

Chanticleer Farms, Inc.
Directors' and Stockholders' Meeting
944 Woods Road, Richmond, IN
March 16, 2014
12:00 pm EDT

Minutes

- I. The meeting by telephone conference call was called to order at 12:00 noon. Bob Green stated that Erika Klemperer had requested a discussion of a farm mission statement. He recommended that the mission statement and a discussion of whether to build a permanent stage be considered under Other Business.
- II. Participating were: Fritz Klemperer, Caroline Green, Gretel White, Robert Green, Tristan Back, Matthew Green, Aaron Green, Nick Green, Stella Klemperer, Eli Klemperer, Adam Back, Jennifer Ganim. Erika Klemperer Back joined at 1:00 pm. Those present represent 77% of all shares.
- III. The minutes of the meeting of November 4, 2012 (Minutes 110413.doc) were reviewed. After a motion to approve by Gretel and second by Fritz, the minutes were approved unanimously.
- IV. The current list of directors was read. Tristan Back reported that Erika Back had suggested that she be replaced by Tristan as director. Tristan suggested that this change could be made at a future meeting. Upon a motion to re-elect the current directors by Matthew Green and a second by Gretel White, the directors were elected unanimously as follows: Gretel White, Erika Klemperer Back, Caroline Klemperer Green, Fritz Klemperer, Eli Klemperer, Robert Green, Matthew Green, Aaron Green, Nick Green, Stella Klemperer and Adam Back.
- V. Upon a motion by Nick Green and a second by Fritz Klemperer, the following officers were re-elected unanimously: President, Bob Green; Vice-President, Matthew Green; Secretary/Treasurer, Caroline Klemperer Green.
- VI. Bob Green presented the attached March 2014 Management Report. In addition, Bob stated that he has committed the farm to participate in the government-subsidized crop insurance program at the 75% compensation level for corn and soybeans in 2014. The purpose is to protect farm income from low prices and potential crop failure. The premiums will partly depend on crop prices that will be set later in the season, but are estimated to total less than \$1,000 for both crops. After a brief discussion of a proposal for building a permanent stage, members were asked to table this item until other business is considered later in the meeting.
- VII. Bob Green presented the attached report, Chanticleer Farms Value 2014. This analysis of share value is based on the Purdue Survey of Indiana Farmland published in June, 2013, and uses Indiana average values of about \$9,200/acre for top crop land (Boston farm), \$7,500/acre for average crop land (Woods Road) and \$3,500/acre for recreational land. These values have increased about 16% since 2012. Bob recommended increasing Chanticleer share value from \$316.80 to \$370.30 per share. Upon a motion by Gretel White and second by Eli Klemperer the share value of \$370.30 was approved unanimously.
- VIII. Bob Green recommended that a distribution of retained earnings be paid to shareholders. As of 12/31/2013 the retained earnings account stood at \$136,204. No distributions were made in 2013. Cash as of 3/9/2014 is \$193,529.80. A discussion of how to apply farm earnings followed. Questions and comments: AdamBack - Could we use earnings to buy neighboring land? Fritz Klemperer - Bob should look for land that comes up for sale. Tristan Back - If we reinvest the earnings in the farm, how might they be used? Stella Klemperer - Should we sell some acreage? Aaron Green - Before making decisions about buying and selling property, we should first consider our mission. Stella Klemperer - We should pay out substantial earnings so individual shareholders can invest that money as they wish. Bob Green stated that a distribution serves to compensate shareholders for

income taxes they owe on farm earnings. Bob moved that a distribution of \$30,000 be paid, Gretel White offered a second, and the board unanimously approved the distribution.

- IX. Other Business: Erika Klemperer requested before this meeting that we should have in place a formal mission statement to guide our decisions. Nick Green suggested that it would be more practical for all members to send in their ideas by email to be compiled, synthesized, and then discussed at a future meeting, rather than trying to do this by phone. The consensus was to keep the conversation alive and develop a proposed mission statement to be considered at a meeting devoted to this topic.

Bob Green referred to a report compiled by Matthew Green and distributed prior to this meeting detailing some research on building a permanent stage near the pond for music concerts and other gatherings, such as weddings. Erika Klemperer suggested renting a stage for a month for the Chanticleer Quartet and for Prophetsfest. Bob Green has looked for stages to rent and stated that he had not found them to fit our needs and that rental is expensive. Fritz Klemperer and Gretel White both stated that they do not think the stage should be paid for by the shareholders. Gretel asked if a permanent structure would cause property taxes to increase. Aaron Green asked the members to appreciate the value of being able to bring music events to the farm. He also stated that the present temporary stage will require some expense to make it usable. Stella Klemperer asked how shareholders value the farm, primarily as a productive asset or as a source of social value. Tristan Back offered that the cost of a stage might be shared by those using it. Fritz Klemperer stated that we need to determine how the cost of a structure would be repaid, possibly by rents from users. Aaron Green requested that we set up a group email to allow everyone to participate further in this discussion.

- X. No firm meeting date was set.

- XI. The meeting adjourned at 1:20 pm.