

Eastern Gardens

3045 Eastern Avenue * Sacramento, CA 95821 * 916-489-1604 * Fax 916-489-1627

Date: April 11, 2011

To: All Members of Eastern Gardens Cooperative, Inc.

Subject: In-House Unit Transfer Policy (Members Handbook, page 46)
(Adopted 3/24/04; Amended 4/14/09, 4/15/10, 3/23/11)

A discussion was held on March 23, 2011, during a regular meeting of the Board of Directors, regarding the current In-House Unit Transfer Policy. The Board unanimously approved an amendment to this policy implementing an administrative Transfer Fee for all in-house transfers.

The Board's decision to charge this Transfer Fee is based upon the Corporation's potential rent loss. Rent loss can occur if a member accepts a transfer when it is offered, and subsequently rescinds their decision. This change of mind (and heart!) will likely result in rent loss to Eastern Gardens due to days or weeks of delay in filling the vacancies of both apartment units.

The amount of the Transfer Fee will be equal to the one-month carrying charge of the vacant unit; that is, the unit which the member has agreed to transfer into

Transfer to a one-bedroom unit: \$367 (or current rate)
Transfer to a two-bedroom unit: \$439 (or current rate).

Should the transferring member move into the apartment unit within the time frame originally agreed upon, the Transfer Fee will be refunded. Please Note: The Transfer Fee does not affect either equity differences between a one-or two-bedroom unit or repair costs charged to your vacating unit, which the member is required to pay.. (See Handbook pages 49-52 and any current amendments to Members Move-out Responsibilities).

When a vacancy occurs, management first refers to the in-house waiting list to determine a member's request to transfer. If the vacancy meets the member request, she, or he, is notified that a vacancy has met their requirements. The member is then given three (3) days to respond, (i.e. to accept or reject), which allows management to either make arrangements for the transfer or continue moving on through the waiting list. In either situation, a great deal of time, effort, and administrative paperwork is required to transfer legal documents, complete necessary repairs to vacant units and process any required fees and/or charges. One transfer vacancy could involve a minimum of two apartment units, perhaps up to three or four at one time. When the outside waiting list must be referred to then criminal background checks, credit and rental history and interviews must be conducted as well. Any unanticipated delays in transferring the unit can result in financial expenditures.

We are making every effort to ensure the financial stability of Eastern Gardens Cooperative. In the future, if you have plans to transfer, please contact management to obtain the necessary paperwork. This Transfer Fee, as an amendment to the In-House Transfer Policy, and will become effective thirty days from the date of this notice. If you need replacement pages for your Members Handbook, contact our Community Director, Theresa Williams, and please be sure to keep this notice for your records, just in case you might want to place your name on the in-house transfer waiting list!

Sincerely,
Eastern Gardens Board of Directors

James Patrick *Kathy Slotterback* *Donna Schmelz*
Chris Manning *Ed Healy* *Diane McKee*
Ardie Andrews

