



MEMBER PREFERRED SHARE OFFERING FAQ

WHAT IS A PREFERRED SHARE OFFERING?

The member preferred share offering is a common co-op investment tool that allows current members to invest in Fair State. Unlike stock you might buy in a large corporation, the underlying value of your investment does not change, and instead we pay a fixed rate of return.

HOW WILL THESE FUNDS BE USED?

We want to see a post-pandemic Fair State that has not just survived, but is thriving. We will use the funds to improve our operations to better be able to meet the challenge of COVID-19. If the opportunity is still feasible, we will also use these proceeds to improve and expand our physical taproom into the seldom used garage space of our neighboring Recovery Bike Shop. This additional space will allow us to provide more exciting and engaging experiences to our membership and continue to experiment with innovative beers and programming. If we are able to raise sufficient funds, it will also allow us to decrease existing debt, which will make us more resilient and expedite our progress toward issuing member dividends.

WHO CAN PARTICIPATE?

The member preferred share offering is open to any members of Fair State Brewing Cooperative who are residents of the state of Minnesota. If you are not currently a member, you may become one and then invest.

WHAT'S THE DIFFERENCE BETWEEN THE "INDIVIDUAL" OPTION AND THE "INDIVIDUAL WITH PARTNER" OPTION?

The "individual with partner" option is for members with a household membership who would like to list both members on their signed offering. It is not required that both members on a household membership sign the offering. We anticipate that most investors will select the "individual" option.

IS THERE A MINIMUM INVESTMENT AMOUNT?

The minimum investment amount is one share (\$500). There is no maximum amount.

WHAT IS A SHARE?

A share can be purchased in increments of \$500, and these shares will offer a fixed rate of return that varies depending on the size of the member's investment.

DO MY SHARES GIVE ME ADDITIONAL VOTING POWER?

No, these are non-voting shares. The normal board and voting structure is unchanged.

WHAT IS THE INTEREST RATE ON THE INVESTMENT?

Each member's shares will carry an interest rate that varies based on the total investment amount, as provided below.

INVESTMENT AMOUNT	DIVIDEND RATE (MAX.)
\$500-\$999	2.0%
\$1,000-\$2,499	2.5%
\$2,500-\$4,999	3.0%
\$5,000-\$9,999	4.0%
\$10,000-\$24,999	5.0%
\$25,000+	5.5%

WHEN ARE DIVIDENDS PAID OUT?

Dividends will be paid annually at the discretion of Fair State's board of directors. Dividend payouts will be announced by board via email.

WILL DIVIDENDS STOP BEING PAID OUT? IF SO, WHEN?

After five years, the board will have discretion to redeem the investment by purchasing the shares back from the members at par value (\$500) plus any dividends declared to be paid by the board but not yet paid.

WHAT IS THE FUNDRAISING GOAL?

We aim to raise \$300,000 by June 30th, 2020.

HOW DO I PARTICIPATE?

Once you are ready to invest, **click here** to invest as an individual, and **click here** to invest as an individual with a partner. You will be directed to a Docusign document where you can electronically sign and submit payment. Payments too large for credit cards can be processed electronically via ACH through the same system.

WHAT IF I HAVE MORE QUESTIONS?

Please submit your question **here** or email **invest@fairstate.coop** and our team will follow up with you ASAP!