

Eastern Gardens

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June 25, 2008

To: All Members/Shareholders of Eastern Gardens Cooperative, Inc.

Subject: Alterations & Additions (O.A. Article 13)

Dear Members/Shareholders:

It has been brought to the Boards attention that there is a misunderstanding as to the responsibility of members and the Corporation concerning modifications, alterations and additions to apartment units, buildings and grounds. Eastern Gardens By-Laws, Occupancy Agreement, Rules and Regulations clearly defines the roles of members and the Corporation and has existing procedures in-place when requesting such changes. Under the anti-discrimination laws, if your request is a reasonable accommodation/modification it will be reviewed in accordance with fair housing policies and procedures and must be accompanied with the proper forms when submitting your request for the board's review. These forms can be obtained at the business office.

It's the policy of Eastern Gardens Cooperative, Incorporated to review all requests for alterations and additions and to pre-approve or disapprove, including but not limited to, all exterior, interior of buildings, facilities and grounds. The elected board that represents the cooperative has the responsibility to ensure the safety, peace and quiet enjoyment of its members/shareholders and to avoid potential hazards to apartment units, buildings, outside grounds and any life threatening situations. To help avoid such dangers and risks and to ensure that the co-op is in compliance with building codes, health codes, fire codes and fair housing standards; Eastern Gardens employs a managing agent to oversee such things to ensure that its members comply and adhere to its in-house rules, policies, regulations, occupancy agreement and bylaws; and if approved some modifications will require the member to obtain building permits from the Sacramento County.

The purpose for acquiring written approval is to avoid potential hazards to buildings and life threatening situations and to ensure that the work being performed meets current County building standards. Past alterations that may or may not have been approved are always a concern of the corporation which members must understand that disturbing existing electrical, plumbing and the structural integrity, such as, walls, ceilings, and windows of buildings without taking into consideration the added electrical loads to circuit panels or the removal of weight bearing walls can potentially cause serious safety hazards and pose serious liability issues which will not only affect those living in the same building but the entire corporation, which can be held liable, (i.e., lawsuits to board members,

management and the corporation resulting in higher property and liability insurance and having an additional financial burden to the co-op's maintenance cost which translates higher monthly carrying charges).

No individual member is above the rules and policies of Eastern Gardens. When members take upon themselves to ignore and even refuse to comply with the Corporations rules, regulations/policies and even the county they put at risk the health and safety of their neighbors and even the entire cooperative, and are in direct violation of the Occupancy Agreement and are subject to expulsion and termination, (see Members Handbook pages 35-38, Articles 6, 13, 14(i) & 15). No member is allowed to make changes or alterations or contract with private contractors for work on their apartment unit, to the outside of the buildings or grounds, without first, obtaining written permission from the board of directors, (painting of inside walls & drapery excluded).

Therefore, all members and residents are to immediately cease and desist from making changes, alterations, additions, or hiring private contractors for work on their apartment unit, to the outside of the buildings or grounds, without first, obtaining written permission from the board of directors. This includes members who have made claim to the "Reasonable Accommodation/Modifications" and have not submitted their request to the board for review and approval, per the Joint Statement on Reasonable Modifications under the Fair Housing Act, dated March 5, 2008.

All requests for alterations/additions whether for reasonable accommodations or modifications must be submitted to the board prior to the start of any work. Only the Board of Directors has the authority to approve modifications or upgrades and not management. However, the Board has empowered Management to enforce and oversee the corporations policies and has the authority to halt and request any contractor who comes onto the property for the express purpose to conduct work for alterations, additions or modifications to any of the items aforementioned and to any member who has not obtain written approval from the board, shall cease and desist work. Management will then give written notice to the member(s) who are in violation of the occupancy agreement with copies to the board for their continued action.

NOTE: The best way to remember what would be considered alterations, additions or modifications is, anything other than painting of inside walls or drapery would be considered alterations and/or additions. For example, fixed items such as, appliances, cabinets, counters, carpet, linoleum, commode, refrigerators, heating venting and air conditioning, tubs, sinks, garbage disposal, doors, light fixtures, electrical panel, electrical outlets and switches, junction boxes, wiring, or relocate existing electrical outlets, junction boxes, wiring and lighting fixtures; you are not to add or relocate plumbing this will include water lines to refrigerators; cut into existing walls, remove or reduce existing walls or doorways; remove existing sprayed on acoustic ceiling, add washers or dryers; these are all considered property of Eastern Gardens and **will require the board of directors review and written approval.**

When Member(s) take possession of an apartment unit it's understood and acknowledged that Eastern Gardens is a Share/Stock Cooperative Corporation and that the Corporation holds title to the buildings, grounds and apartment units and everything in them.

The individual shareholder, does not receive title to an individual residential unit but rather receives, an appurtenant to this share, a holder of a Certificate of Membership to the Corporation, and resides in the project occupying a selected dwelling unit under the terms and conditions set forth in the Occupancy Agreement. If you are planning or desire to make alterations and additions and are not sure if you can, please submit your written letter of request to the board prior to the commencement of any work.

This is your home, your Board of Directors and Management is entrusted to provide a safe, healthy and attractive community for everyone to enjoy!

Sincerely,

EASTERN GARDENS COOPERATIVE, INC.
Board of Directors