

**Eastern Gardens Cooperative, Inc.**  
**Regular Meeting of the Board of Directors**  
**June 27, 2007 Minutes**

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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	Joan Wood, Vice President
Ed Healy, Secretary	Shirley Brown, Treasurer
John Stofanick, Board Director	Dick Crockett, Alternate Board Director
Merritt Miller, Alternate Board Director	
Gary Haugstad, Property Manager	Theresa Williams, Community Director

It was moved by V.P. Joan Wood, second by Director John Stofanik, and carried, to approve the meeting minutes of the May 23, 2007, and Special meeting minutes of the June 6 & June 18, 2007 as printed.

**CORRESPONDENCE**

- 1) Letter(s) from Members:
  - a) Letter dated 6/7/07, submitted and directed to the Community Director in response to violation(s) by said member of an excessive amount of plants and other articles in breezeway that posed a potential safety risk. The Board determined that the Community Director acted appropriately. This issue was resolved amicably; no action was taken by the board.
  - b) Letter dated 6/20/07, submitted to the Board with concerns by said member who on two separate occasions observed a non-member resident propping the pool gate(s) open with a crutch. This issue was resolved amicably. The Board followed up by asking our Community Director to please submit another article in the newsletter reminding members and guests on the pool rules concerning this issue. No other action taken by the board

**REPORTS**

- 2) Treasurer: No report, laryngitis, unable to speak, hand written messages only and whispers.
- 3) Secretary: The following documents and information were distributed to the board.
  - a) Summary of Eastern Garden's \$9M Insurance Liability Coverage
  - b) Explanation of Mortgage Insurance for Rental and Cooperative Housing: Section 221-(d)(3)
  - c) Awaiting information from CalComp Insurance Services to provide costs for Directors & Officers insurance. Should have this information before next months board meeting.
- 4) Vice President: No report
- 5) President: No report, only a mention.
  - a) Any members that may require a Notary can contact Ms. Shirley Brown
- 6) COMMITTEES – No reports.
- 7) SR. REGIONAL PROPERTY MANAGER –
  - a) Roof Replacements: Mr. Haugstad reported that work on remaining roofs should start within two or three weeks. Notices will go out when a more definite start date after coordinating with D-7. Letter of request for funds to be released has been submitted to HUD, anticipate no problems.
  - b) Directors & Officers Insurance: Mr. Haugstad reported that Secretary Ed Healy was obtaining this information but recommended that once we receive the D&O cost proposal; review its cost/coverage and consider obtaining the D&O insurance, if not this year next year.
  - c) Asphalt/Slurry: Management is continuing to accept bid proposals and should have enough by next board meeting.
  - d) Arreola's will provide a proposal of items that require extra work, (e.g., tree and shrubbery replacement/removal), should have by next board meeting.

- e) Phone calls made to my office by the Treasurer Ms. Shirley Brown in reference to finances should be put in writing so that I may better address your concerns, please do not contact FPI's controller. FPI's financial system is undergoing major changes in order to meet HUD's new requirements.

**Board discussion ensued per statement above:**

- i) Secretary Mr. Ed Healy again reminded Treasurer Ms. Shirley Brown that we had discussed the this issue at the last two board meetings that all correspondences and/or inquiries regarding Eastern Gardens business practices, financial statement queries, equity payouts, policies and procedures are to be, first, presented to the board at any duly called board meeting in order that all board members are aware and present to the questions so that they may have the opportunity to respond accordingly.
- ii) Treasurer Ms. Shirley Brown responded with a hand written message accusing the board of holding secret meetings and claimed that she was ambushed by the board when they invited Mr. Rainer to the pre-meeting without first notifying her. Both President Mr. Blair McLeod and Secretary Mr. Ed Healy explained to the board and to those members present from the general membership that Mr. Glenn Rainer who is a member of Eastern Gardens was invited to help explain and answer questions of the Treasurer. No business was transacted during this time; it was an informational meeting only and all board members, alternates and management were present. Apologies were made by President Mr. Blair McLeod for failing to notify all board members of Mr. Rainer's attendance.
- iii) Alternate Board Director Mr. Dick Crockett addressed the board and asked if Treasurer Ms. Shirley Brown could call a Special Meeting, to privately discuss these issues with the board, would she be entitled to do that? The board responded YES of course.

6) COMMUNITY DIRECTOR – Recommendations referred to the board for their review/action. (See Report)

- a) Repair/install additional vertical rods and/or boards to posts that surround the pool fence. **Action taken:** Have maintenance install additional boards at post where gap between vertical rods are greater then 4 inches, specifically at corners.
- b) Install "NO SMOKING" signs at all breezeways and other common areas. **Action taken:** Place article in the newsletter reminded members and residents not to smoke in the breezeways. Also add in newsletter reminding members and guests in reference to children by the pool must be accompanied by adult member.

**UNFINISHED BUSINESS**

- 8) Amendments/Revisions/Additions of By-Laws/Occupancy Agreement/Rules & Regulations.
- a) Animal/Pet Policy – TABLED
- b) Transfer of Membership – TABLED
- c) Occupancy Agreement – TABLED
- d) Quarterly Membership Meetings – TABLED

**NEW BUSINESS**

- 9) Visitor Parking – It was requested of the board to review the two visitor parking stalls located on the south side of carport area adjacent to building 3005/3007 and the pool. **Action taken:** Motion by V.P. Ms. Joan Wood, second by Secretary Mr. Ed Healy, and carried to convert the two each visitors stalls as identified above to a time limit visitor parking stall, (i.e., 4 hour time limit). Pavement markings shall be installed with the 4 hour time limit and the concrete curb shall also be painted with the time limit.
- 10) Common Areas smoking inside breezeways and walkways – It was requested of the board to consider adopting a NO SMOKING policy in and around the common areas, such as breezeways, laundry rooms, clubhouse, and walkways adjacent to apartment buildings. **Action taken:** Place article in the newsletter reminding members and residents not to smoke in the breezeways.

**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 6:00 PM. Members from the general membership present were Mr. Glenn Rainer, #99. Roll call showed the following officers, board directors and management personnel present:

Blair McLeod, President	Joan Wood, Vice President
Ed Healy, Secretary	Shirley Brown, Board Director
John Stofanick, Board Director	Dick Crockett, Alternate Board Director
Merritt Miller Alternate Board Director	
Gary Haugstad, Portfolio Manager (FPI)	Theresa Williams, Community Director

Guest Speaker: Mr. Glenn Rainer, Apt#99

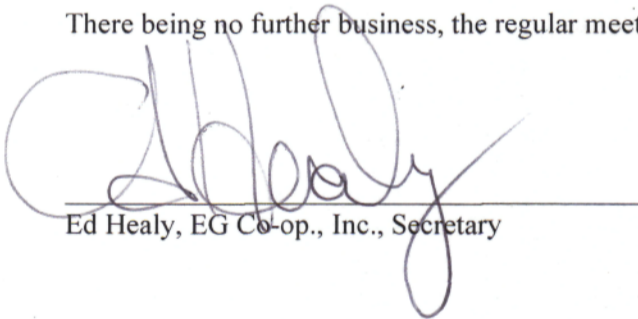
**DISCUSSIONS:**

- 11) Letters from the Membership – See Correspondence
- 12) In response to Treasurer Ms. Shirley Brown's continued queries concerning Eastern Garden's financials, including the 2006 independent audit report; the board responded by inviting Mr. Glenn Rainer who is a CPA and a member of Eastern Gardens to be present at the pre-meeting as a guest speaker to provide the Board with his professional and expert opinion of the audit report and our current financial status and to answer any questions or concerns of the treasurer. Mr. Rainer reported that he found the 2006 audit report that was prepared by Pregent & Company, Certified Public Accountants, who being an independent auditor acting on behalf of Eastern Gardens Cooperative, Inc., to have no instances of noncompliance or weaknesses, (i.e., Eastern Gardens is financially strong and healthy with no discrepancies or wrongdoings). In conclusion, Mr. Rainer's final recommendations were:
  - a) Ensure that next year's audit includes a comparison statement between years and that each board member receives copies of the original audit.
  - b) Modify Treasurer's duties in Eastern Garden's bylaws to accommodate current business practices.
  - c) When future Board's are electing its officers they consider the qualifications of each Director very carefully especially the Treasurer's position.

The Board concluded by thanking Mr. Rainer for his presentation and advice.

The pre-meeting closed session meeting adjourned at 6:55 PM.

There being no further business, the regular meeting of the board of directors was adjourned at 8:25 P.M.

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

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

 7/25/2007  
**SIGNATURE DATE**

*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*