

**EASTERN GARDENS COOPERATIVE, INC. BOARD OF DIRECTORS
SEPTEMBER 24, 2015 REGULAR MEETING MINUTES**

**President: Jeff Lema; Vice President: Bernie Stofanik; Treasurer: Lynette
Haley; Secretary: Shirley Brown; Director Ed Healy; Alternate: Jerry Ontiveros;
Alternate: Kathy Slotterback**

CALL TO ORDER 6:40 PM @ CLUBHOUSE

ROLL CALL

PRESENT: President Jeff Lema; Vice President Bernie Stofanik; Treasurer
Lynette Haley; Secretary Shirley Brown; Director Ed Healy; Alternate Jerry
Ontiveros; Alternate Kathy Slotterback

GUESTS PRESENT: Arrowhead Management, Marvin Richmond, CEO; Joe Mohamed,
President; and Jasmine Hale, Esq. Of Adams Kessler Law

I. REPORT OF OFFICERS

A. Treasurer

Treasurer Haley reported calls to FPI Portfolio Manager came in today but did not connect with him. There has been efforts made to reconcile questionable charges on last two financials. She also reported about \$109k in petty cash at beginning of years with about 59k in petty cash now, but with a couple equity accounts from Members who had moved still to come in from replacing Members.

B. Secretary

Secretary Brown reported all minutes were approved and had been placed on the Eastern Gardens website and in office. This included the redacted minutes now approved by the Board and the Regular Meeting Minutes available on both the Web and in the office for Members to view.

C. Vice President

Vice President Stofanik reported this was her first year on the Board and it had been busy. She chaired an IDR, Co chaired a Member interview Executive meeting, had been gathering from various cooperative sources the information for the formation and duties of a Membership committee that serves under the Board of Directors. She also noted she had assisted in both copy work for the Secretary and in passing out items to Members.

D. President

President Lema told the Members that he had worked as liaison with Management and counsel in a difficult time. The formation of the Finance Committee is moving forward with key volunteers in place and work is underway in defining duties to assist the Board who all Committees report to directly. He outlined the difficulty in extrapolating information from FPI to our now HUD approved Arrowhead Management firm on board and awaiting needed Member approval. He acknowledged the outstanding effort of the Arrowhead staff and their efforts in working very hard to catch up on outstanding work orders and some deferred maintenance. Their efforts resulted in the highest REAC score ever earned at

Eastern Gardens @ 97% out of a perfect 100%.

E. Management Report

Arrowhead CEO Marvin Richmond explained the difficulty of working without records after taking over June 26, 2015. He expressed, however, Arrowhead's excitement and positive experience working with Eastern Gardens. President Joe Mohamed explained the Arrowhead philosophy of saving money getting the most for Eastern Garden's dollars. He provided several examples of cost cuts and careful management on change orders or add ons. We have saved a great deal of money using "Mighty Joe" on site. It was also noted we are due a \$13k tax credit that will help offset some of our legal costs. Arrowhead has not been able to proceed as a full service management company on things from vendors to banking relationships until approved by majority of Eastern Gardens member's approval. Arrowhead does not want to be involved in the political aspect, but just wants to do a good job for Eastern Gardens members.

II. COMMITTEE REPORTS

A. Social Committee

Chairperson Janice Hoberg reported an event with food and fun on October 31, 2015 in the Clubhouse. All Members are encouraged to attend.

B. Election Committee

President Lema deferred to the Election Rules section to address the confirmation of a new election Chairperson to replace outgoing election chairperson Janet Lumberg.

III. UNFINISHED BUSINESS

A. Election Rules

President Lema introduced our corporate attorney Jasmine Hale here to explain the election rules to our members and answer any questions from the floor.

Attorney Hale explained each section of the election rules that the Board would like to vote to accept at this Board meeting. Many questions were answered and members had every opportunity to question each phase and the reasons we were forced to take the time now to replace outdated election rules that could and likely would have been challenged. Ms. Hale explained our outdated rules could have opened us up to litigation and expensive legal costs.

ACTION: President Lema moved to accept the election rules, Secretary Brown moved to second the motion. Discussion and vote 5 yes 0 no. Motion carried.

B. Recall Election

The Board discussed the fact there had been excessive delays of the recall election previously set. Upon advise of counsel it was highly likely a challenge would be filed under our outdated election rules despite the recall election results. Dates given that the League of Women's Voters had available were October 29 or November 12, 2015. Discussion on the dates followed.

Motion by President Lema to ratify Gayle Posey as Eastern Garden's election chairperson, second by Secretary Brown. Vote taken, 5 yes 0 no. Motion carried.

C. Confirmation of Arrowhead by members

The Board discussed the fact Arrowhead has worked under no negotiated contract and the concerns for having elections needing a third party vender (League of Women Voters) have limited available dates. The reason this organization is so important is because they are a fraction of the price quoted by professional commercial third party vendors. Our cost for the commercial firms is several thousands of dollars while the cost with our Election chairperson doing a great deal of the work and using the Women's League of Voters is only \$392.00.

President Lema moved to accept the proposal for the League of Women's Voters to act as the third party vender for Eastern Gardens Recall election. Second to the motion made by Secretary Brown. Vote taken, 5 yes 0 no. Motion carried.

ACTIONS:

Discussion on the question whether a new list of candidates for the recall election should be developed which could delay the Recall election. This was put to the attending members by a show of hands indicating what the members wanted. Open candidate forms could go with what we had with removal of one candidate or time extended to solicit new candidate forms. Vote to go with what we had was indicated through hand count. motion resulted:

President Lema moved the current candidate slate be used minus candidate Theresa Magee who is in litigation against the corporation. Vice President Stofanik seconded the motion. Discussion of the motion on the floor. Vote taken, 4 yes 1 no. Motion carried.

Motion made by Secretary Brown for vote for approval of Arrowhead Management as soon as possible, under Eastern Gardens election chairperson; The Recall election administered by Women's League of Voters to follow on November 12, 2015 working with Eastern Gardens Inspector of elections to facilitate under this third party vender. Vice President Stofanik seconded the motion. Discussion by the board. Concern was that the recall should be first addressed. Legal opinion whether this was legally proper to approve Arrowhead before having recall election discussed. Attorney Hale explained no legal reason for one election to follow another, schedule at pleasure of the board is legal. Secretary Brown's position was that it is unprofessional and a breach of fiduciary duty not to put into place ASAP permanent negotiated contract with a business that could not do all needed functions without member approval. Vote called by President Lema. Vote taken, 3 yes 2 no. Motion carried.

There being no further business and the guest Management team and corporate attorney still in attendance, the meeting was adjourned by President Lema.

ADJOURNMENT 8:40 PM

S. Brown
Secretary

MINUTES APPROVED AS PRESENTED BY A MAJORITY VOTE OF THE BOARD OF DIRECTORS	
SIGNATURE <i>S. Brown</i>	DATE 9/27/15