



BUTTE FOOD CO-OP PREFERRED STOCK MEMBER AGREEMENT & DISCLOSURE FORM:

THE BUTTE FOOD CO-OP MISSION:

The Butte Food Co-Op will be a member-owned, member-run, and community-focused cooperative grocery store that provides access to high-quality, locally-sourced, healthy, and delicious foods to nourish the Butte community (and beyond).

PREFERRED STOCK AT THE BUTTE FOOD CO-OP: REQUIREMENTS

Preferred stock (also known as "preferred shares") is non-voting stock and more than one share can be purchased. If the Co-Op makes a profit and decides to return dividends (or a portion thereof) to its member-owners instead of investing back into the business (a decision made by the Board of Directors), preferred stock holders get paid out first, at an interest rate that will be determined by the Board of Directors.

In this initial offering, The Butte Food Co-Op will issue 2,000 shares of preferred stock at **\$500.00** per share. Preferred stock must be paid in full at the time this agreement is signed.

Please enter the number of shares of preferred stock you wish to purchase at \$500.00 PER SHARE and note the total preferred stock price below.

_____ share(s) of non-voting preferred stock for the purchase price of \$500.00 per share for a total of \$_____.

PERSONAL INFORMATION:

Preferred stock holders are responsible for updating the Butte Food Co-Op if there is a change in address or contact information.

First Name:

State:

Last Name:

Zip:

Address 1:

Phone Number:

Address 2:

Email:

City:

Date:

DISCLOSURE:

When making an investment, decision investors must rely on their own examination of the person or entity creating the securities and the terms of the offering, including the merits and risks involved. These securities have not been registered, reviewed or 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.

INVESTMENT IN SMALL BUSINESSES SUCH AS CO-OPS INVOLVES A HIGH DEGREE OF RISK, AND INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS OFFERING UNLESS THEY CAN AFFORD TO LOSE THEIR INVESTMENT IN ITS ENTIRETY. THIS DISCLOSURE DOCUMENT CONTAINS ALL OF THE REPRESENTATIONS BY THE COMPANY CONCERNING THIS OFFERING, AND NO PERSON SHALL MAKE DIFFERENT OR BROADER STATEMENTS THAN THOSE CONTAINED HEREIN. INVESTORS ARE CAUTIONED NOT TO RELY UPON ANY INFORMATION NOT EXPRESSLY SET FORTH IN THIS DISCLOSURE DOCUMENT.

AGREEMENT TO TERMS:

By completing this agreement and making a payment, I hereby agree to purchase a share or shares of **preferred stock** in the Butte Food Co-Op, which may provide future earnings through dividends. I agree to and understand the following terms:

1. Preferred stock may be assigned to third parties, but are not subject to federal and state securities laws and cannot be traded freely as publicly traded stock.
2. The board of directors of the cooperative association may "call" or "redeem" preferred shares at any time;
3. Dividends may not exceed the state maximum rate per annum on the par value thereof;
4. The decision to declare a dividend, and the interest rate paid, or whether to redeem the stock, will be made by the Board of Directors;
5. Holders of preferred stock that do not also hold one share of common stock shall have no right to vote for the election of directors or any other matter presented to the shareholders for their vote or approval, except as may otherwise be required by Montana law;
6. Preferred shareholders are responsible for any taxes accrued in accordance with IRC Section 1385; and
7. Preferred stocks are not insured and have an element of risk.

When accepted by the Co-Op, this Agreement will constitute an irrevocable subscription for shares of preferred, non-voting stock in the Co-Op. A copy of the signed, accepted agreement will be returned as a receipt and an account will be established in your name in our preferred stock database. The Co-Op will provide regular, written statements of your holdings at the address provided in the personal information section.

- ☐ I have read and understand and specifically agree to all the language in this agreement. I agree to the terms outlined above and release the Butte Food Co-Op from any liability associated with the loss of all or part of my equity in the enterprise.
- ☐ I agree to receive emails and communications from the Butte Food Co-Op.

SIGNATURE: _____ **DATE:** _____

Checks should be made out to "**The Butte Food Co-Op**".

Mail your completed and signed preferred stock agreement form and check to:
The Butte Food Co-Op PO Box 681 Butte, MT 59703