

HIGH FIVE

CO-OP BREWERY

High Five Co-op Brewery MEMBERSHIP UNITS SUBSCRIPTION AGREEMENT

This Agreement is effective on _____, between **High Five Co-op Brewery**, a Michigan company ("**Company**"), and _____ ("**Subscriber**"), with regard to the issuance of membership Units in the Company.

Background

- A. The Company is a Cooperative Domestic Non-Profit Corporation in the business of manufacturing craft beer and sale of alcoholic beverages and other related products.
- B. The Company desires to issue, and Subscriber desires to subscribe for Class B Non-Voting Units in the Company, subject to the terms and conditions of this Agreement and the Corporate Bylaws of the Company.

Therefore, the parties agree as follows:

1. **Subscription.** Subscriber subscribes for and agrees to purchase from the Company ___ Class B Non-Voting Unit(s) **in the Company** ("Unit(s)"), as such is defined in the Operating Agreement, which is attached as **Exhibit A** to this Agreement. Such terms include minimum individual requirements and a requirement for the total minimum subscriptions received from all investors.
2. **Subscription Price and Payment.** The subscription price for the Unit(s) is \$(minimum of \$100.00), for a total subscription of \$ _____ (Total must be at least \$100.00) (**the "Subscription Price"**). **The Subscription Price must be paid by Subscriber to Company** in immediately available funds by check or by wire transfer to an account designated by Company at the time this Subscription is submitted for acceptance by the Company.
3. **Subscription Price and Payment.** The length of subscription price for the Unit(s) is _____ years (Subscription length for units in this agreement must be either 5, 6, or 7 years).
4. **Acceptance of Subscription.** Company may accept this Subscription Agreement (by

execution of the acceptance on the signature page), in whole or in part, at any time on or before the six month anniversary of the date of this Subscription Agreement. This Subscription Agreement is irrevocable by Subscriber unless it is not accepted by Company within that period. Company may reject this Subscription for any reason, at any time, before its acceptance.

5. **Representations, Warranties, and Certain Agreements of Subscriber.** Subscriber represents, warrants, and agrees to and with Company as follows Subscriber is a natural person whose residence is located at the address set forth on the signature page to this Subscription Agreement, and Subscriber is a resident of the State of Michigan.
- a. This Subscription Agreement has been duly executed and delivered by Subscriber and is the legal, valid, and binding obligation of Subscriber enforceable against Subscriber in accordance with its terms except as enforceability may be subject to the effect of any bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, fraudulent transfer, or other similar law affecting the enforcement of creditors' rights generally and to general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).
 - b. The execution and delivery by Subscriber of this Subscription Agreement and the consummation by Subscriber of the transactions contemplated by this Subscription Agreement will not:
 - i. conflict with or result in a violation or breach of any term or provision of any law applicable to Subscriber or any agreement, indenture, note, mortgage, or instrument to which Subscriber is a party or by which any of Subscriber's assets are bound; or
 - ii. require any consent, approval, or action of, filing with, notice to, or exemption from, any court or governmental authority on the part of Subscriber.
 - c. Subscriber acknowledges and agrees that Company will rely, in part, on the representations, warranties, and agreements set forth in this Subscription Agreement to support its claim of exemption from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), the Michigan Uniform Securities Act ("MUSA"), and other applicable state securities laws (if any) in connection with the offer and sale of the Unit(s) to Subscriber and to certain others within the State of Michigan. Subscriber acknowledges and agrees that the Unit(s) being acquired by Subscriber has not been registered under the Securities Act, MUSA, or the securities laws of any other state and may not and will not be assigned, sold, transferred, or otherwise disposed of unless (i) the Unit(s) has been registered under the Securities Act, MUSA, and any other applicable state securities laws or (ii) Company has received an opinion of counsel (in form, substance, and from counsel reasonably acceptable to Company) to the effect that the Unit(s) may be assigned, sold, transferred, or otherwise disposed of in the manner contemplated without registration under the Securities Act, MUSA, and other applicable state securities laws. Company may make appropriate notations in its records with respect to the foregoing restrictions

on transfer, and appropriate restrictions may be imposed pursuant to the Corporate Bylaws for the Unit(s).

- d. The Subscriber is at least twenty-one (21) years of age as of the date of this agreement.
- e. Subscriber is an informed and sophisticated purchaser, possesses such knowledge and experience in financial and business matters that Subscriber is capable of evaluating the merits and risks of an investment in Company, and Subscriber has undertaken such investigation as Subscriber deems necessary or appropriate to enable him or her to make an informed and intelligent decision with regard to this Subscription Agreement and the transactions contemplated hereby. Subscriber has determined that an investment in the Company is a suitable investment for Subscriber. If the investor is not an "accredited investor" (as defined by SEC rules), the issuer may not accept more than \$10,000 from such investor. The Company Board of Directors have the sole discretion to accept or reject any subscriptions.
- f. On and before the date of this Subscription Agreement, Company has given to Subscriber full access to and has furnished Subscriber with all information and documentation regarding Company, its business, and the Unit(s), including all information that Subscriber considers necessary or advisable to enable Subscriber to make a decision concerning the transactions contemplated by this Agreement.
- g. Company has made available to Subscriber, a reasonable time before the date of this Subscription Agreement, the opportunity to ask questions and receive answers concerning the transactions contemplated in this Subscription Agreement and to obtain additional information that Company possesses or can acquire relating thereto.
- h. Subscriber acknowledges and understands that any investment in the Company is speculative. Subscriber understands the risks inherent in an investment in Company. Subscriber has adequate means of providing for current needs and future contingencies. Subscriber has no need for liquidity with respect to an investment in the Company. Subscriber is able to bear the substantial economic risks of an investment in the Company and can afford a complete loss of Subscriber's investment in Company.
- i. The Subscriber understands that their investment does not necessarily grant voting rights or any managerial rights in the Company. Their role by this investment is solely one of a silent partner and source of capital for the company unless otherwise specified and agreed upon in a separate agreement with the Company
- j. The Subscriber has been advised to consult with the Subscriber's own attorney regarding legal matters concerning an investment in the Company including this Agreement and has done so to the extent the Subscriber deems necessary.

6. **Miscellaneous.**

- a. Notice. All notices, requests, and other communications under this Subscription Agreement must be in writing and are deemed to have been given only if delivered personally or by e-mail or mailed (certified or registered mail, return receipt requested) to (i) Company at the address set forth below or (ii) Subscriber at the address or e-mail set forth below. Any party from time to time may change its address, e-mail, or other information for the purpose of notices to that party by giving notice specifying such change to the other party.

To Company:

High Five Co-op Brewery
3834 52nd Street,
Kentwood, MI 49512
info@beer.coop

To Subscriber:

Name:

Address:

City, State, Zip:

- b. Modification. No modification or amendment of this Subscription Agreement is valid unless it is in writing and is signed by Subscriber and Company.
- c. Governing Law. This Subscription Agreement is governed by and construed in accordance with the laws of the State of Michigan applicable to a contract executed and performed in such state, without giving effect to its conflicts of laws principles.
- d. Counterparts. This Agreement may be executed in one or more counterparts, each of which is deemed an original, but all of which together constitute one and the same instrument.
- e. Severability. If any provision of this Subscription Agreement is held to be illegal, invalid, or unenforceable under any present or future law, (i) that provision is fully severable; (ii) this Subscription Agreement must be construed and enforced as if illegal, invalid, or unenforceable provision had never comprised a part of this

Subscription Agreement; (iii) the remaining provisions of this Subscription Agreement remain in full force and effect and are not affected by the illegal, invalid, or unenforceable provision or by its severance from this Subscription Agreement; and (iv) in lieu of such illegal, invalid, or unenforceable provision, there must be added automatically as a part of this Subscription Agreement a legal, valid, and enforceable provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible.

- f. Binding Effect. This Subscription Agreement is binding on and inures to the benefit of Subscriber and Company and their respective heirs, personal representatives, successors, and permitted assigns; provided, however, that neither Subscriber nor Company may assign or transfer any of its rights or obligations under this Subscription Agreement to any other person or entity without the written consent of the other.
- g. Entire Agreement. This Subscription Agreement and the Operating Agreement supersede all prior discussions and agreements between or among the parties with respect to its subject matter and contains the sole, final, and entire agreement between the parties.
- h. Corporate Bylaws. The undersigned recognizes that the Corporate Bylaws of The Company may impose certain restrictions on the transferability of the undersigned's Membership Interests.
- i. Effective Date of Representations and Warranties. The representations and warranties of Subscriber contained in this Subscription Agreement are made as of the date of this Subscription Agreement and are remade as of the date the Unit(s) are issued to Subscriber. At or before the date of issuance, Subscriber must give written notice to Company in the event if any of the representations and warranties of Subscriber are not true and correct as of that date. The representations and warranties of Subscriber survive the execution and delivery of this Subscription Agreement and the issuance of the Unit(s). Subscriber executed and delivered this Subscription Agreement on the date listed on the first page.

Purchasing Waiver and Disclosure. The following waiver must be initialed after every paragraph, and signed by the purchaser.

I understand and acknowledge that:

___ I am investing in a high-risk, speculative business venture. I may lose all of my investment, and I can afford the loss of my investment.

___ This offering has not been reviewed or approved by any state or federal securities commission or other regulatory authority and that no regulatory authority has confirmed the accuracy or determined the adequacy of any disclosure made to me relating to this offering.

___ The securities I am acquiring in this offering are illiquid, that the securities are subject to possible dilution, that there is no ready market for the sale of those securities, that it may be difficult or impossible for me to sell or otherwise dispose of this investment, and that, accordingly, I may be required to hold this investment indefinitely.

___ I may be subject to tax on my share of the taxable income and losses of the issuer, whether or not I have sold or otherwise disposed of my investment or received any dividends or other distributions from the issuer.

___ By entering into this transaction with the issuer, I am affirmatively representing myself as being a Michigan resident and at least 21 years of age at the time that this contract is formed, and if this representation is subsequently shown to be false, the contract is void.

___ If I resell any of the securities I am acquiring in this offering to a person that is not a Michigan resident, within 9 months after the closing of the offering, my contract with the issuer for the purchase of these securities is void."

{Signatures appear on following page}

Subscriber:

Name: _____

Signed: _____

Date: _____

Subscription accepted:

__ Class B Non-Voting Unit(s) in the amount of \$ _____

Company:

High Five Co-op Brewery, a Michigan company

By: _____

Name: Laura Barbrick

Title: President, Board of Directors

Date: _____

By: _____

Name:

Title: Director

Date: _____