

Minutes of Annual Meeting of the Board of Directors of  
Midwest Elderberry Cooperative

The annual meeting of the board of directors was held:

on

Saturday, November 12th

at

the Community Room, Hy-Vee Grocery Store, 2708 Bridge Avenue, Albert Lea, MN 56007

Present were:

Chris Patton:

Paul Otten:

Josh Stolzenburg:

Greg

Josiah

Dan Moe:

Eric Lindberg:

Karl Fehr:

Charles Kelly:

Mark Sneller:

Will Marsh:

Berry Communications, 822 Marshall Ave, Saint Paul, MN 5511

2857 Water Street, Stevens Point, WI 54481

Mondovi, WI

Mondovi, WI

24618 State Highway 15 North, Hutchinson, MN 55350

14727 - 97th Street North, Stillwater, MN 55082

669 Woodchuck Drive, Postville, IA 52162

Sneller & Son, Ltd., 4160 Fig Avenue, Sioux Center, IA, 51250

206 Australian Avenue, Saint Paul, MN, 55117

1. The meeting was called to order at 10:09 am by President, Chris Patton. It was determined that a quorum was present, and the meeting could conduct business.

The following directors were present:

Chris Patton: President

Will Marsh: Secretary / Treasurer

Paul Otten:

Dan Moe:

2. Chris Patton welcomed all in attendance and introduced all to the meeting.

3. Chris Patton provided the meeting with an overview of the MEC including a discussion new initiatives underway regarding processing and drying elderberries and elderflowers and related marketing ideas.

3. Old Business:

a. Chris Patton announced the resignation of Aaron Wills from the Board of Directors

b. Mark Sneller indicated his willingness to serve on the Board of Directors. There were no further nominations from the floor. Paul Otten proposed that Mark Sneller be nominated to the Board by acclamation. The motion was seconded by Josh Stolzenburg. The motion passed by unanimous consent.

c. Financial Report: Chris Patton reported the following assets:

o \$800 in cash

- o \$2,400 worth of inventory (frozen elderberries)
- o \$3,600 accounts receivable
- o \$5,000 "A" shares

Will Marsh reported that he has started setting up the accounting for Midwest Elderberry Cooperative using his copy of "QuickBooks." He produced an invoice showing that the \$3,600 accounts receivable item corresponds to 48 \* 25# buckets of frozen elderberries that have been transferred to Classic Provisions, Inc., Plymouth, MN as a consignment sale. The customer is scheduled to pay by monthly installments, based on previous months sales.

#### 4. New Business:

a. Chris Patton proposed that the MEC issue up to 10,000 preferred shares at a par value of \$100 to raise capital for the following purposes including:

- o Partially compensate Chris Patton and Paul Otten for time and labor in establishing the MEC.
- o Repay Chris Patton for his \$14,500 loan (plus accrued interest) to the MEC.
- o Administrative expenses: legal, office, accounting
- o Cash form initial purchase of inventory from growers
- o Mobile processor and/or other shared equipment
- o Minnesota Dept of Agriculture - Value Added Grant application
- o Production modules for berry and flower production and marketing
- o Opportunities for MEC and grower members to joint venture.

Note: The minimum initial Preferred Share purchase per individual would be 25 @ \$100 = \$2,500, with no upper limit.

Motion: That Midwest Elderberry Coop will authorize an initial offering of 2,000 Preferred Shares @ \$100 per share.

The motion was proposed by Chris Patton, and seconded by Mark Sneller.

The motion was passed unanimously.

The meeting was adjourned for lunch at 12:17 pm

The meeting was reconvened after lunch at 1:14 pm.

5. Charles Kelly requested a list of MEC members. Chris Patton agreed that would be made available, and the MEC currently has less than 20 members.

6. Dan Moe led a discussion on the purpose of Class "C" shares - the right for grower members to sell elderberries to the cooperative at an agreed price. Dan explained his experience with an Avocado cooperative where 80% of the payment is made on delivery to the cooperative and the remaining 20% paid post-sale.

Given the seasonality of production, harvest and subsequent sale of stored berries, there was support for the suggestion that the MEC fiscal year be set up to run from July 1st to June 30th to simplify accounting practices.

The next combined Board and Grower Member Meeting was scheduled for February 24, 2017, 7:30 pm at the "Red Room" in the MOSES Conference facility in La Crosse, WI.

The meeting was adjourned at 3:20 pm