

Eastern Gardens

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January 28, 2011

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

Subject: Amendment, Rules and Regulations #24 "Clubhouse" (Handbook, pg45 & 69)

Dear Members/Shareholders:

On January 26, 2011, during an executive meeting of the Board of Directors the following Rules and Regulations, specifically, Rule #24 "Clubhouse" was reviewed and discussed for amending. (See Handbook, page 69, Appendix 8). To better facilitate this process and for your review and comments, attached is the proposed amendment.

The Board's decision and purpose to effect the amending of the rule is based upon an increase of membership's use of the clubhouse for outside organizations, such as church functions, card clubs, office parties... etc.; and increases to our operating expenses, for example, litigations, insurance costs, parking, vehicle traffic, wear and tear to furnishings and building, cleaning expenses and utility costs, as well as potential risks and liability issues.

Summary of rule amendment is as follows: 1) Members and residents are not to use the clubhouse for entertaining outside organizations. This will include but not limited to, church groups, card clubs, office parties, and nonprofit organizations. 2) The Clubhouse will be used only for Eastern Garden's functions, such as board/business meetings, social gatherings, and rental use by its members. 3) Rental use by the members will consist of family/friend gatherings such as birthdays, memorials, anniversaries, or other family oriented gatherings of the member that are not by definition an organization, club, company, corporation, or business.

The Board in collaboration with its management team is making every effort to ensure that the privacy, financial stability and safety of Eastern Gardens Cooperative and its membership are properly overseen. In addition, the Board would like to remind the membership that Eastern Gardens is a private community, that is, the common area facilities, such as the clubhouse, pool, picnic area, and laundry rooms are for the private use of the membership and its residents and are not available for outside organizations or public use. This will include but not limited to, inviting the public to attend give-a-ways, rummage sales, and the bookmobile.

Should the Board receive no objection(s) the rule change will become effective 30-days from the date of this notice. Please keep for your records.

Note: ***Bold italics*** = Additions and amendment apply only to the opening paragraph of the 'Rules Governing the Use of Clubhouse Facilities'.

Sincerely,
EASTERN GARDENS COOPERATIVE, INC.

James Patrick

Val Lopez

Donna Schmeltz

Chris Manning

Kathy Stotterback

Ed Healy

Eastern Gardens Board of Directors

(over)

APPENDIX 8

Rules Governing the Use of Clubhouse Facilities

The Clubhouse is to be used for the enjoyment by Eastern Garden's members and guests accompanied by a resident member. The Clubhouse **shall be used only for Eastern Gardens** functions, such as **board/business meetings, social gatherings, and rental use by its members. Rental use by the members will consist of family/friend gatherings such as birthdays, memorials, anniversaries, or other family/friend oriented gatherings of the member that are not by definition an organization, club, company, corporation, or business; this will include but not limited to, church groups, card clubs, office parties, or nonprofit organizations. Eastern Gardens is a private community, that is, the common area facilities, such as the clubhouse, pool, picnic area, and laundry rooms are for the private use of the membership and its residents and are not available for outside organizations or public use. This will include but not limited to, inviting the public to attend give-a-ways, rummage sales, and the bookmobile.** The following guidelines are necessary for the protection of the members and the Corporation.