

Eastern Gardens

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December 19, 2006

To: Members of Eastern Gardens Cooperative, Inc.

Subject: Conflict of Interpretation (Bylaws Article V, Section 3)

Dear Members:

In accordance with Eastern Gardens Bylaws Article V, Section 7, the new Board is required to hold its first organizational meeting within 10 days after the elections in order to constitute itself, (i.e., elect the officers of the Corporation). The meeting was established and all newly elected directors with the five highest votes, per the election results, were contacted. The meeting was conducted on Monday, December 18, 2006 @ 6:00pm in the clubhouse; having established a valid quorum new officers were elected. Note: Due the absence of two Directors, as indicated below, the Treasurer's position will be filled at a later date. Present during this meeting and those elected as officers are indicated as follows:

- o Blair McLeod, President (Present)
- o Joan Wood, Vice President (Present)
- o Ed Healy, Secretary (Present)
- o John Stofanik, (Absent)
- o Shirley Brown, (Absent)
- o Mary Kirk, (Present)
- o Frank Lenhart, (Present)

However, please be advised that due to differences of interpretation in Article V, Section 3 of our bylaws, which have been observed and practiced for the past 35 years, some newly elected board directors have not recognized the carry-over of two directors, Mr. Blair McLeod and Mr. Ed Healy and have excluded them. Having done so, the group conducted their own unauthorized organizational meeting which was held on Monday, December 18, 2006 @ 4:00 pm in the clubhouse and have elected their own officers which you may already have received their yellow notice indicating their results.

In order to resolve these differences, the Board has requested a meeting with the other group on January 4, 2007 @ 6:30 pm in the clubhouse in attempts to resolve this amicably. Should the Board fail in its attempt to arrive to an agreeable solution or the group declines to meet with the Board, President Blair McLeod will call a special meeting of the general membership to resolve this issue. Until such time, no business of the Corporation will be conducted and no direction will be given to our managing agent, FPI, or our on-site management team, trouble-calls and routine maintenance excluded.

You will be notified and apprised of meeting dates, times and places. Should you have any questions, point-of-contact for the Board of Directors is Blair McLeod, President, @ 489-9028.

Sincerely,

EASTERN GARDENS COOPERATIVE, INC.

Board of Directors
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In compliance with Article V; section 7 an organizational meeting was held in the Eastern Garden's Club House on 12-18-2006. The meeting was called to order by Jon Stofanik, Sr. At 4:00 P.M. Roll call was taken with all newly elected officers present but Joan Wood and Frank Lenhart. Alternate elected members present included Richard Crockett and Margarete Saunders.

Under ARTICLE V; Section 3. Election and Term of Office. The term of the Directors shall expire when their successors have been elected at the annual meeting or any special meeting called for that purpose. The Directors shall hold office until their successors have been elected and hold their first meeting. At the discretion of the Board, two (2) Directors shall continue in office for a period not to exceed one additional year. Upon election of seven members, those five members receiving the highest number of votes shall constitute the Board of Directors, and the other two members will be alternates.

On December 12, 2006 the members were instructed to vote for the 5 candidates of their choice. An appointed election committee determined, after counting the votes cast for the 14 candidates, that these are the five members receiving the highest number of votes so shall constitute the Board of Directors.

In the New Business the following were elected to the following offices: Votes were from election 12-12-06 count.

John Stofanik Sr.	President: 44 votes
Shirley Brown	Vice President: 42 votes
Joan Wood	Secretary: 42 votes
Mary Kirk	Director :39 votes
Frank Lenhart	Treasurer: 37 votes

Richard Crockett 34 votes

Margaret Saunders 32 votes (senior co-op member & former Board Member)

Merritt Miller 32 votes

Since a polling of the majority of the 5 elected Board of Directors has determined that the offer of Honorable past President Blair Mcleod and Certificated past Secretary Edward Healy to "hold over" for the continuity and practicality of a smooth administrative transition is at the discretion of the Board. Since past Vice President Joan Wood was elected on the new Board and Frank Lenhart sat on as alternate in the outgoing Board; a majority of the new Board of Directors concluded the wisdom of the last Board of Directors was well represented and blended well with the newly elected members of the Board of Directors per the By Laws.

The meeting was adjourned by President elect John Stofanik, Sr. There were members in the audience reflecting the new administrations policy of open meetings.

THANK YOU ALL FOR VOTING IN THIS LAST ELECTION!