

Eastern Gardens Cooperative, Inc.
Regular Meeting of the Board of Directors
March 21, 2007 Minutes

The Board of Director's meeting was called to order at 7:00 p.m. by President Blair McLeod. Roll call showed the following officers, board directors and management personnel present:

Blair McLeod, President
Ed Healy, Secretary
John Stofanik, Director
Gary Haugstad, Property Manager

Joan Wood, Vice President
Shirley Brown, Treasurer
Richard Crockett, Alternate Board Director
Theresa Williams, Community Director

It was moved by Treasurer, Ms. Brown, second by VP, Ms. Wood, and carried, to approve the meeting minutes of the February 21, 2007, special meetings March 3, 13, & 19, 2007 as printed.

CORRESPONDENCE

None

REPORTS

- 1) Treasurer – Motion by VP, Ms. Wood, second by Director Mr. Stofanik, and carried to accept the treasurer's report.
- 2) Secretary –
 - a) Nonprofit Tax Exempt vs. Nonprofit – By definition of the Internal Revenue Code, 501 (c) (3), a nonprofit corporation is formed for purposes other than generating a profit and no part of the organization's income is distributed to its directors or officers. Examples of common nonprofit corporations under 501 (c) (3) are churches, schools, charities, museums, hospitals, volunteer organizations, homeless shelters and civic associations. Nonprofit corporations are formed to carry out a charitable, educational, religious, literary, or scientific purpose, all of which can be tax exempt. However, a nonprofit corporation may also be formed for other purposes pursuant to different sections of the IRS code. Eastern Gardens is considered nonprofit but not tax exempt, that is, businesses cannot claim us as a tax write-off if they were to donate goods and materials or their services. Eastern Garden's does not generate a profit for its members; nor does it charge Fair Market Rent (FMR) on the apartment units, only what it cost to meet its monthly/annually operating expenses, (e.g. utilities, insurance, mortgage...etc).
- 3) President – Alternate Board Director Mr. Frank Lenhart submitted his letter of resignation. A replacement has been selected but must first notify member to see if they accept before announcing to the general membership.
- 4) COMMITTEES – None
- 5) SR. REGIONAL PROPERTY MANAGER –
 - a) Carry Charge Increase - CAHI finally approved the carry charge increase. Members on section 8, HUD will pay back to February 2, 2007. Recommend that we notify the general membership that carrying charges will increase commencing May 1, 2007.
 - (1) 1 bedroom from \$340.00 to \$354.00 = \$14.00 increase
 - (2) 2 bedroom from \$407.00 to \$423.00 = \$16.00 increase
 - b) Roofs – Recommendation to do all remaining roofs, i.e., 3 apartment buildings, clubhouse, and laundry rooms. Mr. Haugstad/community director will obtain Requests For Proposal (RFP) from roofing companies.

- (1) Mr. Haugstad confirmed that we now have the Warranty Certificate on file for all roofs completed to date.
 - c) Fidelity Bond – Mr. Haugstad addressed the issue of Eastern Gardens having a fidelity bond or some kind of dishonesty insurance for its officers/directors of the corporation per the inquiries of Treasurer Ms. Brown. Mr. Haugstad would provide that information at the next board meeting.
 - d) Maintenance Technician – Mr. Haugstad reported that they are continually to search for a maintenance technician for Eastern Gardens and would keep us informed as necessary.
- 6) COMMUNITY DIRECTOR – Ms. Williams submitted a list of requests given to her by Treasurer Ms. Brown, who stated she needed this information in order to help determine how the money was being spent.
- a) Requests on the list comprised of the following:
 - (1) Job descriptions of both the community director and maintenance technician
 - (2) FPI management agreement with Eastern Gardens
 - (3) Number of plywood sheets it took to replace dry rot on roofs
 - (4) Manufacture's specifications for roofing materials and application
 - (5) Gutter breakdown costs
 - (6) Audit scope of work
 - (7) Contact for HUD, i.e., facilitator for Regulatory Agreement
 - (8) Current loan without a prepayment penalty? Yes/No?
 - b) Secretary Mr. Healy informed Ms Brown that any future requests/tasking of this nature, i.e., topics that are of Eastern Garden's business affairs must first be submitted to the board for their review/approval. Ms. Brown stated that in the future she would be more careful and would first address the board. Mr. Healy stated that he would provide each board member with the job descriptions and the management agreement Eastern Gardens has with FPI. In addition, he reminded each board member that outside the board meetings unless otherwise tasked the board member's authority is concluded. Any additional tasks or assignments requested of management to perform should first be addressed by the entire Board of Directors either at the designated board meetings or special meetings.

UNFINISHED BUSINESS

- 7) Committees – The board scheduled its first committee meeting for all committees on April 9, 2007 to assign task/charge as necessary.
- 8) Pet Policy - Pet Policy Rule – STATUS: On March 19, 2007 the board reviewed its current pet rule and voted on to amend it by abolishing the current pet rule and accepted a newly proposed pet policy rule. A letter with the newly proposed pet policy will be disseminated to the general membership for their review. Comments will be heard by the general membership at the next scheduled board meeting on May 23, 2007 concerning this issue at which time the board will vote for final acceptance with any changes per membership's comments. NOTE: Members claiming a disability under the Reasonable Accommodation "Assistance Animals" have not changed.
- 9) Occupancy Agreement – Review current EG occupancy agreement in reference to Primary Residency and Eviction procedures. STATUS: Received draft from Mr. Link's office, Attorney at Law; awaiting for the board's review/critic.

- 10) Quarterly Membership Meetings – Review and consider Bylaw amendment allowing for a quarterly membership meeting. STATUS: No action taken to date to officially amend the Bylaws. Board has already accepted and put into place an agenda category for Membership Comments.

NEW BUSINESS

- 11) Lock Outs – Motion by Secretary Mr. Healy, second by Director Mr. Stofanik, and carried to amend the Rules & Regulations under Doors/Locks.

Addition

- a) *LOCK OUTS: Members and member's guest(s) locked out **after office hours** will be required to call a locksmith at Member's expense to open their doors. NOTE: Proper identification will be required by the locksmith, (e.g. driver's license)*
- b) *LOST KEYS: Lost keys or replacement of keys to member's apartment unit will be replaced at current market rate per key at member's expense.*
- 12) Clubhouse – During the special meeting of March 1, 2007, Board Director Mr. Stofanik revisited the issue on the clubhouse and is requesting the board to consider his proposal. Motion by Treasurer Ms. Brown, second by Secretary Mr. Healy, and carried to accept Director Stofanik's proposal on a 90 day trial basis of opening the clubhouse 7 days a week to the general membership:
- a) Keep the clubhouse locked at all times.
- b) Change the lock on the front door of the clubhouse, like we do now for the laundry rooms, saunas, pool, and personnel gates on the fence, which only members would have access to the clubhouse.
- c) Clubhouse would only be available or open during the hours of 8:00 am – 10:00 pm, Monday thru Sunday.
- d) Open the drapes/curtains to all windows, exposing any possible intruders inside after hours or activities during the day.

MEMBERSHIP COMMENTS

General discussions and questions by the members

REPORT OF PRE-MEETING SESSION

The closed session was called to order by President Blair McLeod, at 6:30 PM. There were no members from the general membership present. Roll call showed the following officers, board directors and management personnel present:

Blair McLeod, President
Ed Healy, Secretary
John Stofanik, Board Director

Joan Wood, Vice President
Shirley Brown, Board Director

DISCUSSIONS ON THE AGENDA

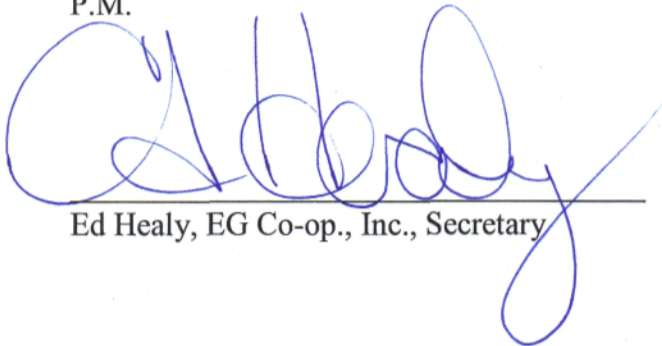
- 13) Membership acceptance – Motion by Secretary Ed Healy, second by, VP Joan Wood, and carried to accept Ms. Yvonne Gould from the outside waiting list as the next member to Eastern Gardens Cooperative, with the exception that her dog would not be permitted to reside with her unless she was able to show documentation of her need if claiming a disability for an assistance animal.

14) Alternate Board Director Mr. Frank Lenhart submitted his letter of resignation.

15) Motion by Secretary Ed Healy, second by VP Joan Wood, and carried to accept Mr. Merritt Miller as the replacement Alternate Board Director.

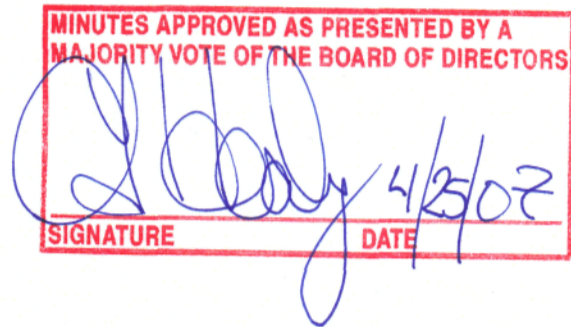
The closed session meeting adjourned at 6:55 PM.

There being no further business, the regular meeting of the board of directors was adjourned at 8:57 P.M.



Ed Healy, EG Co-op., Inc., Secretary

MINUTES APPROVED AS PRESENTED BY A
MAJORITY VOTE OF THE BOARD OF DIRECTORS



SIGNATURE DATE 4/25/07

The meeting was held at Eastern Garden's Clubhouse, 3045 Eastern Avenue, Sacramento, CA 95821. Order of business was in accordance with Eastern Gardens By Laws, Article IV, Section 8.

Copies of the Agenda/Minutes of meetings are available at Eastern Garden's business office, 3045 Eastern Avenue, Sacramento, CA 95821