

## INVESTMENT OPPORTUNITY

Our mission is to help grow a community-based food system through the establishment of a cooperatively-owned retail storefront. We aim to provide a dependable marketplace for our local producers and increase the availability of fresh, local, homegrown goods to our community.

Many of our communities, food systems, and diets are malnourished. A limited focus on economic efficiency has brought us low prices and convenience through large supermarkets chains, agribusiness and factory farms, while starving many other aspects of our food lives, like our personal relationships with our food and with the people who produce it. We realize this and want to preserve a food culture based on community values. The democracy of food exists in the form of the local food cooperative because it is owned by the people who use it. By investing in your community co-op, you are enabling our citizens to restore the relationship between ourselves and our food and to honor the authentic origins of one of our most basic needs. By investing in the food co-operative you can help to foster a rich and vibrant curative community.

Please join us to help build a more sustainable local food system. Make a social investment in your community and local economy today!

## HOW TO BECOME AN INVESTOR

Investing is easy. Please fill out our simple affidavit agreeing to the terms, rights, and responsibilities of an investor as listed below, and include your \$500 payment. We will mail you a stock certificate within 30 days as proof of your investment in Locals' Food Market, Inc.

## THE RIGHTS AND RESPONSIBILITIES OF A CONSUMER-MEMBER INCLUDE:

- Cumulative preferred dividends at a rate of 8% per annum beginning after our first year of business operations. You do not receive a share of Patronage Refunds as an Investor only.
- You are purchasing non-voting stock, you are not a member-owner of the cooperative unless you separately purchase membership, and you hold no rights in the business operations of the cooperative as an investor only.
- Stock is non-transferable unless approved by the board.
- Stock is refundable, upon written request to the board, with an economically feasible repayment schedule being determined by the board within 30 days of request.
- Upon liquidation or dissolution of the Company, you shall receive preferred status on asset distribution above member-owners, in the amount of your total shareholder equity in the company, and any cumulative preferred dividends on account as of the date of liquidation.
- You shall not try to sway the economic decisions of the Company in any way, through your influence as a member or director on the board, to your own financial benefit as an investor in the Company.
- Investors are not liable for any debts incurred by the Company, with your potential loss being limited to the amount you chose to invest. The cooperative plans to mitigate any investment risks by setting specific benchmarks on fundraising goals before committing any investor dollars to the business. Please see the attached sheet for an outline of our financial goals and projections.



## FINANCIAL GOALS:

- Our first benchmark is \$30,000, approximately 150 members and 30 investors. Once this goal is reached, we will begin applying for national cooperative grants.
- Our second benchmark is \$60,000. This includes the initial membership drive plus matching grant funds. We will use the grant money to hire a project manager, increase community awareness about the co-op, and recruit additional members and investors.
- Our third benchmark is \$150,000, or roughly 500 memberships and \$75,000 in investments. At this point we will commit to a store location, put down a deposit, hire a general manager, and plan for the commencement of store operations. We do not plan to spend any of the investor or member-raised finances until this point. At this level of commitment by the community, we believe that a strong support base will be in place to maintain an economically viable retail business.

We project the business will be able to cover all expenses, pay out preferred dividends, and grant patronage refunds. Based on the benchmarks outlined above, we believe that a majority of investment risk will be mitigated. We hope to secure your dollar investment in this vibrant community project for many years to come.

