

MaxYield Cooperative Class “A” Preferred Stock

Frequently asked Questions

1. What is this Offering?

MaxYield Cooperative (MYC) is offering to sell 6,000,000 shares of Class “A” Preferred Stock at \$1.00 per share. This stock will pay a 5% annual cumulative dividend and will be callable at MaxYield Cooperative’s discretion.

2. What are the terms of this Offering?

This Preferred Stock will sell for \$1.00 per share. The minimum purchase is 1,000 shares and the maximum purchase is 150,000 shares. The stock will pay a 5% annual dividend and is cumulative, meaning that if a dividend is not paid in a given year, any unpaid dividends must be paid in succeeding years or paid at the call date. No interest will be paid on unpaid dividends. The Offering has a minimum sale amount of 1,000,000 shares by May 31, 2013 and will remain open until July 31, 2013 or until all 6,000,000 shares are sold. The Board of Directors of MaxYield Cooperative may close this offering sooner or may extend this offer past the initial close date.

3. Who can purchase these shares?

You do not need to be a member or client of MaxYield Cooperative to purchase shares. There is no minimum net worth required to purchase shares. The only qualifications you must meet to purchase shares is, that if you are purchasing shares as an individual, you must be a resident of Iowa or if purchasing shares in the name of a corporation, LLC, trust or other entity, the entity must be an Iowa incorporated and domiciled entity. Subscribers must be over 18 years of age and must review the offering documents and decide that owning Class A Preferred Stock is an appropriate investment for them.

4. What do you mean by Preferred Stock?

Preferred stock means that, in the event of liquidation of the company, the holder of this stock will receive preferential treatment from any holders of certain other stock or equity in the company. In this case the holders of this preferred stock would receive payment of declared but unpaid dividends plus the face value of their preferred stock before the holders of MYC deferred equity. Preferred stock does not have voting rights.

5. What are the expenses related to this offering?

We have retained an attorney knowledgeable in this type of offering to prepare the Disclosure Documents and complete other legal requirements. No brokers or sales agents will receive any commission or compensation related to the sale of this preferred stock. MYC will incur employee salaries, advertising, printing and other promotional expenses. We estimate this expense to be less than \$10,000.

6. Are the dividends paid on this stock taxable?

Yes, the dividends you receive on this stock are taxable in the period you receive the dividends. In our opinion dividends paid on this stock should qualify to be taxed at the capital gains tax rate. Subscribers will receive an IRS form 1099-Div for the tax year in which a dividend is paid. Subscribers should consult with their own tax advisor regarding tax sequences.

7. Is my money at risk with this investment?

Yes. As with any investment in a company, there is always a risk of loss. Before you invest in MYC preferred stock you must read the entire disclosure document and understand the risks associated with this investment. A copy of our audit report, Articles of Incorporation and By-Laws is included with the disclosure document. We encourage you to review all of MYC’s literature about the offering and to ask questions of MYC and consult with advisors about any questions you may have regarding this offering.

This is not an offer to sell or a solicitation of any offer to buy Class A preferred stock issued by MaxYield Cooperative. Offers are made only by disclosure statement and other offering materials. No commission or compensation is being paid to brokers or other sales agents related to this offering. To obtain further information, please contact MaxYield Cooperative at 515-887-7211.

8. If I want to sell my shares and get my money back, will there be a market for these shares?

We do not anticipate there being a market for these shares. You may sell these shares to another qualified individual or entity as long as they meet the residency requirement and you complete the required Transfer Agreement for Preferred Equity. Transfers of this stock are prohibited for nine months after the date of purchase. MYC must approve any transfers of ownership of this stock. MYC has the right of first refusal to purchase any shares offered for sale.

9. When will I get my money back from MYC?

This stock is callable at discretion of MYC board of directors. MYC will decide when it wants to redeem this stock. You should not invest if you think you will need this capital on a discretionary basis.

10. What if I have an emergency, can I get any of my money when I need it?

Please remember that preferred stock is an equity investment that MYC is not obligated to redeem unless and until MYC calls the stock for redemption. You should take this into account before you purchase MYC preferred stock. You should not count on MYC redeeming any stock if you have an emergency need for the money. Beginning with our fiscal year beginning August 1, 2014, MYC's objective will be to make an offer starting on August 1 of each year and continuing for 30 days thereafter to redeem up to 5% of its preferred stock to holders who request redemption. Any unpaid portion of the 5% set aside will not carry over to the succeeding year. If we receive requests for more than the 5% set aside, all requests will be reduced proportionately. Requests not honored in one year will have priority over requests in the following year.

11. If I die will you pay out my preferred stock?

No. Payments to estates will not be given preferential treatment. Your preferred stock will go to your estate and paid out when called by MYC.

12. One of the requirements to purchase stock is that you are a resident of Iowa. What if I die and my heirs are not Iowa residents. Is that a problem?

No, the residency restriction only applies to a "Purchaser" of the stock. An heir to an estate would be considered to be an involuntary transferee where as a purchaser would be a voluntary transferee. Voluntary transferees must meet the Iowa residency requirement.

13. Can I sell my shares to another person and can I sell them for more or less than Par value?

You may sell your share to any other person or entity as long as they meet the residency requirement and the proper Transfer Agreement is submitted. No sale or transfer can be made for nine months after the date of purchase. Sales or transfers must be approved by MYC. MYC has the right of first refusal on any shares sold or offered for sale; however MYC is not obligated to purchase shares offered for sale. You may sell your share for any amount. Remember however that when the stock is called or redeemed by MYC, we will pay the original par value of \$1.00 per share.

14. What if you do not get the \$1,000,000 minimum amount of subscription?

If we do not receive the minimum amount of subscriptions by May 31, 2013, all money will be returned to the subscribers. If we do not reach the \$1,000,000 threshold, we will pay you 3% interest from the date of receipt of your money through May 31, 2013. If we reach the \$1,000,000 threshold no interest will be paid and your preferred shares will be recorded. Dividends will be paid from the date of receipt and approval of your subscription. The Board of Directors may extend this date at their discretion.

15. Will I be issued stock certificates?

No. Stock certificates will not be issued. Your ownership will be noted as Preferred Stock Class "A" on the balance sheet of MYC and your individual ownership will be noted on the records of MYC.

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16. What if I need proof of ownership or investment in MYC?

At your request, MYC will confirm your investment in MYC preferred stock in writing.

17. Could my subscription be refused?

Yes. Subscriptions and the resulting investment in MYC must be approved by the management and board of MYC.

18. Can Directors and employees of MYC purchase this preferred stock?

Yes, Directors and employees can purchase this preferred stock. They will be treated as any other investor.

19. What does MYC plan on doing with this money?

It requires a tremendous amount of capital to operate and make the improvements necessary to provide the level of service our clients deserve. The proceeds from this investment will allow us to make capital improvements quicker than we would be able to if we did not make this offering. A list of possible capital improvements is included in the disclosure document.

20. Why doesn't MYC just borrow the money to make these improvements?

The funds from the sale of this preferred stock is treated as owners equity on our balance sheet. In addition to providing funds to make these capital improvements, this preferred stock will increase our owner's equity and improve our leverage ratio which will be looked upon favorably by our lenders.

21. If MYC calls only a portion of the stock how will they determine the amount of the call and whose stock will be called.

If MYC chooses to call only a portion of the stock, management and the board will determine the amount to be called. A proportionate amount of each investor's shares will be called. For example, if 40% of the total outstanding preferred stock is called, 40% of each investor stock will be called.

22. Why should I invest in MYC preferred stock?

In today's financial environment, 5% return is an excellent return on your investment. If you are a member of MYC your investment further strengthens the balance sheet of your company. If you are a client of MYC your investment will allow us to make capital additions sooner rather than later and continue to provide timely solutions to your production agriculture needs.

23. How do I make an investment?

Investments can only be made by completing a subscription agreement that is included in the disclosure packet. The instructions for completing this subscription agreement are included with the agreement. You must request a disclosure statement and subscription packet from MYC. You must read the entire document before making an investment.

24. How do I learn more about this?

Plan to attend one our scheduled informational meetings. There will 6 in total, 2 in each of our 3 regions, one during the day and one during the evening. Check with a location client care representatives for the time and place of these meeting. A meeting schedule will also be posted on our web site.

25. What if I have questions about this offering or are unable to attend one of the scheduled meetings?

You may address your questions or inquiries by email to MYCpreferredstock@maxyieldcooperative.com or call your MYC location office. There will be MYC team members at each location that can answer most questions. If they cannot answer your questions they will get the answer and call you back.

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