

Minutes of Lakewinds Natural Foods Board of Directors Meeting November 30, 2009

Board President John DePaolis called the meeting to order at 6:35. In attendance were Doug Engen, Caroline Hermes, Fred Ladner, Jennifer Reilly, Katherine Roseth, Dale Woodbeck, Joe Wagner and GM Libby Trader.

Consent Agenda

Doug made a motion to approve the Consent Agenda, which was seconded by Dale and passed unanimously.

Committee Reports

Member Linkage

Katherine mentioned that the Board Corner of Lakewinds' website has been established and contains our Vision and Mission Statements, a description of the coop's business structure, information on how to run for the Board, a list of current Board Members with bios on each to follow shortly and procedures on how to attend Board Meetings. There are also copies of the last two meetings' minutes.

Strategic Plan – Next Steps on Capital

John asked Joe to talk about what the next steps will be for raising capital now that a new capital structure had been approved at the Annual Meeting. Joe said that we should first take a look at a maturity schedule for existing debt and then decide when and how many Class C shares to issue. He added that he was sure the Minnesota statute on coops requires some form of offering memorandum and that he would check with Rachel. Libby said she would pull together a maturity schedule of bank and Member loans for the next three years for the Board to review.

Miscellaneous Business

Grant Program Brainstorming Session

Libby distributed a draft Lakewinds Grant Approval form that she said was modeled on the Minnesota common grant form. She explained that an applicant would use the form to describe the project or program they intended to pursue and the amount of money they would be seeking from Lakewinds in 150 words or less. They would have until July 31st to complete and submit it. At that point a grant committee, which might be made up of 2 Board Members, 2 Members at large and perhaps 2 employees, would review the applications and decide who got what by the time of the Annual Meeting. There followed a lengthy discussion regarding the criteria for grants, who or what would constitute an appropriate grantee, tax and accounting issues, the kind of grants that Lakewinds should and should not consider, appropriate projects, and whether or not a grantee had to be part of the communities Lakewinds serves. Some decisions were made such as a grantee most likely have to represent a 501C3 tax exempt organization and be able to provide IRS statement No. 990 and must also adhere to the Lakewinds vision of a "healthy, sustainable future". There was also a short discussion regarding the name of the grant

program and it was decided that Lakewinds should appear prominently in whatever the final name happened to be.

Review of Policies

John said that he inadvertently left off of the meeting's agenda a review of policies ER 7 to 11 and suggested that the review be postponed until the January 25 meeting and rolled into the review of policies GP 1 to 6. There was a brief discussion regarding how well the coop had done in meeting some of the goals of these policies but that there could be some improvement in others. Libby said she would review each of the policies and report on progress in January.

Lakewinds Branding

Libby explained that it had been brought to her attention by a prominent Member that the word "natural" in Lakewinds Natural Foods has become meaningless due to its overuse by our competitors and that perhaps we should change the name. After some discussion it was decided to retain the current name since it was felt that Lakewinds is well known in the local market and has stood for a commitment to the organic movement for 30 years.

This portion of the meeting was adjourned at 8:00.