

Pregent
& Company
Certified Public Accountants

January 28, 2013

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

RE: 2012 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 2012 individual income tax return, is as follows:

	One Bedroom	Two Bedroom
Property taxes	\$149	\$202
Mortgage interest	\$441	\$593

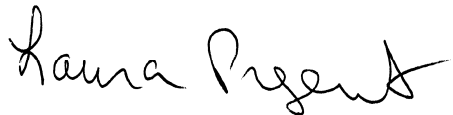
If you were a tenant-stockholder for less than a full year during 2012, you must pro-rate your deduction. The following is an example:

Four months – Two Bedroom

Property taxes $4/12 \times \$202 = \67

Mortgage interest $4/12 \times \$593 = \198

Sincerely,



Laura Pregent, CPA