BETHLEHEM CO-OP MARKET

Bethlehem, Pennsylvania

March 22, 2025

CONFIDENTIAL OFFERING MEMORANDUM
MEMBER LOAN PROGRAM:
INFORMATION FOR PROSPECTIVE LENDERS

Offered only to Members and Pennsylvania residents

Offer expires at the discretion of the Board of Directors

Reviewed by the law firm of Dorsey & Whitney LLP

Confidential Private Placement Memorandum – Dated March 22, 2025

BETHLEHEM CO-OP MARKET

Member Loan Offering

Bethlehem Co-op Market (also referred to as "we," "us," "our," the "Cooperative," the "Co-op" or "Bethlehem Food"), is offering its unsecured subordinated notes ("Notes") to members of the Cooperative ("Members") who are Pennsylvania residents (hereafter referred to as this "Offering"). We intend to use the proceeds of this Offering to increase our working capital prior to opening the store, which will help to finance the lease of the store's space, make any physical changes or remodels to the building, pay staff, purchase equipment and inventory and assist with marketing expenses. The funds raised in this Offering will also help to reduce our dependence on outside debt. We hope to raise a minimum of $1,600,000 in Notes in this Offering, but we may raise more or less.

The minimum subscription amount is a $2,000 Note, and subscription amounts must be in $100-dollar increments. The term of the Notes will be 4, 7, or 10 years depending on the lender's preference. Interest rates will vary from 0% to 4% depending on the lender's preference. Repayment of principal and interest will occur in even monthly payments for the duration of the chosen term beginning 6 months after the start of the loan. The Notes are subordinate to our other bank loans and are unsecured. For more information on our Notes see, "Description of Notes."

This Confidential Private Placement Memorandum (this "Memorandum") contains important information about the Cooperative and the terms of this Offering that you should read carefully before making a decision to invest in the Notes.

This Offering will close upon the earlier of its termination by a resolution of the Board subject to the right of the Board to extend this Offering one or more times. Subscriptions will require a payment equal to the total subscription amount at the time of subscription.

Caution: Investing in this Offering involves significant risks. Please see "Risk Factors" beginning on page 9[1] for important factors you should consider before investing in our Notes.

THE SECURITIES BEING SOLD IN THIS OFFERING HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION ("SEC") OR ANY STATE SECURITIES AUTHORITY, NOR HAS THE COMMISSION OR ANY STATE SECURITIES AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY CONTRARY REPRESENTATION IS A CRIMINAL OFFENSE.

[1] We will insert page numbers once complete.

TABLE OF CONTENTS

WARNING REGARDING FORWARD-LOOKING STATEMENTS ii
IMPORTANT NOTICES TO LENDERS ii
I. SUMMARY I-1
II. RISK FACTORS 1
III. DETERMINATION OF TERMS 3
IV. MARKET FOR NOTES; RESTRICTIONS ON TRANSFER 3
V. CAPITALIZATION 3
VI. SOURCES AND USES OF FUNDS 3
VII. FINANCIAL STATEMENTS AND PROJECTIONS 4
VIII. BUSINESS OF THE COOPERATIVE 5
IX. GOVERNANCE AND MANAGEMENT OF THE COOPERATIVE 6
X. DESCRIPTION OF NOTES 9
XI. LEGAL PROCEEDINGS 9
XII. PLAN OF OFFERING 9

APPENDICES

A. Unsecured Subordinated Notes Subscription Package

B. Compiled Financial Projections

WARNING REGARDING FORWARD-LOOKING STATEMENTS

This Memorandum and the documents it references contain forward-looking statements that involve future events, our future performance and our expected future operations and actions. In some cases you can identify forward-looking statements by the use of words such as "may," "should," "anticipate," "believe," "expect," "plan," "future," "intend," "could," "estimate," "predict," "hope," "potential," "continue," or the negative of these terms or other similar expressions. These forward-looking statements are only our predictions and involve numerous assumptions, risks and uncertainties. Our actual results or actions may differ materially from these forward-looking statements for many reasons, including the risks described in this Memorandum and events that are beyond our control. We are not under any duty to update the forward-looking statements contained in this Memorandum. We cannot guarantee future results, levels of activity, performance or achievements. We caution you not to put undue reliance on any forward-looking statements, which speak only as of the date of this Memorandum.

You should read this Memorandum and the documents that we reference in this Memorandum completely and with the understanding that our actual future results may be materially different from what we currently expect. We qualify all of our forward-looking statements by these cautionary statements.

IMPORTANT NOTICES TO LENDERS

This Memorandum contains important information about us that you should read and consider carefully before you decide whether to invest in our Notes. The principal sections of this Memorandum are located on the pages referenced in the Table of Contents. Some of the documents related to this Offering are included in the Appendices to this Memorandum. If you have any questions regarding the information in this Memorandum, please contact Domenic Breininger, by telephone at 484-547-1840 or by email at dbreininger@bethlehemcoopmarket.com.

We urge you to read this Memorandum carefully. You will be required to verify in writing that you were given the opportunity to ask questions regarding the information in this Memorandum and either did so or waived such opportunity.

The contents of this Memorandum and any prior or subsequent communications from or with Bethlehem Food, or any professional associated with Bethlehem Food, are not legal or professional tax advice. Bethlehem Food and its directors, officers, and any other representative of the Co-op do not assume any responsibility for economic or tax advice or consequences concerning this investment.

This Offering involves a high degree of risk. Prospective participants should consider all of the risk factors set forth in this Memorandum.

This Offering is limited to Members who are Pennsylvania residents. The information contained herein shall not be deemed an offer to sell or a solicitation of an offer to buy securities in any state other than the Commonwealth of Pennsylvania or to any person who is not a resident of the Commonwealth of Pennsylvania.

We have not registered the Notes with the SEC or with any state securities commission. We are offering the Notes pursuant to claimed exemptions from registration provided by the Securities Act of 1933, as amended, and applicable state securities laws. The Notes are restricted securities under federal and state securities laws. This means that you cannot transfer the Notes except pursuant to exemptions from the registration requirements of such laws, and that you must purchase the Notes for your own account and for investment purposes only.

We may reject your subscription, in whole or in part, for any reason, and your subscription is subject to the subscription procedures we have established for this Offering. Please read the more detailed information about subscribing under "Plan of Offering – Subscription Procedures."

We have not authorized anyone to give any information or to make any representations with respect to the Notes except the information contained in this Memorandum. You should not rely on any other offering literature, advertising or other information in any form that anyone may give you.

The information contained in this Memorandum is confidential. Any reproduction or other distribution of this Memorandum, in whole or in part, without our prior written consent, is strictly prohibited. By accepting delivery of this Memorandum, you agree not to reproduce it or distribute it and to return it to us if you do not purchase any of the Notes offered hereby. We are furnishing this Memorandum to you for the sole purpose of providing you with information about the Notes we are selling.

We reserve the right to suspend or terminate this Offering at any time prior to the close of this Offering. Neither the delivery of this Memorandum nor the sale of Notes hereunder shall create any implication that there has been no change in the information contained herein or in our business since the date of this Memorandum.

[The remainder of this page is left blank intentionally.]

I. SUMMARY

The following summary highlights selected information from this Memorandum and may not contain all of the information that is important to you. You should read this entire Memorandum carefully, including the section entitled "Risk Factors," our financial information, the documents attached as Appendices and other documents referred to herein, before you decide to invest.

1.01 The Cooperative

Bethlehem Co-op Market (referred to herein as "we," "us," the "Co-op," the "Cooperative" or "Bethlehem Food") is a for-profit cooperative corporation organized under the laws of the Commonwealth of Pennsylvania.

In 2011, a Bethlehem resident needed one red pepper to complete a meal. That simple purchase took more than one hour because there was no neighborhood grocery store. She shared her frustration on social media, gathered community support and, after a lot of hard work, the Bethlehem Food Co-Op was incorporated on January 23, 2013. The mission of the Co-Op is to be a diverse community encouraging physical, social and economic health by providing healthful, affordable food; emphasizing local, sustainable, humane and natural food systems; and offering unique educational opportunities. The grand opening is planned for Summer 2025. The Co-Op anticipates financial sustainability through sales by Year 3 of operation.

The Co-Op will be 100 percent owned by its members. As of March 2025, the Co-op has 1644 household members. Member-owner households pay a $300 one-time fee to join the Co-op. Member benefits include voting rights on operations, key issues and board elections; opportunities to serve on committees and the Board; exclusive or discounted education opportunities; discounts at participating local businesses through the Member Benefits Program; special member prices on certain in-store products; member discount days; and patronage dividends in profitable years.

1.02 Capital Campaign

The purpose of this Memorandum is to provide you information necessary for you to consider providing further financial support for Bethlehem Food as it moves towards a store opening. This Offering is intended to raise the funds necessary to open the store in Bethlehem, Pennsylvania and begin operations. This will include, but not be limited to, leasing the physical space the store will occupy, making any necessary changes or remodeling to the space, hiring management and staff, purchasing equipment – such as shelves, freezers, cash registers and signage – and inventory, and assisting with marketing efforts to communicate the Co-op's opening and drive business to the store. The more capital we raise through our Members through this Offering, the less we need to rely on outside lenders.

The capitalization of Bethlehem Food's project relies on a broad base of funding that includes Member investment of equity (Common Stock), retained patronage from profits, and the addition of proceeds from the sale of Notes being offered in this Offering. Investing in Bethlehem Food through the purchase of Notes provides additional cash to fund the project. Capital investment from this Offering reduces the Co-op's overall cost of capital, which we believe benefits the Co-op and all Members in the long run. Such an investment also supports the local economy by keeping capital investments local.

1.03 The Offering

We are offering Members who are Pennsylvania residents the opportunity to purchase unsecured subordinate Notes with a minimum principal balance of $2,000.

[Proceeds of the Notes will be put into a separate bank account pending receipt by the Co-op of a minimum amount of $600,000 and a further determination by the Board that funding is sufficient to proceed.] In the event our Board decides we are unable to go forward with this Offering for any reason, proceeds from the Notes will be returned to lenders with a pro rata share of all interest accumulated (if any) on the funds during the period that they were held by the Co-op.

This Offering will close upon the earlier of its termination by a resolution of the Board subject to the right of the Board to extend this Offering one or more times. Subscriptions will require a payment equal to the total subscription amount at the time of subscription. We reserve the right to modify the Offering, to waive conditions to the purchase of Notes and to reject subscriptions in whole or in part, in our sole discretion.

Our Notes will be sold directly to lenders on a best-efforts basis without the assistance of an underwriter. No commissions will be paid to any person in connection with this Offering.

1.04 Governance Documents

The rights associated with the Notes will be governed by our Articles of Incorporation ("Articles") and our Bylaws ("Bylaws"). These are the legal documents that will govern the rights associated with our Notes and the management of our internal affairs.

1.05 Our Management

Our Bylaws provide that our Board has the principal power and responsibility to govern our business and affairs. Our Board has the right to elect or appoint officers to manage our operations. Our Board presently consists of nine Directors elected by our Members. Information regarding our current Directors, including biographical information, may be found under "Governance and Management of the Cooperative."

1.06 Suitability for Lenders

The Notes are being offered to Members of the Cooperative who are Pennsylvania residents. See "Plan of Offering – Lender Qualifications and Suitability" in this Memorandum and the subscription agreement contained in the Subscription Package attached as Appendix A to this Memorandum for a full definition of those potential lenders who qualify. ***Subscribers for Notes will be required to represent in the applicable Subscription Agreement that they meet the criteria for investment.*** The Notes are speculative, are unsecured and involve a high degree of risk. Accordingly, the Notes are suitable only as a long-term investment for persons who can afford to lose their entire investment. The Board reserves the right to reject any subscription, in whole or in part, for any reason.

1.07 Completion of Subscriptions

In order to purchase Notes in this Offering, you must:

(1) Read, complete and sign the subscription agreement included in the Subscription Package in the form attached as Appendix A to this Memorandum;

(2) Mail the subscription agreement and check for the amount of the loan to us at Bethlehem Co-op Market, 250 E. Broad St, Bethlehem PA 18018.

In your subscription agreement, you will be required to make representations to us that you are a Member of the Cooperative and a Pennsylvania resident, that you have received this Memorandum and the Appendices and any supplements to this Memorandum, that you understand the risks associated with an investment in the Notes, that you are aware that the Notes are subject to significant restrictions on transfer and that an investment in the Notes is suitable for you. You should review these representations and other provisions of the applicable subscription agreement carefully before signing it.

1.08 Securities Exemptions

We have not registered the offering and sale of the Notes with the Securities and Exchange Commission or the securities authorities of any state. We are offering and selling the Notes in Pennsylvania in reliance on exemptions from state registration requirements.

Prospective lenders must rely upon their own analysis of the terms of this Offering, the terms of our Notes, the terms of our Articles and Bylaws and our business, including the risks involved, in making

a decision to invest in our Notes. An investment in our Notes is suitable only for lenders who can assume the financial risks of an investment in us for an indefinite period of time and who can afford to lose their entire investment. We make no representations or warranties of any kind with respect to the likelihood of the success of our business, the fairness of the terms of our Notes, any financial returns that we may generate or any tax benefits or consequences that may result from an investment in us.

1.09 Contacts for Information

Prospective lenders and their representatives are invited to contact us for additional information and to ask questions of us with respect to this Offering. We will be pleased to respond to questions and provide additional information if we have the information requested or can acquire it without unreasonable effort or expense and will be permitted to provide it under applicable securities laws. If you have questions or wish to request additional information, please contact Domenic Breininger by telephone at 484-547-1840 or by email at dbreininger@bethlehemcoopmarket.com.

[The remainder of this page is left blank intentionally.]

II. RISK FACTORS

An investment in our Notes will involve a high degree of risk. An investment in our Notes is suitable only for lenders who can assume the financial risks of an investment for an indefinite period of time and who can afford to lose their entire investment. Prospective lenders must not construe this Memorandum as constituting investment, legal, tax or other professional advice. Before making any decision to subscribe for Notes, you should read this entire Memorandum, including each of its Appendices, carefully consider the Risk Factors set forth below, and consult with your own investment, legal, tax and other professional advisors.

The Risk Factors described below are those that the Co-op currently believes may materially and adversely affect us. Additional risks not presently known to the Co-op, or that Co-op currently considers immaterial, may also materially and adversely affect the Co-op. If any of these Risk Factors occur, our business, financial condition or results of operations could be harmed, which could cause the value of your Notes to decline, and you could lose all or part of your investment.

Each prospective lender is advised that we will assert that the lender has been advised of and accepted the risks described in this Memorandum if a claim is brought against us or any of our Directors, officers, employees, advisors, agents or representatives in connection with this Offering or otherwise.

2.01 Risks Related to this Offering

Forward-Looking Statements. This Memorandum contains forward-looking statements that reflect the Co-op's current views and intentions and beliefs about the construction and store opening project and the anticipated financial results of the same. Such forward-looking statements are inherently uncertain, and there can be no assurance that the assumptions underlying them will prove to be valid. As such, actual results could differ materially from those contemplated by the forward-looking statements because of certain factors, including, but not limited to, those disclosed under these "Risk Factors." Also, if a sentence contains words such as "anticipates," "assumes," "believes," " expects," "intends," "may," "plans" or similar words or uses the future tense, it may be a forward-looking statement.

Subscription Agreement. After you submit your subscription for Notes, you will not be allowed to withdraw your subscription for any reason unless a material change in this Offering requires us to make a rescission offer to lenders. Upon acceptance by us of your subscription, your payment will be invested in Notes.

Determination of Terms. The terms of the Notes do not have any direct relationship to the assets, earnings, book value or other measurable criteria of value of the Co-op. We make no representations, whether express or implied, as to the fairness of the terms of the Notes offered hereby.

2.02 Risks Related to Notes

The Notes are speculative. Investment in our Notes is a speculative investment. The Notes do not include any liens or security interests for lenders in Co-op property. Lenders may not realize any return on their investment. In fact, lenders could lose their entire investment. In addition, lenders may have difficulty in enforcing their Notes due to the cost of legal proceedings.

The Notes are a subordinated investment. The Notes are subordinated to the loans of institutional lenders. The Co-op's obligation to make interest and principal payments of the Notes is subordinate to amounts owed to the Co-op's senior lenders (bank debt), vendors, landlords, employees and trade creditors. In the event of a liquidation, payment on the Notes would occur only after our other liabilities (e.g., external bank loans) have been satisfied. As a result, in a liquidation, Note holders would very likely lose some or all of their investment in the Notes. Additionally, if we default on our indebtedness, we may not be able to make required payments of principal of and premium, if any, and interest on the Notes, whether when

originally due and payable or upon acceleration after a default, which could substantially decrease the market value of the Notes.

The Notes are not registered with the SEC or any state securities commission. The Notes have not been registered under the Securities Act of 1933, as amended, or the securities laws of any state. Any representation to the contrary is a criminal offense. Lenders should not expect to be able to liquidate their investment quickly, even in case of an emergency. Because the Notes have not been registered with the SEC or with any state securities commission, lenders do not have the benefit of review of this Memorandum by the SEC or any state securities commission. There is no public trading market for our Notes, and we do not expect one to develop in the foreseeable future. As a result, the Notes will not be readily marketable and you may be required to hold the Notes until maturity.

2.03 Risks Related to our Business

There are general risks inherent in the startup of a business. Many of these start-up risks are beyond management's control. The likelihood of the Co-op achieving successful construction and opening of the store and adequate growth and financial profitability after completing construction and opening its store must be considered in the light of potential difficulties and unforeseen problems encountered in such efforts. In addition, store opening costs could increase for a variety of factors unknown to us during construction.

We are a start-up cooperative with no operating history and our projections could be wrong. Because we are a start-up, the terms of the Notes may have little or no relationship to the book value of the Co-op. Accordingly, any financial projections included in this Disclosure Statement are the result of estimates by the Co-op's Board and advisors, are not based on past performance, are subject to a high degree of uncertainty and have not been audited by a third party auditor. They are based upon estimates of future events and circumstances that may or may not ultimately prove to be true or accurate. The estimates and assumptions underlying the Co-op's projections are subject to significant economic and competitive uncertainties and contingencies, many or all of which are beyond the Co-op's control. The Co-op can make no representation or warranty as to the accuracy of these assumptions.

The planned store may not be successful. The planned store location may not be successful or may create financial difficulties for the Co-op if the actual costs exceed the estimate, if the Co-op's ability to complete the store opening is significantly delayed, or if the store does not operate as expected.

We rely on a limited number of advisors. The Co-op relies on a limited number of contract staff and its Board, none of whom has any legal or contractual obligations regarding his or her length of service with the Co-op. The board is comprised of community members who will act with care and loyalty to the Co-op, but who have no guarantee of grocery, retail, or other experience. There is no guarantee that the Co-op will be able to recruit and retain qualified personnel with the skills and experience that might be needed by the Co-op.

We may not obtain sufficient financing. Assuming that we obtain all of the sources of funds described in "Sources and Uses of Funds" below, we believe that the proceeds of this Offering will be sufficient to fund the Co-op's start-up plans and capital requirements. Although we expect to obtain the other financing, we do not yet have any binding commitment for any loans. The Co-op cannot assure lenders that such financing will be available to the Co-op on favorable terms or at all. From time to time, the Co-op may also seek additional sources of funding, including debt and equity investments. In addition, if additional financing is obtained from institutional lenders, the Co-op's ability to repay the Notes could be impaired.

Our industry is highly competitive. Competition in the retail food business is intense. Our business faces competitive challenges from larger grocers with lower cost structures than us. Competition with other grocers could negatively affect our sales and business position and thus reduce the value of your investment in us. In addition, food consumption and buying trends could change in a manner that hurts our business

2.04 Risks Related to Tax Issues

EACH PROSPECTIVE LENDER SHOULD CONSULT THE LENDER'S OWN TAX ADVISOR WITH RESPECT TO THE FEDERAL AND STATE TAX CONSEQUENCES OF AN INVESTMENT IN US AND IMPACT ON THE LENDER'S TAX REPORTING OBLIGATIONS AND LIABILITY.

2.05 Risks Related to Conflicts of Interest

Our Directors and officers have other business interests that may receive a greater share of their time and attention than they will devote to us. Our Directors and officers have other business interests and responsibilities that may be given priority over the time and attention they are willing to devote to us. This could result in adversely affecting management and governance, which in turn could affect our operations, financial results and the value of your Notes.

III. DETERMINATION OF TERMS

The terms of the Notes do not have any direct relationship to the assets, earnings, book value or other measurable criteria of value of the Cooperative. We make no representations, whether express or implied, as to the fairness of the terms of the Notes offered hereby.

IV. MARKET FOR NOTES; RESTRICTIONS ON TRANSFER

There is no established public trading market for our Notes, and we do not expect one to develop in the foreseeable future. The Notes are being offered and sold in this Offering in accordance with exemptions from registration under federal and state securities laws that require subsequent sales or transfers of the Notes be registered or exempt from such registration requirements. As a result, you may not be able to complete a transfer that you wish to make and may be required to assume the risks of an investment in us for an indefinite period of time.

V. CAPITALIZATION

The following table sets forth our capitalization at March 22, 2025 to give effect to the issuance of the Notes pursuant to this Memorandum:

VI. SOURCES AND USES OF FUNDS

Our goal for this Offering is to raise a minimum of $1,600,000 in Notes, but we may raise more or less. We intend to use the funds raised in this Offering to purchase or lease the physical space the store will occupy, make necessary changes or remodeling to the space, hire management and staff, purchase equipment and inventory, communicate the store's opening and assist with other marketing campaigns to grow the Co-op's business. The more capital we raise through our Members through this Offering, the less we need to rely on outside, institutional lenders.

According to our current projections, raising a minimum of $1.6M in Notes will help us open the store, and ensure its operational stability. All Members, regardless of their participation in this Offering, will have an equal voice in the store.

The remaining project costs and available funding as of March 22, 2025, is as follows.

Current Payable Balance	($821,859.22)

Remaining Store Construction	($224,412.42)
Opening Inventory	($321,336.25)
Remaining Equipment	($83,318.11)
Pre Revenue Payroll (admin)	($151,567.86)
Pre Revenue Payroll (Store)	($102,528.90)
Mural Remaining Payment	($5,000.00)
Loan payments + interest	($1,030,668.51)
Services (PM, accounting, etc)	($29,000.00)
Rent Due Through Store Opening	($88,974.00)
Utilities Est. Through Store Opening	($13,300.00)
Remaining Grant Funding	$420,799.47
Cash on hand	$757,056.10
Remaining costs after available funding	***($1,694,109.70)***

VII. FINANCIAL STATEMENTS AND PROJECTIONS

This Memorandum should be read in conjunction with the unaudited financial statements (the "financial statements"), the financial projections ("projections"), and discussion thereto of Bethlehem Food attached hereto as Appendix B. The financial statements and the projections of Bethlehem Food have not been independently reviewed or evaluated and are based upon numerous assumptions and estimates that may not prove to be accurate or reasonable. In addition, the estimates and assumptions underlying the projections are subject to significant economic and competitive uncertainties and contingencies that are beyond our control. As such, they are projections only and are not intended to represent or forecast actual events or results.

There will be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. Actual results could differ materially from those forecasted in the forward-looking statements due to a number of factors, including those set forth in the "Risk Factors" section and elsewhere in this Memorandum. Unanticipated events and circumstances are likely to occur.

The projections and the assumptions underlying the projections may prove to be materially inaccurate, and our actual results may materially differ, either positively or negatively, from the forecasted results.

You should review the assumptions underlying the projections carefully. In particular, certain assumptions have been made that have a significant impact on the projected net income. The critical assumptions would include, but are not limited to the following: sales; prices; operating costs; and consumer preferences. Conditions underlying or affecting these critical assumptions will have a material impact on

actual results. Each one of these assumptions will have a significant impact on the forecasted net income and the other financial projections.

Because of the limitations of such forward-looking statements and the projections, we strongly caution you against placing undue reliance on the projections. We have no responsibility to update our projections for events and circumstances occurring after the date of this Memorandum.

VIII. BUSINESS OF THE COOPERATIVE

8.01 Brief History of Bethlehem Co-op Market

Bethlehem Food Cooperative is a for-profit cooperative corporation organized under the laws of the Commonwealth of Pennsylvania in January of 2013.

Bethlehem Food's success relies on the broad support of both our Members and the community, and the response of the community has been outstanding thus far. As of March 2025, we had over 1,644 Members.

8.02 Cooperative Structure and Mission

The Bethlehem Co-op market will be a full-service, brick-and-mortar community-owned grocery store open seven days a week. The Co-Op will provide one-stop shopping, including staples, perishable and prepared foods with improved fresh food accessibility especially for surrounding neighborhoods. Farmers and other local producers will provide fresh and staple items. The Co-Op will offer meat, seafood, dairy and produce as well as pantry items, baked goods and household supplies. It also will offer a convenient prepared foods section and signature items. SNAP and WIC benefits will be accepted.

The proposed site of the Co-Op, 250 E. Broad St., Bethlehem, PA 18018, is located in a low income/low access and low income/low access adjacent area. Median family income is 62.65 percent of AMI with a 23.36 percent poverty rate.

While a lack of a nearby grocery store can be inconvenient for consumers, low-income residents of the downtown Bethlehem neighborhood, especially those who lack private transportation, can face far more serious consequences. A lack of affordable and nutritious food can lead to a poor diet and diet-related chronic conditions such as obesity and diabetes. Further, reliance on small neighborhood stores with higher prices can lead to food insecurity.

Because of the strategic location of the Co-Op and available on-site parking, it will be convenient for individuals from other parts of the Lehigh Valley to shop at the Co-Op as well. LANTA public transit routes will enable residents from other low-to-moderate income neighborhoods and those without vehicles to shop healthy. The Co-Op also will serve as a resource for the practical needs of tourists and will be a destination for visitors devoted to the local and natural food movement and cooperative enterprises.

The Co-Op will provide several key benefits to the community, and the Lehigh Valley, PA, area in general:

- Access to a full-service grocery store with locally-sourced, fresh food for neighborhood residents and beyond;
- Support of approximately 42 area farmers and other local producers creating a significant economic impact in the Lehigh Valley, PA;
- Family-sustaining, stable jobs, including at least 10 full-time and 20 part-time positions;
- A more walkable community, contributing to environmental stewardship; and

- Community gathering space for education and conversation.

The Co-Op welcomes everyone to the cooperative community regardless of race, color, religion or creed, national origin, age, sex, sexuality, gender, identity, pregnancy, citizenship, familial status, lifestyle, economic situation, disability, veteran status, genetic predisposition, size, political affiliation, ancestry or any other reason.

8.03 Membership

- Membership may be held by adult members (18-years or older and/or an emancipated minor) of a single household or any legal entity (including businesses, non-profits and governmental agencies). A group of persons residing at the same address who live together as a unit are considered a single household. Members must meet the following requirements: Pay in full the minimum membership capital contribution established by the Co-op (currently $300), which may be in accordance with a payment plan;
- Completion of, or ongoing completion of, any work requirement established by the Co-op; and
- Satisfaction of any other requirements that may from time-to-time be established by the Members or the Board.

IX. GOVERNANCE AND MANAGEMENT OF THE COOPERATIVE

The governance of the Co-op and oversight of the management is vested in a Board of Directors, the members of which are elected by Members. The Board may make all necessary rules and regulations not inconsistent with law or with the Bethlehem Food governing documents.

9.01 Board of Directors

(1) ***Membership of Board***

We presently have nine Directors on our Board. The current members of our Board are as follows:

Domenic Breininger – Board Chair. Domenic is a resident of the north downtown area of Bethlehem – where our new store will be built. He joined the Co-op in June of 2017, and volunteered with the Finance Committee before being chosen to serve as treasurer, and then elected to the Board in October 2020. Domenic was elected as Chair in October of 2024. He has a BS in Computer Science from Bloomsburg University and an MBA from DeSales University. He has held a number of leadership positions for large companies in the Lehigh Valley, and is currently leading the Cyber Security Team at Lutron Electronics. Domenic writes, "I am an amateur, albeit passionate, cook, gardener, and home brewer who is equally passionate about locally sourced organic food. I believe that having a thriving local food system is essential to our community's health – physical and economic – and to the sustainability of our environment. Affordable access to locally sourced food should be available to everyone and I am excited to be part of the team that will help the Bethlehem Food Co-Op play this important role for our community."

Todd Mertz – Board Vice Chair, Todd purchased his home in Bethlehem in 2021 but has lived and worked in the Lehigh Valley area his whole life. He's been an active member of the co-op since moving here. He is the parent of two adult children and a proud grandparent of one, and his daughter and her husband are also members of our co-op. Todd is employed at Dun & Bradstreet as Senior Director in Learning & Development. In his role he is a leadership coach and consultant for D&B's managers across the global company. He brings many years of experience from other community-based organizations to his position with the co-op. An avid indoor and outdoor gardener, he attributes his green thumb to two women in his life – his mother and great-grandmother. One of his pet projects has been two raised-bed gardens he built with his partner to do some vegetable gardening in the summer. He enjoys running and biking, and

says, "I love food and I love even more when I know where my food was born and raised. I can't think of a better way to spend time and energy than being part of our food co-op."

Carol Burns – Board Secretary, "Carol B" grew up in Illinois ('not Chicago') and lived in numerous locations before moving to Bethlehem over 20 years ago. Her day job is at First Presbyterian Church of Bethlehem, and she serves on the leadership team of the Bethlehem Interfaith Group. She also does marketing work for a number of local businesses and organizations, and is a long-time sustaining member of WDIY and member of its Community Advisory Board. She describes herself as a 'good audience member' for local theatre and concerts, and enjoys learning more about the local food and agriculture scene. A favorite summer pastime is hanging out at farmers markets and events at the co-op outreach tent, talking co-op with current and future members. Her attraction to the co-op is a result of her experiencing food insecurity – on more than one occasion – and knows what it's like to be challenged to feed herself and her family. She is committed to working together to alleviate those issues for others – while benefiting the greater community and supporting local growers and producers.

Stephen Collins – Board Treasurer, Stephen, a North Bethlehem resident, is a Certified Public Accountant with extensive experience working as an auditor in the cooperative industry. With a strong background in accounting and finance, he brings over 9 years of expertise in accounting, financial reporting, and compliance to the Treasurer role at Bethlehem Co-op Market. Having worked with various organizations, Stephen is adept at analyzing financial data to drive informed decision-making and enhance operational efficiency. He holds a Bachelor's degree in Business Administration with a focus in Accounting from Kutztown University and has successfully passed the CPA examination, demonstrating a commitment to professional excellence. As Treasurer, Stephen is dedicated to ensuring the BCM's financial health and sustainability. He believes in transparency and accountability and is passionate about fostering a collaborative environment that encourages growth and innovation within the co-op. Stephen is passionate about outdoor activities and adventure outside of his professional life. An avid hiker, biker, and snowboarder, he enjoys exploring nature and pushing personal limits on challenging trails and slopes. Whether navigating rugged mountain paths or enjoying the thrill of snowboarding in the winter months, Stephen finds balance and inspiration in these outdoor pursuits. Traveling is another of Stephen's great passions, and he has had the opportunity to visit numerous destinations, immersing himself in diverse cultures and landscapes. These experiences fuel his appreciation for different perspectives and enhance the creativity and problem-solving skills that he brings to our co-op. Stephen is excited to contribute his skills and knowledge to support BCM's mission and to help guide it towards a prosperous future.

Heather Terrible. Heather and her family have lived in the City of Bethlehem for the past 12 years and are pioneering members of the Bethlehem Food Co-Op since its incorporation in 2013. She is the Executive Director of a local healthcare organization, promotes organic gardening at home, and recently expanded gardening into her work-life by encouraging her employees to build several raised vegetable and flower beds. She earned her Real Estate license six years ago and enjoys helping first-time home buyers in making their home ownership dreams a reality. She believes in supporting local farmers and businesses in order to strengthen the community and is passionate about opening a food co-op in her hometown of Bethlehem. Her first co-op experience occurred years ago when she visited Ithaca, New York's GreenStar Natural Foods Market, witnessing the similarities between the cities of Ithaca and Bethlehem. Throughout the years and weekend trips to Ithaca, Heather dreamed of being a member of her own food co-op. Heather previously served on the Bethlehem Food Co-Op's Real Estate Committee in an effort to research properties for the future co-op home. She is interested in the physical plant location in order to bring food to local residents who may not have the means to easily access quality food. Heather enjoys spending time in the great outdoors with her family, specifically hiking, kayaking, biking and gardening.

Kali Gibson, Kali is a resident of West Bethlehem and is lucky enough to be within walking distance of the Rose Garden Farmers Market. Along with her husband, she joined the co-op in 2020 and has been a volunteer with the M.O.V.E. committee ever since. Her dog, Benny, is also an active member who you may see in various co-op photos. Kali has a BA in Economic Development from Eastern University and a Masters in Social Business & Microfinance from Glasgow Caledonian University. Most

recently, she has been exploring Regenerative Design and holds a certificate through the Regensis Institute. Professionally Kali supports and consults various organizations with embedding impact and innovation into their culture and strategy including the World Wildlife Fund for Nature where she acts as their Impact & Strategy Innovation Lead. She brings leadership, sustainability and impact management experience to her position with the co-op. Kali enjoys spending time outside in nature through hiking, walking around Bethlehem, and beach combing. In her own backyard, she is an amateur gardener and enjoys using her harvest for cooking, brewing and fermenting. She finds joy in sharing her creations with others. Kali says, "I'm committed to playing an active role in creating an inclusive economy focused on wellbeing and I think the Bethlehem Co-op Market is going to play a big role in this vision."

Joe Klinkhoff, Joe has been a City of Bethlehem resident for 28 years and owns a home in the Moravian College north campus area, just down the street from the Bethlehem Co-op Market. Joe is a foodie by nature, not just tasting and eating but cooking and creating. He has been in a kitchen since he could stand on a stool and reach the counters—first at his grandmother's and great aunt's side, then on his own—spending over 30 years in food service. "I am always trying new things, new techniques, and certainly new tastes. It was no surprise that I found my way to be involved with the Bethlehem Co-op Market," says Joe. Joe's history with the Bethlehem Co-op Market runs deep. Throughout the past 7 years, you could find him at the farmers market, local events, or working with other co-op volunteers in the original education committee. He has chaired the MOVE committee with other volunteers who have worked hard to make the co-op a reality and is a firm supporter of the co-op business model. Joe currently teaches food-based community classes at NCC, such as various fermented or baked foods, under the umbrella of the BCM. "It's a great feeling to understand where your food comes from and the sense that you are part of that community," says Joe. "My focus is community. My passion is food."

Cindy Glick. Cindy grew up in Bethlehem, attended local schools and graduated from Moravian College. She is a retired corporate affairs manager, experienced in corporate communications, community relations and grant making. Cindy continues to be active in the community, currently serving as vice president of Touchstone Theatre, and as a member of the Investment Committee at the United Way and of the Rotary Club of Bethlehem. Cindy became a member of the Bethlehem Food Co-Op because of her interest in locally grown food, strong belief in the importance of farmland preservation and strengthening the local economy. She loves to garden, enjoys participating in community events and relaxing with a good book. She has two grown children and cherishes time with her twin grandsons and visiting her two grandchildren in Arizona whenever she can.

(2) *No Board Compensation*

We currently do not compensate any of our Directors for acting in their capacity as Directors of the Co-op, and we do not intend to do so in the future. Moreover, Directors are responsible for all of their own expenses incurred in carrying out their duties as Directors, including transportation or administrative costs.

Our Directors are dedicated to the success of Bethlehem Food. Not only have our Directors invested significant time and sweat equity to the Co-op without the expectation of compensation or reimbursements, but all have donated money out of their own pocket to get the Co-op off the ground.

(3) *Conflicts of Interest*

No conflicts of interest currently exist and we do not foresee any arising in the future. There are currently no transactions between any Director and the Co-op, and we do not anticipate entering into any such transactions as the Co-op grows.

However, conflicts may arise in the future due to the relationships between and among our officers, Directors, affiliates and the Co-op, and it is possible that we may from time to time enter into transactions

with our officers, Directors, and affiliates in the future. Conflicts of interest could cause our officers and Directors to put their own personal interests ahead of ours. If any of these transactions arise – perhaps due to a lack of, or limited, alternative options – we intend to conduct any transactions with our officers, Directors and affiliates as if those transactions were negotiated with a third-party on an arms' length basis; however, we cannot assure you that transactions we enter into with related parties will be on terms as favorable to us as those that could have been obtained in an arm's length transaction. Disputes may arise concerning transactions we enter into with related parties, and it is possible that our officers and Directors may receive a more favorable resolution than an unaffiliated third party would receive. Although we intend to examine all conflicts that may arise from time to time and seek alternative options that do not raise conflicts, we cannot assure you that conflicts of interest will not harm our business or reduce the value of your Notes.

9.02 General Manager

The Co-op does not currently have a general manager, but plans to hire one in connection with the opening.

X. DESCRIPTION OF NOTES

10.01 Description of Notes

The Notes represent our unsecured promise to repay principal at maturity and to pay interest during the term or at maturity. By purchasing a Note, you are lending money to us.

The minimum subscription amount is a $2,000 Note, and subscription amounts must be in $100-dollar increments. The term of the Notes will be 4, 7, or 10 years depending on the lender's preference.

Interest rates will vary from 0% to 4% depending on the lender's preference. Repayment of principal and interest will occur in even monthly payments for the duration of the chosen term. These are modest returns. It is presumed that the social benefit of the investment rather than financial return is the motivating factor for lending.

Notes are unsecured and subordinate to external bank loans.

Notes may not be transferred to third parties without the Board's approval.

XI. LEGAL PROCEEDINGS

From time to time and in the ordinary course of its business, we may be named as a defendant in legal proceedings related to various issues, including worker's compensation claims, tort claims and contractual disputes. We are currently involved in no such legal proceedings and are not aware of any potential claims that could result in the commencement of legal proceedings. We carry insurance that provides protection against certain types of claims.

XII. PLAN OF OFFERING

12.01 General Terms of the Offering

We are offering Notes with a principal balance of at least $2,000 to Members who are residents of Pennsylvania. The terms of the Notes were determined by our Board arbitrarily and were not based on customary valuation procedures.

Subscriptions by lenders will require a payment equal to the total subscription amount. Lenders will also be required to sign a subscription agreement. All subscriptions are subject to approval by our Board and acceptance by us, and we reserve the right to reject any subscription in whole or in part for any reason in our sole discretion.

The Offering will close upon our termination of the Offering by a resolution of the Board subject to the Board's authority to extend the Offering one or more times in order to reach our target of raising a minimum $1,600,000 in Notes. We reserve the right to terminate the Offering at any time, to waive conditions to the purchase of Notes, and to reject subscriptions for Notes in whole or in part for any reason in our sole discretion.

Our officers and Directors will sell the Notes in this Offering on our behalf directly to lenders on a best efforts basis without the assistance of an underwriter. We do not consider our officers and Directors to be brokers under the Securities Exchange Act of 1934 because they have not been, and will not be, in the business of effecting transactions in securities for the accounts of others. Their participation in the Offering of securities is limited to this Offering and not part of a general business of effecting securities transactions. Each of these individuals has substantial operational responsibilities to us during and after the Offering. They have not received, and will not receive, any compensation or commissions based, directly or indirectly, upon the sale of the Notes.

Lender Qualifications and Suitability

The Notes are being offered to Members of the Cooperative who are Pennsylvania residents.

An investment in our Notes is speculative and involves a high degree of risk. It will be difficult for any lender to sell or otherwise dispose of Notes because there is likely to be no public trading market. Accordingly, the Notes are suitable only as a long-term investment for persons who can afford to lose their entire investment. Our Board reserves the right to reject any subscription, in whole or in part, for any reason, including if the Board determines that an investment in the Notes is not suitable for any lender.

12.02 Subscription Procedures

In order to purchase Notes, lenders must: (1) complete and sign the subscription agreement included in Appendix A, attached to this Memorandum; and (2) mail the subscription agreement and a check payable to "Bethlehem Co-op Market" in the amount of the Note for which the subscription is made to us at the address below.

Bethlehem Co-op Market
250 E Broad St, Bethlehem PA 18018

Upon acceptance of your subscription by us, your subscription will be immediately at risk. The subscription agreement, when signed and delivered by a lender to us, will be an irrevocable offer by the lender to purchase a Note in the amount provided in the agreement. Lenders may not revoke their subscription agreement, but each subscription agreement is subject to our acceptance or rejection, and we reserve the right to reject any subscription in whole or in part for any reason in our sole discretion. Subscriptions will be accepted only when we countersign the related subscription agreements. Copies of countersigned signature pages will be returned to lenders promptly after acceptance. Accepted subscriptions will become the property of Bethlehem Food. Rejected subscriptions, including the payment, the subscription agreement, and related documents will be returned to lenders promptly after rejection.

Lenders should review the representations and other provisions of the subscription agreement carefully before signing it. In the subscription agreement, each lender will be required to make

representations to us that the lender has received a copy of this Memorandum, and the Appendices and any supplements to this Memorandum; that the lender understands the risks associated with an investment in the Notes; that the lender is purchasing Notes for the purpose of investment and not for resale; that the lender is aware that the Notes are subject to significant restrictions on transfer; that the lender has no agreement or arrangement to sell or otherwise transfer or dispose of the Notes or any interest in the Notes to any other person; that the lender has been encouraged to rely upon the advice of the lender's legal counsel and accountants or other financial advisers with respect to the tax and other considerations relating to an investment in our Notes; and that an investment in the Notes is suitable for the lender.

The subscription agreement also requires information about the registration of the lender's Notes, the lender's residence, and the lender's taxpayer identification or social security number.

If you have any questions regarding the subscription process, you may contact Domenic Breininger by telephone at 484-547-1840 or by email at dbreininger@bethlehemcoopmarket.com.

We thank you for supporting the Co-op through your membership and for considering making an additional investment to support the Co-op's building project.

[The remainder of this page is left blank intentionally.]

BETHLEHEM FOOD CO-OP

UNSECURED SUBORDINATED NOTES

SUBSCRIPTION PACKAGE

NOTICES TO LENDERS

This package contains execution copies of the documents required to be signed and submitted to Bethlehem Food Co-op (the "Cooperative") in order to purchase unsecured subordinated notes ("Notes") of the Cooperative in the offering (the "Offering") made by the Cooperative's Private Placement Memorandum dated March 22, 2025, as the same may be amended or supplemented subsequent to that date (the "Memorandum").

You should read the Memorandum, including the Appendices attached and any supplements thereto, carefully and thoroughly for a full description of the Cooperative and the Notes.

Please direct any questions regarding this Offering or the subscription process to us by mail at Bethlehem Co-op Market, 250 E. Broad St, Bethlehem PA 18018, by phone at 484-547-1840 or by email at dbreininger@bethlehemcoopmarket.com.

We reserve the right to reject your Subscription for any reason in our discretion. If we reject your Subscription, we will return your Subscription materials and check to you.

INSTRUCTIONS

TO SUBSCRIBE FOR NOTES IN THIS OFFERING YOU MUST:

A. **Subscription Agreement**. ***Review carefully and complete*** this Subscription Agreement (pages A-1 through A-6) as follows:

Complete the Subscription and Subscriber Information required on pages A-4 and A-5 as follows:

1. ***Indicate*** the amount of the loan you are making.

2. ***Print*** the name(s) in which the Note is to be registered. Check the appropriate box to indicate form of ownership. If the Subscriber is a corporation, limited liability company, partnership, trust or custodian, please provide the additional information and documents requested.

3. ***Provide*** the address, telephone number and social security or tax identification number of the Subscriber, including any joint or additional Subscriber. All individual Subscribers must provide their social security number. Entities must provide their taxpayer identification number. Trustees or custodians must provide the social security number of the beneficiary or taxpayer identification number of the trust or IRA as required by applicable law.

4. ***Sign and date*** the Subscription Agreement where indicated on page A-5. Note that each Subscriber (including each joint tenant, tenant in common or other additional Subscriber) must sign.

B. **Payment**. ***Make a check*** payable to "**Bethlehem Co-op Market**" in an amount equal to the total amount of the Note for which you are subscribing as shown on page A-4 of your Subscription Agreement. If you wish to submit funds by wire transfer or other method, please contact us for instructions.

C. **Delivery**. ***Return*** **items A and B** (listed above) to Bethlehem Co-op Market, 250 E. Broad St, Bethlehem PA 18018.

THE SECURITIES TO WHICH THIS SUBSCRIPTION AGREEMENT RELATES ARE NOT OFFERED IN ANY STATE OR JURISDICTION OTHER THAN PENNSYLVANIA.

BETHLEHEM FOOD CO-OP
SUBSCRIPTION AGREEMENT
UNSECURED SUBORDINATED NOTES

This Subscription Agreement (this "Subscription Agreement") by and between **Bethlehem Co-op Market**, a Pennsylvania for-profit cooperative corporation (the "Cooperative"), and the undersigned subscriber (the "Subscriber") is made effective as of the date on which the Cooperative accepts this Subscription Agreement by executing the Acceptance form below.

1. ***Memorandum***. The Subscriber understands that the offering of Notes of the Cooperative to which this Subscription Agreement relates is being made only pursuant to a Confidential Offering Memorandum, including the appendices and any amendments or supplements thereto (the "Memorandum").

2. ***Subscription for Notes***. The Subscriber hereby offers and agrees to loan the Cooperative that amount set forth on the execution portion of this Subscription Agreement at the purchase price of the Note on the terms and conditions herein provided. Concurrently with the delivery of this Subscription Agreement, the Subscriber must deliver a check for payment of the amount set forth on Line B of the execution portion of this Subscription Agreement

3. ***Acceptance of Subscription***. The Cooperative reserves the right to reject this Subscription Agreement, in whole or in part, for any reason, in its sole discretion. If the Cooperative accepts this Subscription Agreement, one of its officers will countersign a copy of this Subscription Agreement and indicate its acceptance by promptly executing and delivering the Acceptance contained on page A-6 of this Appendix A and a promissory note to Subscriber. This is the only way the Cooperative will accept this Subscription Agreement.

4. ***Representations and Warranties of the Subscriber***. In consideration of the Cooperative's acceptance of this Subscription Agreement, by his, her or its signature on this Subscription Agreement, the Subscriber hereby represents and warrants to the Cooperative as follows:

a. The Subscriber, or the Subscriber's representative, has had an opportunity to obtain, and has received, any information and has had an opportunity to ask such questions of, and receive answers from, the Cooperative or an agent or representative of the Cooperative, to the extent the Subscriber deemed necessary in order to form a decision concerning an investment in the Notes. The Subscriber understands that the Memorandum contains important information about this offering, the Cooperative, its proposed operations, and an investment in a Note.

b. The Subscriber has not relied on any statements not contained in the Memorandum. No person has been authorized to give any information or to make any representation not contained in the Memorandum in connection with the offer and sale of the Notes.

c. The Subscriber certifies, under penalties of perjury, that the Subscriber is NOT subject to the backup withholding provisions of Section 3406(a)(i)(C) of the Internal Revenue Code of 1986, as amended. (Note: You are subject to backup withholding if: (i) you fail to furnish your Social Security number or taxpayer identification number herein; (ii) the Internal Revenue Service notifies the Cooperative that you furnished an incorrect Social Security number or taxpayer identification number; (iii) you are notified that you are subject to backup withholding; or (iv) you fail to certify that you are not subject to backup withholding or you fail to certify your Social Security number or taxpayer identification number.)

d. The Subscriber acknowledges that the Notes are being acquired for the Subscriber's own account and for investment and without the current intention of transferring any rights with respect to or reselling or redistributing the Notes. The Subscriber understands that no public market currently exists or is expected to develop for the Notes, and that the Notes will not trade on any stock exchange or automatic quotation system.

e. The Subscriber is a Member of the Cooperative and is a resident of or, if an entity, has its principal place of business in, the Commonwealth of Pennsylvania.

f. The Subscriber has such knowledge and experience in financial and business matters that the Subscriber is capable of evaluating the merits and risks of an investment in the Notes or the Subscriber

has obtained, to the extent the Subscriber deems necessary, the Subscriber's own professional advice with respect to the risks inherent in an investment in the Notes, and the suitability of an investment in the Notes in light of the Subscriber's financial condition and investment needs. The Subscriber understands that an investment in the Notes is not suitable for the Subscriber if:

(i) The Subscriber cannot afford to lose the Subscriber's entire investment.

(ii) The Subscriber will need to resell or liquidate the Subscriber's investment in the near term (the Notes are an illiquid investment because no public trading market exists).

(iii) The Subscriber cannot tolerate the market and industry risk that is inherent in the retail grocery industry.

5. ***Securities Law Compliance***. The Subscriber and the Cooperative acknowledge that the offer and sale of the Notes has not been registered under the Securities Act nor under the securities laws of any states. Accordingly the Cooperative will not accept subscriptions to purchase Notes unless subscribers are Members of the Cooperative and residents of the Commonwealth of Pennsylvania.

6. ***Transferability***. The Subscriber understands and agrees that the Notes may not be transferred to any third party except with the Cooperative's prior written approval. As a consequence, the Subscriber understands that the Notes may be prohibited from sale or transfer for an extended period of time, that the Subscriber must bear the economic risk of an investment in the Notes for an extended period of time and that the Subscriber may have extremely limited opportunities, if any, to dispose of the Notes.

7. ***Binding Effect***. Neither this Subscription Agreement nor any interest herein shall be assignable by the Subscriber without the prior written consent of the Cooperative. The provisions of this Subscription Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and permitted assigns.

8. ***Representations to Survive Delivery***. The representations, warranties and agreements of the Cooperative and of the Subscriber contained in this Subscription Agreement will remain in full force and effect and will survive the payment of the purchase price pursuant to Section 2 above, the registration of the Subscriber as a holder of Notes in the records of the Cooperative and the delivery of the Note.

9. ***Governing Law***. This Subscription Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, excluding its conflict of laws rules.

10. ***Headings***. The section headings in this Subscription Agreement are for convenience of reference only and shall not limit or affect the interpretation of the provisions hereof.

11. ***Definitions***. Any capitalized term used herein shall have that meaning accorded to it in the Memorandum, unless otherwise expressly indicated.

RELIANCE BY COOPERATIVE

The Subscriber understands that the Cooperative is relying on the representations, warranties and other information provided by the Subscriber in this Subscription Agreement with respect to the offer and sale of the Notes. By signing below, the Subscriber certifies that all information provided by the Subscriber in this Subscription Agreement is accurate and complete as of the date listed below and, if not an individual, that the Subscriber is duly organized, validly existing and in good standing and has full authority to execute and agree to this Subscription Agreement. The Subscriber understands and agrees that this Subscription Agreement is irrevocable. Subject to the terms of this Subscription Agreement, the Cooperative will return the Subscriber's Subscription Agreement and payment only if the Cooperative rejects this Subscription Agreement.

CAUTION!

This Subscription Agreement is a legal contract between the Subscriber and the Cooperative concerning the purchase of Notes. The Cooperative urges the Subscriber to read carefully this entire Subscription Agreement and the Memorandum, including each of its Appendices, for a complete description of an investment in the Notes. The Subscriber should obtain the Subscriber's own professional advice with respect to the risks inherent in an investment in the Notes, and the suitability of an investment in the Notes in light of the Subscriber's financial condition and investment needs.

SUBSCRIPTION AND SUBSCRIBER INFORMATION AND SIGNATURES

Subscription for Notes

A. **Amount of Note: ……** $_____

(Minimum loan amount is $2,000 and must be in $100 increments)

B. **Term of Note in Years (Maturity): ……** _____

(Note Maturity Date is the Loan Origination Date plus the Maturity Term (length in years) indicated here – 4, 7 or 10 years. Note Origination Date is the date on which this subscription is accepted, as recorded on page A-6 below by the Cooperative)

C. **Interest Rate: ……** _____

(Between 0% to 4%)

Subscriber Name and Form of Ownership (*Notes will be registered as shown in the name(s) printed below*)

Name(s) of Subscriber(s): _____

Bethlehem Co-op Market member number: _____

Form of Ownership – check applicable box:

☐ Individual

☐ Joint Tenants with Right of Survivorship (all signatures must appear below)

☐ Tenants in Common (all signatures must appear below)

☐ Individual Retirement Account (signatures of both account owner and trustee or custodian are required)

☐ Corporation, Limited Liability Company, Partnership or other entity (corporate or limited liability company resolutions or partnership agreement must be enclosed)

☐ Trust (title and signature pages of trust agreement and all amendments must be enclosed):
Trustee Name(s): _____
Date of trust agreement or last amendment: _____

☐ Other: Provide detailed information: _____

Subscriber Address and Tax Information

Subscriber:	**Joint or Additional Subscriber (or IRA owner):**
Name: _____	Name: _____
Address: _____	Address: _____
_____	_____
City State Zip	City State Zip
( ) _____	( ) _____
Telephone Number (include area code)	Telephone Number (include area code)
_____	_____
Social Security or Taxpayer Identification Number *	Social Security or Taxpayer Identification Number *
Commonwealth of Residence: _____	Commonwealth of Residence: _____

(*Note: If more than one social security number is required to be provided, the Cooperative will deliver notices to the Subscriber and address associated with the first social security number.)

Signature(s):

By signing below each Subscriber represents, warrants and agrees as provided in the foregoing Subscription Agreement and that the information provided in this Subscription Agreement, including the Subscription, Subscriber Information and Signature pages is true, correct and complete.

Individuals:	**Entities:**
(Includes joint tenants, tenants in common and individual IRA beneficiaries)	(Includes corporations, limited liability companies, partnerships, cooperatives, trusts and IRA custodians)
_____	_____
Name of Individual Subscriber	Name of Entity Subscriber
_____	_____
Signature of Joint Individual Subscriber	Authorized Signature
_____	_____
Name of Joint Individual Subscriber	Print Name
_____	_____
Signature of Individual Subscriber	Title
_____	_____
Date	Date

Acceptance by Bethlehem Food Cooperative:

This Subscription Agreement has been accepted and agreed to this ____ day of _____, 2025.

BETHLEHEM CO-OP MARKET

By: _____

Title: _____

Date: _____

APPENDIX B
FINANCIAL PROJECTIONS AND STATEMENTS

	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9	Period 10
REVENUE										
SALES - GROCERY	138,407	138,407	138,407	138,407	138,407	138,407	138,407	138,407	138,407	138,407
SALES - DAIRY	42,587	42,587	42,587	42,587	42,587	42,587	42,587	42,587	42,587	42,587
SALES - FROZEN	15,970	15,970	15,970	15,970	15,970	15,970	15,970	15,970	15,970	15,970
SALES - PRODUCE	79,850	79,850	79,850	79,850	79,850	79,850	79,850	79,850	79,850	79,850
SALES - BULK	26,617	26,617	26,617	26,617	26,617	26,617	26,617	26,617	26,617	26,617
SALES - WELLNESS	42,587	42,587	42,587	42,587	42,587	42,587	42,587	42,587	42,587	42,587
SALES - MEAT	47,910	47,910	47,910	47,910	47,910	47,910	47,910	47,910	47,910	47,910
SALES - GENERAL MERCHANDISE	15,970	15,970	15,970	15,970	15,970	15,970	15,970	15,970	15,970	15,970
SALES - PREPARED FOODS	85,173	85,173	85,173	85,173	85,173	85,173	85,173	85,173	85,173	85,173
SALES - BEER/WINE	26,617	26,617	26,617	26,617	26,617	26,617	26,617	26,617	26,617	26,617
SALES - BAKERY	10,647	10,647	10,647	10,647	10,647	10,647	10,647	10,647	10,647	10,647
TOTAL REVENUE	**532,333**	**532,333**	**532,333**	**532,333**	**532,333**	**532,333**	**532,333**	**532,333**	**532,333**	**532,333**
COST OF GOODS										
COGS - GROCERY	91,348	91,348	91,348	91,348	91,348	91,348	91,348	91,348	91,348	91,348
COGS - DAIRY	29,811	29,811	29,811	29,811	29,811	29,811	29,811	29,811	29,811	29,811
COGS - FROZEN	9,742	9,742	9,742	9,742	9,742	9,742	9,742	9,742	9,742	9,742
COGS - PRODUCE	53,500	53,500	53,500	53,500	53,500	53,500	53,500	53,500	53,500	53,500
COGS - BULK	16,769	16,769	16,769	16,769	16,769	16,769	16,769	16,769	16,769	16,769
COGS - WELLNESS	25,978	25,978	25,978	25,978	25,978	25,978	25,978	25,978	25,978	25,978
COGS - MEAT	34,016	34,016	34,016	34,016	34,016	34,016	34,016	34,016	34,016	34,016
COGS - GENERAL MERCHANDISE	9,742	9,742	9,742	9,742	9,742	9,742	9,742	9,742	9,742	9,742

COGS - PREPARED FOODS	33,218	33,218	33,218	33,218	33,218	33,218	33,218	33,218	33,218	33,218
COGS - BEER/WINE	18,499	18,499	18,499	18,499	18,499	18,499	18,499	18,499	18,499	18,499
COGS - BAKERY	10,114	10,114	10,114	10,114	10,114	10,114	10,114	10,114	10,114	10,114
TOTAL COST OF GOODS	**332,735**	**332,735**	**332,735**	**332,735**	**332,735**	**332,735**	**332,735**	**332,735**	**332,735**	**332,735**
GROSS PROFIT	**199,598**	**199,598**	**199,598**	**199,598**	**199,598**	**199,598**	**199,598**	**199,598**	**199,598**	**199,598**
INDIRECT & OPERATIONAL EXPENSES										
WAGES - GROCERY	6,560	6,560	6,560	6,560	6,560	6,560	6,560	6,560	6,560	6,560
WAGES - DAIRY	1,657	1,657	1,657	1,657	1,657	1,657	1,657	1,657	1,657	1,657
WAGES - FROZEN	864	864	864	864	864	864	864	864	864	864
WAGES - PRODUCE	5,031	5,031	5,031	5,031	5,031	5,031	5,031	5,031	5,031	5,031
WAGES - BULK	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538
WAGES - WELLNESS	2,636	2,636	2,636	2,636	2,636	2,636	2,636	2,636	2,636	2,636
WAGES - MEAT	5,586	5,586	5,586	5,586	5,586	5,586	5,586	5,586	5,586	5,586
WAGES - GENERAL MERCHANDISE	846	846	846	846	846	846	846	846	846	846
WAGES - PREPARED FOODS	22,997	22,997	22,997	22,997	22,997	22,997	22,997	22,997	22,997	22,997
WAGES - BEER/WINE	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355
WAGES - BAKERY	576	576	576	576	576	576	576	576	576	576
WAGES - FRONT END	17,301	17,301	17,301	17,301	17,301	17,301	17,301	17,301	17,301	17,301
WAGES - ADMINISTRATIVE	24,417	24,417	24,417	24,417	24,417	24,417	24,417	24,417	24,417	24,417
PERS - PAYROLL TAXES	6,989	6,989	6,989	6,989	6,989	6,989	6,989	6,989	6,989	6,989
PERS - WORKERS COMP INSURANCE	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672	3,672
PERS - BONUS	-	-	-	-	-	-	-	-	-	-

PERS - HEALTH PLAN EXPENSE	-	-	-	-	-	-	-	-	-	-
PERS - PTO ADMINISTRATIVE	650	650	650	650	650	650	650	650	650	650
PERS - EMPLOYER 401(K) CONTRIBUTION	-	-	-	-	-	-	-	-	-	-
PERS - 401(K) ADMINISTRATION FEES	-	-	-	-	-	-	-	-	-	-
PERS - SAFETY PROGRAM	200	200	200	200	200	200	200	200	200	200
PERS - TEMP SERVICES	-	-	-	-	-	-	-	-	-	-
PERS - OTHER EMPLOYEE SERVICES	-	-	-	-	-	-	-	-	-	-
SUPPLIES - FRONT END - PACKAGING	500	500	500	500	500	500	500	500	500	500
SUPPLIES - FRONT END - OTHER	50	50	50	50	50	50	50	50	50	50
SUPPLIES - GROCERY - PACKAGING	50	50	50	50	50	50	50	50	50	50
SUPPLIES - GROCERY - OTHER	50	50	50	50	50	50	50	50	50	50
SUPPLIES - DAIRY - PACKAGING	50	50	50	50	50	50	50	50	50	50
SUPPLIES - DAIRY - OTHER	50	50	50	50	50	50	50	50	50	50
SUPPLIES - FROZEN - PACKAGING	20	20	20	20	20	20	20	20	20	20
SUPPLIES - FROZEN - OTHER	20	20	20	20	20	20	20	20	20	20
SUPPLIES - PRODUCE - PACKAGING	300	300	300	300	300	300	300	300	300	300
SUPPLIES - PRODUCE - OTHER	50	50	50	50	50	50	50	50	50	50
SUPPLIES - BULK - PACKAGING	350	350	350	350	350	350	350	350	350	350
SUPPLIES - BULK - OTHER	50	50	50	50	50	50	50	50	50	50
SUPPLIES - WELLNESS - PACKAGING	25	25	25	25	25	25	25	25	25	25
SUPPLIES - WELLNESS - OTHER	25	25	25	25	25	25	25	25	25	25

SUPPLIES - MEAT - PACKAGING	350	350	350	350	350	350	350	350	350	350
SUPPLIES - MEAT - OTHER	50	50	50	50	50	50	50	50	50	50
SUPPLIES - GENERAL MERCH - PACKAGING	20	20	20	20	20	20	20	20	20	20
SUPPLIES - GENERAL MERCH - OTHER	20	20	20	20	20	20	20	20	20	20
SUPPLIES - PREPARED FOODS - PACKAGING	800	800	800	800	800	800	800	800	800	800
SUPPLIES - PREPARED FOODS - OTHER	200	200	200	200	200	200	200	200	200	200
SUPPLIES - BEER/WINE - PACKAGING	100	100	100	100	100	100	100	100	100	100
SUPPLIES - BEER/WINE - OTHER	50	50	50	50	50	50	50	50	50	50
SUPPLIES - BAKERY - PACKAGING	300	300	300	300	300	300	300	300	300	300
SUPPLIES - BAKERY - OTHER	20	20	20	20	20	20	20	20	20	20
TOTAL INDIRECT & OPERATIONAL	**106,375**	**106,375**	**106,375**	**106,375**	**106,375**	**106,375**	**106,375**	**106,375**	**106,375**	**106,375**
SALES, GENERAL AND ADMINISTRATIVE										
ACCOUNTING - SERVICES	479	479	479	479	479	479	479	479	479	479
ACCOUNTING - BANK CHARGES	160	160	160	160	160	160	160	160	160	160
ACCOUNTING - CASH OVER / SHORT	-	-	-	-	-	-	-	-	-	-
ACCOUNTING - DEPRECIATION	-	-	-	-	-	-	-	-	-	-
ACCOUNTING - GM DISCRETIONARY	100	100	100	100	100	100	100	100	100	100

ACCOUNTING - MERCHANT CARD PROCESSING	10,753	10,753	10,753	10,753	10,753	10,753	10,753	10,753	10,753	10,753
ACCOUNTING - MISC GENERAL EXPENSE	106	106	106	106	106	106	106	106	106	106
ACCOUNTING - POSTAGE & DELIVERY	160	160	160	160	160	160	160	160	160	160
ACCOUNTING - VEHICLE LOAN	639	639	639	639	639	639	639	639	639	639
ACCOUNTING - INSURANCE	799	799	799	799	799	799	799	799	799	799
BOARD - GM SEARCH & DEV	-	-	-	-	-	-	-	-	-	-
BOARD - BOARD MEETING EXPENSE	106	106	106	106	106	106	106	106	106	106
BOARD - CONSULTING	639	639	639	639	639	639	639	639	639	639
BOARD - ELECTION EXPENSE	213	213	213	213	213	213	213	213	213	213
BOARD - EMPLOYMENT	-	-	-	-	-	-	-	-	-	-
BOARD - LEGAL	160	160	160	160	160	160	160	160	160	160
BOARD - MEMBERSHIP MEETINGS	213	213	213	213	213	213	213	213	213	213
BOARD - MISCELLANEOUS	53	53	53	53	53	53	53	53	53	53
BOARD - STIPEND	-	-	-	-	-	-	-	-	-	-
BOARD - TRAVEL	-	-	-	-	-	-	-	-	-	-
BOARD - PROFESSIONAL SERVICES & FEES	106	106	106	106	106	106	106	106	106	106
HR - EMPLOYEE EVENTS	106	106	106	106	106	106	106	106	106	106
HR - TRAINING	1,331	1,331	1,331	1,331	1,331	1,331	1,331	1,331	1,331	1,331
HR - TRAVEL	479	479	479	479	479	479	479	479	479	479
IT - MAINTENANCE	479	479	479	479	479	479	479	479	479	479
IT - SOFTWARE	586	586	586	586	586	586	586	586	586	586
IT - SUPPLIES	319	319	319	319	319	319	319	319	319	319
MARKETING - ADVERTISING	3,993	3,993	3,993	3,993	3,993	3,993	3,993	3,993	3,993	3,993
MARKETING - COMMUNITY DONATIONS	426	426	426	426	426	426	426	426	426	426

MARKETING - CONSUMER EDUCATION	319	319	319	319	319	319	319	319	319	319
MARKETING - EVENTS	319	319	319	319	319	319	319	319	319	319
MARKETING - OTHER	319	319	319	319	319	319	319	319	319	319
MARKETING - PROMOTIONS	532	532	532	532	532	532	532	532	532	532
MARKETING - RECRUITING COSTS	160	160	160	160	160	160	160	160	160	160
MARKETING - SALES FLYER	1,863	1,863	1,863	1,863	1,863	1,863	1,863	1,863	1,863	1,863
MARKETING - SIGNAGE	319	319	319	319	319	319	319	319	319	319
MARKETING - SPONSORSHIPS	266	266	266	266	266	266	266	266	266	266
MARKETING - SUPPLIES	53	53	53	53	53	53	53	53	53	53
MEMBERSHIP - NEWSLETTER	53	53	53	53	53	53	53	53	53	53
MEMBERSHIP - ANNUAL MEMBERSHIP MEETING	213	213	213	213	213	213	213	213	213	213
MEMBERSHIP - OTHER EXPENSES	-	-	-	-	-	-	-	-	-	-
MEMBERSHIP- POSTAGE & SUPPLIES	213	213	213	213	213	213	213	213	213	213
MEMBERSHIP - PROCESSING FEES	53	53	53	53	53	53	53	53	53	53
OPERATIONS - CONSULTING	2,662	2,662	2,662	2,662	2,662	2,662	2,662	2,662	2,662	2,662
OPERATIONS - CONTRACT LABOR	-	-	-	-	-	-	-	-	-	-
OPERATIONS - DUES AND SUBSCRIPTIONS	532	532	532	532	532	532	532	532	532	532
OPERATIONS - EQUIPMENT	106	106	106	106	106	106	106	106	106	106
OPERATIONS - EQUIPMENT MAINT AGREEMENTS	319	319	319	319	319	319	319	319	319	319
OPERATIONS - EQUIPMENT RENTAL	160	160	160	160	160	160	160	160	160	160

OPERATIONS - LEGAL SERVICES	266	266	266	266	266	266	266	266	266	266
OPERATIONS - LICENSE, FEES & PERMITS	213	213	213	213	213	213	213	213	213	213
OPERATIONS - MEALS AND ENTERTAINMENT	106	106	106	106	106	106	106	106	106	106
OPERATIONS - MILEAGE	266	266	266	266	266	266	266	266	266	266
OPERATIONS - MUSIC SERVICE	48	48	48	48	48	48	48	48	48	48
OPERATIONS - OFFICE EQUIPMENT	160	160	160	160	160	160	160	160	160	160
OPERATIONS - OFFICE SUPPLIES	53	53	53	53	53	53	53	53	53	53
OPERATIONS - OPERATIONAL SUPPLIES	106	106	106	106	106	106	106	106	106	106
OPERATIONS - LAUNDRY SERVICE	426	426	426	426	426	426	426	426	426	426
OPERATIONS - VEHICLE MAINTENANCE	186	186	186	186	186	186	186	186	186	186
TOTAL SALES, GENERAL AND ADMINISTRATIVE	**32,700**	**32,700**	**32,700**	**32,700**	**32,700**	**32,700**	**32,700**	**32,700**	**32,700**	**32,700**
OCCUPANCY										
OCCUPANCY - RENT	11,988	11,988	11,988	11,988	11,988	11,988	11,988	11,988	11,988	11,988
OCCUPANCY - Property/Liab. Insurance	1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,597
OCCUPANCY - Maintenance & Repairs	532	532	532	532	532	532	532	532	532	532
UTILITIES - Electric	3,088	3,088	3,088	3,088	3,088	3,088	3,088	3,088	3,088	3,088
UTILITIES - Gas	1,011	1,011	1,011	1,011	1,011	1,011	1,011	1,011	1,011	1,011
UTILITIES - Water,Sewer,Garbage	586	586	586	586	586	586	586	586	586	586

UTILITIES - Telephone & Internet	692	692	692	692	692	692	692	692	692	692
TOTAL OCCUPANCY	**19,494**	**19,494**	**19,494**	**19,494**	**19,494**	**19,494**	**19,494**	**19,494**	**19,494**	**19,494**
MISC INCOME & EXPENSE										
MISC EXPENSE - DEBT SERVICE CON. LOAN	7,623	7,623	7,623	7,623	7,623	7,623	7,623	7,623	7,623	7,623
MIS EXPENSE - MEMBER LOAN DEBT SERVICE	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667
MISC EXPENSE - MEMBER LOAN INTEREST	889	889	889	889	889	889	889	889	889	889
MISC EXPENSE - OTHER EXPENSE	-	-	-	-	-	-	-	-	-	-
MISC EXPENSE - SUSPENSE	-	-	-	-	-	-	-	-	-	-
MISC EXPENSE - DISCOUNTS	13,308	13,308	13,308	13,308	13,308	13,308	13,308	13,308	13,308	13,308
MISC INCOME - MISC REVENUE	(53)	(53)	(53)	(53)	(53)	(53)	(53)	(53)	(53)	(53)
MISC INCOME - INTEREST INCOME	(53)	(53)	(53)	(53)	(53)	(53)	(53)	(53)	(53)	(53)
MISC INCOME- DIVIDEND INCOME	(479)	(479)	(479)	(479)	(479)	(479)	(479)	(479)	(479)	(479)
TAXES - DEFERRED TAX	-	-	-	-	-	-	-	-	-	-
TAXES - INCOME TAXES	-	-	-	-	-	-	-	-	-	-
TAXES - STATE INCOME TAX	-	-	-	-	-	-	-	-	-	-
Total Misc Income & Expense	**27,902**	**27,902**	**27,902**	**27,902**	**27,902**	**27,902**	**27,902**	**27,902**	**27,902**	**27,902**
	-	-	-	-	-	-	-	-	-	-
TOTAL NET	**13,128**	**13,128**	**13,128**	**13,128**	**13,128**	**13,128**	**13,128**	**13,128**	**13,128**	**13,128**