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Annual Benefit Report
of
Spokengear GBC
a Minnesota General Public Benefit Corporation

Submitted, with \$35.00 to
Office of the Minnesota Secretary of State - Business Services
Retirement Systems of Minnesota Building
60 Empire Drive, Suite 100
St Paul, MN 55103

Date March 2020

Brief History of Spokengear GBC

Spokengear GBC (Spokengear) was incorporated on April 30, 2014, by Daniel and Kirsten Cruikshank. The Articles of Incorporation were amended in January 2015 to state the purpose of pursuing General Benefit Corporation status under Minnesota's Public Benefit Corporation Act. Pursuant to Section 304A of the act, general public benefit purpose as stated is to pursue a net material positive impact from the business and operations of a general benefit corporation on society, the environment, and the well-being of present and future generations.

Daniel Cruikshank, formerly of Granite Gear, Inc., opened Spokengear, a retail bike shop, and Cedar Coffee Company, a coffee and food specialty shop on May 31, 2016, to build a community around bicycling on the Northshore. The concept for the business was the result of Cruikshank's passion for bicycling and quality outdoor gear, and the Cruikshanks' combined passion for a strong community. Within one year, Spokengear had three brands operating under one roof: Spokengear Cyclery and Outdoor, Cedar Coffee Company and Cedaero Bicycle Pack Manufacturing. Cedaero is a maker of innovative and custom bicycle bags for bike packers and bicycle commuters. Packs are produced on-site by trained industrial sewing operators.

Spokengear is located in a beautiful setting - a six-acre cedar grove in the city of Two Harbors, MN, just off the North Shore Scenic Drive. With plenty of parking, the store is at the intersection of two bicycle trails, and near a busy grocery store and bank. The address is 1130 11th Street, Two Harbors, MN 55616.

The business has a commitment to source locally for equipment, food and supplies whenever possible. The bike shop works closely with QBP, a Minnesota Company. The coffee shop buys coffee beans weekly from Duluth Coffee Company, and purchases food from Sysco Foods of MN and local suppliers whenever possible. Cedaero bags are made with fabrics sourced from companies in the United States.

Why made in the USA? - Because we have a commitment to the local economy. Purchasing materials produced locally and providing employment for people in our depressed geographic area that has been traditionally dependent on mining and lumber, will help sustain the local economy. Buying locally as much as possible, and using local contractors, also saves on fossil fuels by eliminating transportation costs.

Owners, Dan and Kirsten Cruikshank, are family oriented and focused on offering the finest products and services to our customers; as well as being responsible to the environment, the community and to our employees.

Key Management

Spokengear GBC currently employs 18 people:

- Dan Cruikshank, President and CFO of Spokengear GBC
- Kirsten Cruikshank, CEO of Spokengear GBC
- Erik Helgeson, Spokengear Cyclery Service & Sales Manager
- Erin Currier, Cedar Coffee Company Manager
- Karl Mesedahl, Cedaero Production Manager
- The managers named above all have Bachelors Degrees and Masters Degrees Nutrition, Business, Sustainability, Environmental Policy, and Social Work. The company has seven additional part-time

workers in the coffee shop, one additional bike mechanic, and five people working in Cedaero Manufacturing.

Highlights of the Year 2019

- On May 18, 2019, we hosted the third Spokengear Bike Swap and Sale, an annual event where our customers buy and sell used affordable bikes and gear. We had a successful sale with \$1,800 in proceeds being shared with the Gitchi-Gami Trail Association and the Lake County Mountain Bike Trails. Partners included both of the trail projects that received donations, the Lake County Statewide Health Improvement Program (SHIP), Crushing Mechanics (provided storage), and Thrivent. The 2020 event is canceled due to the coronavirus. We will focus on expanding the event in 2021 into an Adventure Bike Expo with the bike swap, presentations, vendors and a kid's bike rodeo.
- June - October hosted the Two Harbors Area Farmers Market every Saturday, with local farmers and artists successfully selling their wares on the lawn of Cedar Coffee and Spokengear.
- In October 2019 we hosted a Fall Celebration with local vendors on-site, featuring local partners and companies: Castle Danger Brewery, Never Summer Sugarbush, Love Creamery, Zenith Tea Works, Clover Valley Farms, Duluth Coffee Company and more.
- Cedaero works with dealers and partners to sponsor gravel cycling events, promoting the sport of gravel cycling and building community in the Northwoods.

Though we have achieved many of our goals to provide a public benefit, we have not completed the full certification process with a third party. We have, however, registered with B lab, and completed the initial Impact Assessment. We have not been successful at recruiting an intern from one of the nearby colleges: UMD, College of St. Scholastica, UWS, or Northland College to help us complete the assessment and certification process, but we strive to do so in the future. The student would be supervised by Dan Cruikshank, CEO, and Karl Mesedahl, Cedaero Production Manager and/or Erik Helgeson, Spokengear Manager. Karl has a Masters Degree in corporate sustainability and sustainable product design. Erik has a Masters Degree in Environmental Policy.

With regard to the period covered by this report, January 1, 2019 to December 31, 2019, Spokengear, including its owners and board of directors, Dan Cruikshank and Kirsten Cruikshank, pursued social purpose and public benefit, as stated in its Articles of Incorporation, in the following ways:

- Worked with the Lake County Land Use Commissioner, Nate Eide, to participate in the development of mountain bike trails near Split Rock Park in Lake County. We also worked with Eide and volunteers to groom trails at the Lake County Demonstration Forest, Ferguson Trails, for Fat Bike use during the winter months. We promoted use of the public trail on our Facebook page, group rides, by sharing maps, information and rental bikes. We donated \$900 to the Lake County Mountain Bike Trails.
- We continue to serve as the "home" of the Gitchi Gami Trail Association (GGTA), the group promoting expansion and use of the bike trail along the North Shore. We serve as their mailing address, provide storage, offer meeting space and provide a bike mechanic at their annual fundraiser in August. We donated \$900 in proceeds from the Spokengear Yard Sale to the GGTA. GGTA members and volunteers helped with the event, and conducted outreach and education about the trail.

- Continued our membership with the Two Harbors Area Chamber of Commerce. Membership in this nonprofit is \$265 annually + \$80 and promotes local tourism and economic development. Spokengear donates gifts for chamber silent auctions and door prizes, and participates in the annual Holiday Shopping Promotion.
- Sponsored the following bike events in 2019: Land Run 100 in Stillwater Oklahoma, Dirty Kanza in Emporia Kansas, Le Grand du Nord, Heck Epic, Heck of the North, Marji Gesick, Crusher, Pie Burner, Winter Bike Week (Zeitgeist), donating prizes for participants. We also contributed a \$600 bicycle to the COGGS Gala and supplies and volunteer time to the GGTA Annual Ride. See attachment for list of sponsorships and donations.
- We contributed to the Julebyen Fundraiser in Knife River for the Knife River Recreation Association. We paid \$200 participation fee, provided fat bike demonstrations, coffee and information for the two-day event in December 2019.
- Contributed over \$1,000 financially and/or in-kind to the many local nonprofit organizations and educational institutions. Including Community Partners; KTWH Radio; Agewell Arrowhead; Emmanuel Lutheran Church, Lake Superior School District Athletic Booster Club, After Prom Committee, Swim Team and Robotics clubs; Two Harbors Heritage Days; Two Harbors Winter Frolic; Lake County Historical Society; Two Harbors Bandshell; Brimson Sis; Habitat for Humanity; Just Kids Dental; Arc Northland; Northland Foundation Childcare Provider Gathering and Age to Age.
- Cleaned a Section of Hwy 61 under the Adopt-a-Highway program.
- Participated as Sponsors and Mentors in "Rock Solid Robotics" (High School) and the First Lego League "Robo Dweebs" (Middle School). Both are FIRST Robotics programs promoting STEM Education at the Two Harbors High School. An important part of Cruikshank's mentorship is to teach students how to cut and sew the fabric bumpers needed for the robot, and donate the supplies for the bumpers. Cedar Coffee Company hosted the banquet dinner for the Robo Dweebs.
- Worked with Lake County Soil and Water to maintain a rain garden on our property to protect nearby waterways from parking lot run-off. The native plants attract and nurture pollinators and wildlife. We worked with North Shore Natives to create a native plant garden near our signs on County 26.
- Provided free rentals and coffee shop treats for the Mentor Duluth Program when mentors bring their mentees for a visit up the shore to Two Harbors.
- Sponsored Pedal for Good on June 9, a family bike ride around Two Harbors organized by local fifth grader. The event raised \$750 plus a bin of food for the Two Harbors Area Food Shelf.
- Sponsored and Hosted Grit and Gratitude on August 25, an event organized by a Duluth Physician to raise funds specifically to research the liver cancer type that her toddler daughter suffered from earlier in the year.


The following is a description of how we believe we succeeded in achieving the goals of our specific benefit purpose.

- **Community Collaboration:** Continue to collaborate with fourteen local partners to be a good steward of the land and minimize the footprint of our business on the earth.
- **Financial Donations:** Contributed cash and in-kind donations to outdoor related and 501(c)3 nonprofit community organizations (see above).
- **Employment:** Provided a living wage for eight employees in 2019 (based on <http://livingwage.mit.edu/metros/20260>). Provided on-the-job training and full-time (8) or part-time employment to all employees. Benefits include paid time off, beverage, food and retail discounts, flexible scheduling, opportunities for education, advancement and mentorship.
- **Leadership and Volunteerism:** Officers Dan and Kirsten Cruikshank, their children, and employees provided leadership and volunteer service to nine mission-related community service organizations.
- **Recycling and Composting:** Spokengear and Cedar Coffee minimize waste by purchasing products with minimal packaging where possible. We have a contract with a local garbage hauler to pick up recycling (cardboard, glass, tin, aluminum, plastic, paper, magazines) once a week and deliver them to the Lake County Developmental Achievement Center (DAC) Recycling Center, a local non profit that employs people with disabilities. For example, a minimum of three yards of cardboard are recycled weekly and sold by the DAC to be used in roofing materials and other products.

CERTIFICATION BY THE BOARD OF DIRECTORS

By participating in all of the activities listed above, the officers of Spokengear GBC, Inc. contribute to the public good of the community. As the business opens and begins selling quality products and services, we will demonstrate a greater commitment to the environment, our employees and our community.

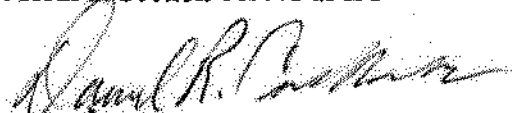
The undersigned, being all the directors of Spokengear GBC, Inc., hereby acknowledge and certify that we have reviewed and approved the enclosed First Annual Report.


Daniel Cruikshank


Kirsten Cruikshank

SUBMISSION:

I, the undersigned, certify that I am the PRESIDENT of this public benefit corporation. I further certify that I have signed this document no more than 30 days before the document is delivered to the secretary of state for filing, and that this document is current when signed. I further certify that I have completed all required fields, and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.


Daniel Cruikshank

March 25, 2020

For further information contact:

Kirsten Cruikshank, kirsten@cedarcoffee.com

Spokengear/Cedar Coffee Company

218-830-1511



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Steve Simon

Steve Simon
Secretary of State