

Meeting of Board of Directors, French Broad Trading Cooperative
evening of Monday, June 11, 2012
submitted by Bob LeRoy, Vice Secretary pro Tem

****Board Members Present At All Times:** Darcel Eddins, Bob LeRoy, Justina Prenatt, Howard Yarborough
****Board Members Present Part Of The Time:** Will Kaylor, via 2-way-audible telephone connection
****Board Members Absent:** Aja Wright, Stephen Smith, & (resigned as of tonight) Cristina Tionson
****Other Owners Present At All Times After Formal Opening, Except During Executive Session:** Cicada Brokaw Dennis, Bette Jackson

Verification of Quorum: As of the scheduled opening time of the meeting, 6:30 pm, the Board consisted of 8 members, thus a quorum of 5 persons was required. Quorum did not exist at 6:30 pm. All persons present had information-gathering discussions prior to the formal opening of the meeting, but no business was transacted nor decisions made nor minutes recorded during this time.. At a later time, 2-way-audible telephone connection was successfully made with Will Kaylor, thus a quorum of 5 persons was achieved.

Executive Session: At a later time, an Executive Session was held by the 5 Board members present, in the absence of the 2 other owners. This session had been scheduled (based on Section 4.9 of the Bylaws) as a fair hearing at which Cristina Tionson would have the opportunity to speak & present evidence, as to why she should not be terminated for cause as a Board member, in the aftermath of being terminated for cause as an employee of the Co-op. It was duly noted that she had been given proper & timely notice of this hearing, but had failed to attend, or to notify about being unable to attend. It was duly noted that she had been given proper & timely notice (as specified in Section 5.2 of the Bylaws) of the 3 most recent meetings of the Board (on May 17, May 23 & June 11, 2012), but had failed to attend, or to notify about being unable to attend, all 3. According to Section 4.9 of the Bylaws, she by this action is presumed to have resigned. Therefore, by unanimous consent of the 5 Board members present, the resignation of Cristina Tionson was officially accepted, and her seat on the Board of Directors was declared vacant.

Re-verification of Quorum: At the conclusion of the Executive Session, the 2 other owners were invited to rejoin the meeting. It was noted that the Board now consisted of 7 members, thus a quorum of 4 persons was required in order to transact business. 5 Board members were present at this time. At a later time, Will Kaylor ended his 2-way telephone connection with the meeting. From that point until adjournment at approximately 8:35 pm, 4 Board members were present at all times, thus satisfying quorum requirements.

Disclosure: Due to the complex nature of the meeting's subject matter, & frequent shifts of focus, it is not practical to report the remainder of the meeting's business in chronological order. However, all business reported herein was conducted while quorum requirements were satisfied, whether via 4 persons or 5 persons, as detailed above.

Primary Subject Matter: The greatest amount of time was spent in discussing legal / technical / logistical problems related to the upcoming election of Board members, & to coordinating this with the Annual Meeting of owners.

STRAY CONSENSUS-DECISION ITEMS NOT FITTING UNDER THE MEGA-HEADINGS BELOW:

(1) After vigorous discussion, it was deemed that the advantages of gaining greater owner voting participation in the Board election process, outweighed the disadvantages of sizable dollar cost & enormous labor time, thus a second US Mail mailing to owners would be carried out (this time, containing only ballots & voting instructions). This was decided consciously under the awareness that there was a legal, feasible procedure available for avoiding a second US Mail mailing to owners.

(2) The "Bylaws ballot" item in the "term-limits" area will include 3 choices for voters: the original "7-year-

lifetime-maximum” language, the more nuanced limitation language written by the Bylaws Committee, & the “remove-all-limitations” option. This one ballot item will be decided via generally recognized “preferential voting” procedures, to determine whether either of the 2 “change” options may reach the 2/3rds-approval level required for Bylaws amendment measures.

(3) The content of the 3 Bylaws ballot items as drafted by Bob LeRoy was approved, subject to restructuring for optimum-presentation purposes.

DECISIONS MADE BY CONSENSUS, REGARDING WHAT WILL TAKE PLACE AT THE ANNUAL MEETING OF OWNERS, JUNE 16, 2012:

(1) The actual business meeting of owners will take place from 2:30 to 4:30 pm.

(2) At or near the beginning of the meeting, Justina Prenatt will make a special presentation to owners. She will completely acknowledge up front the extraordinary scheduling/calendar challenges the Board has had this spring, in preparing for the Annual Meeting & for elections.... for good reason, because of circumstances, even while working tails off etc. She will ask for understanding & support, as we try to advance the Co-op mission together & create a bright future.

(3) There will be, on hand, at least 25 paper copies each of the (9 page) existing Bylaws, the (13 page) proposed Bylaws revision, & the (3 page) board explanatory statements about Bylaws, plus at least 100 copies of the “Bylaws ballot”.

(4) A “checkoff list” of all owners in good standing as of June 5, 2012, with their owner #s, will be prepared, & its use will begin at the meeting. It will provide 2 check-boxes for each owner, 1 to mark when she/he has cast a “Bylaws ballot” (which can happen starting at this meeting), & 1 to mark when she/he has cast a “Board ballot” (which will not start happening ‘til a later date).

(5) The Annual Meeting agenda will provide for time to deal with EACH of the possible voting-choices for each Bylaws ballot item, so that each can be explained & asked about separately: 2 choices for the overall Bylaws language, plus 2 choices for the “staff-on-board” issue, plus 3 choices for the “term-limits” issue.

(6) The procedures for Bylaws voting will be explained, including that ballots will be circulated after June 16 to reach owners not now in attendance, & all ballots must be submitted by July 16 in order to be counted.

(7) The date/time will be announced for one more “question/answer” session for owners regarding Bylaws change proposals, to be held AFTER June 16, during the “balloting month”. [Date/time will be given to the President & the meeting facilitator by the start of the meeting.]

(8) Besides a well-crafted “recruitment pitch” for possible additional candidates for the Board election, at some point there will also be an attempt to promote the idea of joining committees as a way to serve the Co-op & gain valuable experience in how the Co-op functions. Examples of committees ripe for revival / resurgence / expansion will be mentioned.

(9) Any time the owners are asked to approve a motion which is really important to us legally, it will be presented to the owners by a Board member who really understands it inside & out technically, as opposed to the meeting facilitator, who won’t know anything about it.

(10) It will be explained carefully to owners why the Co-op really needs to stretch out the election process for Board members beyond the Annual Meeting time itself, which they are accustomed to seeing as the CONCLUSION of the voting. Their understanding & support will be requested.

(11) The owners will be asked to approve extension to June 30 of time allowed for acceptance of Board candidate applications. [ALSO though, see POST-MEETING ADDENDUM at end of minutes!!]

“ACTION ITEMS” GENERATED BY THIS MEETING:

- (1) Bob LeRoy will prepare a draft of detailed minutes for this meeting & will seek to e-mail them to all Board members (plus Jean Karpen, who requested them in advance) “tonight”.
- (2) Will Kaylor, after receipt of the draft of detailed minutes for this meeting, will produce an agenda for the Annual Meeting, & will circulate it to the Board members & other relevant people in advance of that meeting.
- (3) In the aftermath of the Board this evening approving the CONTENT of the Bylaws ballot material drafted by Bob LeRoy, Cicada Brokaw Dennis will take that approved content & format its structure/presentation so as to be most readable/understandable from the owners’ standpoint, then will return the result to Bob LeRoy.
- (4) Bob LeRoy will take Cicada’s ballot material & format it in terms of fonts/spacings/sizings etc. so that it will fit optimally onto the “printed page” (for mass-printing efficiency), & will then pass a .pdf file version of the resulting “Bylaws ballot” to Justina Prenatt.
- (5) Justina Prenatt will coordinate with Co-op staff to ensure that at least 100 paper copies of the “Bylaws ballot”, plus at least 25 paper copies each of the (9 page) existing Bylaws, the (13 page) proposed Bylaws revision, & the (3 page) board explanatory statements about Bylaws, will be produced, & thus available at the Annual Meeting site.
- (6) Justina Prenatt will coordinate with Co-op staff to ensure that a “checkoff list” of all owners in good standing as of June 5, 2012, with their owner #s, & with 2 check-boxes available for each owner, will be prepared, & will be ready for use to begin at the Annual Meeting.
- (7) Bob LeRoy will determine a date/time for one more “question/answer” session for owners regarding Bylaws change proposals, to be held AFTER June 16, during the “balloting month”. This will be a date/time when he can take responsibility for facilitating the session, & it will fall within the June 23 - to - mid-July time range when Cicada Brokaw Dennis is in Asheville. Bob LeRoy will e-mail this date to the Board prior to the Annual Meeting.
- (8) Justina Prenatt will prepare a “near-the-opening speech” for the Annual Meeting acknowledging the extraordinary challenges which have interfered with Annual Meeting & Board election preparation timelines, & asking for owner understanding & support.
- (9) Darcel Eddins & Howard Yarborough will, possibly with assistance of others, retrieve as soon as possible any Board candidacy applications that have been received in care of Sage or Bobby, but not so far passed on to the Board. They will continue work on reading & evaluating accumulated Board candidacy applications.
- (10) Darcel Eddins & Howard Yarborough will convene a meeting of the Nominating Committee on Monday, July 2 at 10 am, to take possession of the very last Board candidacy applications received in care of the Co-op, & to prepare the Board election ballot & voting instructions.
- (11) Everyone possible from the realms of Board & staff & volunteers will be mobilized, via planning well in advance, to work on this project.... to prepare a US Mail mailing of ballots & voting instructions to

owners who were in good standing as of June 5, 2012, to be brought to the doorbell-door by the truck docks at the lower level of the Brevard Rd. US Mail facility, by mid-evening on Tuesday, July 3.

“POSSIBLE ACTION” ITEMS GENERATED BY THIS MEETING:

(1) It MIGHT be attempted, when carrying out the “July 3 mailing”, to use the owners’ “check-off list” to AVOID including a BYLAWS ballot in the mailing for THOSE owners who are noted as having already voted regarding Bylaws.

“INACTION” ITEMS GENERATED BY THIS MEETING:

- (1) Bob LeRoy will not participate in the “July 3 mailing” party, because he will be 750 miles away.
- (2) Cicada Brokaw Dennis will not attend the Annual Meeting, because he will be 750 miles away.
- (3) There was discussion without resolution about whether it is a technically feasible or desirable option for the Annual Meeting to “vote to suspend Robert’s Rules of Order”.

POST-MEETING ADDENDUM ABOUT MOTIONS TO MAKE AT ANNUAL MEETING

At the June 11, 2012 board meeting, the point-of-view of the Nominating Committee was that it was unnecessary to have owners approve any election procedure change except the extended candidate-application deadline. The point-of-view of the Bylaws Committee (c/o Bob LeRoy) was that in order to make the election process legal, the owners needed to approve the extended-balloting rules made available by the Annual Meeting notice, & THEN separately to approve AMENDING those rules both to have necessary ballots sent out by US Mail rather than e-mail, & to extend the candidate-application deadline. This was not fully resolved at the board meeting, but during follow-up e-mails it was resolved that:

(1) During the Nominating Committee’s presentation to owners (see (10) in DECISIONS.... above), a banner would be displayed, describing (as follows) the intended “final result” for election procedures, & Darcel Eddins & Howard Yarborough would ensure owners’ consent to this:

- **ACCEPT BOARD CANDIDATE APPLICATIONS THROUGH JUNE 30
- **U.S. MAIL BALLOTS & VOTING INSTRUCTIONS BY SOMETIME ON JULY 3
- **ACCEPT COMPLETED BALLOTS THROUGH JULY 16

(2) Immediately after the above, Bob LeRoy would present to owners for quick approval, 2 motions whose effect would be the technical legalistic formal approval of the intended election process:

Main Motion A—The owners approve using balloting-by-mail for election of directors in conjunction with this Annual Meeting, by the procedure described in the Annual Meeting notice, as follows:

- **Ballots and voting instructions will be sent by e-mail to owners who have furnished e-mail addresses to the co-op, and also may be obtained at the Co-op by any owner upon request; and
- **All such ballots must be submitted by the close of business at the Co-op on Monday, July 16th, in order to be counted.

Main Motion B—The owners AMEND procedures being used for balloting-by-mail in conjunction with this Annual Meeting, as follows:

- **Candidates to be elected as directors in conjunction with this Annual Meeting, must submit required application forms to the Nominating Committee in care of the Co-op, no later than the close of business on Monday, June 30th; and
- **All ballots and voting instructions required to be provided to owners following this meeting date, whether dealing with director elections or bylaws amendments, will not be e-mailed, but instead will be sent by U.S. Mail, and this material will be delivered to a U.S. Postal Service facility on Tuesday, July 3rd.