



The Greene Hill Food Cooperative, Inc.

Up to \$40,000 Subordinated Fixed Rate Notes

The Greene Hill Food Cooperative, Inc. (the “Co-op”) Notes — Proposed Terms of Notes

Maturity	2017, 2018, 2019, 2020, 2021 or 2022 (representing five, six, seven, eight, nine or ten year terms, respectively)—as selected by the Purchaser but subject to Note Quotas (as defined below)
Rate of Interest	Fixed rate of 2.5% or less per year, as selected by the Purchaser, for Notes with a maturity of five, six or seven years (2017, 2018 or 2019) or Fixed rate of 3.5% or less per year, as selected by the Purchaser, for Notes with a maturity of eight, nine or ten years (2020, 2021 or 2022)
Minimum Investment Required	\$1,000
Issue Price	Face value
Payment Dates	Accrued interest paid annually on January 15 of each year; principal and accrued interest paid on the Maturity Date stated on the Note
Status	Unsecured subordinated debt.
Aggregate Principal Amount of the Offering*	Up to \$40,000

*This is the aggregate amount of the Offering (as defined below), prior to payment of expenses and fees in connection with this Offering. More than \$40,000 in Notes may be sold if Purchasers (as defined below) express sufficient interest in this Offering and our Steering Committee agrees to the issuance of more than \$40,000 of Notes. The estimated expenses of the Offering are costs related to the printing of documents for investors, which will be paid from the sales of the Notes.

We are offering up to \$40,000 aggregate principal amount of our unsecured subordinated fixed rate notes (the “Notes”) to potential purchasers resident in the State of New York (the “Purchasers”) (the “Offering”). Purchasers may choose the amount of Notes they offer to purchase; however, the minimum amount is \$1,000. The maturity of each Note will vary from five to ten years, as selected by the Purchaser, and the Maturity Date (as defined below) will be stated on each Note and will be based on the maturity selected by the Purchaser. Only a certain amount of Notes will be available for each maturity (for each maturity, a “Note Quota”), and Notes of each maturity will be sold with preference given first to Purchasers who have selected a lower interest rate and, within a given interest rate, on a first-come, first-serve basis. For a particular Note, the principal will be repaid to the Purchaser of such Note on January 15 in the year of maturity selected by the Purchaser, which will be stated on each Note (the “Maturity Date”). Interest on the Notes will accrue at a fixed rate of 2.5% or less per year, as selected by the Purchaser, for Notes with a maturity of five, six or seven years (2017, 2018 or 2019) as selected by the Purchaser; the interest will accrue at a fixed rate of 3.5% or less per year, as selected by the Purchaser, for Notes with a maturity of eight, nine or ten years (2020, 2021 or 2022). Accrued interest will be paid annually on January 15 of each year, except in certain limited circumstances. For further information on the terms of the Notes, see “Offering Plan”. For information on how to purchase Notes, see “Instructions”.

The Offering will terminate on January 10, 2012 unless our Steering Committee extends the Offering or terminates it earlier. We reserve the right to suspend or terminate this Offering at any time for any reason. Offers from Purchasers will not be accepted and no Notes will be sold or issued unless we have received executed purchase agreements for an aggregate of at least \$10,000 of Notes by December 15, 2011 (the “Acceptance Minimum”) or unless the Steering Committee waives the Acceptance Minimum. See “Offering Plan”.

The Notes will constitute our direct, unsecured and subordinated obligations and will rank at all times equal in right of payment with all our other existing and future unsecured and subordinated indebtedness, other than obligations given preferential or senior ranking by statute or by operation of law.

Investing in the Notes involves risks. An investment in the Notes is speculative and involves a high degree of risk. It may be difficult for any Resident (as defined below) to whom a Note is sold (“Noteholder”) to sell or otherwise dispose of Notes because there will be restrictions on the transfer of the Notes and no public trading

market for the Notes. Accordingly, the Notes are suitable only as a long-term investment for persons who can afford to lose their entire investment. See “Risk Factors” beginning on page 8 of this Disclosure Statement for a discussion of certain risks that you should consider in connection with an investment in the Notes.

The Notes have not been and will not be registered under the Securities Act of 1933, as amended (the “Securities Act”) or any U.S. state securities laws, including the State of New York. The Notes are being offered and sold only to persons resident within the State of New York (each, a “Resident”) in reliance upon Section 3(a)(11) of the Securities Act and Section 359-f(2)(c) of the General Business Law of the State of New York (the “NY General Business Law”). Neither the Securities and Exchange Commission (the “SEC”), nor the State of New York Department of Law (the “Department of Law”), nor any other U.S. regulatory authority or any state securities commission has approved or disapproved of these Notes or passed upon or endorsed the merits of this Offering or the adequacy or accuracy of this Disclosure Statement. Any representation to the contrary is a criminal offense in the United States.

This Disclosure Statement is only for distribution in the State of New York. This Disclosure Statement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Disclosure Statement in any jurisdiction where such action is required.

The date of this Disclosure Statement is December 1, 2011.

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DISTRIBUTION AND OFFERING RESTRICTIONS

THIS DISCLOSURE STATEMENT IS ONLY FOR DISTRIBUTION IN THE STATE OF NEW YORK AND THE DISTRIBUTION OF THIS DOCUMENT IS PROHIBITED IN ANY JURISDICTION WHERE SUCH DISTRIBUTION IS UNLAWFUL.

THIS OFFERING IS AN OFFER ONLY TO BONA FIDE RESIDENTS OF THE STATE OF NEW YORK AND IS NOT AN OFFER IN ANY JURISDICTION WHERE AN OFFER TO SELL THE NOTES WOULD BE UNLAWFUL. NO PURCHASE AGREEMENTS WILL BE ACCEPTED FROM PERSONS WHO ARE NOT BONA FIDE RESIDENTS OF THE STATE OF NEW YORK. ANY PURCHASE AGREEMENT, MONEY OR CHECK RECEIVED FROM A NON-RESIDENT WILL BE RETURNED TO THE SENDER.

IMPORTANT NOTICE TO INVESTORS

References herein to “we”, “us”, “our”, and the “Co-op” are to The Greene Hill Food Cooperative, Inc. References to “you” or “your” are to potential investors in the Notes. References to “dollar”, “dollars”, “U.S. dollars”, “U.S.\$” or “\$” are to United States dollars.

We do not intend this Disclosure Statement or any other information supplied in connection herewith to be, nor should it be, considered as a recommendation by us that any recipient of this Disclosure Statement or any other such information should purchase the Notes. You are advised to make, and shall be deemed to have made, your own independent investigation of our financial condition and affairs, and your own appraisal of our creditworthiness.

You should not rely on any information other than information contained in this Disclosure Statement. We have not authorized any person to provide you with any different or additional information. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this Disclosure Statement is accurate as of the date stated on the front cover and not as of any other date. Our business, financial condition, results of operations and prospects may have changed since such date. Notwithstanding the foregoing, the information provided in this Disclosure Statement that relates to the industry in which we operate is based solely upon publicly available information, and we do not make any representation or warranty with respect thereto. No broker-dealer or underwriter or trustee is being used in this Offering.

We do not make any representation regarding the legality of your purchase of Notes under applicable investment or similar laws, and you should not construe the contents of this Disclosure Statement as legal, tax or investment advice. You are advised to consult your own attorney, accountant and business adviser as to legal, tax, business, financial and related matters concerning the purchase of Notes. You should be aware that you may be required to bear the financial risk of this investment for as long as you hold the Notes. Accordingly, the Notes are suitable only as a long-term investment for persons who can afford to lose their entire investment. The Notes are subject to certain risks. See “Risk Factors”.

The Notes have not been and will not be registered under the Securities Act or any U.S. state securities laws, including the State of New York. The Notes are being offered and sold only to Residents in reliance upon Section 3(a)(11) of the Securities Act and Section 359-f(2)(c) of the NY General Business Law. Neither the SEC, nor the Department of Law, nor any other U.S. regulatory authority or any state securities commission has approved or disapproved of these Notes or passed upon or endorsed the merits of this offering or the adequacy or accuracy of this Disclosure Statement. Any representation to the contrary is a criminal offense in the United States.

Each person who purchases Notes or receives Notes that bear a restrictive legend will be deemed to (i) represent that such person is purchasing or otherwise receiving the Notes for its own account or for the benefit of an account with respect to which it exercises sole investment discretion; (ii) acknowledge that the Notes have not been and will not be registered under the Securities Act or the NY General Business Law and may not be reoffered, resold, pledged or otherwise transferred except as permitted by the Securities Act, the Securities Exchange Act of 1934, as amended, and any applicable securities laws of any state of the United States or any

other jurisdiction; (iii) acknowledge that the Notes may only be transferred to Residents for the nine months following the termination of the Offering and that, after that period, the Notes may only be transferred to non-Residents if our Treasurer has received a written legal opinion from the transferor's legal counsel, satisfactory to our legal counsel, that the transfer to the non-Resident complies with all applicable laws. For a description of these and certain further restrictions on offers and sales of the Notes and distribution of this Disclosure Statement, see "Offering Plan", "Eligibility to Purchase Notes" and "Transfer Restrictions".

The Offering was approved by our board of directors ("Board") and present members at a meeting held on May 26, 2011. The accuracy of all accounting, financial and economic information, as well as all other information contained therein, is the exclusive responsibility of the Co-op.

The Offering will terminate on January 10, 2012 unless our Steering Committee extends the Offering or terminates it earlier. We reserve the right to suspend or terminate this Offering at any time for any reason. Offers from Purchasers will not be accepted and no Notes will be sold or issued unless we have received executed purchase agreements for an aggregate of the Acceptance Minimum in Notes by December 15, 2011 or unless the Steering Committee determines that the offers from Purchasers, if less than the Acceptance Minimum, along with other Co-op funds are adequate to proceed with the plans for the new store. See "Offering Plan".

AVAILABLE INFORMATION

You should read the Disclosure Statement carefully and thoroughly for a full description of the Co-op, the Notes and the Offering and the risks associated with us and the purchase of the Notes.

This Disclosure Statement contains forms of the documents required to be signed and submitted to us in order to purchase Notes pursuant to the Offering. See "Instructions" on page 40 for additional information about what is required to purchase the Notes.

Copies of this Disclosure Statement, including the Purchase Agreement and form of the unsecured subordinated promissory note which are attached to this Disclosure Statement, and copies of our bylaws will be available to Residents on our website at <http://www.greenehillfoodcoop.com/loans>.

If you have additional questions regarding the Offering or the process to purchase Notes, please contact Doug Warren, Board member of the Co-op and Co-Chair of the Finance Committee, by email at finance@greenehillfood.coop.

FORWARD-LOOKING STATEMENTS

This Disclosure Statement contains certain "forward-looking statements," within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, that may be affected by a number of risks and uncertainties many of which are beyond our control. Certain information included in this Disclosure Statement contains information that is forward-looking, including but not limited to:

- our expectations for future changes related to matters affecting our business; and
- our expectations for our future performance, revenues, income, capital expenditures, liquidity and capital structure.

Forward-looking statements may also be identified by words such as "may," "will," "believe," "expect," "anticipate," "plan," "project," "intend," "should," "seek," "estimate," "future" or similar expressions. These statements discuss future expectations, contain projections of results of operations or of financial conditions or state other forward-looking information. Forward-looking statements are subject to various risks and uncertainties. When considering forward-looking statements, you should keep in mind the factors described in "Risk Factors" and other cautionary statements appearing in "Our Finances" below. These "Risk Factors" and other statements describe circumstances that could cause results to differ materially from those contained in any forward-looking statement. The risks and uncertainties include, but are not limited to:

- uncertainties relating to political and economic conditions nationally and regionally that could affect our operations;
- the impact of regulatory reform and changes in the regulatory environment in which we operate;
- the impact of actions taken by third parties, including suppliers and governmental authorities; and
- additional matters identified in “Risk Factors”.

Our actual results may differ materially from the results discussed in these forward-looking statements because such statements, by their nature, involve estimates, assumptions and uncertainties. The forward-looking statements contained in this Disclosure Statement speak only as of the date of this Disclosure Statement, and we do not undertake any obligation to update any forward-looking statement or other information to reflect events or circumstances occurring after the date of this Disclosure Statement or to reflect the occurrence of unanticipated events.

SUMMARY

The following summary is provided for your convenience. We believe it highlights the most important information in this Disclosure Statement, but it may not contain all of the information that may be important to you. This entire summary is subject to the detailed information included in other sections of this Disclosure Statement and must be read in conjunction with them before you decide to invest, including the sections entitled “Risk Factors”, “Our Business” and “Our Finances”.

The Greene Hill Food Cooperative, Inc. (the “Co-op” or “us”) was incorporated as a New York cooperative corporation in 2009. We are an early-stage food cooperative and have operated from December 2010 to September 2011 as a buying club with a pick-up location located at 18-26 Putnam Avenue in the Clinton Hill neighborhood of Brooklyn, New York. Through the buying club, members placed online orders during a window of time once every two weeks for products then available from our local farmer supplier. We then placed an order with our local farm supplier based on these orders. Our buying club ceased operations in September 2011 in order to allow for the build-out of the 18-26 Putnam Avenue location for purposes of opening our store. To date, we have had limited operations and have earned limited revenue from our operations. Our goals are the promotion of nutritional awareness and eating habits and social and environmental responsibility by offering cost-effective and nutritional options to our members using local products and suppliers, with an emphasis on providing those options to low-income members of our community.

We are transitioning from a buying club to a traditional cooperative grocery store to sell refrigerated eggs and dairy products; frozen and non-frozen meats; prepared foods; breads, cereals, bulk grains, rice, flour; locally-made preserves, sauces, pickled foods and specialty/seasonal items as may be offered on occasion from our suppliers; coffee, tea and chocolate; commercially-canned and packaged foods and bulk foods; pet foods; household items such as sustainable cleaning products and paper goods; produce with a focus on local sources; and health and wellness products. As a member cooperative, our members are also our employees and receive no monetary compensation for the work they do at the Co-op as part of their membership. Administration and management of the Co-op is also performed by members who serve as directors on our board, as officers or as members of committees that are dedicated to certain functions such as finance, merchandising and operations. On December 1, 2010, we entered into a five-year lease agreement (the “Lease”) for our current location in Clinton Hill, which has a total of 2,400 square feet of which we expect to use 1,500 square feet for our store initially.

In this Offering, we are proposing to raise up to \$40,000 by offering Residents the opportunity to purchase Notes with a minimum denomination of \$1,000 and integral multiples of \$100 above \$1,000. Proceeds from the Offering will be used for expenses related to the opening of our new store including costs to build-out, equip and stock our store and pay rent for the remaining months of 2011 after the closing of the buying club, as well as establish working capital reserves for the store (the “Store Project”). The Store Project may be changed, at any time, by our board of directors, in its discretion.

Our goal is to sell to Residents from \$35,000 up to \$40,000 of Notes (unless our Steering Committee waives this current maximum amount); however, we may sell Notes and proceed with the Store Project even if the total amount of purchased Notes is less than the Acceptance Minimum, if our Steering Committee approves. Residents who wish to purchase a Note must complete the purchase agreement attached to this Disclosure Statement (the “Purchase Agreement”) stating the principal amount of Notes they are offering to buy; the length of time until repayment of the principal and the interest rate to be paid on the principal. The completed Purchase Agreement form must be returned to Jeffrey Frankovic, our Treasurer, at the Co-op along with a check for the principal amount of the Notes. We may reject any Purchase Agreement for any reason.

The total cost of the Store Project is estimated to be \$99,544; however, the final cost could be more or less than this amount. As currently proposed, our sources to pay these costs are: (a) \$66,110 from funds raised through member equity, (b) \$18,584 from cash in the Co-op’s accounts and (c) \$1,350 from donated buying club deposits. We intend for the proceeds from this Offering to cover the remaining costs of the Store Project, as currently budgeted, approximately \$13,500. See “Use of Proceeds and the New Store”.

In the Purchase Agreement, a potential purchaser of a Note will be required to represent to us that he/she is a New York State resident, that he/she has received this Disclosure Statement and has read it and understands the risks associated with the purchase of a Note, and that he/she understands that the Note is subject to significant restrictions on transfer and that he/she has the financial ability to purchase the Note and hold it for the entire maturity of the Note.

We will not sell Notes unless we receive executed Purchase Agreements for at least the Acceptance Minimum by December 15, 2011 or unless our Steering Committee determines that the offers from Residents, if less than the Acceptance Minimum, along with other Co-op funds are adequate to proceed with the plans for the Store Project. If purchases of the Notes amount to less than \$13,500, this may require that we either modify the Store Project to reduce its cost, borrow funds from other sources, or wait to take action on the Store Project until we have raised sufficient member equity.

If our Steering Committee decides to terminate the Offering without issuing Notes, we will return all checks delivered with the Purchase Agreements. If an individual Purchase Agreement is rejected for any reason, the check delivered with such Purchase Agreement will be returned. In any case, including the foregoing, where a check and Purchase Agreement is returned, no interest will be paid on any funds represented by the delivered checks.

The Notes are being sold without the assistance of an underwriter. No commissions will be paid to anyone in connection with this Offering.

The Notes are unsecured and subordinated 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.

Residents who are considering a purchase of a Note must rely on their own analysis of the terms of this offering, the terms of the Notes, our business and the risks involved in purchasing a Note. We make no representations or warranties of any kind with respect to the likelihood of success of our new store as a business or our ability to repay the Notes.

The purpose of this Disclosure Statement is to: (a) briefly describe the proposed Offering and the terms of the Notes, (b) present information about the Co-op, including plans for the Store Project, and (c) ask Residents to purchase Notes to finance the Store Project.

Recent Developments

We expect to make a payment in December 2011 of approximately \$7,000 for income tax for our financial year ended September 30, 2011.

THE OFFERING

The following is a brief summary of some of the terms of this Offering. All capitalized terms used and not defined herein are as defined in "Offering Plan".

Issuer:	The Greene Hill Food Cooperative, Inc.
Aggregate Principal Amount:	Up to \$40,000
Interest Rate:	Fixed rate 2.5% or less per year, as selected by the Purchaser, for Notes with a maturity of five, six or seven years (2017, 2018 or 2019); or fixed rate of 3.5% or less per year, as selected by the Purchaser, for Notes with a maturity of eight, nine or ten years (2020, 2021 or 2022)
Issue Price:	We will issue Notes at their face value.
Issue Date:	For any given Note, the date on which the Note is issued.
Maturities:	2017, 2018, 2019, 2020, 2021 or 2022, as selected by the Purchaser, representing five, six, seven, eight, nine or ten year terms, respectively.
Maturity Date:	January 15 in the year of maturity selected by the Purchaser.
Use of Proceeds:	We will use the net proceeds of the issuance of Notes for the opening and development of an operating store and other general purposes.
Payment Dates:	Accrued interest paid annually on January 15; principal and accrued interest paid on the Maturity Date; <i>provided</i> that, for all Notes, including Notes issued prior to January 15, 2012, the first interest payment date will be January 15, 2013 and <i>provided</i> that in any given year where January 15 is not a Business Day (as defined below), accrued interest and due principal will be paid on the next Business Day. "Business Day" means a day, other than Saturday, Sunday or other day on which banking institutions in New York are authorized or required by law to close.
Events of Default:	An event of default under a Note shall occur if we do not pay any amount due under such Note when it is due and payable and such default continues for sixty days after we have received notice from the Noteholder of such failure to pay; <i>provided, however</i> , that it shall not be a default if we suspend or reduce payments based on the subordination of the Notes. See "Offering Plan – Terms of the Notes". Upon default, the Noteholders may exercise any legal remedy to collect payment of <i>only</i> the amount that is then in default. The unpaid balance of the Note shall <i>not</i> become entirely due and payable in the event of a default.
Minimum Investment Required:	\$1,000
Denomination:	Notes will be issued in minimum denominations of \$1,000 each and integral multiples of \$100 above \$1,000.
Transfer Restrictions:	There are restrictions on the sale and transfer of Notes and the distribution of this Disclosure Statement and any other offering

	materials. See “Transfer Restrictions”.
Ranking:	Unsecured subordinated debt. Notes may be subordinated to any of our future indebtedness (“Future Senior Debt”), including loans by banks, financial institutions and other lenders (“Future Senior Lenders”). In addition, Future Senior Lenders may request no payments be made under the Notes if we are in default under such Future Senior Debt. Each Noteholder agrees to sign and deliver a subordination agreement reasonably satisfactory to any Future Senior Lender upon request.
Redemption:	We may redeem any or all of the Notes at any time, without penalty, by paying Noteholders the principal amount of the Notes, together with any accrued but unpaid interest.
Form of Notes:	Fully registered form without coupons, evidenced by unsecured subordinated promissory notes. See Annex B.
Termination of the Offering:	The Offering will terminate on January 10, unless extended by our Steering Committee or terminated earlier. We reserve the right to suspend or terminate this Offering at any time for any reason.
Conditions of the Offering:	Purchase Agreements will not be accepted and no Notes will be sold or issued, unless we have received executed purchase agreements for an aggregate of at least \$10,000 of Notes by December 15 or unless our Steering Committee determines that the funds so received, if less than \$10,000, along with other Co-op funds are adequate to proceed with the plans for the new store.
Settlement:	If we decide to accept a Purchase Agreement, the check that accompanies the Purchase Agreement will be deposited into our account, and a Note will be issued to the Purchaser once the check clears and the funds have been delivered to our account. If the check is rejected for insufficient funds, we will reject the accompanying Purchase Agreement and send a notification of the rejection.
Governing Law:	New York
Broker, Dealer, Underwriting, Trustee:	No broker-dealer, underwriter or trustee is being used in this Offering.
Risk Factors:	See “Risk Factors” in this Disclosure Statement for a description of the principal risks involved in making an investment in the Notes.

RISK FACTORS

An investment in the Notes should be considered speculative and involving a high degree of risk. You should carefully read and analyze the risks described below, including, without limitation, risks related to the Co-op and the industry in which we operate, together with all the information disclosed elsewhere in this Disclosure Statement, before investing in a Note. Our business, financial condition and results of operations, including our ability to make payments on the Notes, could be materially adversely affected by any of these risks. The risks described below are those known to us and what we currently believe may materially affect us. Additional risks not currently known to us or that we currently consider immaterial may also impair our business. You are encouraged to consult with your own attorney and tax advisor before making an investment in the Notes.

This Disclosure Statement includes forward-looking statements that involve risks and uncertainties. Our actual results could materially differ from those anticipated in these forward-looking statements as a result of numerous factors, including those described in "Forward-Looking Statements" above.

Risks Related to Our Industry and Our Business

We are an early-stage food cooperative, which makes it difficult to evaluate our business and prospects as a store and for us to forecast our future financial results.

Our limited operating history and experience makes it difficult to evaluate our financial results and future plans. As a result, it is difficult to accurately forecast our total revenue, gross and operating margins, real estate and labor costs, average purchase size, number of purchases per week and other financial and operating data relevant to our transition to a traditional cooperative grocery store. We have a limited amount of meaningful historical financial data upon which to base planned operating expenses. Sales and operating results are difficult to forecast because they generally depend on the growth of our membership and the volume of sales we make, as well as the mix of products sold. As a result, we may be unable to make accurate financial forecasts and adjust our spending in a timely manner to compensate for any unexpected revenue shortfall during our transition to traditional cooperative grocery store from our buying club.

You must consider our business and prospects in light of the risks and difficulties we encounter as an early-stage food cooperative. Our failure to address such risks and difficulties could materially adversely affect our business.

We are a not-for-profit food cooperative. As a result, our profit margins are narrow and inefficiencies in our operations may exist.

Our business plan focuses on very narrow profit margins and low mark-ups relative to cost that transfer savings to our members. Therefore, inefficiencies in operations can adversely affect our performance and our ability to generate cash flow, which could affect our profitability and our ability to make payment on the Notes.

We rely on individual members for our operations and management, and the loss of certain members could have an adverse effect on our operations. Our members' limited experience in the food industry may adversely affect operations of the store and our business.

We are dependent upon a number of members, including committee members and our board of directors, to provide oversight and management of our activities and operations. If we were to lose the services of a significant number of key members, it could have an adverse effect on our business. In addition, if key members leave, we may not be able to replace them with people possessing the same level of skill and experience. This could affect our business and our ability to make payments under the Notes.

In addition, our current members in leadership positions have limited experience in the food industry and in the business operations of a food and grocery store. Their previous work experience may not necessarily transfer to the demands of the new store.

A tax lien exists on the property where we lease our store space, which could result in the early termination of our existing lease. If that occurs before the maturity of the Notes, it could adversely affect our business and results of operations and our ability to make payments on the Notes.

There is currently a tax lien in place on the property where we lease our store space. A repayment agreement between the property owner and the City of New York, as lien holder, provides for repayment of the lien amount plus interest by installment payments over ten years. If payments are not kept current for both current taxes and under the repayment agreement, the lien may be sold, and legal proceedings may take place to sell the property to satisfy the lien.

If the property is sold in such proceedings, the new owner may have the right to terminate our Lease before its scheduled expiration. If the Lease is not terminated, such new owner may refuse to renew or extend our Lease at its scheduled expiration or may only renew if we agree to a lease with rent that is higher than we can afford. Finding a new location for the store and outfitting a new location could prove difficult and may not be possible in a short amount of time. If the store is unable to operate for a period of time, that would negatively affect our business and results of operations. Additionally, the rent at a new location may be higher, and the outfitting of a new location could result in significant expenses. If any of the above occurs before the scheduled maturity of the Notes, it could negatively affect our business and results of operations and our ability to make payments under the Notes.

Our operations rely heavily on member capital, a reduction of which could adversely affect our ability to make payment on the Notes.

We are primarily capitalized by member capital paid as a one-time \$150 investment in the Co-op, plus a nonrefundable \$25 administrative fee. See “Our Business”. Capital from membership payments is expected to partially finance the new store and any necessary improvements or work necessary for the new store to function. Future payments of member capital may be needed to help repay amounts under the Notes and under any future debt we may incur. In certain circumstances, a membership fee may be refunded at the discretion of the board of directors, which could reduce our capital. We may not be able to attract new members at a rate necessary to sustain our operations and a lack of new capital may affect our ability to operate or expand our operations. This could affect our liquidity and ability to make payments on the Notes.

We rely on sales of perishable products, and ordering errors or product supply disruptions may have an adverse effect on our business and results of operations. Additionally, federal and local regulations concerning the preparation and packaging of food items may cause us to incur substantial costs.

We have a significant focus on perishable products. In the event of the loss of a major supplier or vendor, disruption of our distribution network, extended power outages, natural disasters or other catastrophic occurrences, we could suffer significant product inventory losses, which would negatively impact our business and results of operations.

We may also be required to comply with local health regulations concerning the preparation and packaging of any food items handled by our members or future employees and may need to obtain licenses or permits to prepare or to sell specific food items, depending on the extent of our future inventory. We may be subject to inspection by the New York City Department of Health, the New York State Department of Health, and the United States Department of Agriculture (which administers the Supplemental Nutrition Assistance Program and Electronic Benefit Transfer Program (the “SNAP EBT Program”). Applicable federal, state or local regulations may cause us to incur substantial compliance costs or delay the availability of items to our customers. In addition, any inquiry or investigation from a food regulatory authority could have a negative impact on our reputation. The occurrence of any of these events could delay or impair the development of our new store and could materially adversely affect our business and results of operations.

We face competition in the retail food industry, and our failure to compete successfully may have an adverse effect on our business and results of operations.

We are subject to general business, industry and economic conditions within the retail food industry. We face intense competition from traditional grocery retailers, non-traditional competitors such as supercenters and club stores, as well as specialty supermarkets, drug stores, dollar stores, convenience stores and restaurants. We also face competition from other food cooperatives which have existing operations, established and larger stores, greater capitalization, a wider selection of products and more members than we do. Additionally, many of our potential competitors are owned by large, diversified food companies with resources far greater than ours. Many large food companies operate supermarkets and other food retail stores that are offering natural and organic food products that compete with products sold by us. In addition, as our customer base is entirely made up of our members, our ability

to compete in our industry is determined by the growth rate of our membership base. Membership fees could act as a barrier to our competitive position by detracting from our appeal to potential customers. Increased competition may have an adverse effect on our business and results of operations and may adversely affect our ability to make payments on the Notes.

Increased food commodity prices and availability may adversely affect our business and results of operations.

Many of the products we expect to offer in our store are food commodities or require the use of food commodities for their production, such as wheat, corn, oils, cocoa, coffee and flour. These food commodity prices have been increasing and may continue to increase. The overall volatility of food commodity prices and costs is primarily due to domestic and worldwide agricultural, supply/demand and other macroeconomic factors that are outside of our control. Commodity prices for key agricultural commodities such as corn, wheat, and soybeans have been extremely volatile. The availability and prices of food commodities are also influenced by increased energy prices, animal-related diseases, natural disasters, increased geopolitical tensions, the relationship of the dollar to other currencies, and other issues. Any increase in distribution and commodity costs could cause our food and supply costs to fluctuate. We may not be able to anticipate and react to changing food and supply costs through our purchasing practices and price adjustments and failure to do so could have an adverse effect on our business and results of operations.

We may not be able to successfully implement the Store Project on a timely basis or at all. The Store Project may also require us to undertake additional borrowing and raise additional funds, which could adversely affect our financial health and our ability to react to changes to our business.

Our continued growth depends, in large part, on our ability to open the new store and to operate it successfully. Successful implementation of this strategy depends upon, among other things, the ability to continue to attract new members largely through favorable word-of-mouth, the effective management of inventory to meet the needs of our store on a timely basis, the availability of sufficient levels of cash flow or necessary financing to support our new store, the ability of our management team to adapt to a new business model and the ability to successfully address merchandising, distribution and other challenges encountered in connection with the new store. We may not be able to create distribution, management, information and other operating systems to adequately supply products to the new store at competitive prices so that we can operate the store in a successful and profitable manner. Our experience in the buying club may not necessarily transfer to the demands of the new store.

The development of the new store will require significant start-up capital to invest in the refurbishment of the location, fitting of storage space, installation of refrigeration and point of sale equipment and the development of a steady inventory of products. The proceeds we expect from this Offering are not sufficient for these needs. Therefore and in order to finance the new store, we may incur additional indebtedness in the future. Any increase in the amount of our indebtedness could require us to divert funds identified for other purposes for debt service and impair our liquidity position. If we cannot generate sufficient cash flow from operations to service our debt, we may need to refinance our debt, dispose of assets or increase our membership to obtain necessary funds. We do not know whether we will be able to take any such actions on a timely basis, on terms satisfactory to us or at all. Additionally, any future debt financing we may incur may restrict our current and future operations and limit our ability to borrow additional funds, limiting our ability to manage changes in our business. Our ability to open the new store on a timely basis, to adapt to the new store model or to obtain appropriate financing could have a material adverse effect on our business and results of operations.

The geographic concentration of our business, our suppliers and our customers creates an exposure to local conditions. In addition, we are dependent on a small number of suppliers that could not easily be replaced.

The geographic concentration of our business, our suppliers and our customers creates an exposure to local economies, regional downturns or severe weather or catastrophic occurrences that may materially adversely affect our financial condition and results of operations. Any unforeseen events or circumstances may result in physical damage to the location of our new store, loss of inventory, delayed opening of our new store, inadequate work force from our members, temporary disruption in the supply of products, delays in the delivery of goods to our store and a reduction in the availability of products in our new store. Any of these factors may disrupt our business and materially adversely affect our financial condition and results of operations.

Additionally, until recently, we were dependent on a small number of suppliers for our products, and we do not have long-term contracts with our suppliers. We have recently added new suppliers of bread, chocolate, dry goods (beans), coffee, tea and charcuterie and our relationships with these suppliers are new and have not been tested. The loss of any one of our suppliers could cause disruptions in our supply of products and harm our business. In addition, our vendors may also supply products to other grocery stores and the industry and we may be unable to obtain sufficient quantities of products in a timely fashion to meet customer demand.

Economic conditions that impact consumer spending could materially affect our business.

Ongoing economic uncertainty continues to negatively affect consumer confidence and discretionary spending. Our results of operations may be materially affected by changes in overall economic conditions that impact consumer confidence and spending, including discretionary spending. Future economic conditions affecting disposable consumer income such as employment levels, business conditions, changes in housing market conditions, the availability of credit, interest rates, tax rates, fuel and energy costs and other matters could reduce consumer spending. Our ability to pass higher prices along to consumers due to inflation or other reasons is limited due to our strategy for low product price mark-ups and could have an adverse effect on consumer spending and our results of operations.

Risks Related to the Notes

No market for the Notes currently exists, and none is likely to develop. There are restrictions on the sale and transfer of the Notes. As a result, your ability to transfer your Notes will be limited.

There will be no public trading market for the Notes. We cannot assure you as to the liquidity of any market that may develop for the Notes, the ability of holders of the Notes to sell them or the price at which Notes may be sold. The Notes have not been and will not be registered under the Securities Act or any U.S. state securities laws. The Notes are being offered in reliance upon an exemption from registration under the Securities Act and pursuant to an exemption under the NY General Business Law. Therefore, the Notes may be transferred or resold only in a transaction registered under or exempt from the registration requirements of the Securities Act and the NY General Business Law and in compliance with any other applicable securities law. In addition, the Notes will contain provisions that will (i) prohibit the sale or transfer of Notes to non-Residents for nine months following the termination of the Offering and (ii) prohibit sales and transfers to non-Residents after that period, unless the holder of the Notes provides us with an opinion of legal counsel that the sale or transfer will comply with all applicable securities laws.

The Notes may be subordinated to the obligations of future lenders.

The Notes are our unsecured subordinated obligations, and will rank at all times equal in right of payment with all of our other unsecured and subordinated indebtedness, present and future. The Notes are not secured by our assets or guaranteed in any way. Future claims of Future Senior Lenders will have priority for payment against any claim of the holders of the Notes with respect to such assets. Future Senior Lenders will also have priority of payment over any claim of holders of the Notes. In addition, Future Senior Lenders and secured lenders will have the right to prevent payment of interest and principal of the Notes under certain circumstances.

We have entered into a five-year lease with an option to renew, which means that the term of some of the Notes may exceed the term for which we have secured a location for the store.

Any Notes with a term of more than five years may not be repaid during our current Lease, and are subject to the added uncertainty of our being able to renew our Lease. If we cannot or choose not to renew, or if we do renew but only for one five-year period, we may face substantial cost in locating and equipping a new store location, or we may not be able to locate one, which may adversely affect our business and results of operations. In addition, if our landlord decides to sell our building and we do not exercise our right of first refusal, the new owner might decide not to renew our Lease and we may incur significant cost in finding a new suitable location, or we may not be able to find one. We currently plan to sub-lease a portion of our Lease to a sub-tenant; however we have not yet identified a sub-tenant. Any sub-lease to a sub-tenant requires our landlord's approval under the terms of our Lease; if we are unable to find a sub-tenant acceptable to our landlord, we may incur costs associated with paying our rent due under our Lease without the benefit of receiving part of the rent from a sub-tenant.

The Notes are not guaranteed or otherwise insured against loss.

The Notes are not deposits or obligations of, or endorsed by, any bank. They are not insured or guaranteed by the Federal Depositary Insurance Corporation, the Securities Investor Protection Corporation, or any other governmental agency. Our ability to make payment under the Notes will depend solely on the financial condition and strength of our business.

Certain terms of the Offering may result in increased risk compared with other similar instruments.

The Notes contain certain restrictions that limit the right of holders to bring suit for suspension of payment. The Notes state that payment thereunder can be suspended or reduced by us upon the occurrence of certain conditions, and in those cases, such a suspension or reduction will not constitute a default under the Notes. See “Offering Plan – Terms of the Notes”. Under certain circumstances, you may not receive payments under the Notes on the dates that they are to be paid and you will not be able to take legal action to force payment under the Notes in certain situations.

No sinking fund, escrow account or trust will be established to provide for repayment of the Notes. Thus, no funds will be specifically set aside for repayment of the Notes at maturity. Therefore, the risk level of the Notes may be higher than for other similar instruments.

The Notes are not rated and are not likely to be rated in the future.

The Notes have not been evaluated or rated by any credit rating agency, and we do not expect the Notes to be rated in the future. Credit ratings provide investors with an opinion on the credit worthiness of a company and, particularly, the relative risk of a particular security in relation to other rated securities. The lack of a rating may make it more difficult for potential purchasers of the Notes to compare it with other potential investments. Additionally, the lack of a rating may negatively impact the marketability and already limited liquidity of the Notes and make it more difficult for any holder of Notes to sell Notes to other investors, in the circumstances where such transfer or sale is permitted.

USE OF PROCEEDS AND THE NEW STORE

We will apply the proceeds from the sale of Notes, less any expenses and fees in connection with this Offering, to finance the opening of our new store and to other general purposes. We believe we have the required momentum and interest to launch the new store. In particular, sales have grown 20% on average every four weeks since opening the buying club in December 2010, and our membership has increased to 546 as of November 28, 2011, at an average rate of 38 new members per month beginning January 2011.

The new store will be located at 18-26 Putnam Avenue in the Clinton Hill neighborhood of Brooklyn, New York. On December 1, 2010, we entered into a five-year Lease for the location of the new store, with the option to renew for an additional five-year period (until December 1, 2020). Rent to be paid pursuant to the Lease for the new store is set out in the table below.

	Year 1			Year 2	Year 3	Year 4	Year 5
	Dec 1, 2010 to Nov. 30, 2011			2012	2013	2014	2015
	Dec 1, 2010 to May 31, 2011	Jun. 1 to Aug. 30, 2011	Sept. 1 to Nov. 30, 2011	Dec. 1 to Nov. 30			
Rent per month	\$600, plus \$5,000 deposit	No rent	\$2,500	\$2,512	\$2,525	\$2,537	\$2,550
Rent per year	\$16,100			\$30,150	\$30,300	\$30,452	\$30,604

The property leased to us includes three adjoining spaces in the same building, a 500 square foot space, a 900 square foot space and a 1,000 square foot space which brings our total leased space to 2,400 square feet. During the first year of the Lease, we were provided with a reduced rent that increased over that period. On September 1, 2011, the rent increased to \$2,500 per month and, on December 1, 2011, to \$2,512 per month. For future periods, the rent is scheduled to increase at a rate of 0.5% annually. Should we exercise our option to renew upon the expiration of the Lease, rent for the renewed five-year term will be subject to the same annual adjustment as the rent for the first year of the renewal, except that rent under the renewed lease would begin equal to the rent of the fifth year of the original lease. In addition, the property where we lease our store space is subject to a tax lien which could lead to the renegotiation or early termination of our Lease. See “Risk Factors” beginning on page 8.

Expected expenses for the preparation of the opening of the new store are \$99,544. See “— Cost of the New Store” below. Of this space, approximately 550 square feet of the 1,000 square feet space will be retail floor, with the remaining 450 square feet devoted to cashiers stands, bathrooms and back-stock storage. The adjoining 500 square-foot space will be used for office space and back-stock refrigeration, and we intend to locate a sub-tenant for the 900 square-foot space and temporarily sublet that space upon approval of the landlord until further expansion is needed for the store. We expect to open the new store by mid-December 2011.

We have begun the build-out of our new store. We have saved costs during the build-out by having our members assist in the work where possible, as a way to fulfill their work requirements. As of November 28, 2011, roughly fifty members had contributed to the build-out, and they performed about half of the work completed to that date. Where necessary, we have hired professionals to perform the work. The preparation for and build-out of the store to this point has involved the replacement of the flooring, ceiling and exterior roll-down gates, repairs to the roof and rear walls and installation of electrical branch distribution. Some equipment for the store, such as some refrigeration, was already present at the store from its use by the buying club.

We have three primary goals for the store: (1) to provide our members with a store which will be more convenient than the buying club and which will also offer a wider selection of products; (2) to attract new members with a fully operational retail store; and (3) to integrate a greater cross-section of our community in a neighborhood-based grocery store while increasing the convenient, nearby shopping choices for families and individuals. We plan to achieve these goals by presenting customers with a large, well-designed store with a strong selection of natural, locally produced and organic grocery products.

We expect the store to include the following:

- Refrigerated eggs and dairy products;
- Frozen and fresh meats including charcuterie;
- Prepared foods;
- A large produce department with a focus on local sources;
- Breads, cereals, bulk grains, rice and flour;
- Locally-made preserves, sauces, pickled food and other specialty or seasonal items as are offered from time to time by our suppliers;
- Coffee, tea and chocolate;
- Commercially canned and packaged foods, including pet foods; and
- Household items such as sustainable cleaning products, paper goods, and health and wellness products.

The location of the new store has the advantage of serving the neighborhoods of Clinton Hill, Bedford Stuyvesant, Fort Greene, North Crown Heights and Prospect Heights. The site is four blocks from the Clinton Washington stops of both the C and G trains and is directly served by the B25 and B26 buses. As the site is easily accessible by public transportation, we may be able to expand our reach to include additional neighborhoods. In addition, the immediate area around the store is largely residential with a combination of apartment buildings and single-family and multi-family homes. Fulton Street, which is one block from the store, is a major retail street that services these neighborhoods. There are no food cooperative stores within one mile of our location; retail food is available from small corner delis and small to medium sized supermarkets.

Cost of the New Store

We believe that the cost of establishing the new store will be approximately \$99,544. This includes: (a) rent of \$2,500 per month for two months (October and November) and rent of \$2,512 for three months (December, January and February) (b) costs to build-out the premises; (c) costs to equip and stock the new store; and (d) working capital reserves for three months of certain operating expenses, other fees and expenses.

The funds for the new store are expected to come from the following sources:

Source	Amount
Membership Equity.....	\$66,110
Donated Buying Club Deposits	\$1,350
The Notes Offering	\$13,500
Cash	\$18,584
Total	\$99,544

Membership equity consists of the portion of members' membership fees of \$150 that we expect will have been paid in full, and does not include amounts not yet received (if, for example, a member is eligible to pay over a period of five years, see "Our Business"). Donated buying club deposits consist of deposits that members chose to donate instead of receiving as a refund when the buying club ceased operations. The Notes Offering is this Offering as described in this Disclosure Statement, using an estimate based on our goal for sales of Notes. Cash amounts are to come from cash reserves we have built through our buying club and through our fundraising efforts.

THE ABOVE-LISTED SOURCES ARE ONLY ESTIMATES OF EXPECTED SOURCES AND MAY CHANGE. WE MAY RECEIVE MORE OR LESS FUNDS THAN ARE STATED ABOVE FOR ANY OF THE ITEMIZED SOURCES. WE MAY SEEK FUNDS FROM SOURCES OTHER THAN THOSE LISTED ABOVE.

The funds are presently proposed to be used for the following purposes:

Expense*	Amount	Notes
Lease.....	\$12,536	We paid \$2,500 per month in rent for the months of October and November using cash generated from buying club revenue and we are allocating three months of rent at \$2,512 per month as a reserve to cover future rent expenses to the extent we have insufficient revenue generated from the store. We anticipate using some of this reserve in the first months following the opening of the store.
Construction and Build-out of New Space.....	\$32,900	Includes general construction, plumbing and electrical work and fabrication and installation of store fixtures, including roll gates, brick work, roof repair and an awning.
Equipment, Display and Refrigeration..	\$6,600	Includes point of sale system, key tags, and other equipment.
Inventory	\$30,000	Includes one month supply of goods for the development of an inventory sufficient to start operations.
Branding Needs.....	\$4,000	Includes marketing, signage, and professional services.
Operating Costs.....	\$8,010	Includes utilities, insurance and other operating costs for three months.
Contingency and miscellaneous	\$5,498	Miscellaneous reserve.
Total of All Uses	\$99,544	

* These estimates relate to work done throughout the entire 2,000 square foot space, however equipment purchases and build-out of the store is primarily confined to the original 1,000 square feet of our lease.

EXPENSES FOR THE NEW STORE MAY EXCEED THOSE STATED ABOVE, ESPECIALLY IF THE COSTS TO BUILD-OUT AND EQUIP THE NEW STORE EXCEED THE ABOVE-MENTIONED ESTIMATES. OUR STEERING COMMITTEE MAY STILL MOVE FORWARD WITH THE STORE EVEN IF COSTS FOR THE NEW STORE INCREASE, OR IF OUR STEERING COMMITTEE DETERMINES THAT THE TOTAL AMOUNT OF FUNDS RAISED IS NOT ADEQUATE TO COMPLETE THE NEW STORE AS ENVISIONED. THE NEW STORE MAY MOVE FORWARD IF THE STEERING COMMITTEE, IN ITS DISCRETION, DETERMINES, BASED ON CIRCUMSTANCES EXISTING AT THE TIME, THAT THE NEW STORE CAN BE ACCOMPLISHED (POSSIBLY IN A FORM THAT IS DIFFERENT FROM THAT DESCRIBED HEREIN) WITH THE AMOUNT OF FUNDS THAT IS AVAILABLE.

OUR BOARD OF DIRECTORS, MAY, IN ITS DISCRETION, AT ANY TIME, CHANGE THE PLANS REGARDING THE NEW STORE AND MAY ALSO CHANGE HOW THE FUNDS ARE USED, INCLUDING FUNDS RAISED IN THIS OFFERING AND MAY REALLOCATE FUNDS FROM ONE EXPENSE CATEGORY TO ANOTHER. IF THE PLANS REGARDING THE NEW STORE CHANGE OR IF THE SOURCES OR USES OF FUNDS CHANGE SUBSEQUENT TO THE SALE OF NOTES, WE ARE NOT REQUIRED TO UPDATE NOTEHOLDERS.

No Notes will be sold or issued unless we have received executed purchase agreements for an aggregate of at least the Acceptance Minimum in Notes by December 15, 2011 or unless the Steering Committee determines that the offers from Purchasers, if less than the Acceptance Minimum, along with other Co-op funds are adequate to proceed with the plans for the new store. See "Offering Plan".

Management

We currently plan to use unpaid member time to fulfill the management needs of the store and do not intend to create additional paid management positions. Our directors, officers and committee members have continuous access to managers and directors of other food cooperatives in the region and across the nation as sources of support and expertise in matters related to start-up, expansion and fundraising for food cooperatives. In addition, many of our members have relevant small business and/or food industry experience. In order to take advantage of industry knowledge, some of our directors attended the Mid Atlantic Food Co-op Alliance's regional conference on start-up cooperatives in April 2011. We have a team of dedicated members who help us operate our business by serving on our board, as officers or on committees, bringing a variety of different skill sets to the organization. Once the store is established, we may consider hiring a paid, part-time manager if needed, and if it can be financed from revenue from the store and the Offering. In the future and as the store grows, we will continue to evaluate our management needs, including whether a paid full-time, or additional part-time, managers are needed.

OUR BUSINESS

Overview

We are an early-stage food cooperative based in Brooklyn, New York and operated from December 2010 to September 2011 as a buying club with a pick-up location at 18-26 Putnam Avenue in the Clinton Hill neighborhood of Brooklyn, New York. We intend to open a grocery store that will be open to our members. We are a non-stock membership cooperative incorporated under Section 11 of the State of New York Cooperative Corporations Law in 2009 and are subject to the State of New York's Not-for-Profit Corporation Law as a cooperative.

As a membership cooperative, we are designed to serve the needs of our members through the collective efforts of our membership. By paying a membership fee and contributing two hours of their labor per every four weeks after the store opens, our members are entitled to the benefits of membership, including buying food from us at a cost that is lower than what is usually available at conventional retail stores. Other members may fulfill their requirements by working on the establishment of the store or by working on a committee. We are able to provide this savings to our members because most of the labor and administrative work needed to run our business is provided by members without charge.

We expect to serve the Fort Greene, Clinton Hill, Bedford Stuyvesant, North Crown Heights and Prospect Heights areas of Brooklyn from our new store located in the Clinton Hill neighborhood of Brooklyn at 18-26 Putnam Avenue. This store will be open only to members and is intended to be staffed only by unpaid members.

Buying Club

Our operations from December 2010 to September 2011 consisted only of a buying club. Through the buying club members placed orders once every two weeks for products then available from our suppliers. We then placed an order with our suppliers based on those member orders. Once we received the products, members were able to pick it up at the location of our future store on the designated pick-up day every other week. Payment was made by check at the time of pick-up. All our members were eligible to participate in the buying club. While the buying club was open, our hours of operation were limited to the pick-up time for the buying club, and we did not make any sales during those times, other than the buying club pre-orders. As of June 30, 2011 till the close of the buying club in September 2011, the costs related to our buying club, including the reduced rent on our Lease, were covered by revenue from sales made through the buying club. As of September 30, 2011, our total revenue from the buying club since it began operation in December 2010 was \$67,767.07 and the gross profit from the buying club revenue was \$13,378.81 (representing a gross margin between buying club revenue and cost of goods sold of 19.7%). See "Our Finances" below for more detailed financials. Our buying club ceased operations at the end of September 2011 in order to allow for the build-out and preparation of the store in the location where the buying club was previously operated.

Planned Store

We expect to expand our operations to include services offered through our new store. Our planned store at 1826 Putnam Street in Brooklyn is expected to open in mid-December 2011. It will be a retail grocery store open only to our members, and, in our current plans, it will carry refrigerated eggs and dairy products; frozen and non-frozen meats; prepared foods; breads, cereals, bulk grains, rice, flour; locally-made preserves, sauces, pickled foods and specialty/seasonal items as may be offered on occasion from the suppliers; coffee, tea and chocolate; commercially-canned and packaged foods and bulk foods; pet foods; household items such as sustainable cleaning products, paper goods; produce with a focus on local sources; and health and wellness products. Our goal is to offer natural, locally produced and organic products to our surrounding neighborhoods through our store.

We plan on beginning necessary construction and build-out of the store property, which covers approximately 2,400 square feet. When we first open, we plan on using 550 square feet of the property as retail floor, 450 square feet for cashier stands, bathrooms and back-stock storage and 500 square feet for office space and back-stock refrigeration. We intend to attempt to sublet the remaining 900 square feet covered by our Lease. We have saved costs during the build-out by having our members assist in the work where possible, as a way to fulfill their work requirements. As of November 28, 2011, roughly fifty members had contributed to the build-out, and they have performed about half of the work completed. Where necessary, we have hired professionals to perform the work.

The preparation for and build-out of the store to this point has involved the replacement of the flooring, ceiling and exterior roll-down gates, repairs to the roof and rear walls and installation of electrical branch distribution. Some equipment for the store, such as some refrigeration, was already present at the store from its use by the buying club. The process of building out our store is supervised by our Design/Build Committee, in coordination with our Operations Committee. For more information on our committees, see “Board of Directors and Management – Steering Committee and Committees”.

Our store is not currently open, and when we first open, our inventory will be limited. Upon opening, we intend to stock baked products, breads, chocolate, dry goods (beans), coffee, tea, charcuterie, in addition to the current products we have previously offered to our members through the buying club. We intend to expand our inventory as our membership and revenues increase.

When we first open the store, we expect that it will be open a limited number of days per week. Under our current plan, we will be open two days a week, four hours per day, for a total of eight hours per week beginning mid-December 2011. Our store will be staffed exclusively by members who are fulfilling their monthly work obligations and will not receive any other compensation. As a result, the numbers of members we have will affect how many hours we can be open. The number of days per week and hours per day that we are open will likely increase as our membership and demand for our products increase. Our Operations Committee supervises the staffing of the store. For more information on our committees, see “Board of Directors and Management – Steering Committee and Committees”.

Suppliers

Our goal is to use local suppliers as much as possible to obtain our inventory. Originally, our buying club was supplied primarily by Lancaster Farm Fresh Cooperative (“LFFC”), is located in Leola, Pennsylvania. LFFC serves all of Eastern Pennsylvania, New York City, and most of the tri-state area by connecting the farmer and the customer, delivering local organic produce, value-added products, and humanely-raised and pastured animal products grown on small family farms to retail establishments, co-ops, restaurants, and institutions.

Through the course of the buying club, we added new suppliers of bread, chocolate, dry goods (beans), coffee, tea and charcuterie. Our main suppliers are Oslo Coffee Roasters, Equal Exchange, Inc., Cayuga Pure Organics, Brooklyn Cured and Amy's Bread. Some of our suppliers have over 20 years experience in the market. Oslo Coffee Roasters, our coffee supplier, is located in Williamsburg, Brooklyn, and supplies premium coffee beans from farmers who use ecologically and socially sustainable practices, helping to support a healthy ecosystem and providing a fair living for their workers. Equal Exchange, Inc., supplies our selections of chocolate, tea and nuts. Equal Exchange, Inc. is located in Massachusetts and focuses on Fair Trade products and equitable relationships with farmers. Cayuga Pure Organics, located in Ithaca, New York, supplies our selections of whole grains, beans and flours. Their focus is toward healthy foods for the community and dedication to the local environment, including support of sustainable farming practices. Brooklyn Cured, our supplier of sausages and charcuterie, is located in Brooklyn, New York, and uses meats sourced from local farms that use sustainable practices, focusing on humanely-raised animals and environmentally friendly practices. Finally, Amy's Bread, our bread supplier, is a bakery with over 150 employees and over 200 wholesale deliveries daily, including three retail stores in New York, New York. Products are made using unbromated flours, organic whole grains and seeds, imported olives, fresh herbs, and fresh butter.

In anticipation of the opening of the store, we have added the following suppliers: Angellos, Atlanta Foods International, Gneiss Spice, Terrafina, UNFI, Wise and Four Seasons Produce.

Customers

Our members are our customers, and non-members will not be permitted to shop at our store. As of November 28, 2011, we had 546 members. We had on average 61 members participate in our buying club. We expect that the percentage of members who shop at our store will be significantly higher than the percentage that participated in the buying club because of the increased convenience of the store coupled with the wider selection of products available.

Membership

Becoming a member

In order to shop at our planned store, a person must be a member of the Co-op. We admit only natural persons to our membership and provide services only to our members. To join, a person must pay a one-time capital investment of \$150, plus a one-time nonrefundable administrative fee of \$25. Payment can be made in a single payment or under one of two payment plans ((i) \$25 administrative fee *plus* six installments of \$25 payable over one year or, (ii) for qualifying members, a reduced \$5 administrative fee *plus* \$150 payable over five years). The one-time capital investment of \$150 is repayable at the discretion of the board of directors to a member (a) if such member ceases to be a member and makes a timely request for repayment, (b) if we have not opened the new store by January 2013 or (c) if we dissolve.

Benefits and Responsibilities of Membership

We offer a variety of benefits to our members. When the store opens, our members will be able to shop there and take advantage of the lower prices offered by the Co-op due both to expected high volume purchases and low overhead costs.

We also instituted a monthly coupon program in February 2011, which provides our members with discounts at a different restaurant, store or vendor each month. We have received positive feedback from new members who have indicated that this coupon program was a motivating factor in their decision to become a member of the Co-op.

To keep their memberships in good standing members are required to work two hours every four weeks once the store opens, and any hours they work before the store opens can be banked to fulfill future requirements.

Members are also entitled to take part in the decision-making related to the Co-op through voting at general and annual meetings and through the election of the board of directors.

Member Recruitment

We had 546 members as of November 28, 2011. Membership grew at an average rate of 38 members per month beginning January 2011. We anticipate that the announcement and subsequent opening of our new store will substantially increase the appeal of membership. There is no current limit on the number of members we plan to accept.

Marketing

Our current marketing plan focuses on our growth, increase in membership, raising awareness and developing our mission. Our plan includes a series of guiding principles to help transition the Co-op from a buying club into a built-out neighborhood store. We have identified key stakeholders and audiences that will help us build relationships and partnerships for local events, campaigns, and programs, and include current and prospective members, local businesses, local partners, community groups, farmers and vendors, local government, press, and the general public.

We have segmented our marketing plan into three phases that correspond to discrete, time-based marketing milestones. Phase 1 focuses on the buying club and membership drive, by spreading overall awareness of the Co-op in the community, increasing and activating our membership, developing our core values, and incremental on-site improvements in preparation for Phase 2. Phase 1 has been successfully completed. Phase 2 focuses on the store build-out and pre-opening, by increasing our membership, deepening our ties to our community and generating interest in the store. We will seek to develop partnerships with associations and to develop a social media network through the local papers and blogs. Phase 3 will involve the opening of the store and its development. During Phase 3, we aim to focus on increasing our membership, spreading awareness of the Co-op to the community and ensuring good service to our customers.

Our Outreach Committee organizes a “street team” to promote the Co-op and attract potential members. We arrange for members to set up informational tables on a semi-monthly basis at different locations throughout the community to raise awareness about the Co-op and to answer questions about joining the Co-op. In June, the Outreach Committee introduced the “+1 Project” as a means to increase our membership. The project aimed to double our membership by encouraging current members to bring in one new member. Over 250 members have

joined since the campaign began, and the +1 project is still ongoing. The Outreach Committee has also begun aligning with existing local organizations that have a longstanding presence in the community. For example, we attended the PTA/Block Association/Community Board meetings, displayed a table at the Bed-Stuy YMCA and the Fort Greene Greenmarket, distributed flyers within the target neighborhoods and posted flyers at local stores and within buildings with designated spots for such items. Our collaboration with these organizations is helping us reach a wider audience. Since June, the committee has been doing a monthly phone banking campaign to reach out to prospective members.

We also use fundraising events to raise our profile within the community. In May 2011, we held a fundraising event that featured food donated from local restaurants and merchants, along with music, dancing and a silent auction. Approximately 200 people attended the event, and our gross revenue from the event, including ticket sales, beverage sales and auction proceeds was \$8,388 with a net profit of \$5,266. We view these types of events as a way to promote the goals of the Co-op including the use of local products and suppliers. Our members provided most of the labor needed to run the event, and much of the food and auction items were donated.

Financing

Our goal is for the store to finance the operations of the Co-op. Payment of principal and interest due under the Notes will be dependent on the profits we earn from the new store and money received from the membership fees. We have no outstanding debt obligations, but it is possible that we will seek to finance our operations or future projects through additional fundraising, some of which may be senior in right of repayment to the Notes. See “Risk Factors – Risks Related to the Notes” and “Offering Plan”.

OUR FINANCES

The following information includes our historical financial information and projected financial information and should be read in conjunction with the information included elsewhere in this Disclosure Statement. Our financial information included below was prepared by us with the assistance and review of a certified public accountant and has been neither audited nor reviewed; however, we expect it will be reviewed by an Audit Committee in conjunction with the filing of our year-end corporate tax return. We were incorporated on October 21, 2009. However, we did not begin accepting membership contributions until April 2010. Therefore, we do not have any financial information prior to such date. Our financial year ends on September 30.

The historical results are not necessarily indicative of results to be expected for any future period. This section contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including, without limitation, those set forth in “Forward-looking Statements” and “Risk Factors”.

Historical Financial Information

The following tables present our selected historical financial information as of and for the six month periods ended September 30, 2010, March 31, and September 30, 2011 and as of and for the year period ended September 30, 2011 and should be read in conjunction with other information contained in this Disclosure Statement.

Statement of Operations

	For the six months ended September 30, 2010 ⁽¹⁾	For the six months ended March 31, 2011	For the six months ended September 30, 2011	For the year ended September 30, 2011	Percentage of total for year ended September 30, 2011
	<i>U.S. dollars</i>				<i>%</i>
Income and Sales					
Buying Club Revenue	-	16,975.39	50,791.68	67,767.07	69.70
Grants	-	-	2,785.00	2,785.00	2.86
Interest Income	1.42	11.09	24.53	35.62	.04
Member Contributions ⁽²⁾	5,655.15	5,670.00	21,113.25	26,783.25	27.51
Total Income	<u>5,656.57</u>	<u>22,656.48</u>	<u>74,714.46</u>	<u>97,370.94</u>	<u>100%</u>
Cost of Goods Sold					
Buying Club COG (Inventory) Purchases	-	12,171.40	42,216.79	54,388.19	
Gross Profit	<u>5,656.57</u>	<u>10,485.08</u>	<u>32,497.67</u>	<u>42,982.75</u>	
Operating and Administrative Expenses					
Financial Services	108.00	188.00	184.00	372.00	1.56
IT Services	130.13	150.00	815.64	965.64	4.04
Insurance	-	820.43	2,046.36	2,866.79	11.99
Meetings and Events	-	232.50	3,909.39	4,414.89	18.47
Occupancy Costs	-	2,400.00	6,200.00	8,600.00	35.98
Printing and Postage	246.25	832.25	909.69	1,741.94	7.29
Supplies	377.04	396.68	480.00	876.68	3.67
Paypal Fees	289.45	1,104.32	1,043.94	2,148.26	8.99
Legal Fees	-	-	587.90	587.90	2.46
Advertising and Promotion	-	30.00	-	30.00	.13

	For the six months ended September 30, 2010 ⁽¹⁾	For the six months ended March 31, 2011	For the six months ended September 30, 2011	For the year ended September 30, 2011	Percentage of total for year ended September 30, 2011
	<i>U.S. dollars</i>				%
Interest Expense	-	-	-	-	-
Taxes	-	25.00	1,546.54	1,571.54	6.57
Total Expense	1,150.70	6,179.18	17,723.46	23,902.64	100%
Net Ordinary Income	4,505.70	4,305.90	14,774.21	19,080.11	
Net Income (Loss)	4,505.70	4,305.90	14,774.21	19,080.11	

Notes:—

- (1) Our financial year ends on September 30. However, as we did not begin accepting membership contributions until April 2010, we do not have any financial information prior to such date. The financial information included represents the period from April 2010 to our financial year end on September 30 for such year.
- (2) Member contributions includes only non-refundable member administrative fees, member donations and proceeds from fundraising events.

Balance Sheet

	As of September 30, 2011
	<i>U.S. dollars</i>
Current Assets	
Cash and cash equivalents	83,334.74
Fixed Assets	
Leasehold improvement	8,624.47
Other Assets, Security Deposit Assets	5,000.00
Total Assets	96,959.21
Current Liabilities	
Accounts Payable	
Buying Club Deposits	9,900.00
Total Current Liabilities	9,900.00
Equity	
Member Investment	63,473.40
Retained Earnings	4,505.70
Net Income	19,080.11
Total Equity	87,059.21
Total Current Liabilities and Equity	96,959.21

Overview

Our main sources of revenue are from proceeds from sales through our buying club and member contributions, which includes member administration fees, member donations and proceeds from events. As our business plan is based on a limited mark-up of the products we sell, our operating profits are narrow.

We launched operations in December 2010 through our buying club. We expanded since our initial launch of service and our buying club served on average 61 members as of September 30, 2011 on a semi-monthly basis. We expect to begin providing store services through the new store by mid-December 2011. Since our inception, we

have devoted significant time to developing our business plan, recruiting new members, operating our buying club, establishing relationships with our vendors, promoting our brand and objectives, and raising membership capital.

We have developed a membership campaign designed to increase our membership base, managed press relations and developed community partnerships and spread the word through our presence at community events. We expect sales to increase gradually as our marketing efforts attract new members. Our growth plans over the next several years focus on the development of our store and the growth of our membership.

We estimate that our cash on hand and the estimated proceeds of this Offering will be sufficient to establish the new store. This takes into consideration the costs of leasehold improvements, the anticipated negative cash flows from the new store in its initial stage and other overhead costs. Our plans will require significantly more capital than the proceeds of this Offering. If capital is not available at some future date at a reasonable cost, we may decide to reduce the pace of our expansion.

We have a limited operating history on which to base an evaluation of our business and prospects. Our prospects should be considered in light of the risks, expenses and difficulties encountered by companies in their early stages of development, particularly not-for-profit cooperatives. See "Risk Factors" for a more complete description of the many risks we face.

Discussion and Analysis of Our Financial Information

Income and Sales.

Our main sources of income are buying club revenue and member contributions. Each of our members must pay a one-time capital investment of \$150 as a condition for membership, plus a one-time nonrefundable administrative fee of \$25. Payment can be made either as a single payment or under one of two payment plans: (1) a \$25 administrative fee, plus six installments of \$25 payable over one year; or (2) a reduced \$5 administrative fee, plus \$150 payable over five years. See "Our Business". Member contributions include only the \$25 non-refundable administrative fee, member donations and proceeds from fundraising events.

Our total income increased by 300.6% to \$22,656.48 for the six months ended March 31, 2011 from \$5,655.15 for the six months ended September 30, 2010. This increase was primarily due to the beginning of operations of the buying club on December 15, 2010. During this period, member contributions remained relatively constant.

Our total income increased by 229.8% to \$74,714.46 for the six months ended September 30, 2011 from \$22,656.48 for the six months ended March 31, 2011. This increase is attributable to the increase in our membership base and an increase in participation in the buying club. Membership grew at an average rate of 20% or 36 members per month between September 2010 to March 2011, while we added 149 additional members between April and September 30, 2011, representing an average rate of 7% or 25 members per month. We had 476 members as of September 30, 2011. Membership contributions increased by 272.4% to \$21,113.25 for the six months ended September 30, 2011 from \$5,670.00 for the six months ended March 31, 2011, largely due to our main fundraising event in May, 2011, from which we obtained \$8,388 in gross revenue. Buying club revenue increased by 199.2% to \$50,791.68 for the six months ended September 30, 2011 from \$16,975.39 for the six months ended March 31, 2011. We also receive grants periodically, and during the six month period ended September 30, 2011, we received \$2,785.00 in grants.

Cost of Goods Sold.

During the six months ended September 30, 2010, we had no costs of goods as the running of the buying club had not yet commenced. For the six months ended March 31, 2011, costs of goods sold represented \$12,171.40 and can be primarily attributable to costs associated with the beginning of the operations of the buying club on December 15, 2010.

Our costs of goods sold increased by 71.17% to \$42,216.79 for the six months ended September 30, 2011 from \$12,171.40 for the six months ended March 31, 2011. This increase can be attributed to increased costs associated with the running of the buying club and the increase in membership over this period.

Our costs of goods sold and occupancy costs are expected to continue to increase in absolute dollars as we continue to execute our expansion plans, marketing of the Co-op in the community and the opening and continued operations of our store.

Gross Profit.

Our gross profit consists of profits derived from sales from our buying club. As we operate as a not-for-profit, our product mark-up is minimal and only aimed to supporting the continued operations of the Co-op. Our gross profit increased by 85% to \$10,485.08 for the six months ended March 31, 2011 from \$5,656.57 for the six months ended September 30, 2010. This increase was caused by the beginning of operation of our buying club on December 15, 2010 and income derived from the buying club which offset the costs associated with running the buying club.

Gross profit increased by 209.9% to \$32,497.67 for the six months ended September 30, 2011 from \$10,485.08 for the six months ended March 31, 2011. This increase in gross profit was primarily due to the efficient running of the buying club, as income derived from the buying club offsets the costs associated with the running of the buying club. Buying club revenue for the six month period ended March 31, 2011 offset costs of goods sold by \$4,803.99, or 21% of total income, while buying club revenue for the six month period ended September 30, 2011 offset costs of goods sold by \$8,574.89, or 11.5% of total income.

Operating and Administrative Expenses.

Our operating expenses include costs related to advertising and promotional expenditures (including related supplies, printing, and postage costs) banking services, IT services for the maintenance of our website, insurance, and meetings and event related costs (space rental, facilitator services, etc).

Operating expenses increased by 437.0% to \$17,723.46 for the six months ended September 30, 2011 from \$6,179.18 for the six months ended March 31, 2011. This increase can be primarily attributed to costs associated with the beginning of the Lease, and other related costs (i.e., insurance). We paid \$600 per month under the Lease for the six months from December 1, 2010 to May 31, 2011 for a total of \$2400. In addition, Paypal fees increased by 281.5% to \$1,104.32 for the six months ended September 30, 2011 from \$289.45 for the six months ended March 31, 2011, due to our increase in membership and increased use of Paypal in connection with the buying club over this period.

Operating expenses increased by 186% to \$17,723.46 for the six month period ended September 30, 2011 from \$6,179.18 for the six months ended March 31, 2011. This increase was primarily due to increased costs associated with the operation of the buying club and our website and the preparation for opening our store. IT services increased by 443.8% due to the increased operation of our website for the buying club, insurance costs increased by 149% related to the Lease, costs associated with meetings and events increased by 1,581.5% due to increased marketing efforts in particular our fundraising event in May, 2011, and taxes increased by 6,086.2% as we began to account for income taxes for the fiscal year ended September 30, 2011. This increase was however mitigated by a rent-free period under the Lease, as we paid no rent during the three month period from June 1, 2011, to August 30, 2011. We began paying \$2,500 per month on September 1, 2011.

Operating expenses are expected to increase in the next 12 months due to the Lease for the new store, which will constitute an expense of approximately \$30,150 over the 12 months beginning December 1, 2011. In addition, we expect to incur total expenses of approximately \$99,544 in costs renovating the new store, procuring our inventory, covering operating expenses in the initial months the store is open, though some of those costs have already been incurred. See "Use of Proceeds and the New Store—Cost of the New Store." We do not currently pay compensation or dividends to our staff or members.

Interest Expense.

We did not have any interest expense for the six month periods ended September 30, 2010, March 31, 2011 or for the year ended September 30, 2011. However, upon completion of this Offering, we will begin incurring an interest expense, with the first payment to be made on January 15, 2013.

Tax Provisions.

We incurred an income tax expense of \$25.00 for the six months ended March 31, 2011 and \$1,546.54 September 30, 2011, respectively. As we are accounting on a cash basis, these items are related to payments related

to income tax for the fiscal year ended September 30, 2010. We expect to make a payment in December 2011 of approximately \$7,000 related to income tax for the fiscal year ended September 30, 2011.

Net Income.

Net income decreased slightly by 4.4% to \$4,305.90 for the six months ended March 31, 2011 from \$4,505.70 for the six month period ended September 30, 2010. This slight decrease was caused by the rapid increase in total expenses, which was not sufficiently offset by the increase in total income. Net income increased by 243.1% to \$14,774.21 for the six month period ended September 30, 2011 from \$4,305.90 for the six month period ended March 31, 2011.

Liquidity and Capital Resources

We estimate that our cash on hand and the estimated proceeds of this Offering will be sufficient to establish the new store. This takes into consideration the costs of leasehold improvements, the anticipated negative cash flows from the new store in its initial stage and other overhead costs. Our plans will require significantly more capital than the proceeds of this Offering. If capital is not available at some future date at a reasonable cost, we may decide to reduce the pace of our expansion.

BOARD OF DIRECTORS AND MANAGEMENT

Board of Directors

Our Board consists of seven members and is responsible for managing our business. Our members elect our directors at an annual meeting held in September, with each director serving a three-year term on the Board. In order to stagger the three year terms, the initial directors elected in September 2010 were assigned terms of one to three years based on the number of votes received. At the expiration of each of these original terms in September of the relevant year, the membership will elect the persons who serve as directors, with each director serving a three year term on the Board. The Board is also responsible for hiring any employees to serve our needs. Pursuant to Section 717 of the State of New York State's Not-for-Profit Law, officers and directors have the obligation to perform their duties in good faith and with the care an ordinary prudent person in a like position would exercise under similar circumstances.

Name	Position	Board Term End
DK Holland	President/Board Member	2013
Giselle Sperber	Vice President/Board Member	2012
Amanda Goad	Board Member	2012
Christina Travers	Board Member	2014
Doug Warren	Board Member	2014
Lawrence Eichorn	Board Member	2014
Pablo Anwar Armijo de Lazarik	Board Member	2013

The following is a brief description of the relevant background and experience of each member of the Board:

DK Holland. Deborah K Holland graduated from Parsons the New School in 1970 with a major in graphic design. She has been involved in community organizing from an early time. She has been a partner in a number of design firms in New York, the most notable of which is Pushpin Studios. She has taught design internationally as well across the United States, and currently teaches in MFA programs at the School Visual Arts and the Pratt Institute of Design. She is author of approximately a dozen books on design, including "Branding for Nonprofits". She has been a resident of Brooklyn since 1983 where she co-founded the Greene Hill Food Co-op in 2008. She has served as the co-chair of the Branding and Marketing Committees since the inception of the Co-op and as the co-chair of the Steering Committee. She was elected to the Board in 2010 and also serves as President of the Co-op. She is also a member of the Park Slope Food Co-op.

Giselle Sperber. Giselle Sperber graduated with an advanced degree in Architecture from Rice University in 2004. She worked as a design manager for Wireless Generation from 2005 to 2009. She was appointed to our Board in September 2010. She has also served as a co-chair of the Governance Committee since November 2009. She is also a co-chair of the Steering Committee and Vice-President of the Co-op. Giselle previously served on the Steering Committee of the Mid-Atlantic Food Co-op Alliance and is a longtime member of the Park Slope Food Co-op.

Amanda Goad. Amanda Goad received a B.A. from Rice University in 2000 and a J.D. from Harvard Law School in 2005. She worked for the New York City Law Department from 2005 to 2011 and now practices civil rights law for a national non-profit. Amanda joined the Co-op in April 2010 and launched the Membership Committee during the summer of 2010. She was elected to the Board in September 2010 and is currently co-chair of the Governance and the Steering Committees.

Christina Travers. Christina Travers received a B.S. from Duke University in Biology and a M.S. in Urban Policy and Management with a concentration in Community Development Finance from The New School. She is a

Loan Portfolio Manager at Local Initiatives Support Corporation (“LISC”), a national organization established by the Ford Foundation to help community residents transform distressed neighborhoods into healthy and sustainable communities. Christina provides financial information and analysis regarding LISC’s loan portfolio to senior management, the LISC Board and potential lenders, regular narrative reports as well as any other intermittent informational requests to LISC’s existing lenders, and also serves as the loan administrator for the LISC Louisiana Loan Fund, and assisting the CEO of The Retail Initiative (“TRI”) with financial analysis of exit strategies from the remaining properties in TRI’s portfolio. She is also a member of LISC’s Credit Committee, Loan Watch Committee, and Portfolio Monitoring Committees. Prior to joining LISC, Christina worked as a Policy Analyst at New York City’s Department of Health and Mental Hygiene. Christina is a Returned Peace Corps Volunteer, completing her service in Zambia, Africa. She was elected to the Board in 2010 and is also the co-chair of the Finance Committee.

Doug Warren. Doug Warren received B.S. and PhD degrees in Electrical Engineering from the University of Pennsylvania and Princeton University, respectively. He has worked for the past twenty years in the finance industry, starting at Citibank in 1991. Most recently, he was a Managing Director at Barclays Capital in New York City where he held various positions in fixed income trading. He was elected to the Board in 2010 and is also a co-chair of the Finance Committee.

Lawrence Eichorn. Lawrence Eichorn graduated with a degree in economics from Harvard University. He manages a construction and architecture firm in Tribeca and has been a member of the Park Slope Food Coop for five years. He has been on the Steering Committee since the inception of the Co-op and previously served as co-chair of the Lease Location Committee for three years.

Pablo Anwar Armijo de Lazorik. Pablo Armijo graduated with a B.S. in Architecture from the College of Architecture at Texas Tech University in 2006. He moved to New York City and worked as a Junior Designer for Sam Trimble Design INC. He currently manages properties for many clients, and is a design consultant with a multiple firms. He was elected to our Board in 2011 and has served as a co-chair of the Design-Build Committee, the Operations Committee, and the Branding/Marketing Committee.

Officers

The Board also elects our officers annually at the October general meeting.

The following table lists our current officers, each of whom was elected to a one-year term by the Board in October 2011:

Name	Position
DK Holland	President
Giselle Sperber	Vice President
Kathryn Zarczynski	Secretary
Jeffrey Frankovic	Treasurer

The following is a brief description of the relevant background and experience of each Officer who is not a member of the Board:

Kathryn Zarczynski. Kathryn Zarczynski was one of the two founders of the Co-op in 2008. She was elected Secretary in October 2010, has served on the Outreach Committee and has been on the Steering Committee since its inception. She is currently employed full time in the gourmet food industry in Brooklyn.

Jeffrey Frankovic. Jeffrey Frankovic graduated with a B.A. in Economics and Journalism from New York University in 2004. He also holds a License (the equivalent of B.A.) in European Studies from the University of Paris III. Jeffrey has worked in the Administration and Finance department at the American Civil Liberties Union (“ACLU”) since 2007 and is currently the ACLU’s Manager of Financial Reporting. He works directly with the Director of Administration and Finance and Chief Financial Officer on a range of administrative and financial tasks

including, but not limited to, budgeting, internal financial reporting to management, financial statements and the regular audit, tax return preparation, and affiliate revenue reconciliation. He also supports the Director of Banking and Investments in managing the organization's operating and investment accounts. He has been a member of the Co-op since May 2010. He has been serving as Finance Committee co-chair since August 2010 and was first elected Treasurer in October 2010.

Steering Committee and Committees

Steering Committee. Our day-to-day operations are managed by the Steering Committee. The Steering Committee is made up of the heads of the other committees and two "at large" members. It meets monthly to ensure that each committee's work is coordinated and to set the agenda for the general meetings of members.

As of the date of this Disclosure Statement, the following are the members of our Steering Committee:

Name	Position -Committee
Aaron Zueck	Co-Chair – Operations
Amanda Goad	Co-Chair – Governance Co-Chair – Steering
April Taylor	Co-Chair – Merchandising Co-Chair – Operations
Brian Rosenworcel	Co-Chair – Branding and Marketing
Christina Travers	Co-Chair – Finance
DK Holland	Co-Chair – Branding and Marketing Co-Chair – Steering
Doug Warren	Co-Chair – Finance
Eric Brelsford	Co-Chair – Information Technology
Erin Brof	Co-Chair – Membership
Geoffrey Cestaro	Co-Chair – Information Technology
Giselle Sperber	Co-Chair – Governance Co-Chair – Steering
Jeff Sherman	Co-Chair – Design/Build
Jeffrey Frankovic	Co-Chair – Finance
John Wepking	Co-Chair – Merchandising Co-Chair – Operations
Nick Collins	Co-Chair – Membership
Olivia Angelozzi	Co-Chair – Branding and Marketing
Pablo Anwar Armijo de Lazorik	Co-Chair – Operations

Name	Position -Committee
Phil Ashlock	Co-Chair – Information Technology
Renee Renata Bergan	Co-Chair – Outreach
Salem Darrow	Co-Chair – Design/Build

The following is a brief description of the relevant background and experience of each member of the Steering Committee who is not an officer or a member of the Board:

Aaron Zueck. Aaron Zueck has a B.S. in Finance from the University of Northern Colorado. He works in various capacities at Butter Beans Kitchen, which provides all natural meals to school children. He is also completing a Backyard Farming Apprenticeship with BK Farmyards, a local urban farming project. Previously, he co-created and completed a cross-country, local-food centered bike trip, called Bikeloc - Potlucking Across America. Since joining the Co-op on September 2010, he has been a member of the Merchandising Committee, and is now a co-chair of the Operations Committee.

April Taylor. April Taylor works as an Assistant Production Manager for a cable television series and has enjoyed a long career in this field. She joined the Co-op in August 2010, and has been a co-chair of the Merchandising Committee since September 2010. She has been deeply involved in the launch of the buying club and is also co-chair of the Operations Committee.

Brian Rosenworcel. Brian Rosenworcel graduated from Tufts University in 1995. He has drummed and blogged for the band Guster ever since. Brian has lived in Brooklyn for twelve years and joined the Co-op in February 2011. Since then he has taken over the newsletter and has done publicity for the Co-op.

Eric Brelsford. Eric Brelsford graduated with an M.S. in Computer Science from Rochester Institute of Technology in 2007. He is a freelance computer programmer and is actively involved in a variety of local, food-related projects. He has been active at the Co-op since the fall of 2009 and has been a co-chair of the IT Committee since the summer of 2010.

Erin Brof. Erin Brof graduated with a degree in Environmental Studies from The University of Vermont in 1996. She has worked for Dowling and Partners Securities for the past eight years as Account Manager/Research Associate and prior to that she worked for GreenOrder (consulting) and the University of Oxford. She has been a co-chair of the Membership Committee since April, 2011.

Geoffrey Cestaro. Geoffrey Cestaro has a B.S. in Information Systems Management from New York University. He is currently Senior Development Officer for Systems at The Metropolitan Museum of Art, where he manages the Museum's fundraising database and works to build an e-philanthropy program. In the past he has integrated technology with workflow in varied settings, including several graphic design firms, the Department of Human Genetics at Emory University, and NYU Medical Center School of Medicine. Geoffrey is a co-chair on the IT Committee and works with the Operations Committee as well.

Jeff Sherman. Jeff Sherman graduated with a Masters degree from Yale School of Architecture in 1992. He co-founded Delson or Sherman Architects pc in 1997, a firm specializing in high-end residential and commercial design. He is a licensed architect and licensed as an Accredited Professional in Leadership in Energy and Environmental Design (LEED A.P.) for green building. He joined the Co-op in November 2010 and was appointed co-chair of the Design/Build Committee (previously the Lease/Location Committee) on his first day as a member.

John Wepking. John Wepking received a Religious Studies degree from Grinnell College in Iowa and a Master's degree in Urban Planning at the University of Wisconsin-Milwaukee. He worked as a project manager for Neighborhood Restore HDfC, a New York City affordable housing developer and manager, for two years before changing careers. He has worked as a cook at Bark Hot Dogs in Park Slope and at Prune, Gabrielle Hamilton's restaurant in Manhattan. He has been a member of the Co-op and a co-chair of the Merchandising Committee since the fall of 2010, and is now also co-chair of the Operations Committee.

Nick Collins. Nick Collins has worked as a Launch Director in London, as the European Director for Children's Action in Paris, and as Technology Applications Coordinator and Communication and Multimedia

Director in New York. In his last position, he held the post of Communications and Multimedia Director, working with members in underserved communities across the City of New York and New Jersey. He recently returned to school to obtain a degree in both Finance and Human Resources Management. He has served as co-chair of the Membership Committee since August 2010.

Olivia Angelozzi. Olivia Angelozzi graduated with a B.A. in Design from L'Ecole Boulle in Paris, and later with a B.A. in Illustration from Parsons in New York City. She has lived in New York City for the past 15 years where she worked as a freelance graphic designer and illustrator for various clients including restaurants, fashion and publishing. She works from her studio in Red Hook. Olivia joined the Co-op in April 2011, and has been a co-chair for the Design and Branding committee since then.

Phil Ashlock. Phil Ashlock graduated with a degree in design from Western Washington University in 2007. He has worked as a web developer and project manager at OpenPlans, a civic technology organization, since 2008. He became involved with the Co-op in 2009 and shortly thereafter became the co-chair of the IT Committee. He has been a member of the Co-op since June 2010.

Renée Renata Bergan. Renée Renata Bergan is an award winning documentary filmmaker and performer. She has been active in the Co-op for one year and became co-chair of Outreach in August, 2011.

Salem Darrow. Salem Darrow has worked in construction nationwide for 25 years, seven of which were in large scale landscape and greenhouse work, and 18 of which have been in heavy civil, multi-use commercial, high-end estates and renovation, including hospitality settings such as destination restaurants in New York City. Currently she is the principal of Blue Green Red LLC, a Brooklyn based construction firm with an emphasis on sustainability. She is co-chair of the Design/Build committee.

Other Committees. There are eight task-specific committees made up of individuals who meet independently to plan and advance different aspects of the transition from the buying club to operating a store and the long-term growth and development of the Co-op. Committees have been organized around Branding, Design/Build, Finance, Fundraising, Governance, Information Technology, Membership, Merchandise, Operations and Outreach. Any member can join one or more committees. Each committee is overseen by two or three members of the Steering Committee, who are the co-chairs.

Branding and Marketing Committee. The Branding Committee is responsible for the design, approval, execution and installation of interior and exterior signs, as well as other branding items of the Co-op. This committee is chaired by DK Holland, Brian Rosenworcel and Olivia Angelozzi.

Design/Build Committee. The Design/Build Committee is tasked with the design and construction of the store, including both its short-term build-out and its long-term master plan. This committee is chaired by Jeff Sherman and Salem Darrow.

Finance Committee. The Finance Committee oversees our financial resources. The committee is charged with managing our bank accounts, handling all financial reporting, providing input on business matters to the other committees, reconciling membership payments with the membership database on a regular basis, creating budgets and cash flow projections as needed, and drafting or amending our business plan. This committee also oversees applications for and administration of grants. The committee is chaired by Jeffrey Frankovic, Doug Warren and Christina Travers.

Governance Committee. The Governance Committee is tasked with ensuring that the Co-op complies with local, state, and federal law, as well as our own bylaws. The Governance Committee advises on process questions and seeks to ensure that decisions are made by agreement of the general membership where appropriate, but also with maximum efficiency. The Governance Committee runs monthly Board meetings and the annual meeting, and conducts interim Board/officer elections as needed. It also has assisted with our application to accept electronic benefits transfers ("EBT") and in identification and acquisition of necessary permits and licenses. It oversaw the development of our bylaws, and will continue to oversee any amendments to them. The Governance Committee also seeks to maximize our organizational capacity through occasional formal strategic planning meetings, ongoing informal project management efforts, and a variety of process suggestions. This committee is chaired by Amanda Goad and Giselle Sperber.

Information Technology Committee. The IT Committee is tasked with the design, construction and maintenance of our website (www.greenehillfoodcoop.com), including news and events updates and others. This committee is chaired by Phil Ashlock, Geoffrey Cestaro and Eric Brelsford.

Membership Committee. The Membership Committee oversees the administrative procedures for all new and existing members and manages all membership applications (online and paper). We maintain all member records electronically and receive and record payments of membership fees. The committee is also responsible for tracking work shifts for members (starting with the buying club and eventually for the store). In addition, the committee works with the IT Committee to research alternative databases to be used for future tracking and coordinates with the Finance Committee and the buying club for reconciliation. This committee is chaired by Nick Collins and Erin Brof.

Merchandising Committee. The Merchandising Committee operated the buying club and sourced all items for sale at the buying club, as it will for the store. The Merchandising Committee is deeply involved in the decision making process in relation to the locality of our inventory, its environmental consciousness and affordability. This committee is chaired by April Taylor and John Wepking.

Operations Committee. This committee will be charged with articulating, delegating (when not previously assumed by existing committees), and tracking every task, assignment and costs/labor related to the operation of the Co-op. So far it has worked on arranging the physical layout of the store, securing furniture, shelving, refrigeration, computers and a point-of-sale system, cleaning the store, and more. This committee is chaired by Pablo Anwar Armijo de Lazorik, April Taylor, John Wepking and Aaron Zueck.

Outreach Committee. The Outreach Committee organizes the Co-op's membership campaign, manages press relations, makes community partnerships and spreads the word through having a presence at community events. In addition, the committee coordinates with other committees, such as fundraising and membership to increase the exposure of the Co-op in the community and attract new members by coordinating and planning events with the other committees or aligning with local businesses who offer discounts for new members that join the Co-op, among others. This committee is chaired by Renee Renata Bergan, with the second co-chair position currently open.

Personnel

We do not currently have any employees. Our members must work on a committee a minimum of four hours every eight weeks or in the store a minimum of two hours every four weeks after the new store opens, thus performing the duties necessary for the operation of the store. Members do not receive monetary compensation for their time.

LITIGATION AND PROCEEDINGS

There are no known pending or threatened material actions, suits, proceedings, inquiries or investigations by governmental authorities, administrative bodies or other persons to which we and/or any of our directors, officers or managers is or may be a party, or to which any of our property may be subject. We are not subject to any disciplinary actions or legal proceedings related to securities or other material financial matters involving us or any of our officers or directors, employees or agents within three years from the date of this Disclosure Statement.

OFFERING PLAN

We are seeking to raise money through the sale of Notes in this Offering and combine the money raised from the Offering with other funds to finance the new store. Our goal is to raise between \$35,000 and \$40,000 from the Offering. This Offering is only open to Residents.

The Offering will terminate on January 10, 2012 unless our Steering Committee extends the Offering or terminates it earlier. We reserve the right to suspend or terminate this Offering at any time for any reason.

Conditions of the Offering

We will not accept any offers from Residents to purchase Notes and no Notes will be sold or issued unless we have received executed purchase agreements for an aggregate of at least the Acceptance Minimum in Notes by December 15, 2011 or unless our Steering Committee determines that the offers from Residents, if less than the Acceptance Minimum, along with other Co-op funds are adequate to proceed with the plans for the new store.

Procedures for Purchasing Notes

A Resident who wishes to purchase Notes must complete the Purchase Agreement attached as Annex A to this Disclosure Statement and return it to Jeff Frankovic, our Treasurer, along with a check for the principal amount of Notes that the Resident is offering to purchase. Checks should be payable to "The Greene Hill Food Cooperative, Inc."

The minimum principal amount of Notes that a Resident may purchase is One Thousand Dollars (\$1,000). Above \$1,000, Residents may purchase amounts in multiples of One Hundred Dollars (\$100), e.g. \$1,100, \$1,200, etc. Residents must indicate on the Purchase Agreement the amount of Notes that they are offering to purchase.

Residents may also purchase more than one Note with different maturities and/or interest rates. If Residents wish to do so, they must submit a separate Purchase Agreement for each Note that will have a different maturity and interest rate combination. Each separate Purchase Agreement must be for at least the minimum amount of \$1,000.

The Purchase Agreement, when signed and returned to us by a Resident along with a check for the principal amount indicated in the Purchase Agreement, will be an offer by such Resident to accept a Note in the amount and on the terms stated in the Purchase Agreement. Purchase Agreements are subject to our approval and acceptance by us, and we reserve the right to reject any Purchase Agreement, in whole or in part, for any reason, in our sole discretion. Our receipt of a Resident's Purchase Agreement does not imply approval or acceptance. Residents should carefully review the Purchase Agreement before signing it.

Checks received by us from Residents who submit Purchase Agreements will be held by our Treasurer until the related Purchase Agreement is accepted. It may be days or weeks between the time when we receive your Purchase Agreement and check and when we make a decision to accept or reject your Purchase Agreement. You will not receive any interest on the funds represented by such a check during the period between receipt of your Purchase Agreement and acceptance or rejection of the Purchase Agreement. If we terminate this Offering without accepting any Purchase Agreements or if we reject your Purchase Agreement, we will return your check and you will not be paid any interest.

We will accept offers and apply Note Quotas (as defined below) to determine which offers to accept on two dates, December 15, 2011 and January 10, 2012.

If we decide to accept your Purchase Agreement, we will deposit your check into our bank account and, once the check clears and the funds have been delivered to our account, we will complete the acknowledgement of acceptance in the Purchase Agreement and return a copy of the Purchase Agreement along with a physical unsecured, subordinated promissory note to you. If your check is rejected based on insufficient funds, we will reject your Purchase Agreement and send you a notification of our rejection.

Even if we begin to accept Purchase Agreements, delivery of your Notes may take more than three days because we will only deliver Notes once sufficient funds represented by your check have been delivered to our account.

Method of Sales

The Notes will be sold by our Treasurer and by our officers and directors and other trained Co-op members. Sales will be made directly to Residents on a best-efforts basis without the assistance of an underwriter. We do not consider our Treasurer, or our officers and directors or other Co-op members to be brokers under the Securities Exchange Act of 1934, as amended, because they have not been, and will not be, in the business of effecting transactions in securities for the accounts of others, except for Douglas Warren, who is a registered representative that holds Series 7, Series 24 and Series 63 licenses. The participation of those individuals in the Offering is limited to this transaction and not part of a general business of effecting securities transactions. Each of these individuals has substantial operational responsibilities related to us during and after the Offering. They have not received, and will not receive, any compensation or commission based, directly or indirectly, upon the sale of the Notes.

Terms of the Notes

The Notes will be issued in fully registered form without coupons, and each Note will be evidenced by a subordinated promissory note which will be delivered to each Noteholder. Each Note will generally contain the following terms:

- (1) *Amount of Notes.* Each Note will be issued in a minimum denomination of \$1,000 and integral multiples of \$100 above \$1,000.
- (2) *Issue Date of Notes.* Each Note will be dated the date on which the check delivered with the relevant Purchase Agreement has cleared and the funds represented by such check have been delivered to our account (the "Issue Date"), and the Note will earn interest from that date at the rate stated in the Note.
- (3) *Interest Rates.* Each Note will obligate us to pay the Noteholder simple interest on the outstanding principal at an interest rate that the Noteholder selected in its Purchase Agreement up to a maximum of 2.5% per year for Notes with a maturity of five, six or seven years (2017, 2018 or 2019) as selected by the Noteholder and up to a maximum of 3.5% per year for a Noteholder who has purchased a Note with a maturity of eight, nine or ten years (2020, 2021 or 2022) as selected by the Noteholder. The interest rate will be fixed when the Note is issued and will not change for the term of the Note unless the Noteholder and we mutually agree in writing to a change in rate. The interest is simple and will not be compounded, and it will be calculated and paid annually on January 15 of each year. For each Note, interest will begin to accrue on its Issue Date.
- (4) *Maturity.* The Notes will have varying maturities of five, six, seven, eight, nine and ten years. Each Noteholder will select the maturity of his or her own Note. For each maturity, only a certain Note Quota will be sold. The Note Quotas for each Note maturity are as follows:

<u>Note Maturity Date</u>	<u>Note Quota</u>
2017	\$6,000
2018	\$6,000
2019	\$6,000
2020	\$6,000
2021	\$6,000
2022	\$10,000

We will fill the Note Quotas by, in each Note Quota, giving priority first to Purchase Agreements with a lower interest rate selected and, within a given interest rate on a first-come, first-served basis. We will accept offers on two dates, December 15, 2011 and January 10, 2012. On the first acceptance date we will apply the Note Quotas. Each Note Quota will be reduced by the principal amount represented by accepted Purchase Agreements for such Note Quota, and that reduced Note Quota will be applied on

subsequent acceptance dates. Once the Note Quota for a particular maturity has been reached, no more Notes having that maturity will be sold unless the Note Quota for such terms is adjusted based on the procedures below. If total Note sales are more than \$40,000, then we may increase our Note Quotas so that the amount is allocated proportionally over the terms for which Notes are to be repaid, based on the same proportions listed in the table above. If sales of Notes for a particular maturity are less than the Note Quota for that term, then we may reallocate, at our discretion, the unsold portion of the Note Quota to one or more of the other Note maturities.

Residents may purchase Notes for one or more maturities or interest rate and receive a separate Note for each combination of maturity and interest rate; *provided, however*, that the amount of each Note for each combination of maturity and interest rate must equal or exceed \$1,000. Residents wishing to purchase more than one Note or Notes with different combinations of maturity and interest rate must fill out a separate Purchase Agreement for each Note and combination of maturity and interest rate.

- (5) *Maturity Date.* January 15 in the year of maturity selected by the Noteholder. The exact Maturity Date including the year will be stated on each Note.
- (6) *Payment of Interest.* Accrued interest will be paid annually on January 15 of each year; *provided that*, for all Notes, including Notes issued prior to January 15, 2012, the first interest payment date will be January 15, 2013 and *provided that* in any given year where January 15 is not a Business Day (as defined below), accrued interest will be paid on the next Business Day. “Business Day” means a day other than Saturday, Sunday or other day on which banking institutions in New York are authorized or required by law to close.
- (7) *Payment of Principal.* The principal due under each Note, plus accrued but unpaid interest, will be due and payable on the Maturity Date of the Note; *provided that* if the Maturity Date for a given Note is a day other than a Business Day, the principal amount of that Note, plus any accrued but unpaid interest due under that Note, will be due and payable on the next Business Day following the Maturity Date.
- (8) *Record Date.* For any given payment of interest or principal, payment will be made to the persons who were the registered holders of the Notes on the record date, which shall be the January 1, immediately prior to the relevant payment date.
- (9) *Redemption.* We may redeem any or all of the Notes, in whole or in part, at any time, without penalty, by paying a Noteholder the principal amount of their Note, together with any accrued but unpaid interest, and cancelling the Note. In other words, we have the right to buy the Notes back from Noteholders. We may choose to redeem certain Notes but not others. We are not required to redeem all Notes proportionately. If we redeem a particular Note, no amount of principal will continue to be outstanding on such Note, and no interest will continue to accrue. If we redeem a Noteholder’s Note, the Noteholder is required to return to us the unsecured subordinated promissory note which evidences the Note, at which point we will cancel such Note. If we redeem less than the total principal amount of a Noteholder’s Note, we will cancel the original unsecured subordinated promissory note and issue a new unsecured subordinated promissory note to the Noteholder for the principal amount that was not redeemed.
- (10) *Security.* The Notes will be our unsecured subordinated obligations. None of our assets will be pledged or mortgaged to support or secure repayment of the Notes. In addition, we may pledge any or all of our property as collateral to repay debts owed to future lenders or other sources. Therefore, if we fail to make a scheduled payment on a Note and are in default, it is possible that a Noteholder will be unable to attach or take possession of our property to pay what is owed to the Noteholder, because other lenders or sources may have superior liens in our property.

No person or entities are guaranteeing the payment of the Notes. Additionally, no sinking fund, escrow account or trust has or will be established for repayment of the Notes.
- (11) *Subordination.* We may borrow funds from other sources or lenders in the future (“Future Senior Lenders”) by issuing debt or obtaining loans which will be senior in right of payment to the Notes (“Future Senior Debt”). The Notes are subordinated to any Future Senior Debt which, in part, means that Future Senior Lenders would have a right to be repaid first, before any payment on the Notes.

By purchasing the Notes, each Noteholder and subsequent holder of the Notes agrees that it shall sign and deliver, upon our request, to any Future Senior Lender a subordination agreement or agreements, which is reasonable and customary for this type of financing and reasonably satisfactory to such Future Senior Lender, whereby the Noteholder agrees that its right to receive the amounts payable under its Note is subordinated in right of payment and/or collateral to any promissory note or other evidence of indebtedness which we may deliver to any Future Senior Lender, and also agrees to authorize us to appoint counsel to negotiate such subordination agreement on the collective behalf of the Noteholders. Copies of the subordination agreements will be provided to each Noteholder as they become available. If we have requested a Noteholder to sign and deliver a subordination agreement, no interest or principal will be paid to that Noteholder until such Noteholder has signed and delivered the subordination agreement.

The Notes delivered to each Noteholder will generally state: (a) that if a Future Senior Lender requests that we not pay amounts (including interest) that we owe to a Noteholder, or that payments be reduced, then we shall suspend or reduce all payments under the Notes, even if legally due, until such time as the Future Senior Lender permits us to resume making payments to such Noteholder; (b) that we may suspend payments under the Notes, even if legally due, if we are in default to a Future Senior Lender or if we believe that a default would occur as a result of such payment; and (c) if we suspend or reduce payment for the reasons stated in subsections (a) or (b) above, this shall not be a default under the Note and the Noteholder shall not ask for, take, or receive any payments from us that are applicable to such Noteholder's Note, and will not take any action to accelerate, demand, collect, or enforce all or any portion of the Notes, or exercise any other rights of the Noteholder permitted in the event of a default under the Note.

- (12) *No Redemption at Option of Noteholder.* There is no provision in the Notes which will allow a Noteholder to require that we redeem any Note, in whole or in part, before the scheduled Maturity Date.
- (13) *Default.* An event of default under a Note shall occur if we do not pay any amount due under the Note when it is due and payable and such default continues for sixty days after we have received notice from the Noteholder of such failure to pay. However, it shall not be a default if we suspend or reduce payments for the reasons described in paragraph (11) "Subordination" above. Upon default, the Noteholder may exercise any legal remedy to collect payment of **only** the amount that was not paid. The unpaid balance of the Note shall **not** become entirely due and payable in the event of a default.

An investment in the Notes is speculative and involves a high degree of risk. It will be difficult for any Noteholder to sell or otherwise dispose of Notes because there will be no public trading market for the Notes. Accordingly, the Notes are suitable only as a long-term investment for persons who can afford to lose their entire investment.

Record Keeping

Our Treasurer will maintain records for each Note, including its principal amount, Interest Rate, Issue Date and Maturity, Maturity Date, the serial number on the physical unsecured, subordinated promissory note and the name and address of the Noteholder. The only owners of a particular Note are those persons listed as the holders in the records maintained by our Treasurer. No payments of interest or principal will be made to any person other than the person listed in our records and their heirs.

If a physical Note is issued and the Noteholder thereof claims that such document has been lost, destroyed or wrongfully taken, or if it is mutilated and is surrendered to our Treasurer, we will issue a replacement Note if our requirements are met. We may require that the Noteholder furnish an indemnity bond sufficient in our judgment to protect us from any loss which we may suffer if a Note is replaced.

Transfers and Transfer Restrictions

A Noteholder may only transfer a Note by surrendering the physical unsecured, subordinated promissory note to our Treasurer. Our Treasurer will then record the new holder in his records, and only then will the transfer be effective. In the event of a partial transfer or a partial redemption of a Note, a new physical unsecured, subordinated

promissory note will be issued to the transferee in respect of the part transferred and a new physical unsecured, subordinated promissory note in respect of the balance of the Note not transferred or redeemed will be issued to the transferor or the holder, as applicable; *provided* that no Note in a denomination less than \$1,000 will be issued in the case of a transfer.

No transfers will be made from January 1 through January 15 of any year, and payments of interest and principal on a given Note will only be paid to the Noteholder listed in our Treasurer's records on January 1 immediately prior to the relevant payment.

There are additional restrictions on the transfer of the Notes by Noteholders. The Notes may only be transferred if such transfer is permitted by the Securities Act, the Securities Exchange Act of 1934, as amended, and any applicable securities laws of any state of the U.S. or any other jurisdiction. During the nine months following the completion of this Offering, Notes may only be transferred to Residents. Notes may not be transferred to non-Residents, (i.e. residents of a state other than the State of New York,) until after nine months following the last sale of Notes under this Offering, and after that nine month period, Notes may not be transferred to non-Residents unless our Treasurer has received a written legal opinion from the Noteholder's legal counsel, satisfactory to our legal counsel, that the transfer to the non-Resident complies with all applicable laws.

Our Treasurer will make notations in its records of the dates relevant to the transfer restrictions listed above, and no transfers will be made to non-Residents during the nine months following the last sale of Notes under this Offering. In connection with the issuance of any new physical unsecured, subordinated promissory notes by the Co-op that are part of the same issue of the Notes, we will place a legend on each new Note reflecting the restrictions outlined above, in the form of the legend below.

Every Note that is issued shall bear the following legend:

THIS UNSECURED SUBORDINATED PROMISSORY NOTE ("NOTE") HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY U.S. STATE, INCLUDING THE STATE OF NEW YORK. THE NOTE IS BEING OFFERED AND SOLD ONLY TO RESIDENTS OF THE STATE OF NEW YORK ("RESIDENTS") IN RELIANCE UPON SECTION 3(A)(11) OF THE SECURITIES ACT AND SECTION 359-F(2)(C) OF THE GENERAL BUSINESS LAW OF THE STATE OF NEW YORK (THE "NY GENERAL BUSINESS LAW"). THIS NOTE MAY NOT BE SOLD, OFFERED FOR SALE, DONATED, PLEDGED, OR OTHERWISE TRANSFERRED OR NEGOTIATED (WHETHER OR NOT FOR CONSIDERATION) UNLESS (I) THE SALE OR OTHER TRANSFER IS REGISTERED UNDER THE SECURITIES ACT AND THE NY GENERAL BUSINESS LAW, (II) THIS NOTE IS SOLD, DONATED, PLEDGED, OR OTHERWISE TRANSFERRED OR NEGOTIATED TO A RESIDENT, OR (III) THIS NOTE IS SOLD, DONATED, PLEDGED, OR OTHERWISE TRANSFERRED OR NEGOTIATED TO A NON-RESIDENT AFTER MORE THAN NINE MONTHS FOLLOWING THE DATES OF THE LAST SALE IN CONNECTION WITH THE OFFERING OF THIS NOTE AND THE TRANSFEROR HAS DELIVERED TO THE GREENE HILL FOOD COOPERATIVE, INC., A WRITTEN OPINION FROM THE NOTEHOLDER'S LEGAL COUNSEL, SATISFACTORY TO OUR LEGAL COUNSEL, THAT THE TRANSFER TO THE NON-RESIDENT COMPLIES WITH ALL APPLICABLE LAWS AND DOES NOT VIOLATE ANY OF THE REGISTRATION PROVISIONS OF ANY FEDERAL AND U.S. STATE SECURITIES LAWS AND ANY RULES AND REGULATIONS PROMULGATED PURSUANT TO SUCH LAWS.

Tax Aspects

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, NOTEHOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE CO-OP IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE CO-OP OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The following is a summary of certain material U.S. federal income tax consequences of the acquisition, ownership and disposition of the Notes by individual Noteholders who hold the Notes as capital assets. This summary does not address the state or local tax consequences of holding Notes. The interest paid by us on the Notes will be taxable to Noteholders as ordinary income under federal income tax law. Interest earned on the Notes will be reported with a 1099 INT to the IRS. Gains or losses on the disposition of the Notes will be capital gains or losses for federal income tax purposes.

EACH PROSPECTIVE NOTEHOLDER SHOULD CONSULT HIS/HER OWN TAX ADVISOR WITH RESPECT TO THE FEDERAL, STATE, AND LOCAL TAX CONSEQUENCES OF PURCHASING A NOTE AND THE IMPACT THAT THIS MAY HAVE ON THE HIS/HER TAX REPORTING OBLIGATIONS AND LIABILITY.

ELIGIBILITY TO PURCHASE NOTES

Only bona fide residents of the State of New York may purchase the Notes. At the time an investor returns a Purchase Agreement, such investor will be required to present a current New York ID or some other valid proof of residency and certify as to his or her residency.

You must purchase the Note for your own account or for an account over which you have investment discretion, provided that the beneficiary of such account is a resident of the State of New York. The Notes have not been and will not be registered under the Securities Act, the NY General Business Law or any United States or any U.S. state securities laws, including the State of New York. The Notes have not been approved or disapproved by the SEC, the Department of Law, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of an offering of Notes or the accuracy or the adequacy of this Disclosure Statement. Any representation to the contrary is a criminal offense in the United States.

The purchase of a Note involves a significant degree of risk, and the Notes are only suitable as a long-term investment for persons who can afford to lose their entire investment.. See “Risk Factors”.

No person, whether acting as a promoter, as an affiliate of a promoter or otherwise, shall receive any direct or indirect compensation or remuneration in connection with this Offering. No commissions will be paid to anyone in connection with this Offering.

TRANSFER RESTRICTIONS

The Notes have not been and will not be registered under the Securities Act or any U.S. state securities laws, including the State of New York. The Notes are being offered and sold only to Residents in reliance upon Section 3(a)(11) of the Securities Act and Section 359-f(2)(c) of the NY General Business Law. No Note may be sold, offered for sale, donated, pledged, or otherwise transferred or negotiated (whether or not for considerations) unless (i) such Note is registered for sale under the Securities Act or the NY General Business Law, (ii) such Note is sold, donated, pledged, or otherwise transferred or negotiated to a Resident, or (iii) such Note is sold, donated, pledged, or otherwise transferred or negotiated to a non-Resident after more than nine months following the last sale in this Offering and the transferor has delivered to us a written opinion from the transferor’s legal counsel, satisfactory to our legal counsel, that the transfer to the non-Resident complies with all applicable laws and does not violate any of the registration provisions of any federal and U.S. state securities laws, and any rules and regulations promulgated pursuant to such laws. The preceding restrictions shall be noted on each Note.

You should view the purchase of a Note as an investment to be held to maturity, as you may not be able to sell, dispose of or transfer any Notes purchased prior to maturity, whether for emergency purposes or otherwise. By purchasing the Notes, you are representing to us that you are acquiring the Note without a view to sell, offer to sell, transfer or distribute any Notes, except pursuant to the transfer restrictions outlined above.

INSTRUCTIONS

To purchase the Notes in this Offering, you must:

- 1) **Purchase Agreement.** *Review carefully and complete* the Purchase Agreement attached as Annex A to this Disclosure Statement as follows:

Complete the Purchase and Purchaser Information required as follows:

- (a) **Print** the name(s) in which the Note is to be registered. Check the appropriate box to indicate form of ownership: Individual or Joint.
- (b) **Indicate** the amount of the Notes you are offering to purchase (minimum of \$1,000 and in increments of \$100 above that) and the interest rate and maturity you select.
 - (i) If you wish to purchase more than one Note or Notes with different combinations of maturity and interest rate, please fill out a separate Purchase Agreement for each Note and combination of maturity and interest rate.
- (c) **Fill in** the state of residence for each Purchaser (All Purchasers must reside in the State of New York; if the Purchaser is not a resident of the State of New York, the Co-op will reject the Purchase Agreement and no Notes will be issued).
- (d) **Provide** the address, telephone number and social security number of the Purchaser, including any joint or additional Purchaser.

Sign and date the Purchase Agreement where indicated. Note that each Purchaser (including each joint tenant, tenant in common or other additional Purchaser) must sign.

- 2) **Tax Form W-9.** *Complete* Form W-9 attached to this Disclosure Statement using the instructions provided in the Form. *Sign and date* the Form where indicated.
- 3) **Payment.** Make a check payable to “**The Greene Hill Food Cooperative, Inc.**” in an amount equal to the total principal amount of Notes which you are offering to purchase as shown on your Purchase Agreement. If you wish to submit funds by any other method, please contact us for instructions.
- 4) **Proof of Residency.** Include a photocopy of an identification card or driver’s license issued by the State of New York or other proof of residency within the State of New York for each Purchaser.

Return items **1, 2, 3 and 4** listed above to:

The Greene Hill Food Cooperative, Inc.

Attn: Treasurer

18 Putnam Avenue

Brooklyn, New York 11238

ANNEX A: PURCHASE AGREEMENT

THE SECURITIES TO WHICH THIS PURCHASE AGREEMENT RELATES ARE NOT OFFERED IN ANY STATE OR JURISDICTION OTHER THAN THE STATE OF NEW YORK.

PURCHASE AGREEMENT¹

I/We, _____, represent that I am a full-time, or that we are full-time, permanent resident(s) of the State of New York (the “**Purchaser**”). I/We have received and read carefully a Disclosure Statement from The Greene Hill Food Cooperative, Inc. (the “**Co-op**”) dated December 1, 2011, regarding the issuance by the Co-op of unsecured, subordinated promissory notes (the “**Notes**”). I/we understand that I/we will be assuming certain risks, as described in the Disclosure Statement.

I/We hereby offer to purchase Notes from the Co-op in amount stated below (the “**Purchase Amount**”). My/Our Purchase Amount will be on the following terms:

Amount: \$ _____ *

Type of Ownership (check one):

Interest Rate: _____ % **

☐ Individual

☐ Joint

Term Length and Year of Maturity (check one):

☐ 5 years, maturing January 15, 2017

☐ 6 years, maturing January 15, 2018

☐ 7 years, maturing January 15, 2019

☐ 8 years, maturing January 15, 2020

☐ 9 years, maturing January 15, 2021

☐ 10 years, maturing January 15, 2022

Notes –

* The minimum amount of Notes that may be purchased is \$1,000. Above \$1,000, you may purchase in increments of \$100, e.g. \$1,100 or \$3,700.

**You may select the interest rate to be paid on your Notes, but that interest rate may be no more than 2.5% per annum on Notes with a maturity of five, six or seven years (2017, 2018 or 2019) and no more than 3.5% on Notes with a maturity of eight, nine or ten years (2020, 2021 or 2022)

A check payable to “**The Greene Hill Food Cooperative, Inc.**”, in the amount of the Purchase Amount, accompanies this Purchase Agreement.

I/We agree that my Purchase Amount will be subject to the following terms, agreements and warranties:

- (1) If the Co-op accepts this Purchase Agreement, the Co-op shall deliver to me/us an unsecured subordinated promissory note (the “**Note**”) to evidence its promise to repay the Purchase Amount, with the Note being substantially in the form attached hereto. I/We understand that the Co-op may also borrow funds from banks, lenders and other sources now and in the future (“**Future Senior Lenders**”) by issuing debt or obtaining loans which will be senior in right of payment to the Note (“**Future Senior Debt**”). I/We agree that the Note and any payments due under the Note are subordinated to any Future Senior Debt owed to any Future Senior Lender, both now existing and in the future.
- (2) I/We agree that, if any Future Senior Lender requests that the Co-op suspend or reduce payments which the Co-op is to make to any Purchaser under any Note, the Co-op has the right to suspend or reduce all payments due to me/us under the Note even if the payments are legally due, and if the Co-op does suspend or reduce such payments, it shall not be a default under the Note. The suspension or reduction in payments shall continue for so long as the Future Senior Lender requests.

¹ If you wish to purchase more than one Note or Notes with different combinations of maturity and interest rate, please fill out a separate Purchase Agreement for each Note and combination of maturity and interest rate.

- (3) I/We agree that the Co-op shall have no obligation to make any principal and/or interest payment under the Note, even if this is legally due, if the Co-op is in default to any Future Senior Lender or if the Co-op reasonably believes that such payment would cause a default to occur under any of its loans with a Future Senior Lender. The suspension of payments shall continue for so long as the Co-op is in default to a Future Senior Lender or so long as the Co-op reasonably believes that such payment would cause a default.
- (4) If the Co-op does suspend or reduce any payment due under the Note for the reasons stated in paragraphs (2) or (3) above, this shall not constitute a default under the Note and I/we will not take legal action to collect payment under the Note.
- (5) I/We agree to execute any subordination agreement or agreements at the Co-op's request, which is reasonable and customary for this type of financing and reasonably satisfactory to any Future Senior Lender, required now or in the future by any Future Senior Lender so that the Note and any payments under the Note are subordinated in right of payment and/or collateral to any promissory note or other evidence of indebtedness delivered by the Co-op to, or any borrowing from, such Future Senior Lender. I/We agree to authorize the Co-op to appoint counsel to negotiate any such subordination agreement on the collective behalf of the Noteholders. I/We also understand and agree that, following a request to execute a subordination agreement, no payment of interest or principal will be made until I/we execute and deliver such subordination agreement.
- (6) In consideration for purchasing the Notes and to induce the Co-op to accept this Purchase Amount and deliver the Note, I/we make the following representation to the Co-op:
- (a) I/We are full-time, permanent resident(s) of the State of New York.
 - (b) I/We have been given access to, and have read, full and complete information regarding the Co-op, and had the opportunity to speak with authorized Co-op representatives to obtain information that I/we believed was relevant to making a decision to purchase a Note and I/we have reviewed and received all information that I/we believe is relevant to the purchase of a Note.
 - (c) I/We, alone, or with the assistance of professional advisors, have the ability, experience and knowledge in financial and business matters to evaluate the merits and risks of purchasing the Note and I/we have the net worth to undertake the risks of the Note.
 - (d) I/We am transferring the Purchase Amount and acquiring the Note only for my/our own account, as a long-term investment, and not for the account of any other person or entity.
 - (e) I/We realize that the purchase of a Note involves a speculative undertaking and a high degree of risk, and I/we can bear the economic risk of the Note for an indefinite time, and I/we can afford to lose the entire amount of my investment, and I/we have no need for the funds used in the Purchase Amount through the maturity date of the Note.
 - (f) I/We recognize that the Co-op may not be able to repay the Note or to maintain or achieve profitability, and that there is no assurance that the Co-op will be able to obtain the additional funding that it will need to complete the opening and establishment of the new store.
 - (g) I/We realize that the Notes have not been and will not be registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or any U.S. or state securities laws, including the State of New York. I/We understand that a Note may not be sold, offered for sale, donated, pledged or otherwise transferred or negotiated whether or not for consideration unless (i) such Note is registered for sale under the Securities Act and applicable state law, (ii) such Note is sold, donated, pledged or otherwise transferred or negotiated to a resident of the State of New York (a "**Resident**") or (iii) such Note is sold, donated, pledged or otherwise transferred or negotiated more than nine months following the completion of this Offering to a non-Resident and I/we have first delivered to the Co-op a written opinion from my/our legal counsel, satisfactory to the Co-op's legal counsel, describing the proposed transfer and stating that it will not violate any of the registration provisions of any federal or state securities laws, nor any rules and regulations promulgated pursuant to such laws.

- (7) This Purchase Agreement is intended to induce Future Senior Lenders to make loans to the Co-op and is to the benefit of all Future Senior Lenders.
- (8) Neither this Purchase Agreement, nor any interest therein, shall be assignable by me without obtaining the Co-op's prior written consent.
- (9) I/We acknowledge and agree that I/we am not entitled to cancel, terminate or revoke this Purchase Agreement and receive the return of the funds I/we have delivered to the Co-op unless the Co-op terminates the offering of Notes or rejects this Purchase Agreement and that this restriction shall survive my death, incapacity or bankruptcy.
- (10) The provisions of this Purchase Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns. This Purchase Agreement shall be construed and interpreted in accordance with the laws of the State of New York.

[Signature Page Follows]

The undersigned has executed this Purchase Agreement as of _____, 2011.

PURCHASERS:

Signature

Name (Typed or Printed)

State of Residency

Signature (if more than one individual purchaser)

Name (Typed or Printed)

State of Residency

Date of Purchase

Street Address

Daytime Telephone Number

City, State and Zip Code

Fax Number

Social Security Number(s)
(for tax reporting purposes)

Email Address

[Signature Page to the Purchase Agreement]

ACKNOWLEDGEMENT AND ACCEPTANCE

The undersigned hereby acknowledges receipt of the above purchase of Notes. This Purchase Agreement is accepted as of _____, 2011.

THE GREENE HILL FOOD COOPERATIVE, INC.

By: _____
Name: _____
Title: _____

[Signature Page to the Purchase Agreement]

ANNEX B: PROMISSORY NOTE

THIS UNSECURED SUBORDINATED PROMISSORY NOTE ("NOTE") HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY U.S. STATE, INCLUDING THE STATE OF NEW YORK. THE NOTE IS BEING OFFERED AND SOLD ONLY TO RESIDENTS OF THE STATE OF NEW YORK ("RESIDENTS") IN RELIANCE UPON SECTION 3(A)(11) OF THE SECURITIES ACT AND SECTION 359-F(2)(C) OF THE GENERAL BUSINESS LAW OF THE STATE OF NEW YORK (THE "NY GENERAL BUSINESS LAW"). THIS NOTE MAY NOT BE SOLD, OFFERED FOR SALE, DONATED, PLEDGED, OR OTHERWISE TRANSFERRED OR NEGOTIATED (WHETHER OR NOT FOR CONSIDERATION) UNLESS (I) THE SALE OR OTHER TRANSFER IS REGISTERED UNDER THE SECURITIES ACT AND THE NY GENERAL BUSINESS LAW, (II) THIS NOTE IS SOLD, DONATED, PLEDGED, OR OTHERWISE TRANSFERRED OR NEGOTIATED TO A RESIDENT, OR (III) THIS NOTE IS SOLD, DONATED, PLEDGED, OR OTHERWISE TRANSFERRED OR NEGOTIATED TO A NON-RESIDENT AFTER MORE THAN NINE MONTHS FOLLOWING THE DATES OF THE LAST SALE IN CONNECTION WITH THE OFFERING OF THIS NOTE AND THE TRANSFEROR HAS DELIVERED TO THE GREENE HILL FOOD COOPERATIVE, INC., A WRITTEN OPINION FROM THE NOTEHOLDER'S LEGAL COUNSEL, SATISFACTORY TO OUR LEGAL COUNSEL, THAT THE TRANSFER TO THE NON-RESIDENT COMPLIES WITH ALL APPLICABLE LAWS AND DOES NOT VIOLATE ANY OF THE REGISTRATION PROVISIONS OF ANY FEDERAL AND U.S. STATE SECURITIES LAWS AND ANY RULES AND REGULATIONS PROMULGATED PURSUANT TO SUCH LAWS.

UNSECURED SUBORDINATED PROMISSORY NOTE

Serial No. _____

THE GREENE HILL FOOD COOPERATIVE, INC.

Brooklyn, New York

\$ _____
(Principal amount)

_____, 2012
(Issue date)

_____%
(Interest Rate)

_____, 2012
(Maturity date)

- (1) In consideration of value received from _____ (the "Noteholder") to The Greene Hill Food Cooperative, Inc. (the "Co-op"), a New York non-profit cooperative corporation, the Co-op promises to pay to the Noteholder the principal sum of _____ Dollars (\$_____) with simple interest from the Issue Date of this unsecured subordinated promissory note (the "Note") on the unpaid principal at the rate of _____ percent (_____% per annum).
- (2) Subject to the terms of paragraph (5), below, the Co-op shall pay: (a) accrued interest annually on January 15; *provided* that if this Note is issued prior to January 15, 2012, the first interest payment date will be January 15, 2013 and *provided* that in any given year where January 15 is not a Business Day (as defined below), accrued interest will be paid on the next Business Day, and (b) the full amount of the principal and any accrued but unpaid interest on or before January 15, 20____ (the "Maturity Date"); *provided* that if the Maturity Date is a day other than a Business Day, the principal amount of this Note, plus any accrued but unpaid interest due hereunder, will be due and payable on the next Business Day following the Maturity Day; except as otherwise provided in this Note. The Co-op shall pay principal and interest in lawful money of the United States of America at _____

_____ or such other place in New York as the Noteholder may designate in writing. "Business Day" means a day, other than Saturday, Sunday or other day on which banking institutions in New York are authorized or required by law to close. The address provided herein shall also be used to provide any

required notice to the Noteholder. To change the address provided herein, the Noteholder shall send a request for such change by first-class mail to the Co-op, to 18 Putnam Avenue, Brooklyn New York 11238, Attn: Treasurer, or any such other address as the Co-op designates for this purpose in the future.

- (3) The Co-op will make payment, for any given payment of principal or the payment of interest, to the persons who were registered holders of this Note on the record date (which shall be January 1 for any given year) immediately prior to the relevant payment.
- (4) The Co-op may redeem all or any part of this Note, in whole or in part, at any time, without penalty, by paying the Noteholder the principal amount of this Note, plus any accrued but unpaid interest due hereunder, and cancelling this Note. However, the Co-op may choose to redeem certain other debt issued by the Co-op without redeeming this Note, and the Co-op is not obligated to redeem this Note proportionately if the Co-op redeems similar debt. If the Co-op redeems all or any part of this Note, you agree to return this Note to the Co-op. If less than all of the principal amount of this Note is redeemed, the Co-op will cancel this Note and issue you a new Note for the principal amount that was not redeemed.
- (5) Subject to the terms of paragraph (7), below, an event of default under this Note shall exist if any payment is not paid when due, and such nonpayment continues for sixty days after the Noteholder gives written notice of such nonpayment to the Co-op (an “**Event of Default**”). In an Event of Default, and subject to the provisions of paragraph (7), the Noteholder may take action to collect payment of only the amount that was not paid, but the unpaid balance of this Note shall not become entirely due and payable.
- (6) By accepting this Note, the Noteholder agrees that (i) it shall execute and deliver a subordination agreement or agreements, reasonable and customary for this type of financing and reasonably satisfactory to any Future Lender, if requested by the Co-op; (ii) it authorizes the Co-op to appoint counsel to negotiate any subordination agreement on the collective behalf of the Noteholders; and (iii) if the Noteholder fails to execute and deliver such a subordination agreement, no interest or principal payments will be paid to the Noteholder until the Noteholder has signed and delivered the subordination agreement.
- (7) The Co-op intends to borrow money from, or issue debt to, banks and other entities (“**Future Lenders**”) and such loans or debt may be senior in right of payment to this Note (“**Future Senior Debt**”).
 - (a) If any Future Lender that holds Future Senior Debt requests or requires that the Co-op suspend or reduce payments due under this Note payable by the Co-op to the Noteholders, the Co-op may suspend or reduce all payments due to the Noteholder under this Note, even if the payments are legally due, until such time as the Future Lender permits the Co-op to commence making payments hereunder, and if the Co-op does suspend or reduce such payments, it shall not be a default or an Event of Default under this Note.
 - (b) If the Co-op is in default to any Future Lender that holds Future Senior Debt or if the Co-op reasonably believes that the making of a payment under this Note would cause a default to occur under any of the Future Senior Debt held by a Future Lender, the Co-op may suspend all payments due to the Noteholder under this Note, even if such payments are legally due, until such time as the Co-op is no longer in default to a Future Lender that holds Future Senior Debt or until the Co-op determines that a payment under this Note will not cause a default to occur under any Future Senior Debt held by a Future Lender, and if the Co-op does suspend such payments, it shall not be a default or an Event of Default under this Note.

The Co-op shall give the Noteholder written notice of its intent to suspend payments due under this Note at such address as is set forth in paragraph (2) above.

By accepting this Note, the Noteholder agrees that if the Co-op does suspend or reduce any payment under this Note for the reasons stated in paragraphs (7)(a) or (7)(b) above, during the period of the suspension, the Noteholder shall not ask for, take or receive any payments from the Co-op that are to be applied under this Note and shall not take any legal action to accelerate, demand, collect or enforce all or any portion of this Note.

IN WITNESS WHEREOF, the Co-op has caused this instrument to be duly executed.

Dated: _____, 2011

THE GREENE HILL FOOD COOPERATIVE, INC.

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

ANNEX C: TAX FORM W-9

Request for Taxpayer Identification Number and Certification

Give Form to the
requester. Do not
send to the IRS.

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return)	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification: <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <input type="checkbox"/> Other (see instructions) ▶ _____	
	<input type="checkbox"/> Exempt payee	
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
City, state, and ZIP code		
List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number								
				-				

Employer identification number								
				-				

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,
- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a “saving clause.” Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called “backup withholding.” Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the “Name” line. You may enter your business, trade, or “doing business as (DBA)” name on the “Business name/disregarded entity name” line.

Partnership, C Corporation, or S Corporation. Enter the entity's name on the “Name” line and any business, trade, or “doing business as (DBA) name” on the “Business name/disregarded entity name” line.

Disregarded entity. Enter the owner's name on the “Name” line. The name of the entity entered on the “Name” line should never be a disregarded entity. The name on the “Name” line must be the name shown on the income tax return on which the income will be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a domestic owner, the domestic owner's name is required to be provided on the “Name” line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the “Business name/disregarded entity name” line. If the owner of the disregarded entity is a foreign person, you must complete an appropriate Form W-8.

Note. Check the appropriate box for the federal tax classification of the person whose name is entered on the “Name” line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

Limited Liability Company (LLC). If the person identified on the “Name” line is an LLC, check the “Limited liability company” box only and enter the appropriate code for the tax classification in the space provided. If you are an LLC that is treated as a partnership for federal tax purposes, enter “P” for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter “C” for C corporation or “S” for S corporation. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the “Name” line) is another LLC that is not disregarded for federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the “Name” line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/disregarded entity name" line.

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the "Business name/disregarded entity name," sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
 2. The United States or any of its agencies or instrumentalities,
 3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
 4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
 5. An international organization or any of its agencies or instrumentalities.
- Other payees that may be exempt from backup withholding include:
6. A corporation,
 7. A foreign central bank of issue,
 8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
 9. A futures commission merchant registered with the Commodity Futures Trading Commission,
 10. A real estate investment trust,
 11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
 12. A common trust fund operated by a bank under section 584(a),
 13. A financial institution,
 14. A middleman known in the investment community as a nominee or custodian, or
 15. A trust exempt from tax under section 664 or described in section 4947.

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 5 and 7 through 13. Also, C corporations.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 7 ²

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, below, and items 4 and 5 on page 4 indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt Payee* on page 3.

Signature requirements. Complete the certification as indicated in items 1 through 3, below, and items 4 and 5 on page 4.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee ¹ The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity ⁴
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

*Note. Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

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