It is reasonable to ask why “new money” is being raised in this environment. The fund is being raised before current demand for the following reasons:

• By raising several types of investment capital, the PVGrows Fund will be able to offer more flexible terms to borrowers who need these terms.

• Several large-scale initiatives are underway in the Pioneer Valley targeting institutional purchasing that would require new and improved infrastructure, which will require investment capital to scale quickly.

• If we believe in the need to relocalize our food system, we will all need to do the work to develop new and existing farm and food businesses, workers, farmers and appropriate financial vehicles to support these efforts. Many feel that the best way to build financial infrastructure is to start on it now, so that investment dollars are available when needed.

• The ambition for this fund is relatively small. At $2.5 million in combined investable assets, the PVGrows Fund is positioned to leverage other resources and have significant impact, but it’s not going to finance a significant economic shift by itself. When more investable resources are needed, the FCCDC and PVGrows want to make sure that these investments are done in a way that respects our mission of a just and sustainable food system.

Is the PVGrows Fund the only way for individuals to do community investing in the Pioneer Valley?

No. In fact, four organizations represented on the PVGrows Fund Advisory Committee also offer investment opportunities for individual investors. We encourage you to consider those offerings in addition to this one, should the risks and rewards of those opportunities match your interests.

Common Capital
Common Capital is a non-profit organization committed to a thriving local economy in order to create positive social and community impacts. They align capital and other resources with community needs and opportunities and accomplish this by providing financing and business assistance consultation to small businesses and high-impact community projects. [www.common-capital.org](http://www.common-capital.org)

Cooperative Fund of New England
The Cooperative Fund of New England is a 40-year-old U.S. Treasury certified community development financial institution (CDFI) that is a bridge between socially responsible investors and cooperatives,

**Equity Trust**
The mission of Equity Trust is to promote equity in the world by changing the way people think about and hold property. Equity Trust helps communities to gain ownership interests in land and other local resources, and works with people to make economic changes that balance the needs of individuals with the needs of the community, the earth, and future generations. [equitytrust.org](http://www.cooperativefund.org)

**The Carrot Project**
The Carrot Project fosters a sustainable, diverse food system by supporting small and mid-sized farms and farm-related businesses through expanding accessible financing and increasing farm operations’ ability to use it to build successful, ecologically and financially sustainable businesses. [www.thecarrotproject.org](http://www.thecarrotproject.org)

**How does the PVGrows Fund work?**

1. Three types of investments, of different sizes and terms, are pooled to provide the financing that farm and food entrepreneurs need to grow their business.

**The PVGrows Community Investment Pool:** PVGIF is offering up to $500,000 in PVGrows Community Investment Notes for 5-year terms that will pay interest at a rate of 2% per year. If the Community Investment Pool experiences losses, all or a portion of those losses may be covered by the Risk Capital Pool, as described below. The minimum investment is $1,000, and the maximum investment is $10,000, open to accredited and non-accredited investors.

**The PVGrows Patient Capital Pool:** PVGIF is offering up to $2,000,000 in PVGrows Patient Capital Notes for 8-year terms that will pay interest at a rate of 4% per year, but subject to the performance of this pool. Any losses in this pool will **not** be covered by the Risk Capital Pool. The minimum investment is $10,000 and the maximum investment is $250,000, open to accredited investors and other qualified investors.

**The PVGrows Risk Capital Pool:** PVGIF is offering up to $100,000 in PVGrows Risk Capital Notes. This Pool is open only to foundations and institutions and is intended to serve as a loan loss reserve for the Community Investment Pool. This Pool will be used to cover (in whole or in part) any losses on investments made in the Community Investment Pool for the first 5-year term.

2. The PVGrows Fund Advisory Committee meets to ensure that loan applicants are a good mission fit, identify technical assistance needs and provide those services to farm and food entrepreneurs, if needed.

3. Once a business is finance-ready, the Franklin County Community Development Corporation conducts due diligence and underwriting and then provides the financing if appropriate.

4. Investors share in the returns and risks and benefit from a stronger, more vibrant local food system.

For more information, go to [pvgrows.net/loan-fund](http://pvgrows.net/loan-fund).