

# Flying Bike Cooperative Brewery Member Investment Campaign FAQ's

## **What is Flying Bike Preferred Stock?**

This stock is an equity investment in the cooperative. Preferred Stock is non-voting. As an equity interest, Preferred Stock ranks behind the claims of creditors of the co-op, but ahead of the membership fees paid by members when they join Flying Bike. The co-op intends to repurchase shares from members within a stated period and will have a contractual obligation to pay the stated premiums on the repurchase in the time period specified in the subscription agreement.

## **Why purchase a Preferred Share Stock?**

It is rare for cooperatives to obtain enough start-up funds through membership fees alone, and securing loans is both more expensive for the group and difficult to obtain without collateral. Extensive consulting with Black Star Cooperative Brewery, local cooperative grocery stores, and legal counsel has all pointed to selling shares of non-voting preferred stock to launch the brewery. Whether it's \$500 or \$25,000, buying stock in Flying Bike is a way to support your co-op through economic participation, and makes it possible to open the brewery in an accelerated timeframe.

## **Isn't my membership enough? Why is additional member investment needed?**

The co-op needs start-up funds in addition to the relatively modest cost of membership. Member investment programs are longstanding methods used by co-ops to raise money and community support for their operations as they begin. They demonstrate the existence of a loyal customer base and reduce debt service, making the business stronger.

## **What are my next steps?**

This brochure is intended to summarize information that is described in greater detail in the Disclosure Document. The Disclosure Document and business plan is available on our website. You can also request this information to be mailed to you, or to meet with someone in-person. You must review this document before you can agree to purchase shares of Preferred Stock. Go to [www.flyingbike.coop](http://www.flyingbike.coop) or contact a Board of Directors representative to arrange a meeting or to have additional information mailed to you e: [finance@flyingbike.coop](mailto:finance@flyingbike.coop) p: (206) 428-7709

## **Why is it necessary to have the terms of repurchase of the preferred stock so far out?**

To help assure that the co-op is able to repurchase the preferred stock in full, shares are scheduled to be repurchased in 7 years. This gives needed flexibility to the business and helps ensure that the co-op will be financially stable. However, the co-op's ability to repurchase the Preferred Stock on the intended schedule will depend on the co-op's financial position at that time.

## **How does the Co-op intend to use the \$300,000?**


Investment Campaign funds will be used to pay for costs associated with constructing the brewery (including fermentors, brew kettles, furniture, fixtures, etc), professional services, inventory, and other ramp-up costs. This will also cover the first year of operations, until the brewery becomes profitable. A detailed breakdown of how money will be used can be found in the business plan, available on the website or by request.



FLYING BIKE COOPERATIVE BREWERY

1752 NW Market Street, #633  
Seattle, WA 98107





**When will the brewery open?** We are aiming for mid 2014. Our plan to open in 2014 will be about 3 years since we opened for membership. We've been helped significantly by the ready availability of information from Black Star and other local co-ops. The rate at which we can acquire capital will significantly influence that date.

**How will you be able to compete with other area breweries?** We have a different niche than other local breweries - as a cooperative, we will be a unique feature in the Seattle brewing community. Flying Bike will provide other services not offered by traditional breweries, including member homebrew competitions for the beers we brew, education, exclusive events, and meeting space. Remember, YOU own this brewery!

**Can I make an investment now and still make another one later?** Yes. For some households, temporary conditions limit their current investment ability. As long as minimum investment requirements are met, you can make multiple investments for the duration of the campaign.



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