

**Minutes of Lakewinds Natural Foods Board of Director's Meeting
June 28, 2010**

Board President John DePaolis called the meeting to order at 6:30. In attendance were Caroline Hermes, Fred Ladner, Jennifer Reilly, Joe Wagner and GM Dale Woodbeck. Doug Engen was also present for a portion of the meeting.

Consent Agenda

A motion to accept the Consent Agenda was made by Joe Wagner. The motion was seconded by Jennifer Reilly and passed unanimously by voice vote.

Committee Reports

Finance Committee – Joe Wagner

Joe led a discussion of the importance of financial ratio analysis and encouraged members of the Board to visit one of several internet website providing tutorials on financial ratio analysis. He circulated a spreadsheet covering the period from July 2008 through May 2010, showing certain financial ratios for Lakewinds' Minnetonka and Chanhassen locations. In general, the ratios have all improved over such period of time. The finance committee will work with Lakewinds' internal accountant to add financial ratio reporting to the monthly financial statement package and will also add comparative ratios provided by the NCGA. The inclusion of financial ratio reporting will enable board members to develop a better understanding of trends in the financial progress of the business.

Board Development – John DePaolis

One formal application to run for a seat on the Board of Directors has been received to date. Several other individuals have expressed an interest in running but have yet to submit their applications. An electronic election reminder will be sent to each member who has provided Lakewinds with their email address. Board members were encouraged to seek additional candidates.

Compensation Committee—John DePaolis

There was some discussion of the timing for submission and review of the General Manager objectives for the 2011 fiscal year. It was determined that the General Manager will submit his objectives to the Compensation Committee for review at the Committee's July meeting.

Miscellaneous

Budget

Following a brief presentation by the General Manager and a discussion of the various components and assumptions used by the General Manager in preparing the 2011 Budget, Joe Wagner moved for formal approval of the Budget. The motion was seconded by Caroline Hermes and passed unanimously by voice vote.

Capital Spending Plans

The General Manager told the Board that the construction estimates for the proposed renovation of the delicatessen areas at Minnetonka and Chanhassen and related work were significantly higher than anticipated, in the range of \$200,000 to \$300,000, and that accordingly, further review of the scope and objectives of the project was needed before proceeding. He said that he was seeking advice from the NCGA's deli expert and would report back to the Board at the next meeting.

Harvest Moon Cooperative

Several board members discussed their generally positive impressions of the newly-opened Harvest Moon Cooperative in Long Lake. Suggestions were made to seek ways to develop a mutually-beneficial relationship with the new coop, perhaps by providing Lakewinds branded products, such as baked goods, to Harvest Moon, to be sold to their members.

Bank Account Resolutions

The General Manager provided the Board with proposed resolutions to change the authorized signers for the various Lakewinds depository accounts with Associated Bank. Joe Wagner made a motion to approve such resolutions. The resolution was seconded by Doug Engen and approved unanimously by voice vote.

A motion was made to adjourn the meeting at 7:49 p.m. by Joe Wagner. The motion was seconded by Jennifer Reilly and approved unanimously by voice vote.