

Pregent
& Company
Certified Public Accountants

January 26, 2012

To the President of
Eastern Gardens Cooperative, Inc.
3045 Eastern Avenue
Sacramento, CA 95821

RE: 2011 Property Taxes and Interest

Under Internal Revenue Code Section 216, tenant-stockholders are entitled to deduct their proportionate share of property taxes and mortgage interest paid by a cooperative housing corporation.

Your proportionate share, which may be deductible if you itemize deductions on your 2011 individual income tax return, is as follows:

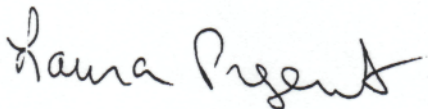
	One Bedroom	Two Bedroom
Property taxes	\$143	\$193
Mortgage interest	\$459	\$618

If you were a tenant-stockholder for less than a full year during 2011, you must pro-rate your deduction. The following is an example:

Four months – Two Bedroom

Property taxes	$4/12 \times \$193 = \64
Mortgage interest	$4/12 \times \$618 = \206

Sincerely,



Laura Pregent, CPA