

Grain Train, Special Board Meeting w/ Attorney John Fershee

6:00 PM, October 1, 2009 - J. Fershee's Office

Board of Directors (BOD) Present: J.P. Westbrook - President, Allie Greenleaf Maldonado - Treasurer, Maggie Daniels, Amy Maus, Gary Hammons, Michael Cromley, Dan Tosch, Gary Hammons, Hal Willens, Trisha Shattuck - Secretary,

Present: Carrie Livingston - General Manager and John Fershee - Attorney.

General Membership Meeting (GMM) Agenda Template : J.Fershee hands out a single stapled series of documents with the first entitled, "October 6, 2009, Grain Train Natural Food Cooperative, Inc., Notice of Annual Meeting". This template conveys J. Fershee's conceptual Agenda for the GMM and details the proposed changes to both the Articles of Incorporation and the Bylaws, culminating in the Board Election of Officers. The last page is an edited FAQ document that T. Shattuck prepared to answer questions regarding the GMM.

General discussion: Relating to the GMM: Grain Train fiscal year ended September 30th. Total financial accounting won't be completed until late November or the beginning of December.

The initial GMM scheduled for October 6, would result in the presentation of "estimated" Grain Train finances. Todd Winnell, accountant would not be able to attend. By waiting until the financial documents were completed, the Board would be presenting accurate financial information. This would be ideal because the Board will have amendments relating to finances on the ballot.

H. Willens encourages the BOD to provide an honest [complete] financial statement and to create a means to calculate the Member Owner Rebate for fiscal year-end distributions.

Electronic Point of Purchase Tracking system was activated on October 1, 2009.

J.P. Westbrook calls the meeting to order: 6:15 PM. Quorum present.

Motion: G. Hammons motions to adjourn the planned General Membership Meeting scheduled for November 6th, 2009, to a date and place determined by the Board of Directors (BOD). Seconded by A. Maldonado. Unanimous Approval

Advertising: Laura Cherven at Sage Design Works has created quality advertising for the Grain Train meetings in the past. She will be delegated to prepare the advertising for the GMM.

Review of the Proposed Bylaw Revisions (PBLR): J. Fershee's multipage document tracks changes from the version of the PBLR that the BOD had voted previously to accept. J. Fershee's document utilizes language consistent with the up-dated Articles of Incorporation statute for cooperatives that the BOD hopes the Member Owners will support. Much of this language is copied directly from the text document available on-line.

See: ARTICLE V "This cooperative is organized under the Consumer Cooperative Act, Public Act 162 of the Public Acts of 1982, as amended by Public Act 209 of the Public acts of 1984, Michigan Compiled Laws 450.3100.

Where the BOD had become verbose and exacting in initial document versions, J. Fershee urges simplifying the language while maintaining the Board's interpretative options through the use of the words, "shall" and "may". Many incremental changes are shown highlighted in J. Fershee's document.

Section: **3.6 DETERMINATION, ALLOCATION AND DISTRIBUTION OF NET SAVINGS** details a method of distribution of savings in the form of a potential Member Owner Rebate, depending on factors.

ARTICLE X - INDEMNIFICATION insures that the BOD as well as persons serving at the request of the Board are indemnified should a situation occur where there would be legal proceedings effecting them or the Grain Train.

Review of the Proposed Articles of Incorporation (AOI) : J. Fershee begins walking the Board through his version of the Proposed Articles of Incorporation. He points out that reincorporation should be a simple shift from one statute to the other, because all of the points stated in the original document, remain basically the same. Differences between the original and the proposed documents are in the statements of property and income; both of which have grown considerably since 1975.

Original Grain Train Purpose appears limited: John Fershee notes that following a close review of ARTICLE II included in the original Articles of Incorporation, in sentence one, line one: "To purchase, grow, cultivate, acquire, trade, sell and deal in and with natural and/or organic foods; ..." John points out that these last two words may be unduly limiting. The Grain Train sells many products currently that would not fit this limited scope of involvement: i.e. beer & wine, cosmetics, etc. John goes further to suggest that the Board consider including the following statement after the word, "organic"; "and other food and non-food products".

Discussion: J. Fershee suggests the BOD pass a resolution to determine the interpretation of the original Purpose of the Grain Train as stated in the AOI. A. Maldonado would like to research how other cooperatives state their purpose in their AOI.

Motion: J.P. Westbrook motions to accept and recommend to the membership, the Amended Bylaws and the Amended Articles of Incorporation as presented by J. Fershee with one exception; The Statement of Purpose in Article II in the AOI, is to be defined and resolved during the 6:00 PM, Tuesday, October 20th regular BOD meeting at Brother Dan's Food Pantry. Amy seconds the motion. Unanimous Approval

Review of the FAQ Document T. Shattuck prepared for review and corrections. - Document revised and simplified. BOD accepts J. Fershee's revisions to the FAQ document.

J. Fershee suggests the vote on the Proposed Bylaw Revisions and the Changes to the Articles of Incorporation be presented on the ballot and merged as one vote.

Discussion: Allie initially urged two votes on the separate issues, citing Member Owner reluctance and possible confusion. J.P. Westbrook plays the Devil's advocate and asks, "What if one passes, and the other doesn't?" The Board accepts that both documents are complimentary to each other.

Merged Ballot Revisions: The general BOD consensus regarding combining both the Proposed Bylaw Revisions and the Proposed Changes to the Articles of Incorporation appears to be the Merged Option. Combine both revisions into one vote.

J.P. Westbrook - Motion to Adjourn: G. Hammons seconds. Unanimous Approval 7:16 PM.

Next BOD Meeting: Tuesday, October 20th, Brother Dan's Food Pantry, 6:00 PM.