



**Minutes of Lakewinds Natural Foods
Board of Directors' Meeting
Monday, July 22, 2013**

Doug Engen, President
Taiha Wagner, Vice President
Brenda Pfahnl, Treasurer
Masha Yevzelman, Secretary
Dale Woodbeck, General Manager

Cheryl Ahlcrona*
Caroline Hermes
Tracy Kochendorfer*
Fred Ladner
Tim Reese

* *absent*

The President called the meeting to order at 6:31 PM Monday, July 22, 2013 in the Eden Prairie meeting room.

Consent Agenda:

The consent agenda included a list of new owners for June 2013, a list of owners who sold back their shares to Lakewinds in June 2013, and the draft minutes of the June 2013 Board Meeting. Discussion was held regarding recruiting and signing up new members from Richfield. Approval of the consent agenda was moved and seconded and all voted in favor.

GM and Financial Reports – Dale:

Dale presented the General Manager's Report, the Financial Report, and the Richfield Report. Dale reported that because of the elimination of eGrocery, there is not a need for an expansion of the Minnetonka store at this time. Discussion was held about the NCGA patronage dividend, Lakewinds' profit sharing plan, and the board budget. Dale updated the Board that the date of the annual meeting will be on October 21. The Richfield report update reported that both the Minnetonka and Chanhassen stores had great months for sales. The Board discussed whether the impact of Whole Foods was still being felt in the Minnetonka store.

Richfield Report – Dale:

Dale reported that the old building had been completely torn down. The board discussed the status of the construction contract, including estimates for the cost of construction.

Amendments of Articles and Bylaws – Doug:

Lakewinds' auditor had suggested proposing to the membership an amendment to Lakewinds' Articles to increase the number of authorized shares. A motion was made to increase the total number of shares to 1,300,000 as follows:

| | |
|----------|-----------------------------|
| Class A: | 100,000 at \$90 per share |
| Class B: | 1,100,000 at \$10 per share |
| Class C: | 100,000 at \$100 per share |

The motion was seconded and all voted in favor.

The Board discussed other potential amendments to the articles and bylaws. Discussion was held about increasing the maximum number terms for a director from two three-year terms to three three-year terms. All members agreed to keep the term limits at two three-year terms.

Discussion was also held regarding fixing our current problem of having an uneven number of open director seats each election. Currently, we have three open seats this coming election, one open seat the following election, and five open seats in the election after that. The board agreed that it would be best if we had three seats open for election each year. A proposal was made to increase the number of board members to 11 (which the Board is authorized to do under the current bylaws) in the year that we have one open seat and then to decrease the number of board members to 9 the following year.

Richfield Construction Update – Dale:

Dale discussed the status of the member loan campaign, which is progressing at a steady pace. Dale also discussed the loan package from the bank, including the amount of capital required to close. The board reviewed the source and use statement and the estimated amount of financing available. Dale explained that the guaranteed maximum price estimate from the contractor came in higher than the original estimate.

Strategic Conversation – Dale:

Dale presented to the Board a diagram of his non-financial goals and priorities for 2013/2014, which included fostering relationships with farmers and the local food movement. Dale also presented his financial objectives. Lakewinds' strong relationship with the Arboretum was also discussed. The Board reacted very positively to Dale's ideas and emphasized that it is important to communicate Lakewinds' initiatives and successes with our owners.

Anchor Bank Resolution – All:

A motion was brought to change the signatory on Lakewinds' bank accounts from a former employee to Dale Riley. The motion was seconded and all voted in favor.

Board Survey – Caroline:

Caroline reminded the members of the board that it is time for our annual board self-evaluation. Caroline explained that she will get the survey out to the board members in the next week or two.

Minnesota Food Coop Board – Doug:

Doug reported on his experience at the meeting the previous weekend at East Side Cooperative.

The meeting was adjourned at 8:40 PM.