

Coteau Community Market

STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement (the "Agreement") is dated _____, 20____, and is between Coteau Community Market, a South Dakota Cooperative (the "Cooperative" or "Co-op"), and _____ (the "Investor").

The Cooperative is currently offering (the "Offering") up to 15,000 of its Class B nonvoting stock (the "Stock") only to its existing members who are residents of (Individual Members) or headquartered in (Institutional Members) South Dakota. This offering is being made pursuant to the exemptions from federal registration contained in Rules 147 (17 CFR §230.147) and 147A (17 CFR §230.147A) and Section 3(a)(11) (15 U.S. Code §77c) of the Securities Act of 1933 (the "Securities Act"), and the registration exemption afforded by the South Dakota Uniform Securities Act of 2002 [SDCL §47-31B-201(8)] (the "South Dakota Securities Act").

The Investor, being a member of the Cooperative, wishes to participate in the Offering by purchasing Stock from the Cooperative, pursuant to the terms and conditions of this Agreement.

The parties agree as follows:

1. Purchase and Sale of Stock

- A. Agreement to Purchase. Under the terms and subject to the conditions contained in this Agreement, the Investor hereby agrees to purchase from the Cooperative, and the Cooperative hereby agrees to sell and deliver to the Investor _____ (number) Class B Stocks at a purchase price of **\$100** each, for a total purchase price of \$ _____ (the "Purchase Price").
- B. Payment of Purchase Price. The Investor shall deliver a certified check, personal check, or money order representing the Purchase Price to the Cooperative within two (2) business days after the Cooperative has notified the Investor that the Cooperative has accepted this Agreement by signing it.

2. Closing

- A. The purchase of the Stock shall take place at such time and place as the Cooperative and the Investor mutually agree on, orally or in writing (which time and place are designated as the "Closing").
- B. At the Closing, the Investor shall deliver to the Cooperative:
 - i. the Purchase Price in the form described in section 1.A,
 - ii. the signed Stock Purchase Agreement,
 - iii. a signed IRS Form W-9.
- C. At the Closing, the Cooperative shall deliver to the Investor:
 - i. a certificate representing the Stock to the Investor,
 - ii. a copy of the signed Stock Purchase Agreement.

3. Representations and Warranties of the Cooperative

The Cooperative hereby represents to the Investor as follows:

- A. Organization, Valid Existence, and Qualification. The Cooperative is duly formed and exists in good standing as a Cooperative under the laws of the State of South Dakota and has full power and authority to enter into this Agreement and to issue and sell the Stock to the Investor.
- B. Disclosure.
 - 1. The Cooperative has delivered to the Investor a Disclosure Document, a copy of this Agreement, and the Cooperative's Articles of Incorporation and Bylaws (together, the "Disclosure Documents").
 - 2. The information set forth in the Disclosure Documents was, as of the date thereof, complete and accurate in all material respects.
 - 3. The Cooperative has provided the Investor with all information in the Cooperative's possession relating to its business that the Investor has requested. The Cooperative has made available to the Investor all information in its possession that the Investor has requested for deciding whether to purchase the Stock, has afforded the Investor full access to representatives of the Cooperative to ask them questions concerning the Cooperative and its affairs, and has encouraged the Investor to seek independent professional advice concerning an investment in the Cooperative.
- C. Offering Valid. Assuming the accuracy of the representations and warranties of the Investor contained in Section 4, the offer, sale, and issuance of the Stock to the Investor will be exempt from the registration requirements of the Securities Act, and will not be registered under the registration, permit, or qualification requirements of all applicable state securities laws. Neither the Cooperative nor any agent on its behalf has solicited or will solicit any offers to sell or has offered to sell or will offer to sell any stock in the Cooperative to any person or persons so as to bring the sale of any stock in the Cooperative within the registration provisions of the Securities Act or the South Dakota Securities Act.

4. **Representations and Warranties of the Investor**

The Investor hereby represents and warrants to the Cooperative that:

- A. Authorization. The Investor has full power and authority to enter into this Agreement and all agreements referred to in it. This Agreement, when executed and delivered by the Investor, will constitute valid and legally binding obligations of the Investor, enforceable in accordance with their terms.
- B. Purchase Entirely for Own Account. This Agreement is made with the Investor in reliance upon the Investor's representation to the Cooperative. By the Investor's execution of this Agreement, the Investor hereby confirms that the Stock to be acquired by the Investor is for investment for the Investor's own account, not as a nominee or agent, and not with a view to resale or distribution, and that the Investor has no intention of selling, granting any participation in, or otherwise distributing the same. By executing this Agreement, the Investor further represents that the Investor does not have any contract, undertaking, agreement, or arrangement with any person to sell, transfer, or grant participations to such person or to any third person, with respect to the Stock.
- C. Purchaser Qualifications. The Investor is a resident of the State of South Dakota (if an Individual Member) or is a business or organization headquartered in South Dakota (if an Institutional Member), and at the time of executing this Agreement,

has purchased and is still the owner of an Individual or Institutional membership in the Cooperative.

- D. Disclosure of Information and Risks. The Investor has had an opportunity to review the information and documentation described or referred to in the Disclosure Documents. The Investor has had adequate opportunity to discuss with the Cooperative and its representatives the Cooperative's business affairs, and has received all documentation that the Investor may have requested from the Cooperative in such regard. **The Investor has been informed and fully understands that there are significant risks associated with purchasing the Stock in the Cooperative, including the risk of loss of the Investor's entire investment, which the Investor has considered carefully before executing this Agreement.** The Investor has carefully considered and has, to the extent the Investor believes such discussion necessary, discussed with the Investor's professional legal, tax, and financial advisers the suitability of an investment in the Cooperative.
- E. Restricted Securities. The Investor understands that the Stock has not been, and will not be, registered under the Securities Act or the South Dakota Securities Act by reason of specific exemptions from the registration provisions of the Securities Act and the South Dakota Securities Act. The Investor understands that the Investor may not sell or transfer the Stock during the Investor's lifetime to anyone other than the Cooperative.
- F. No Public Market. The Investor understands that no public market exists for any of the Stock issued by the Cooperative, and that the Cooperative has made no assurances that a public market will ever exist for the Stock.

5. **Miscellaneous**

- A. Successors and Assignees. This Agreement binds and benefits the heirs, successors, and assignees of the parties.
- B. Governing Law. This agreement will be governed by and construed in accordance with the laws of the state of South Dakota.
- C. Counterparts. This Agreement may be signed by the parties in different counterparts and the signature pages combined will create a document binding on all parties.
- D. Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting it.
- E. Notices. All notices and other communications in connection with this agreement shall be in writing and shall be considered given as follows:
 - 1. in person,
 - 2. by certified mail,
 - 3. by overnight courier, or
 - 4. when sent by email to the last email address of the recipient known to the person giving notice. Notice is effective upon receipt, provided that a duplicate copy of the notice is promptly given by first-class mail or the recipient delivers a written confirmation of receipt, which includes a reply by email.
- F. Modification. This Agreement may be modified only by a written agreement signed by all the parties.
- G. Waiver. If one party waives any term or provision of this Agreement at any time, that waiver will only be effective for the specific instance and specific purpose for which the waiver was given. If either party fails to exercise or delays in exercising any of its rights or remedies under this Agreement, that party retains the right to enforce that term or provision at a later time.

H. Severability. If any provision of this Agreement is determined by a court or arbitrator to be invalid, unenforceable, or otherwise ineffective, that provision shall be severed from the rest of this agreement, and the remaining provisions shall remain in effect and enforceable.

The parties have executed this Stock Purchase Agreement as of the date written above.

INVESTOR:

Signed: _____

Print name: _____

Address: _____

Email: _____

Phone: _____

Business name (institutional members): _____

Job title (institutional members): _____

COTEAU COMMUNITY MARKET

Signed: _____

By: Anne-Marie Mullin
Chair, Board of Directors

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