

## OPPORTUNITY DEVELOPMENT COOPERATIVE OF PETROLEUM COUNTY

### INVEST. SUPPORT. SUSTAIN.

Our rural future depends on the success of entrepreneurs who invest their time, talent, and money in our community. These businesses meet our local needs and build strength and resilience in our economy. An Investment Co-op structure will allow interested investors to contribute and participate in our co-op mission;

*The co-op will maintain and grow viable businesses or projects that benefit the residents of Petroleum County by allowing co-op members to invest funds in the future development of our community, therefore enhancing the economic stability of the community.*

Our steering committee has settled on a revolving loan fund model that will meet needs beyond traditional financing tools, bridge funding gaps, and create leverage for additional funding. Focus will be on **business succession, business creation and growth of existing businesses, and additional local housing**. The fascinating thing about co-op structure is the flexibility that is available, so as needs might change, so might the structure.

#### Structure;

- One common stock (membership/voting share) may be purchased by an **eligible individual who resides in the state of Montana**. This share allows the member to vote for board directors and any other business deemed necessary for co-op structure. The share cost is \$150.00 and is not a redeemable or salable asset.
- Class A Founders' Preferred Stock will be offered to **members** on a first come, first served basis. Any shares purchased in this one-time investment will be considered first for dividends and could have a slightly higher rate of return. There are 200 of these shares at \$250.00 per share. Shares are not redeemable but may be transferred to another co-op member.
- Class B Preferred Stock can be purchased by any **individual or entity**, in any number, for \$250.00 per share and dividends may be available. These non-voting shares are redeemable.
- Preferred stock capital will be used for eligible loan requests as approved by the board and any advisory committees. All dividend benefits, stock sales, stock redemption, policy, and loans will be at the discretion of the Board.
- The initial 5 Directors for the Board are elected by the members. A majority of seats on the Board will be reserved for members who are residents of Petroleum County, with the remaining seats being open to any member.

#### Benefits;

- Opportunity to invest in the community.
- Opportunity to have input and help steer the community in an economically positive, sustainable direction.
- Earn dividends, as determined feasible by the board.
- Participation and support from co-op investors can leverage additional funds

#### Next Steps;

- The co-op has been recognized by the state as a cooperative association and approved to ask for pledges from investors to buy shares.
- The goal is to have at least 50 common share members pledged allowing the co-op enough startup funds to begin organization and operation. The steering committee estimates a need for \$3000 per year for operation costs.
- Any Class A Founders' preferred stock pledged could be used for unforeseen expenses but would ideally be available for any immediate short term loan requests.

- When the needed pledge goals are achieved, the co-op will have its first meeting to elect 5 directors to serve staggered terms, and by-laws will be approved.
- The first meeting report will be sent to the SOS, at which time we will receive a Certificate of Completed Organization of the Coop.
- Upon approval, the co-op will notify investors and they will have 30 days to get their pledged money to the co-op.
- The Board will be working on draft co-op policy and procedure, along with loan policy and application documents.
- The Board will continue to promote new membership, and when an eligible loan application is received, will be approaching and encouraging potential and interested investors to purchase preferred stock to invest in said loan. Communication and prompt response will be paramount to the success of investments.
- The co-op will have an email and website presence to allow all members and interested parties to keep abreast of information.

Possible projects;

- Local grocery store is looking at doing a store front remodel.
- The state highway through Winnett has been refurbished along with sidewalks in that area but there is a need for more sidewalk repair.
- A new business will soon be opening in the new 55 Main building and could require some startup funds.
- Winnett Tire is for sale and could be a future need for help in continuing business.
- The Northern Hotel is for sale and could be a future need.

Having the co-op structure in place will allow a reasonably quick response when a need or opportunity comes forward.

Investment cooperatives are referred to as “patient investment cooperatives,” meaning that the members and investors of the cooperative recognize that investing in their community is not a quick monetary return, but a patient investment with the most significant benefit of seeing the community grow, thrive, and become economically resilient.

We stress that there will not be large monetary returns, especially at the beginning, but we feel the community sustainability and ability to leverage local funds could be very beneficial. We have attempted to keep share prices reasonable to allow small investors to engage, while those who want to invest more may do so by buying additional numbers of shares.

The Steering Committee of Diane Ahlgren, Will Hollender, Laura Kiehl, Mitch Thompson, Kelly Beevers, and others have worked for 18 months to get to this point and are excited to be able to offer this opportunity to invest in a community that is special to all of us. We appreciate your interest and help as we continue this additional commitment to all the great things that are happening in this unique place!

