

**Fiddleheads Natural Food Cooperative
Annual Membership Meeting
June 2, 2007, 10AM at the Storefront**

Agenda

Welcome (Sara)
History of Co-op/Process (Colleen and Annie Chapman)
Interim Presidents report (Sara)
Treasurer's report (Annie Chambers)
Committee Reports:
Membership (Communications) (Michele)
Member Loan (Michele)
Fundraising (Janelle)
Site/Vendor (Hank O'Reilly)
Human Resources (GM Hire) (Amy)
Governance (Jody)
Nominating (Amy)
Member Open Comment

Minutes

Meeting Called to order at 10:15

Sara Kimball welcomes the members.

Colleen O'Reilly and Annie Chapman discussed the history of Fiddleheads.

Interim President's Report (word for word as Sara read)

The last year has been very fast paced as we have attempted to put in sync all the necessary domains to finally open the co-op doors. I would like to begin by saying thank you to all those who have donated their time and money over the last year to bring us this far. This Board of Directors met for the first time on June 1, 2006, following the election of the Directors at the first Annual Membership Meeting. At this first meeting, the Officers of the Co-op were elected, all unanimously, Amy Sarcia, President, Annie Chapman, Vice President, myself as Secretary, Mike Rosenkrantz, Treasurer; and Chairpersons were assigned to each Committee, along with beginning tasks to accomplish. The Chairpeople were: Jody Noe, Board Governance (And later Policy), Mike Rosenkrantz, Finance, Kristin DeMuzzio and Michele Millham, IT, Fundraising, Janelle Leroux, General Manager Hire, Allen Longendyke, Membership, Michelle and Janelle, Legal, Amy and Allen, Site, Kristin DeMuzzio, Before the Board met for a second time, Mike Rosenkrantz, our Treasurer, resigned from the Board because he was relocating to Pennsylvania to become the Market Master of Central Market in Lancaster.

On June 26, 2006, the Board unanimously elected Raeleen St. Pierre as Treasurer. The Board also discussed the Bank of Southeastern Connecticut's willingness to finance a loan to Fiddleheads for \$220k. Before the following Board meeting on July 10, 2006, Raeleen St. Pierre and Donna Bonnell resigned from the Board for personal reasons. On July 10, I was elected as Interim Treasurer because our Bylaws allow for the Secretary and Treasurer to be held by the same person, while the Board searched for a Member with a strong financial background. Section 4.8 of the Bylaws addresses how the Board may fill Board vacancies and these Directors will serve until the following Annual Meeting. The Board also amended the Bylaws to allow for a non Board member to Chair a committee. Colleen O'Reilly was appointed as the Vendor Committee Chair.

On July 28, 2007, Fiddleheads signed a 10-year lease and business buyout with California Fruit. At the August 1 Board meeting, the timeline for taking over this site was discussed. The Board also decided that Meeting Minutes would not be posted on the website. Instead the Secretary's contact information would be posted so interested members could contact her to receive meeting minutes by email. This decision was made because we were told that our Meeting Minutes would have to be edited to fit on the site and the Board was not comfortable publishing for the general public anything less than the Minutes in their entirety. Amy Sarcia also asked all Board members to commit to a minimum of five hours of Fiddleheads work a week.

By our August 15th Board meeting, the Membership had grown to 420. The Pancake Breakfast, Lease signing party, Newsletter and lecture series featuring Craig from Footsteps Farm were only weeks away. I took a leave of absence from the Board in September due to the birth of my daughter, Esme on August 23rd.

On September 19th, the Board unanimously appointed Annie Chambers as the Chair of the Finance Committee. Annie Chapman, Vice President, resigned from the Board for personal reasons.

On October 3rd, the Board meeting began with a meeting with Melodie Foster and Laura Burfoot of FRESH. The Board discussed how Fiddleheads and Fresh would work together. After, Amy and Janelle discussed their meeting with Rebecca Dunn from the Cooperative Fund of New England. The Cooperative Fund was offering Fiddleheads a better lending rate than commercial banking, as well as a USDA Guaranteed Line of Credit to begin drawing from if the entire loan was not immediately

approved. The Board also discussed the completed Member Loan Documents and a training session with Annie Chambers and Apple (Elizabeth Ahearn) was scheduled so all Board members would be comfortable with the Finances. At this meeting, Kristin suggested a phone drive for member loans. Board members were asked to check their availability for the weekend of November 11th, for Board Governance Training and General Manager Relations with Apple. And Janelle Leroux was elected as Vice President of the Board.

On October 17, the Board approved using C.N.A. insurance, through Kapatos. All insurances began that week in the necessary capacities. The Board also approved a website facelift provided by CCI in New London, the company that was hosting our site for free. John Sargent also began working on a Neighborhood Outreach Program. The Board approved a new Member Discount Policy, Policy A.5. The plans for the Crocker House Fundraising Event and the December 2nd Public Meeting were in the works. The Board also reviewed the construction schedule.

A special meeting of the Board was held on November 3rd because California Fruit was vacant and ready for Fiddleheads to take possession but we still needed to raise \$80K towards the \$90K business purchase. The Co-op was to receive two rent free months upon taking possession of the space. The Member Loan Phone Drive began, hosted by CCI.

At the November 7th, Colleen resigned as the Vendor Committee Chair. The Board appointed another non Board member, Sheila Herbert, as Chair. The Board discussed the four Board vacancies and Sioux Macky asked Liz Aldred, a very active Membership and Fundraising Committees member, to submit a resume. The Board also approved the hiring of Matt Turcotte as Project Coordinator in a renewable, salary position for 2 months at \$1200 a month/20 hours a week to be paid bimonthly. The purpose of this position was to oversee the communication between the various committees. The Board also approved submitted loan applications to the Cooperative Fund of New England, the USDA Guarantee, the City of New London Revolving Loan Fund and the Merchant Revolving Loan Fund. Apple updated our Business Plan with the site-specific demographics and the updated Business Plan was sent out to all Board members the following week. (Apple's updating of our Business Plan in November is why the Board would later disagree with Stuart Reid's recommendation for a brand new \$10,000 Market Study to be complete).

On November 21st, the Board approved an application for an \$80k Bridge Loan from the Bank of Southeastern Connecticut to allow us to complete

the purchase of the California Fruit business. Fiddleheads took possession of this space on December 1st, 2006.

On December 5th, the Board welcomed a new Director, Liz Aldred. On December 19th, all members of the Board of Directors signed a Code of Ethics and Confidentiality Agreement. Four pages later, all this work was accomplished and we have not yet reached 2007. John Sargent took over as Site Committee Chair.

On January 2nd, the Board appointed Ken Hanson as Site Superintendent with a \$500 signing authority, adopted the Policies, and agreed to turn a temporary blind eye on the small convenience store, California Fruit, housed on the lower level of the building and operated by Charlie Facas, our landlord. I took possession of the checkbooks following this meeting.

On January 16th, Petie Reed resigned from the Board for personal reasons and Annie Chambers was welcomed a new Director and elected Treasurer.

The Board added a third meeting in January on the 30th. At this meeting, the Board created a Founder's Role, added to the Policies as D.11 and the Bylaws as Section 4.10 and reading: "The Board of Directors would like to establish a permanent title and role of Founder, granted to Colleen O'Reilly. The Founder will be invited to attend Board meetings, with the exception of closed Board meetings. Her role is to provide vision to the Coop. While the Founder will not have the voting rights of other directors, she may serve as a committee chair and representative of the co-op." The Board also decided to hire Richard Krasner as the Co-op's General Manager. Michele was appointed as Chair of an ad hoc Member Loan Committee. Previously she had stepped down as IT Co-Chair to focus on the Membership Committee. The Board agrees to work with PJ Hoffman for the Co-op's Floor plan. And the Board discussed three potential new Board members.

On February 6th, the Board approved a liability clause to the Bylaws, Section 11.B Liability: No member or member organization of Fiddleheads Natural Foods Cooperative shall be liable for any indebtedness or obligation of Fiddleheads Natural Foods Cooperative in an amount exceeding such member's unpaid current dues, personal accounts payable, and any duly authorized levy or special assessment." The Board also changed the Bylaws, Section 2.6 Membership Fee, allowing members to join for \$25 with a minimum of \$30 being paid each year after for a maximum of five years, due no later than ninety days after the anniversary of the start of the membership. If the fee is not paid, the membership discount will be withheld until the balance is paid. The Board

also approved the establishment of an Advisory Board. This Board is still underdevelopment.

On February 20th, Richard Krasner attended his first Board meeting. The Board was informed of the current issues facing the site, including the leaking roof, problems with the East Brick wall, Asbestos Tiles found on the floor, electrical issues and many smaller details. Fiddleheads became responsible for paying the monthly rent of \$8166.67 as of February 1st.

On March 20th, the Board approved a Vendor Preference Policy, A.2.5. The Vendor Preference Policy reads: "In the spirit of Fiddleheads Natural Foods Coop as a member owned business with a mission and purpose to inspire community by providing natural foods, alternatives for a healthy lifestyle, and to foster environmental awareness, preferred vendor status will be given to regional vendors who are also members of Fiddleheads in good standing for purposes of purchase of vendor products, goods, and services. This preference will be held conditionally provided the product offered meets all quality, health, and other food coop standards. After membership, quality and cost will be the most significant factors taken into consideration in the selection of non-member vendors, wholesalers and distributors."

Stuart Reid, the Food Co-op Development Specialist at The Food Co-op 500 Program, came for a quick weekend visit at the end of March to check on our progress. Fiddleheads was the first start-up to be awarded a Sprout Fund Loan for \$25,000 by The Food Co-op 500 Program. Stuart recommended that the Board finalize a contract for Richard Krasner and clarify his role and authority during the transition. The Board attempts to finalize Richard's contract were constantly put on hold by Richard as he consulted with Stuart Reid and looked over elements from a previous employment contract. Stuart recommended that Fiddleheads get Board training immediately. However he acknowledged that CDS was currently suffering a staff shortage in this area, as their board trainers have had to take on additional stores to cover for a consultant who was out on medical leave. The Board will be receiving Governance training with Marilyn Scholl, or one of her colleagues from CDS, in July or early August. Marilyn is waiting on confirmation from another Co-op client, before she knows exactly what dates she has available. On April 4, 2007, our Founder, Colleen O'Reilly, contacted Lynn Benander, of Coop Power and formerly from CDS, who performed our initial Board Governance training and helped us to write our Policies in March 2004, to ask for emergency help with our situation. Lynn graciously offered her time voluntarily and the Greenfield Coop in Massachusetts was willing to host us on April 10, 2007. Two of the recently resigned Board members questioned the training and

Colleen's authority to set up such a session. Considering that less than half the Board was available to attend and others were upset with the arrangements, the Board postponed the training session. Another training session was not available until late May and so the Board decided it best to wait until July, when the new Board Members are in place and oriented.

Fiddleheads received two scholarships for the CCMA Conference in Wisconsin in mid-June. Initially it seemed no one was available to attend and so we asked Ann Hoyt to allow another start-up Co-op to use our scholarship, but since that time, some schedules have freed up. We are waiting to hear back from Ann Hoyt as to whether she has found a new home for these awards or if we may attend.

Stuart recommended that the Board reconsider the role of the Executive Committee, acknowledging that our By-laws allow any level of authority we deem appropriate. However, the Executive Council of Fiddleheads is not an empowered committee. No decisions were made or actions ever taken by this committee without full Board approval. Stuart later acknowledged that the concentration of power was not an accurate statement and that this accusation against the Executive Council was based on only one Board member's input.

Stuart recommended that it might be easier to create a nine-member board of active participants and fill in committees with member volunteers (who would have more time for committee assignments with no board meetings.) A smaller board will also help avoid the problem of not having a quorum of 8 board members to conduct business. He quoted our Bylaws, Section 4.2 which states "The Board shall consist of not more than fifteen (15) and not less than seven (7) directors, to be elected from the Members at large." To create a nine member Board of Directors, four slots would have to be filled in this year's election. However, six candidates have come forward with interest in joining the Board.

Stuart recommended that the Board put together a comprehensive development plan (with timeline and budget) as soon as possible, using an outside facilitator. On April 17th, the Board created a special Development Committee, chaired by Annie Chambers, tasked with this specific recommendation. On May 1st, the Board held a first Development session with Art Costa as a facilitator and a second session on May 12th. The process of assigning accountability is still underway due to our shortage in volunteers. Our Sources and Uses have been finalized and submitted to the Cooperative Fund of New England and our current timeline is leading us towards an October 2007 opening.

Stuart recommended that Fiddleheads contact Pete Davis and use his services to do a new market study. This Market Study would cost the Co-op \$10,000. As I said earlier, in November, Apple updated our Business Plan with site specific demographics. Rebecca Dunn from the Cooperative Fund of New England agreed that the new study was not necessary to secure our funding. The Board decided not to follow this recommendation, based on the cost and the differing opinions Apple and Rebecca.

Stuart recommended that we review local code requirements for the proposed site work with regulators and our architect to give us an idea of the additional construction costs that Fiddleheads might incur. The Site and Development Committees are at work on this recommendation. More information on the Site will be shared later in this meeting.

Stuart recommended that the Board update and formalize financial projections using professional guidance. As I said earlier, Apple made these updates in November and our Sources and Uses were finalized and have been submitted to Apple as well. More will be discussed in our Financial Report.

All that being said, allegations that the Board has disregarded Stuart's Report are clearly false or ignorant. Allegations that this report was not shared with the Membership are also false or ignorant. The Annual Meeting is the time for this information to be shared with the Membership. Sharing of this information prior to this meeting, if done by a resigned Board member, violated the Confidentiality Agreement signed by all Board members.

On March 30th, Amy Sarcia resigned from the Board of Directors, relinquishing her role as President. Amy's resignation was due to her beliefs that everyone on the Board feels included in the governing process and be able to perform their duties, speak their mind and vote freely. Amy believed these actions were not occurring under her leadership and that the best course would be to resign. She stated that her resignation had nothing to do with Richard Krasner. At the following Board meeting, on April 3rd, the Board acknowledged the need to improve its following of Governance Policy. During a closed session, the Board appointed me as Interim President. I was formally voted into this position on April 24th. Do to the enormous shakeup facing Fiddleheads, the Board met four times in April and four times in May. That equates to about twenty hours of meetings alone, not considering all the outside work being done by the Directors in preparation for meetings and for the committees. Why do so many Board members resign? One strong reason is probably that

Fiddleheads is a lot of work, a lot of volunteer work. A lot more work than many of us anticipate. And the constant negative undertone from certain members certainly does not help.

On April 10th, the Board reviewed Policy B, Executive Guidelines. These are our version of Executive Limitations. These policies have been in place since the Board adopted the Policies in January. We are working now to change these Policies back to a negative tone.

On April 17th, the Board heard from several Members, concerned with the direction the Co-op had taken in the last few months. Early in this meeting, Allen Longendyke walked out resigning. Richard Krasner also walked out of the meeting. At this meeting, the Board made the difficult decision not to work with Richard Krasner. Several Directors considered mediation with Richard but we did not want to be in the same place in another month. Amy Sarcia was voted back onto the Board AFTER the Board decided to terminate our relationship with Richard.

I would like to apologize to the Membership for all the hoop-lah that has since occurred. I would like to apologize to the Membership for the fluffy reasons we gave for terminating the Co-op's relationship with Richard. The bottom line is that we legally cannot give you a better reason than what we have supplied. Anything else we say would open us up to a defamation lawsuit. The only further comment the Board of Directors will make regarding Richard is that all action taken by the Board has been within the guidelines and boundaries of our Bylaws, Policies and the laws governing all Connecticut corporations. Our Co-op is an open, democratic process. All Meeting Minutes, Policies, Bylaws and other co-op documents have always been available to our membership upon request. The vision of this co-op has not changed from the moment we formed and all actions have been following this vision to fruition. Richard Krasner has not been treated improperly and any story that states otherwise is based on fabrications or manipulations. Richard Krasner will not be reinstated as the General Manager of Fiddleheads.

Following the April 17th Board meeting, Kristin DeMuzzio and Sioux Macky resigned from the Board in disagreement with the decision about Richard. John Sargent resigned for personal reasons. One of these Board members violated the Confidentiality Agreement to inform Richard of his termination and then spread the word to the Membership by email. The Board believes that someone misused the Membership database and continues to misuse this information to continually spam the Membership. Unfortunately the Board is powerless to stop this act, freedom of speech.

So to all the annoyed Members, I recommend you personally contact the authors of these emails asking them to remove you from their mailing list.

On April 24th, Apple attended the Board meeting to advise us on how to proceed with the community divide developing over the Co-op. She asked the Board to develop a new timeline and financials for moving forward. These tasks have been completed. Prior to the April 24th meeting, Annie Chambers graciously deposited \$22,000 in a c.d. at the Bank of Southeastern Connecticut to be used as collateral for a \$20,000 loan to Fiddleheads and the Board approved a corporate borrowing resolution to borrow \$20,000 from the Bank of Southeastern Connecticut. The Board decided to add the role of a Chairperson to the Policy D.10 and Bylaws, Section 6.1 and appointed Michele to fill this role. The Board agreed on today's date and time for the Annual Meeting and appointed Amy Sarcia as Nominating Committee Chair.

On May 1st, the Board heard from several concerned members before diving into the first Development session with Art Costa. The second session was held on May 12th. The Board also made the decision to move the database from CCI, because of the conflict of interest, to Pyramid. This transition is still underway.

On May 15th, the Board approved changing the Fiscal year to June 30th. The Board also established a threshold on which three bids are not necessary for work under \$3,000. This became Policy E.1. The Nominating Committee spent many hours working with Pat Dehlury to finalize the details for this year's Board elections. And the Board agreed to allow the Membership to vote by mail, based on an overwhelming desire by the Membership. The work for this year's election took over 25 hours and cost the coop around \$500.

On May 30th, the Board decided to appoint a Site Committee Co-Chair to work with Ken Hanson, to handle the administrative work. The Board also decided to appoint a new Vendor Committee Chair. The Board approved a new Policy E.2, recommended by the Membership Committee, giving a \$25 Gift Certificate to a Member bringing in two full paid members, in effect from June 1, 2007 to Opening Day or December 31, 2007, whichever date comes first.

The Board changed the election of the Executive Council in the Bylaws, Section 5.6 from 14 days to 28 days to allow for the mail vote and the new Directors to become oriented with the Business and the old Directors. The Board added the Policy 5.3.1 "Business and/or Policy items requiring a vote of the Board of Directors at a Board meeting must be published in the meeting agenda and available to all Board members twenty-four (24) hours prior to the meeting."

And to clarify questions regarding voting by slate, the Board followed the advice of legal counsel and added the final line to the Bylaws, Section 3.4 Voting: If the election is uncontested, voting by a slate format is acceptable.

Ten pages later, I have summarized the Board's activities for 2006-2007. On Friday, June 1st, I received more email from a group calling themselves concernedmembers@takebackfiddleheads.org. I believe this email again represents a misuse of our Membership database. Again I would ask these people to stop spamming the Membership, but I would like to address the concerns of that email.

Why is it that the Co-op's by-laws are being changed without your knowledge or approval? The Board of Directors is elected by the membership to govern the co-op per Bylaws Section 4.1 It is up to the board to keep the bylaws as up to date as possible for the best of the coop. The board is in constant communication with the Coop Lawyer who wrote the bylaws. The Membership is to be informed of changes to the Bylaws at the Annual Membership Meeting. That would be today and I have informed you of all the changes made this year.

Why does the Board now have three lawyers on retainer? Paid for with your money - why? Fiddleheads does not have three lawyers on retainer. We have not paid a retainer to any lawyers. But if this group continues to attempt to undermine the Board, thus jeopardizing the good of the co-op, we will be forced to put lawyers on retainer.

Why are Board Candidate nominees presented as a slate for your rubber stamp vote each year? This information accompanied your ballot and will be reviewed during the discussion of the Nominations later in the meeting. But the opportunity to have a contested election was in the hands of the Membership. Everyone who has put their energy into the petitions to reinstate Richard Krasner and to recall the Board, to develop your concerned member website and to contact the paper, to meet weekly... why didn't you run for a place on the Board?

Why hasn't the Fiddleheads Board produced a newsletter since last August? While working with volunteers saves us money and allows for ownership, it does slow down our projects, even things that seem incredibly simple, like emails and newsletters. Everything takes more time and work than is visible. We are very excited about the second issue of our newsletter, truly a labor of love that has been in progress since early this year. The newsletter was to be our big information highlight to our membership before the unfortunate events of the last month unfolded. The newsletter is not a scheduled item. The board has been working on

one but due to the current workload of each board member it has not been completed yet.

Why don't they post meeting minutes on the website? As I mentioned earlier, the Board was instructed that minutes being posted must be condensed. Meeting minutes are too detailed to condense. Minutes are always available to our members by contacting the secretary.

Why don't they inform members of the time and location of Board meetings except by request? We do not have access to our website to make up to the minute updates and we have not yet secured a regular meeting location that is free! My phone number is posted on the outside of the window and I will gladly return your call requesting the location of the Board meeting. That is the best we can do right now.

Why doesn't the Board of Directors want to communicate to the members? I would also like to apologize to the Membership for the difficulties the Board has faced in keeping up with our communication to our members. I hope after hearing my report you have become more aware of all the work that has needed to be accomplished and the great time demand of serving on the Board. We are only volunteers and we can only do so much. However this question is purposely a slap in the face and I'm sure I speak on behalf of the whole Board when I say, pardon my French, that I am done bending over backwards to kiss everyone's tush while people continue to pull the shirt over our heads.

Yesterday I also received a letter from Jennifer Gutshall, the Executive Director of the Cooperative Development Institute requesting photos of the Board, because CDI would like to highlight the great work we are doing in a report and on their website. That was a nice way to end the day. CDI is very aware of Fiddleheads situation and realizes that these are the normal bumps in the road for startup coops.

So back to the most frequently asked question the Membership: when is the store going to open? As I said earlier we are working off a timeline leading to an October opening. However, the opening of the store is dependent upon the level of volunteer support we receive. Fiddleheads Food Co-op will open, without a question; despite the growing pains we are experiencing. The only question is when and that is dependent upon the Membership.

FINANCE COMMITTEE

Annie Chambers, Chair

INSERT Annies REPORT

MEMBERSHIP COMMITTEE

Michele Millham, Co-Chair

Currently Fiddleheads has 611 members. That is almost 300 since our last Membership Meeting.

The Membership Committee since last May has been very active but has a limited number of volunteers. The committee has tabled at many Farmers Markets including New London, Denison, Lyme/Ashlawn Farms, Mystic, and Stonington. Other tabling activities include New London Fall & Spring Food Stroll, Connecticut College Earth Day and Denison Earth Day. We are hoping to table at Sailfest but more volunteers are needed before FH will commit to this event. If Members are interested in volunteering, please contact Janelle Leroux at jleroux520@gmail.com.

The committee started a Lecture Series in August of 2006. Since that time lectures have covered Natural Farming, Massage, Nutritionist, Celiac Disease, Yoga for Health and Naturopathic Medicine. If any members are interested in presenting please contact Michele Millham at bobmichelem@netscape.net.

The committee has been working on reaching out to local schools and religious organizations. Currently flyers have been distributed through ISAAC, Conn College and Montville Middle School.

A formal newsletter was sent electronically to the members in August. A second newsletter is in progress but is difficult to complete with a small committee. Since the last Annual Meeting there have been 6 updates sent electronically, October, November, December, February, March and May. The committee has taken on the task of sending email updates to the members every 6 weeks since early April. The next update should be sent out in the middle of June.

John Sargant was handling the Community Outreach for New London. The task has not been taken care of since John's resignation from the Board. If you are able to help out in this very important area please contact Michele Millham at bobmichelem@netscape.net.

There are many volunteer opportunities for those with limited time to offer, from tabling at events to hanging up posters. For more information contact Janelle jleroux520@gmail.com or Michele bobmichelem@netscape.net.

MEMBER LOAN COMMITTEE

Michele Millham, Chair

To date Fiddleheads has received \$52,000 in loans towards our \$230,000 goal as stated in our business plan. The average commitment is \$500 - \$1,000 for each loan.

The terms of the loans are as follows:

| | |
|-------------|-----------------|
| 0-4% | \$500 - \$4,999 |
| 0 - 6% | \$5,000 and up |
| 5 - 8 years | |

Simple Interest

Contact Annie Chambers, annie.chambers@sbcglobal.net, if you are interested in more information about Fiddlehead's Loan Program.

In November and December a phone drive was started based on Kristin DeMuzzio's recommendation and the drive was held at CCI. Over the holidays the drive was put on hold as volunteers' schedules became limited as well as phone calls were not making progress as many people shared concern about finances over the holidays. In January the campaign was renewed and the Committee members were each given 6 – 10 members to contact within a few weeks. There was poor response from the connections made and there was limited amount of volunteer follow through. Member Loan brochures were mailed to the entire Membership; this was possible through a member donating the cost of printing and mailing. There have been no recent meetings of the Committee due to a lack of active volunteers. Michele follows up on all leads. The Committee needs a volunteer to Chair the Committee along with volunteers to support the campaign. To volunteer, please contact Michele, bobmichelem@netscape.net.

FUNDRAISING COMMITTEE

Janelle Leroux, Chair

The main focus of the Fundraising Committee this past year was organizing events. With more volunteers the Committee could become involved in many other areas such as supporting the Member Loan Committee and/or Finance Committee.

This past year there have been 4 events.

July - Lease Signing Party, raised \$600

August – Pancake Breakfast, raised \$1,500

October – Harvest Moon Soiree, raised \$6,000

May – Cottrell Happy Hour, raised \$1,400

Our next event is Sunday 6/10. It is a Benefit Concert held at All Souls in the new sanctuary.

If you are interested in volunteering please contact Janelle, jleroux520@gmail.com

SITE COMMITTEE

Hank O'Reilly, a member of the Site Committee, presented the update.

Ken Hanson has been the Chair of the Site Committee for many months. Ken and other volunteers have done thousands of dollars of work. Fiddleheads thanks you for the time and effort. Current issues with the Building/Landlord are being addressed in conjunction with Tony D's and Labor Ready. These include the leaking roof and East Brick wall. Asbestos tiling was abated, funded mostly by the Co-op and setting back construction work. Six trial patches of an epoxy floor were visible to the Membership. Work on the unsafe electrical box is underway.

The Site Committee needs volunteers and the Committee heads are able to teach unskilled volunteers. Please contact Ken Hansen to volunteer.

HUMAN RESOURCE COMMITTEE & GM HIRE COMMITTEE

Amy Sarcia presented the update for the Human Resource Committee and the General Manager Hire Committee. The GM Search Committee will be formed shortly and will be focusing on a few additional locations that were not reached in the prior search. Contacts in the Co-op world have mentioned to us that right now there are many co-ops searching for a GM.

POLICY GOVERNANCE COMMITTEE

Jody Noe, Chair

The Executive Limitation Policies are currently in the positive; it was completed prior to the 2006 – 2007 term. Research was completed to show the policies should remain negative; this change will take place shortly. There was discussion on the policy change from negative to positive words. Bylaws and Policies in place are always evolving and changing. All documents are available to the Membership and will be updated on the website. If interested in volunteering for this Committee, please contact Jody, drjodynoe@yahoo.com.

NOMINATING COMMITTEE

Amy Sarcia, Chair

Pat Delury is the Fiddleheads Lawyer who specializes in Co-ops. Pat consulted with the Nominating Committee prior to this election. (Please see his letter to the Committee regarding this election at the end of these Minutes).

A 15-member board is our capacity and that is the number of seats that were filled last year with Nominations. Mainly due to meeting obligations many board members resigned. Consultants recommend downsizing our board from 15. A letter was sent out to all 600 members via email as well as a mailed letter asking for nominations for the board. Six members responded, all six were added to the slate. Due to the recent issues facing the Co-op, the Board thought it was important to have a third party count the ballots. The ballots should be sent directly to the Accountant counting the ballots but any ballots sent to the PO Box have been dropped in the ballot box during this meeting. Results should be ready on June 13th at the earliest. Concerns about voting by slate were sent to Pat. Amy read the response of Pat stating the slate is appropriate. If the election were contested then it would not be presented as a slate. The nominations equal the seats available.

Member commented there is an alternate method for a member to get their name added to the slate of Board members. A member must mail a petition with 10 fellow Fiddleheads members to the Nominating Committee. This method was not described in the letter.

Sara responded that this method should be reserved for when nominations are rejected. There have been no nominations refused through the Nominations Committee.

Another member commented that due to the limited time in this process there was not enough time to submit a name to the Committee, hear if there was a refusal and then get the petition mailed in.

A member commented on the feeling of negativity coming from the Board towards the Membership and causing the Member to feel offended. Sara apologized for the situation and agrees that she too feels offended.

A Member asked if there were any Members that applied for a Board seat that were not accepted. The response is no.

A Member asked how many seats are open. The response is that initially the Board was going to fill four seats. Six members applied and the Board has increased from four to six to include everyone.

A few Members asked why a simple top vote election could have been the process instead of a slate. Another member stated it was against our Bylaws to vote by slate. The response is Pat has reviewed the concerns and the slate method is within our Bylaws. If the seats were contested then the single vote would be necessary.

A member wants to change it to a top vote and not a slate. Response –

MEMORANDUM

TO: Fiddleheads Board of Directors

FROM: Patrick J. Deluhery, Legal Counsel

DATE: May 23, 2007

SUBJECT: Legal Issues in Upcoming Election

This will summarize the various discussions I have had with the Board on this issue and my legal advice. I have been a corporate counsel and legal advisor to cooperatives for over 30 years, and I have worked with the organizing members of Fiddleheads since the beginning, which includes drafting the current bylaws. Please contact me if you have further questions or wish to discuss any point in this memorandum.

1. While the Fiddleheads bylaws provide for a contested election, they do not mandate one. There is no legal requirement that board elections be contested. Indeed, in the vast majority of board elections in publicly traded corporations (and a large number of cooperatives) such elections are uncontested. The Fiddleheads Board is under no obligation to hold contested elections; and has used this election as an opportunity to expand the board, which is in the best interests of members. A contested election would be pointless in this situation, would be needlessly divisive, and would serve to eliminate qualified board members at a time when more are needed.
2. The process of offering a slate of candidates in an uncontested election situation is a traditional and long-accepted method of electing directors. Uncontested elections often occur when a board is expanding, and the results would be no different if candidates ran uncontested individually rather than as a slate. A slate is a simplified way of presenting an uncontested election, and is frequently used by publicly traded corporations. The slate method streamlines the voting process and reduces the possibility of ballot errors, thus ensuring a more accurate reflection of members' votes.
3. It is within the Board's discretion to determine the size of the Board. Expanding the Board at this time is a reasonable decision and reflects the need for: diversity of opinions, having more hands to do the work, and meeting the organizational responsibility to develop more depth on the board as the cooperative moves into starting business operations. This decision is in the best interests of members.
4. I have reviewed the election process and balloting by mail used in this election. It is my opinion that this process is fair, consistent with legal requirements and generally accepted election procedures, and more likely to maximize member turnout for the election.