FACTS ABOUT THE XYZ COOPERATIVE, INC.

1. It is incorporated under the cooperative laws of the State of Kentucky (see Articles of Incorporation).

2. It is owned by members who invest their money primarily for the purpose of getting services, but who also may receive dividends on their invested capital.

3. The cooperative has two classes of stock; common and preferred:

   **COMMON STOCK** - Par value of $5.00. Authorization is for 200,000 shares. This is the *voting* stock. Only members can own this stock. Each member has at least one share. Each member has one vote in electing directors and on other matters requiring member voting.

   Dividends *may* be paid on this common stock (see Articles of Incorporation, Article IX, Section 2)
   
   — if the cooperative earns enough to pay the dividends.
   
   — if the board of directors declares dividends.
   
   — if 6% dividends are first declared and paid on all preferred stock outstanding.
   
   — if the dividends are not in excess of 6% per annum.

   In the event of dissolution, after all debts are paid, and after payment of all preferred stock outstanding at par value plus any dividends declared and unpaid, payment may then be made for all common stock outstanding at par or book value, whichever is less, plus any dividends declared and unpaid. (Article XII - Dissolution)

   **PREFERRED STOCK** - Par value is $25.00. Authorization is for 10,000 shares. This is the *non-voting stock*. There are no legal restrictions on ownership.

   Dividends may be paid on this preferred stock (Article IX, Section 3)
   
   — if declared by the board of directors.
   
   — if the dividends are not in excess of 6% per annum.

   In the event of dissolution, after payment of all debts, holders of all preferred stock shall be entitled to receive the par value for their stock, plus any dividend declared thereon and unpaid, before any distribution is made on the common stock of the cooperative.

4. The company was worth $________________ on 12/31/16. $________________ on 12/31/17.

5. Volume of Sales was $________________ in 2016. $________________ in 2017.

6. Cost of Sales were $________________ in 2016. $________________ in 2017.
7. Net Savings before taxes were $_______________ in 2016. $_______________ in 2017