

January 5, 2016

Nathan Horwitz, President
Honest Weight Food Co-op
100 Watervliet Avenue
Albany, NY 12206

Dear Nate:

We, the undersigned, cannot in good conscience stand by without making our perspective and opinions known. We can no longer represent a membership or participate on a Board where a majority appears to be taking actions that knowingly and willfully disregard laws affecting the Co-op and the associated prohibitive costs that the Co-op cannot sustain.

Our understanding is informed by: (1) the advice and counsel of the Co-op's attorneys of record, Dowling and Associates and Couch White; (2) the summary of the December 2, 2015 meeting between said attorneys and representatives of the NYS Department of Labor (DOL) as summarized on December 3 (see attached); and (3) the 1990 DOL letter to the Co-op (also attached) that stated "it appears that the HWFC is now and has been subject to the requirements set forth in the Minimum Wage Order... Hence, even member workers of your co-op would be covered under the Minimum Wage Order."

Moreover, it is our understanding that recent actions suggest that the majority of the Board have:

- Refused to accept the advice and counsel of the Co-op's attorneys regarding their assessment of current and future risks of the member labor program as currently constituted.
- Refused to acknowledge the substance and significance of advice and warnings given by representatives of the NYS DOL at the December 2 meeting with Co-op attorneys and a representative of the GRC.
- Stated their intention to increase member labor and freeze hiring of full time staff, supplanting paid labor with volunteer labor which is in direct defiance of advice and warnings given by DOL representatives and willfully increases non-compliance with the law.

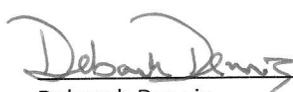
All of this also puts the Co-op at great risk of violating our covenants to our mortgage lenders and to those members who made shareholder loans to the Co-op.

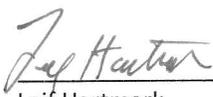
In addition, it appears that there have been attempts to restrict our access to information and communication on the part of the Board majority. As a result, we find that our opinions are neither valued nor taken into consideration. Since the Special Membership Meeting, it is our experience that the Board majority:

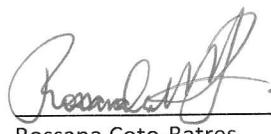
- Failed to follow established Board procedures and policies.
- Demonstrated a lack of leadership in establishing effective and timely communication with other Board members, staff, member workers and shareholders.
- Attempted to impose a hiring freeze without any discussion or vote at a duly noticed meeting of the Board.
- Issued a memo of no confidence against sitting Board officers without any discussion or vote at a duly noticed meeting.
- Made no attempt to achieve consensus on significant matters before the Board.
- Engaged in, or did nothing to stop, threats and intimidation of staff, creating a hostile work environment for staff and prompting the resignation of key staff.
- Included non-Board members in Board-specific communication and responsibilities with no explanation as to why these members were involved in Board activities.

We find the above to be antithetical to good business practice, the Board's fiduciary responsibilities, and our cooperative values and principles. For all these reasons, we hereby submit our resignation from the Board effective immediately.

Sincerely,


Deborah Dennis
HWFC Director


Leif Hartmark
HWFC Director


Rossana Coto-Batres
HWFC Director


Roman Kuchera
HWFC Director