

OZARK NATURAL FOODS
Annual Owners Meeting – March 6, 2011

[Transcriptionist's Note: Audience comments, questions, etc. is inaudible in much of the audio.]

BILL Good afternoon, everyone. I'd like to welcome you to the 2010 Annual Owners Meeting for Ozark Natural Foods. The first order of business will be the reading of the minutes from the March 6, 2010, meeting.

AMBER Hello, everybody. I'm Amber Secrest, the owner services director, and I'll be reading the minutes from our March 7, 2010, Annual Owner Meeting. Okay.

Meeting called to order at two o'clock p.m. We started with the President's Report. Matthew Kay, board president, gave the annual President's Report. Matthew reported that Ozark Natural Foods has proved to be quite resilient through 2009, a very difficult economic time, and he thanked the staff and management team. Matthew also thanked the current board members for their support of him and his role of president this past year. Matthew reported that the board had a very full plate that year, as they continued to practice and refine policy governance and revise the end statements. He reported the board has progressed from doing to knowing what we do.

Matthew reported the committees have done well this year. The Board Nomination and Perpetuation committees met over many months to develop a system of interviews and evaluations to implement that system and finally to certify the four candidates currently running for the board. The Linkage Committee had a great year as well and enthusiastically and effectively continued to meet with owners through periodic dinners and board events, store tours, and coffee klatches. Matthew felt that the committee's outreach effort has given the board some great ideas and also a much stronger connection to the owners of the co-op.

Matthew felt that perhaps the most exciting board endeavor of the last year has been board deliberation, which is a block of time every meeting in which the board conducts broad investigations of a given topic that they think is of key relevance to the co-op. It's not so much about reading financial statements or business plans, but more about abstract issues like environmental sustainability or healthy living. The study and engagement topic for the last several

months has been the sustainability and localization of food production and the marketing of these products from both the farmers market and co-op level. The board has welcomed speakers to the meetings, received reports from staff regarding future trends, visited innumerable websites, and read countless articles, all in an effort to better understand the co-op's role with respect to the topic. The presentations have all been interesting and stimulating, sparking a great deal of discussion among board members. The board feels that the more they know about what is happening in the community and region, the better they'll be able to be a proactive participant in the co-op's future.

Matthew expressed his excitement about the future of the co-op and feels Ozark Natural Foods is a solid business that is a strong member of the community that fosters diversity and sustainability on many different levels. Matthew concluded the meeting by thanking everyone for coming together to make Ozark Natural Foods.

Then Alysen presented the General Manager's report. Alysen opened the report by thanking the owners and everyone present in the audience, as well as the wonderful Ozark Natural Foods staff. Alysen reported that the co-op ownership has grown to 6500 owners and while other co-ops in the country had as great as negative double digit sales growth, Ozark Natural Foods did a positive six percent. Alysen explained the co-op experienced this level of success because of a planned approach. Ozark Natural Foods did not hire for some open positions; they cross-trained instead. They reviewed the movement reports, got rid of products that didn't sell, and kept a close eye on labor numbers. Everyone worked very hard to keep the prices stable through 2009 so the owners could afford the basics of a healthy diet.

Alysen reported a 15 percent growth in owners last year, which was accomplished by keeping customer service a top priority and having trained, knowledgeable staff on the floor. The co-op also tried to have as many products on sale as possible by going the extra mile and having buyers, including the grocery manager, directly contact dealers to find these bargains. This took a lot of effort and dedication on their part.

Alysen gave an update on building improvements, including four new air conditioning and heating units, the new vestibule, and a white roof membrane. A new rainwater reclamation system is started. These improvements are sustainable actions for the future

and are intended to reduce our overhead cost. The co-op is also about to install new signage and repaint the interior of the store to keep things updated and looking new.

Alysen explained the long-term goal for Ozark Natural Foods is to own the building in 19 years. The utility bills are projected to be 30 percent lower than what they are now, and the co-op at that point will have no debt – the second time in its history. Alysen reported that this year alone, even with the recession, Ozark Natural Foods has lowered the total store expected margin approximately 8/10s of a percent and is in an excellent position to succeed.

Then next, Gary gave the financial report. He presented a few graphs showing what great financial shape the co-op is in right now. Annual sales in millions for 2009 were \$9.6 million, up from \$9.1 million in 2008. Annual sales growth, despite a troubled economy, we were able to achieve a six percent sales growth in 2009. Debt and equity – the large debt jump in 2008 was due to a loan to purchase the building. While Ozark Natural Foods' debt position has not stopped dropping significantly, the equity position has seen a large increase. Sales to owners – this is tracked for patronage refunds and income tax calculations. The co-op pays income tax only on non-owner sales. The graph showed the percentage of sales to owners since 2001. Active owners – the co-op achieved approximately 15% active owner growth with 6,293 owners at the end of 2009. Patronage refunds – this graph showed the amount of net profit returned to the owners as a patronage refund. In the last seven years, the co-op has received \$689,800 in patronage refunds, not including the patronage refund for 2009. Saving customers money – in 2009 Ozark Natural Foods customers saved over \$436,000, the largest savings are co-op advantage program tag items from the Co-op Advantage Program. This program combines the purchasing power of the nation's co-ops to bring in selective products at a special discount for a short period of time.

The business meeting was adjourned at 3:30 p.m.

ROBERT

Thank you all for being here. I'm Robert Ginsburg; I'm an interim board member, along with Bill Browner; we've been serving since December. And before we get started, I want to thank the staff and the musicians for providing us with a great meal. A lot of hard work. And all of the people out in the hallway who have also been here to serve us. I'm not the board president. Bill and I are the two remaining board members who have been serving, since I said,

since December. And I think it's really important for us all to understand that we're at a crossroads in a very unique paradox at Ozark Natural Foods. This is not the first time we've been in this position, but never before has there been this much at stake.

On the one hand, we have a lot to be grateful for. Ozark Natural Foods is in a better financial position than we've ever experienced. We're selling more healthy products than ever before. We have more owners than we've ever had in our history. We have more money in the bank than we've ever had before. We're in the best location, I feel, that we've ever been in, and we're buying the building. We're not renting the space. And we're greening our building as we go. Our management and staff are better trained than ever before. And we are truly in a position to launch some exciting new projects – as never before. Yeah, I think that's worth applauding.

On the other hand, we've gone through one of the most tumultuous years in our history regarding our internal politics. The entire board of directors has stepped down at one time or another during the past year. We have lost continuity in terms of a board with experience of our bylaws and our policies. Allegations of misconduct directed at management and at the board have run wild. And the very purpose and methods of the board and management have come under question.

Now, I'm out of hands, but on the other other hand, we're about to elect an entire new board. Seven owners. Seven volunteers. They've stepped up to fill these demanding and time-consuming positions. Seven people assigned to represent over 7,000 people. Seven new characters and personalities who have chosen to jump on the back of this galloping horse we know and love as Ozark Natural Foods. Those of you who are here today are among the most active and concerned owners at ONF. Many people have many questions they'd like to have answered regarding the past year's events, and many people are anxious to move forward towards building better relations between our board and management without becoming mired in what was, as opposed to what can be. Thank you.

Bill Browner and I, both former board presidents, were asked four months ago to fill two positions on the board made vacant by those who stepped down in order to maintain a quorum so the board could continue to carry on business. I believe I speak for Bill and myself when I say we're very grateful to all the candidates for their

willingness to take on these responsibilities anew. The enormity and the complexity of what lies before the board we're about to elect is daunting. You will represent a community that is diverse, demanding, and devoted to what ONF is and can be.

And speaking of the community, I'm also grateful to all of you. Those of you exercising your privileges as owners and for being here at our annual meeting and gathering of the tribes, as it were. I encourage you to take advantage of all the activities the staff at our co-op have arranged for us. I encourage you to utilize the co-operative principles of working together as you discuss and consider our future. Thank you.

And I've been reminded, minor protocol, can I get a motion from the floor to approve the reading of the minutes. And could you stand and say your name? And is there a second? Thank you. All in favor of approving the minutes as read, please say "aye" and raise your hand. Opposed? All right, the minutes have been approved.

ALYSEN

Hi. Thank you. And welcome. I'm Alysen Land; I'm the general manager of Ozark Natural Foods, one of the finest natural food stores in the United States of America. I can't stand up here and tell you how great everything has been the past year, because it was pretty horrendous. The absolute worst year I have experienced in 18 years of being with Ozark Natural Foods, including the first year I was the general manager ten years ago with the financial crisis. The board and I had a terrible time communicating with each other. You are here to listen to the candidates and exercise your rights to vote for these candidates. The directors are wonderful people; they're wonderful volunteers. These candidates have gone through a very rigorous program to be here. They went through the application process. They were vetted by the past board. They attended board meetings, and they've shown up to make a video on our website, which is also a little daunting, a little embarrassing. They've attended a training already, and they're ready to stand up here and present themselves to you. I applaud them for this effort, and remember you're voting on who's going to be my boss. You're voting on who is going to set the direction for the store for a period of time. These are very, very serious things. So please, stay and ask them questions, listen to their answers. They have put a lot of time in being your candidates.

So now I can talk about the happy part. The store is magnificent. I love it. It's marvelous. Our front end reset worked so well. And it was the co-operation and the coordination of Amber Secrest, Lisa

Rhoden, and Michael Anzalone that made it all work. And it came together so well and didn't interrupt us at all. The produce department was all Pauline Thiessen. It functions great; it was all good planning; it happened without a hitch. We're very, very proud of it. Pauline increased our local sales from 8 percent to 13 percent this year, keeping [APPLAUSE]. That kept \$100,000 in with our local farmers. Yes. Thank you, Pauline. So now Pauline wants to sell chicken feed – organic chicken feed. Yoo – we're going to be the only organic distributor in Arkansas, and that should start here in a couple weeks. We'll keep you notified.

This last year, the Ozark Natural Foods became the first grocery store to be added to the Greenway Initiative. We had the highest score on the sustainable features, and that comes from our board and management, in the beginning, moving into this facility, looking ahead and putting them in in the beginning, plus what we have built on. Last year we put our green initiatives on hold for a little bit, but we did measure from 2009. A lot of those are in the scorecard that you received today, and it's also online on our website in the November sustainability report.

We hit a few milestones this year. Over 7200 owners, with over \$10,500,000 in sales. Our sales to owners were over 67 percent. That is good. Last but not least, our kickball team won a game.

The staff performed amazingly, not missing a step all year. Everything going on around them; they just kept right to it. Ozark Natural Foods invests a lot into our training programs. Jerry Huddleston has been trained on CPR; he teaches CPR. He teaches the Serve Safe, along with new higher advanced customer service training, and is still our human resources manager.

Due to these – these programs are not inexpensive. But it gives our staff the confidence that they need to be able to do their jobs well. The food safety course is offered by the National Restaurant Association Education Foundation, focuses on food safety and prevention of food-borne illnesses. A certification lasts for four years. Any of our employees working with fresh, prepared, and opened food is encouraged to do this course at our expense for your safety. Thank you.

Our marketing person, Alexa – talk about getting some things done. If you've seen all the signage – I know that you probably don't really notice it, but all of it matches now. All of the fonts are the same. And if we do anything out of the palette that she has set

for us? She'll definitely slap your hand. She has definitely brought talent and consistency to our store.

Owner services, Amber Secrest, who just read the minutes, is all about surveys, mini-surveys, full surveys, finding out what the owners want. She's also on our Farmers Committee, our Task Force chair, and has completely revamped the donation system. She did the Fall Festival, which was a great hit, and now this is her first AOM, and I think she's done a great job.

So, that said, the first of April, you're going to be receiving a store survey, and we will have them available in the store for pick-up and drop-off. There will also be links to the surveys on our Facebook and on our website. We will be mailing them to the people we don't have email addresses, so save a tree – give us your email address. Please fill them out and send them back. The more we get, the more we know what direction you want us to take in the future. This will really help guide the new board.

Can you believe Ozark Natural Foods is 40 this year? I can't. Thank you. Oh, Gary gets to brag on himself.

GARY

Thank you, Alysen. I'm Gary Cook; I'm the finance manager with Ozark Natural Foods. I wanted to thank everybody for coming out. It's real important that we get together once a year and have this annual meeting and approve changes and vote on new board of directors.

I've got some charts, updated charts I want to show everybody, so – and it's working this year, so that's good.

This is a graph of our annual sales, and it's in millions, from 1997 to the present. 2010 sales, for the first time ever, we broken \$10 million. We had \$10.6 million and that was up from \$9.6 last year in 2009. I started in 2003 – I marked it there – we had \$5.3, so we have doubled it in seven years, our sales, so very impressive.

This is our annual sales growth and our percentage, and it just shows how much we grow compared to the prior year. We jumped back into a double-digit sales growth this year, after the recession kind of hurt us the year before. So 10.4 percent growth – we felt very good about that.

And this is just a comparison of our debt to our equity, and what the totals are together. It's on our balance sheet through the last nine years. The large debt jump we had, pointed out in 2008 was

when we purchased the building, so we took on a lot of debt, but in 20 years, or now 18 years, we will own this building, paid for. And we're already starting to see this shrink. We're starting to see our debt shrink and our equity grow, so the co-op's in real good shape on our balance sheet.

And as mentioned just a minute ago, our percentage of sales to owner – we did really well this year. I'd like to thank the front end and all their hard work. Because every time you come through the line, you want to get your sales on your owner number. And half the time it's up to them, because you're going to forget your number, whatever. But they're real good about – our goal is to one day maybe hit 70 percent. We're getting real close, so – and it's real important for income tax reasons. Any net profit that the co-op makes and gives back to the owners is not taxable by federal income tax laws.

And our active owners at year-end – 7209. Again, another large growth. Give a little bit of credit to Amber Secrest, since she's now full-time owner services manager. We've done a lot of work there.

Saving customers money – through discounts and quite a few different ones that you can see here. We saved the owners, or actually customers – owners and non-owners that shop – over \$505,000. We do it with discounts, promotions. The big savings is our Co-op Deals Program that used to be the CAP program; they have renamed it and changed the format only a little bit. It combines the purchasing power of all the nation's co-ops that are part of the National Co-operative Grocery Association. And on select products at special discounts and for a short period of time every month.

And this is probably the most exciting one for me. These are patronage refunds. It's not official yet; we haven't got our taxes completely finished. But through my early work, it looks like we're going to be returning over \$340,000 to the owners. And hopefully by the end of this month. We did refunds a little different. Normally in past years we've done a 20% cash refund and retained 80%, and then at a future year we return that 80%, which is the blue lines are when we returned prior years. So this year, we're giving back 50% of our net income back directly to the owners. Like I say, you should be seeing those by the first of April if everything goes good.

And this does conclude the financial report. If you've ever got questions, come see me at the co-op. There's a lot of information

in our annual report about some detailed financials – balance sheet and income statement. And I’m going to turn it back over to Robby Ginsburg.

ROBERT

All right. Our bylaws allow nominations from the floor. If anyone’s planning to make a floor nomination, I would ask you to please stand at this time, identify yourself, and attest that you are an active owner. No nominations from the floor? Then we shall move on. I wasn’t ready for that. Have to jump ahead here. I believe now it’s time for Amber to introduce the candidates – well, actually [conversation off-mic]

AMBER

Hi, it’s me again. Before we introduce the candidates, I need to read the proposed amendments to the Articles of Incorporation. So, the Board of Directors of Ozark Natural Foods proposes three amendment changes to the following. First, this amendment to the Articles of Incorporation was adopted at a meeting of the membership on March 10, 1996. The Articles of Incorporation of this co-operative association were amended to change the fourth paragraph, which shall read, in its entirety, as follows: “The principal place of business is at 205 West Dickson Street, Fayetteville, Arkansas, in Washington County.” The proposed amendment is to change it to: “The place of business is now located at 1554 North College Avenue, Fayetteville, Arkansas, Washington County.”

The second amendment to the Articles of Incorporation was adopted at a meeting of the membership on March 5, 2000. The Articles of Incorporation of this Co-operative Association were amended to change the fifth article thereof such that it shall now read, in its entirety, as follows: “The total amount of the authorized capital stock of this co-operative association is 15,000 shares having a par value of One and No One Hundred Dollars per share.” The board of directors proposes this limit be raised to 100,000 shares paying a par value.

Third, the period of existence is 49 years. The board would like to change this to be 99 years.

Okay, now we will move on to introducing the board candidates. Would all the candidates please come to the stage and sit in alphabetical order from left to right.

Oh, sorry, I’m sorry. [inaudible question from audience] They had it to where there could be 15,000 owners, and so we’re extending it to where there can actually be 100,000 owners. It’s going to be a

long time before we hit the 100,000 mark, so they just set a big number. Were there any other questions about that? [inaudible question]

Yeah, they're on the ballot. Yes? No. No, not at all. Okay?

All right, will the candidates please come forward? [Some background conversations inaudible during transition.] Okay? [candidates seating, etc]

At this time each candidate will be asked to introduce him or herself and give a three-minute statement relevant to his or her wish to be on the board. They will be speaking in alphabetical order by last name. Once the meeting is adjourned, there will be a question and answer with the candidates until four o'clock, so please stick around if you'd like to ask questions. Okay. So, starting we'll have Cynthia VanBibber Beaver. Sorry. Come up to the podium and give her speech. [speaking off-mic]

CYNTHIA

Hello. My name is Cynthia VanBibber-Beaver. I came here because of the co-op. Came to Fayetteville, moved to Fayetteville from Little Rock, Arkansas. And I have lived in many places where we didn't have anything nearly as fine as this, and I, I really needed to have good food. I just wanted to be happy, and this was the reason I moved here, other than it's also a wonderful community. I have management – and I have experience in – my work history involves jobs that are self-directed and management positions, and I just thought I'd tell you a little bit about things that I have done. I was – I worked for Quality Foods. I was the warehouse and transportation orientation and safety trainer there for three years. I worked at [FOREIGN TITLE] in Bogota, Colombia; I was the academic coordinator there. I was – I led a team of designers for Capital Importing. That's out of Little Rock. I was in Dhaka, Bangladesh, when I had that position. I was also a liaison from their warehouses there to the warehouse in Little Rock. Right now I am a – I own a website with my sister and we are launching several websites. I basically do web design. And I would like to be a member on the board because of my passion for good food, and I think it's important to eat good food not only for our health bodywise, but also the health of the planet, and just hope you'll elect me. Thanks.

AMBER

All right, up next we'll have Garrett Brown.

GARRETT

Hello. My name is Garrett Brown, and I am excited to be standing here in front of the community of co-op who is here to vote and elect those of us who want to represent you on the board and I

appreciate your attendance today. I would like to join the board and be a representative for you because my family and I have been a member for about four years. And this is my son, who's three, his favorite place to be. When we get in the car and he asks if we're going to the apple store, as he calls it. And I really feel like that is a testament to the dedication my wife and I have had to making sure that he knows where he's shopping and it's not just going to the grocery store to grab some vegetables and getting out real quick. It's not walking into a big box chain. But he walks in here, he's able to get the piece of fruit from the kids' co-op, or get the little Ronnie Raccoon tattoo and I really feel like those are very important things to set in the minds of children as they're young, to make sure that as they get older they feel like they're a part of the community as well. It's not just where their parents shop. I also want to make sure that as he gets older and he continues to see us shop here and we continue to have the conversations about why we shop at the co-op or the type of food that we eat, that he sees that as instrumental to his childhood. So that as he gets older, regardless of where he lives, he is able to make the decision for himself at that point, and I would hope that he would choose to also shop at some type of cooperative or natural foods store wherever he may end up. Or our ten-month-old daughter over there as well as she gets older.

I have experience serving on the board of a couple of different boards in Siloam Springs, Arkansas. I feel like I'll be able to take those lessons that I've learned and also transfer them to the co-op. I feel like that as we look to start for 2011 that we're all here dedicated to the co-op and really want to serve you. And I hope that you vote for me. Thanks.

AMBER

All right, up next is Tuesday Eastlack.

TUESDAY

Hello, cooperative community. I'm Tuesday Eastlack. Some people know me as Chef Tuesday, because that's what I do for my professional life. And I am a big supporter of cooperatives. Not just our most outstanding Ozark Natural Foods cooperative, but all the cooperatives that are still in business, all the cooperatives that might come into existence. What I would like to do as a board member for Ozark Natural Foods is to bring the young people to the cooperative. I really think that the under-25 crowd need to be reminded of what started this co-op and all of the co-ops 40 years ago. What a great idea it was. What a great idea it is. A true cooperative, democratic business run by us. That's my goal. That's what I'd like to do. I consider myself to be a visionary when it comes

to business, and I am delighted to think that I can serve this community. That's it.

AMBER All right. Next on the list is Susan Graham.

SUSAN This is so exciting. I'm Susan Graham. I've had a lot of experiences that I think would help me be on the board. The best of those, I think, is my past board experience, and I had a board of directors as a boss one time, so I've been on both ends of it. Currently I'm on the board of the American Association of University Women, and in January I was elected to the board of the Friends of the Fayetteville Public Library. I'm confident that I have the experience and the expertise that is necessary for a board with seven new members, and I just want to tell you I'm going to do my best to work hard and make sure you know everything that's going on, and if you have ideas or concerns, I will make sure they get to the board. Thank you.

AMBER All right, and Colleen Pancake is up next.

COLLEEN Hello. My name is Colleen Marie Carlson Pancake. I have been an owner for 21 years. We live in interesting times, do we not? It's good to remember that how we perceive a situation allows for the option of a most positive outcome. Right now we have an opportunity for growth together, for improvement in communication, and a clearer understanding of our common goals. I've always been very grateful for the opportunities of education and access to superior quality food that Ozark Natural Foods has provided, that I would not otherwise have had. ONF has nurtured me, empowered me, and given me opportunities to learn and meet people, since I discovered it in 1989.

From 1990 to 1992, I worked at ONF through a time when it almost went bankrupt. Ultimately, what solved the problem was refocusing on what the owners wanted, a closer monitoring of the management performance and direction, and a good board that guided by setting clear, achievable goals. That was a difficult time. But we made it thanks to dedicated volunteers and staff. I am so very grateful for all the previous service of boards that have come before and the positive impact of that stewardship that has gotten us to where we are today – in partnership with our management and staff. I commend management and staff on their nationally-recognized abilities and talents, which have contributed to our outstanding success as an organization. Thank you all.

Our very name, cooperative, means that we must work with each other to achieve our goals. What are our goals now? What I've heard from owners so far is regular access to affordable, quality food. A local food delivery system that ensures stable access in a sustainable way. A space developed for greater education opportunities and gatherings. Better signage at the deli. I believe that we can further develop owner bonus buys in produce, bulk, and key requested items that are everyday staples for our owners.

We must never cease to look to the future and prepare. Cautious and patient nurturing with an eye to the future has gotten us to where we are. But there is no final destination. We're on a continuing journey together. And it's gotten a little bumpy, so we need some good drivers. I promise to respectfully participate and serve this co-op, if you give me the chance. I promise I will do my homework and show up on time with a good attitude, and represent the common interests of the owners of Ozark Natural Foods. I'm ready to serve our co-op. And I was going to end it there – thank you.

But I didn't say anything about my experience, so I've been on nonprofit boards before – six years, Community Access Television, and before that was Fayetteville Open Channel for about a year and a half. I am familiar with the process, and it is about the process. The people are our strength; they are our biggest resource, the most important resource. So let's work together. We can do this. Pull it out of this slump, and prepare for the future. Thank you.

AMBER

Okay, up next is Linda Ralston.

LINDA

Good afternoon, y'all. My name is Linda Ralston. I am local, even though I don't sound like it. I blame that on the Navy years ago, and served duty with a lot of New Englanders. So I have a little different accent. But I am so excited and passionate. I guess I don't really need to hold that, do I? I'm so excited and passionate about the future of our very own co-op, Ozark Natural Foods. Are y'all ready for our 40th birthday party? I think we need to go ahead and get it started, right now, right? And we are. It's a brand new day and anything is possible. And I think you may get a feel from all of us who have spoken so far that we're ready, and we're excited. And we represent y'all. And here we go.

I bring with me a love of marketing and making a healthy difference to everyone everywhere. Everyone's entitled to that and needs to

be aware that better choices can be made. And Ozark Natural Foods does bring that into the possibilities. I wanted to read y'all something I – I had a chance to review the board policies and the policy governance and all that stuff, all the bylaws, and I learned a lot of good little tidbits in there. But one thing that's in our *Nutshell* – have y'all been enjoying the *Nutshell* every month? It's wonderful. Be sure and recycle it, give it to a friend would be a good way of recycling it. But I love the Ozark Natural Foods vision statement. This one just reaches out and starts here and just ripples across the globe. "We envision a world strengthened by cooperative economics and driven by concern for the health and well-being of the planet and its inhabitants." Wow. That says a lot right there. And I think we – it starts here and it ripples across.

So I just want to say thank y'all for allowing me to represent you. I think I'll serve y'all proud, and healthiest wishes to all, let's get the birthday party started. Thank you.

AMBER

All right, and our last speaker will be Kathryn Scherer.

KATHRYN

Hello. My name's Kathryn Scherer, and I'm really happy to be here once again running for a board election. I was on the board in 1994 and served through 1996, and we were involved in transitioning Ozark Natural Foods from the little house on Rock Street over to the Dickson Street location where we really started growing. I've been shopping since really – all the little things that were going on with Ozark Natural before they even got into the little red house. I was coming over from Oklahoma to shop there because it was there. I had a child at that time, and I have another now, and they're both grown. But it was very important to have good healthy food for that child. And for myself in order to sustain our lives. I also enjoyed being around people of like mind, because when you're going in for natural, whole, healthy food, you usually have in your mind, a whole, healthy mindset. You've made up your mind to be careful about your health. You've made up your mind to be careful about your environment. And you've made up your mind to look outward toward the health of the earth. So you started doing some – maybe some research. And your ideas have changed, and you've grown. And that's what growth is all about. And this is what I'm looking forward to with our co-op. Our growth – that it is attained in a manner that is cooperative to the growth of sustainability, the green movement, and anything else that is good for the environment of our earth to keep this earth healthy.

I think that if I had something, some one thing to say about Ozark Natural Foods, it is the fact that it's been very, very nice to see people that I've known who were clerks when I first started coming to O Foods, like Colleen, and Alysén. And these people know this business. They know it practically inside out. And they're good people to have, and I would like to be on this boat again with you guys, and I sure hope you'll give me your vote. Thank you very much.

AMBER

All right. Thank you, candidates. Let's give them all a round of applause.

Before I give the mic back to Bill and Robert, I'd like to go over the voting procedures that are available to you. First, you can vote online starting tomorrow morning at eight a.m. by going to the Ozark Natural Foods website and clicking on the vote link. We will also have a computer in the store at the co-op community board for your convenience while you're shopping in the store. We also have the traditional option of dropping your ballot in a box. You can vote here before you leave by placing your ballot in the box in the back left corner. Let's see – or you can do it in the store. The box will also be at the co-op community board. Be sure to include your name and owner number. And if during the voting process you need help at any time, we'd be happy to assist you.

Thank you for attending today's meeting, before I give it back. I want to say thank you to some of the people who helped pull this event together. The marketing department, headed by Alexa McGriff. They have been a vital part in this year's meeting. Thank you to all the deli staff for the wonderful food, and all the staff members who helped, who volunteered to work an extra day this week.

I would also like to thank Bill and Robert for their time on the board these last few months, and the time they plan on spending with the new board to help them get started. Let's give them all a round of applause.

And lastly, on behalf of management and staff at Ozark Natural Foods, I'd like to thank Alysén Land for her leadership and management abilities that have created a decade of prosperity after near bankruptcy. Without her we couldn't have reached our goal of \$10 million in sales this past year, and with her, I think the future possibilities are unlimited. Let's give her a hand.

All right, can I have Bill and Robert back to the stage?

ROBERT

First, I would like to let you all know that we did achieve a quorum. There are 158 registered and 10 proxy votes. And we required 160. We barely reached a quorum. If you could like to see how the candidates can think on their feet, please remain for the question and answer session.

Bill – I want to thank Bill also for joining me in the last four months serving on the board, and we look forward to the new board. I hereby close Ozark Natural Foods Annual Owners Meeting. Thank you all very much.