

Eastern Gardens

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April 15, 2010

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

Subject: Amendments, "Members Move-Out Financial Responsibilities"

Dear Members/Shareholders:

Your elected volunteer Board of Directors has an obligation to the cooperative and its membership to make a diligent effort in participating in the governance and policymaking process of the corporation and to ensure that its business practices provide a clear understanding to each of its members and management staff. In order to do so, it becomes necessary for the Board to implement such changes that would help provide the necessary guidance and the most cost effective procedures for the corporation and general membership.

On March 23, 2010, during the regular meeting of the Board of Directors held at the clubhouse the Board approved the following amendments to Eastern Garden's business practices for move-out financial responsibilities, specifically, in-house transfers. To better facilitate this process, attached is the amendment for Eastern Gardens Cooperative, Inc., Members Move-out Financial Responsibilities, "No Upgrades Or Alterations Are Allowed During Move-In/Out Process", (Member's Handbook, page 51), effective immediately from the date of this notice the following amendments will apply.

In order to avoid rent loss, liability or damage issues "**No alterations or upgrades will be allowed during the move-in/out process when transferring from one apartment unit to another.**" In addition, members will not be allowed to have contractors, relatives, friends or any type of work performed to a transferring unit until the member has accepted the unit and has submitted written requests to the board requesting alterations or upgrades and upon the board's approval will the work then be allowed to commence. Only carpet and vinyl will be allowed for upgrading at member's expense. Members have two standard colors and styles to choose from which have been pre-selected by the corporation. Also, in conjunction with the In-House Transfer Policy all transfer costs (including, but not limited to, moving, telephone, utility deposit costs, carrying charges, equity differences) shall be paid by the household, and **not** the Corporation.

The Board of Directors has made available for viewing to members currently on the in-house waiting list. The in-house waiting list can be viewed at the business office by members on the list at their request during normal business hours, 9am-5pm, M-F.

(OVER)

Should you have any concerns, inquiries or if there is an objection by the membership as to the decision(s) made by the Board or management, then membership is expected to follow Eastern Gardens established procedures, which is, submit in writing, a letter to the Board of Directors expressing your concern(s) or request a personal audience of the board.

Please keep and file this notice for your records along with the newly revised Members Move-Out Responsibilities.

This is your home, Management and the Board of Directors is entrusted to provide a safe and affordable housing for everyone.

Sincerely,
EASTERN GARDENS COOPERATIVE, INC.

Frank Lenhart *James Patrick* *Donna Schmelz*
Ed Healy *Merritt Miller* *Rick Caughey*

Eastern Gardens Board of Directors

Cc:

1. Gary Haugstad, Sr. Regional Portfolio Manager, FPI
2. Theresa Williams, Community Director, FPI

Attached:

1. Members Financial Move-Out Responsibilities

APPENDIX 3

MEMBER'S FINANCIAL MOVE-OUT RESPONSIBILITIES WILL INCLUDE THE FOLLOWING LIST OF ITEMS

KITCHEN

1. Refrigerator – Clean interior and exterior walls, all racks, drawers and shelves, clean drain tray, clean under and behind refrigerator, dust off coils, clean and defrost freezers.
2. Stove/Range – Clean oven racks, broiler, and interior of oven, exterior of range, under range top, drip pans, and all knobs.
3. Stove/Range Hood – Clean exterior and interior, clean filter, light cover and fan blades.
4. Cabinets – wipe out interior (including drawers), wipe down and wax all exteriors (including sides and fronts). Remove all paper.
5. Dishwasher – Clean inside and outside.
6. Clean sink.
7. Clean light fixtures.
8. Clean floors.
9. Microwaves – Clean inside and out.

BATHROOM

10. Clean shower walls, tub, and sink using non-abrasive pads and cleaners or to avoid damage.
11. Clean toilet inside and outside.
12. Clean medicine cabinet inside and outside.
13. Clean and shine free of water spots all faucets, chrome or brass.
14. Wipe off towel bar.
15. Clean mirror(s) including edges.
16. Clean fan and cover.
17. Cabinets – wipe out interior, wipe down and clean all exteriors (including sides and fronts).
18. Clean light fixtures.
19. Clean floors, walls, and ceilings.

BEDROOMS, LIVING ROOM AND HALL AND ENTRY AREAS

20. Clean all closets, doors, and door tracks.
21. Wipe down all interior and exterior doors, thresholds and hardware.
22. Clean all windows inside and out, including window tracks and screens.
23. Clean all baseboards.

MISCELLANEOUS

24. Wipe off all switch plate covers and electrical outlets.
25. Wipe off thermostat.
26. Clean all light fixture globes (replacing missing or burned out light bulbs).
27. Clean and vacuum wall heater and air conditioning blower and vents.

EQUITY DEDUCTIONS/PAYMENTS

The topics listed below including those above, for example, kitchen, bathroom, bedrooms, living room, hall and entry, provides the member(s) their financial responsibility during the move-out process. Once the dwelling unit is vacated, the charges/deductions for various items shall apply. (IAW OA Article 12 & 13) All expenses that are the responsibility of the member vacating the apartment unit, (e.g., painting, carpet/janitorial cleaning...etc.), including any assessed damages, will be deducted from the member's equity.

PAINTING: REQUIRED UPON MOVE OUT

Painting will not be considered normal wear and tear regardless of length of occupancy. Painting charges (including labor and materials) will be charged at member's expense and contracted out by Eastern Garden's Management. This includes all rooms and ceilings nail holes in walls as well as sheet rock damage and staining from cigarette smoke shall be repaired at member's expense.

WINDOW COVERINGS

Window coverings will not be considered normal wear and tear. Any damage to the window coverings prior to its useful life (1-10 years) will be charged and prorated accordingly. Upon vacating, member must return all window coverings in a clean and undamaged condition. Eastern Gardens Management reserves the right to determine if window coverings are acceptable. Cost of cleaning or replacement is determined by type and dwelling unit size. Exceptions to the replacement/cleaning costs are, if the Member has supplied their own window coverings prior to their original move-in.

CARPET CLEANING

Carpets are to be professionally cleaned upon move out, no exceptions. Eastern Garden's Management will contract out this service and charge this expense to the Member. Example of those items which exceed normal wear and tear are stains from food and drinks, bleach, car oil/grease, pet hair and excrement stains or odor. Any damage to the carpet prior to its useful life (1-10 years) will be charged and prorated accordingly.

CARPET REPLACEMENT

Any damage to the carpet that has been determined by Eastern Gardens Management due to the member's negligence or misuse (such as permanent staining not related to normal wear patterns), burn marks; discoloration or physical separation will be charged to the member for replacement. Carpet replacement will consist of the following room locations, living, dining (optional), entry (optional), hallway; all bedrooms, and all closets will be considered standard procedures for new carpet replacements. No upgrades to carpet will be permitted.

LINOLEUM/VINYL FLOORING REPLACEMENT

Any damage to the linoleum/vinyl flooring which has been determined by Management due to the member's negligence or misuse (such as permanent stains, burns, cuts, discoloration and holes) will be charged to the member for replacement. Linoleum/vinyl replacement will consist of the following room locations, entry (optional), kitchen, dining (optional), and bathroom will be considered standard procedures for new linoleum/vinyl replacements. No upgrades to linoleum/vinyl will be permitted.

JANITORIAL CLEANING

Cleaning of any type is not normal wear and tear regardless of length of occupancy. Janitorial cleaning charges (including labor and materials) will be at member's expense and contracted out by Eastern Garden's Management. This includes windows, floors, all plumbing fixtures, tub and tub surround, sinks, commode, light fixtures, interior and exterior cabinetry, closet shelves, appliances and air conditioning vents, not excluding any items listed on page 49, such as, kitchen, bathroom, bedroom(s) and miscellaneous items.

DAMAGES

Any damages or alterations/additions to walls, floor coverings, window coverings, cabinets, countertops, appliances, sinks, bathtub, doors, electrical, plumbing, windows or other fixtures in the dwelling unit will be charged the actual cost of repair or replacement, (including labor and materials), shall be charged to the member(s) regardless of length of occupancy.

The following are examples which shall be considered property damages: cuts, scaring, chipping, marring, stains, defacement, carvings, disfigurement, mutilation, painting, or structural alterations/additions. (IAW OA Article 12 & 13)

REPLACEMENT ITEMS COVERED BY EASTERN GARDENS

Appliances or fixed items (such as heating vents & air conditioning units, dishwashers, stove/range, refrigerators, range hoods, and garbage disposals) will be replaced at 100% of cost by Eastern Gardens Cooperative, Inc. Exceptions are damages assessed by Management on any one of these items during the pre/final move-out inspection and shall be charged to the member and replaced at the member's expense. No upgrades to appliances or fixed items as previously mentioned will be permitted.

NO UPGRADES OR ALTERATIONS ARE ALLOWED DURING MOVE-IN/OUT PROCESS

In order to avoid rent loss, liability or damage issues, Members transferring to a different unit will not be allowed to have contractors, relatives, friends or any type of work performed to the transferring unit until the Member has accepted the unit and has submitted written requests to the board requesting upgrades/alterations at Members expense and upon the board's approval will the work then be allowed to commence. Note: Only carpet and vinyl will be allowed for upgrading at member's expense. Members have two standard colors and styles to choose from which have been pre-selected by the corporation.

NOTE: Costs/charges are estimates only. Actual move-out expenses and damage of items will be assessed at current market rate.

Eastern Gardens Cooperative, Inc. Move Out/Damage Expenses

ITEM	1 BEDROOM	2 BEDROOM
Full Paint (Walls, Ceiling, Trim)	*\$450.00	*\$600.00
Paint Cabinets (Kitchen)	*\$300.00	*\$300.00
Window Covering	\$165.00	*\$190.00
Carpet Cleaning	*\$55.00	*\$55.00
Carpet Stretched	*\$60.00	*\$60.00
Carpet Replacement	*\$900.00	*\$1240.00
Vinyl/VCT/Linoleum (Full)	*\$450.00	*\$550.00
Janitorial Cleaning (Full)	*\$150.00	*\$190.00

KITCHEN	COST	HARDWARE	COST	BLINDS/DRAPES	COST
6" Drip Pans	\$5.00	Interior Entry Doors (ea.)	*\$100.00	Head Rail – Slider	\$40.00
8" Drip Pans	\$5.00	Bi-fold Doors (ea.)	\$45.00	Head Rail – Bedroom	\$30.00
Broiler Pan	\$20.00	Door Stops	\$6.00	Slats (Pack of 6)	\$20.00
Ice Cube Trays	\$7.00	Interior Door Knobs	\$20.00	Drape Cleaning per 1 pair	\$12.00
Sink Basket	\$5.00	Interior Door Lever	\$30.00	Drape Rpl. Living room	\$73.00
Disposal Stop	\$5.00	Entry Knob w/key	\$35.00	Drape Rpl. Bedroom	\$36.00

Kitchen Faucet	\$50.00	Entry Lever w/key	\$40.00	DRYWALL	
		Deadbolt	\$20.00	Small Holes (0 - 1/2"d)	\$40.00
Sink Replacement Stainless Steel	\$70.00			Large Holes (1/2" – 6" diameter)	\$75.00
Resurface Countertops	*\$325.00				
Refinish Cabinets	*\$100.00				
BATHROOM		ELECTRICAL		APPLIANCE	
Toilet/Commode	*\$200.00	Elec. Covers Plates (ea.)	\$1.50	Dishwasher Replacement	\$225.00
Toilet Tank Kit	\$25.00	Plugs & Switches (Full)	*\$100.00	Refrigerator Rpl. (16 cu.ft.)	\$550.00
Towel Bar	\$12.00	Bath Bar Light Fixture	\$50.00	Range Replacement	\$600.00
Shower Rod	\$15.00	Hallway Light Fixtures	\$20.00		
Toilet Paper Holder	\$10.00	Ceiling Fan w/Lights	\$95.00	MISC.	
Toilet Seat	\$25.00	Fan	\$75.00	Trash Hauling	*\$100.00
Bath Faucet	\$40.00	OTHER		Furniture Removal	*\$300.00
Shower Head	\$15.00	Smoke Detector(s)	\$30.00	In-House Labor (Hourly)	\$25.00
Tub Stop	\$6.00	9 Volt Battery(s)	\$3.00		
Tub Resurface	*\$375.00	Thermostat	\$30.00		
Tub (Kit)	*\$470.00				
Tub/Shower Doors	*\$225.00				
Medicine Cabinet	\$40.00				
Exhaust Fan	\$40.00				
Resurface Countertop	*\$225.00				
Mirror Replacement	*\$100.00				
Sink Replacement. Porcelain	\$50.00				

NOTE: Costs/charges of items are estimates only. Actual move-out expenses and damage of items will be assessed at the current market rate.

* = Includes Parts, Materials & Labor