

## Minutes for LMFC Board of Directors Special Meeting

Tuesday, April 8, 2025

6:30 pm – 7:00 pm

Board Members Present	Management Present	Members Present
Brian Naughton	James Esqueda	Martha Whitman
Lewis Creekmore	Rob Dixon	Keith Lefort
Nini Sulamoyo	Randy Evans	
Nathan Baker		
Ching Lu		
Carter Rook		
Liz Davenport		
John Kwait		
Peter Chestnut		

### Agenda

- The agenda item to review the Treasurer's Report for 2024 was tabled to the next regular Board meeting
- The modified agenda was unanimously approved by the Board

### Avanyu Plaza Project Background

- James provided a summary of the project, which is a partnership with 19 sovereign Pueblos and aims to be the first food co-op on tribal land in the country.
- The project has been ongoing for three years and is at the final stage of financial needs. The board was asked to approve a 10-million-dollar investment package which includes a loan of 5.5 million dollars to fulfill the remaining needs of the project.
- The project involves a 10-million-dollar investment package inclusive of a 5.5-million-dollar loan and an additional expenditure of 1.3 million dollars from the cooperative's cash reserves in addition to the 2 million dollars previously approved by the Board.
- The Finance Committee, after extensive reviews and refinements of the project's pro forma business model and other supporting documentation from various legal, marketing, and other professions, recommended to the full Board to approve management's request for the loan package and the additional cash expenditure.

### Avanyu Plaza Project Investment Package

- The Board President read aloud the entirety of the Board Resolution appended to these minutes.
- **The board of directors unanimously approved the Vanya Plaza Project investment, expressing gratitude for the extensive work done by James and his team.**
- The project is seen as a significant step for the Co-op's future growth and sustainability.

## RESOLUTIONS OF THE DIRECTORS OF LA MONTAÑITA FOOD COOPERATIVE

(Approving an investment package and loan package for borrowing up to \$5,500,000 for Avanyu Plaza store project and authorizing General Manager to sign loan documents.)

At a specially scheduled and noticed meeting of the Board of Directors (the “Board”) of LA MONTAÑITA FOOD COOPERATIVE, a New Mexico Domestic Nonprofit Cooperative without Shares (the “Cooperative”), held on April, 8, 2025 at 6:30 p.m. Mountain Time (the “Meeting”) at the offices of the Cooperative, 901 Menaul Blvd. NE, Albuquerque, NM, 87107 and by Zoom video [and by telephone].

Commented [BN1]: Need to update with final time we'd like to start the official board meeting.

## RECITALS

### WHEREAS:

1. The Meeting was called to order by Brian Naughton, President of the Board of the Cooperative;
2. Present at the Meeting in person were the following Directors: No Directors present in person. Present at the meeting by Zoom video and/or audio were the following Directors: Brian Naughton, Carter Rook, Peter Chestnut, Liz Davenport, John Kwait, Nini Sulamoyo, Ching Lu, Nathan Baker, and Lewis Creekmore. Not present at the Meeting were the following Directors: All Directors were present.
3. A quorum was in attendance at the Meeting in person or by video conference;
4. After some discussion, on one or more motions made and seconded, including a motion to approve these Recitals and Resolutions, the Directors voted unanimously to approve these Recitals and adopt the Resolutions set forth below;
5. La Montañita Food Cooperative is organized under the laws of the state of New Mexico;
6. The Board is authorized by its member-approved Bylaws of the Cooperative (“Bylaws”) in section 2.7.a.3 to enter into legal contracts;
7. Board Policy L3--Financial Conditions, sub parts 4) and 7) requires Board approval of any debt outside the ordinary course of business and unbudgeted capital items over \$25,000;
8. The Board, as it was comprised at the time, authorized the General Manager on behalf of the Cooperative to enter into the Retail Lease Agreement dated May 18, 2022 with IPMI 6, LLC (“Landlord”) (on behalf of the 19 Pueblos of New Mexico through their business development arm Indian Pueblos Marketing Inc.) (the “Lease”) for a grocery store to be built by Landlord for the Cooperative, located in Avanyu Plaza at the corner of Menaul and 12<sup>th</sup> Street NW in Albuquerque, NM;
9. The Lease provides for Landlord to construct a building, and for the Cooperative to provide tenant improvements, and other investments needed to open and

operate a grocery store at that location, which will replace the current Rio Grande store for the Cooperative in the North Valley;

10. The General Manager of the Cooperative provided an investment package to the Board for the Avanyu Plaza project, which the Board reviewed in detail, including a budget, sources and uses of funds, cash flow projection, summary of loan terms, market study, updated to August 2023, and other documents;

11. The Board and the Cooperative's Finance Committee held several meetings, including special meetings on financial education for its members, and extensive reviews and refinements of the Pro Forma business model for the Avanyu Plaza project over the course of multiple years.

12. The Avanyu Plaza project budget is approximately \$10 million, including a \$5,500,000 loan package, and cash from the Cooperative of approximately \$3 million;

13. The Board has previously approved spending up to \$2,000,000 from cash reserves for the Avanyu Plaza project at the May 2024 and September 2024 Board of Director Meetings;

14. The expenditure from cash reserves is now estimated to be \$1,321,369 greater than previously approved, thus expenditure of cash reserves in the total amount of \$3,321,369 is appropriate for the Avanyu project;

15. General Manager recommends that the Board approve the \$5,500,000 loan package and the additional expenditure from cash reserves;

16. In accordance with New Mexico Statutes Section 53-4-18.1, applicable to duties of Directors of cooperative associations, in addition to the Recitals set forth herein, the Board finds:

- a. The Directors considered and have relied upon factual information, opinions, reports, or statements prepared or presented by the General Manager or other employees of the Cooperative, public accountants engaged by the Cooperative, and the Cooperative's duly formed Finance Committee, including but not limited to (i) a Market Study provided by Retailstat, (ii) a Pro Forma business model provided by Cooperative Management in consultation with National Co+op Grocers Consultants, (iii) loan term sheets provided by all proposed lenders, and (iv) the Lease;
- b. No Director has knowledge concerning the subject matters of these Recitals and Resolutions that would cause reliance described above to be unwarranted;
- c. In consideration of these Resolutions, the Directors have acted in good faith, in a manner each Director believes to be in or not opposed to the best interests of the Cooperative and with such care as an ordinarily prudent person would use under similar circumstances in a like position; and
- d. The Board and each Director has complied with their duties under applicable law and the Bylaws of the Cooperative, in good faith and to the best of their abilities.

17. After careful and diligent review by the Cooperative's Finance Committee and the Board, the Board finds that it is in the best interest of the Cooperative to approve the recommendations from the General Manager to borrow funds and spend up to the amounts specified in the investment package and the loan package in order to complete the Avanyu Plaza project.

#### RESOLUTIONS

WHEREFORE, in reliance upon the foregoing Recitals, THE BOARD RESOLVES as follows:

- A. It is desirable and in the best interests of the Cooperative and its Members, to proceed with all reasonable and necessary steps to complete, open and operate a grocery store in the location described in the Lease in the Avanyu Plaza;
- B. The General Manager's recommendations in the investment package and the loan package in furtherance of completion of the Avanyu Plaza project be approved and are hereby accepted and approved;
- C. The total expenditure from the Cooperative's cash reserves for the Avanyu Plaza project in the total amount of \$3,321,369 is hereby approved;
- D. The \$5,500,000 loan package presented to the Board by the General Manager is hereby approved, and that James Esqueda, in his capacity as General Manager, and Brian Naughton, in his capacity as Board President, be and are hereby authorized, on behalf of and in the name of the Cooperative, to execute loan documents to borrow up to \$5,500,000 to complete the Avanyu Plaza project in order to open a new store for the Cooperative in the North Valley; and
- E. The General Manager is authorized to and shall take other reasonable and necessary steps to implement the intent of these Resolutions in furtherance of the investment package and the loan package presented to and approved by the Board.

#### CERTIFICATION:

I, Liz Davenport, secretary of the La Montañita Food Cooperative, certify that the foregoing resolutions were considered and approved at a specially scheduled meeting of the Board of Directors held on April 8, 2025, at which a quorum was present.

Signed: \_\_\_\_\_  
Liz Davenport, Board Secretary

Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
Brian Naughton, Board President

Date: \_\_\_\_\_

Commented [BN2]: James to confirm final amount

Commented [JE3R2]: Final Total Capital Expenditures have been updated.

Commented [BN4]: James to confirm final amount

Commented [JE5R4]: \$5,500,000 will be the final amount