

Eastern Gardens

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December 1, 2010

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

Subject: Share Purchase/Sale (Equity Buy-in)

Dear Members/Shareholders:

One of the financial successes of Eastern Gardens Cooperative is the purchasing of its share, sometimes referred to as stock or limited equity membership buy-in. Eastern Gardens Cooperative (EG) is established as a not-for-profit corporation whose specific purpose is to provide affordable housing for its members who are stockholders in the co-op corporation. Buying a share entitles the purchaser to hold a proprietary lease, commonly known as the Occupancy Agreement. The Occupancy Agreement gives the purchaser the exclusive right to occupy a dwelling in the development and to participate as a member in the operation of the co-op by electing board members from its membership to represent them and oversee the business affairs of the corporation.

As one of its many duties and responsibilities, the Board of Directors reviews both its short and long term financial expenditures and revenue; this will also include the purchasing of its share and other business practices. The Board reviewed and discussed its options during an executive meeting session held on November 11, 2010 at the clubhouse concerning the purchase or sale of EG's share or limited equity buy-in. The Board voted and approved that as of December 1, 2010 the immediate freeze of its equity share for the term of six months at which time it will then be re-evaluated. This includes the purchase and sale of Eastern Gardens share/stock; current purchase or sale price for a one bedroom is \$10,012.34 and \$13,566.40 for a two bedroom, this will remain the same until re-evaluated in six months.

The Board's decision was based on various concerns; i) the current economy, ii) a decline in EG's outside waiting list, iii) in comparison with other co-op housing EG is the highest, iv) limited equity schedule formula requires re-work, v) out of sync with current market prices; assets and liabilities.

The freeze on EG's equity buy-in or sale does not affect current carrying charges at this time and the board still does not anticipate an increase to its carrying charges until the year 2012; the Board, in collaboration with its management team is making every effort to ensure the financial stability of Eastern Gardens Cooperative, Inc. and assures you that EG has a strong financial base and that this decision is only precautionary.

Sincerely,
Eastern Gardens Cooperative, Incorporated

James Patrick

Donna Schmelz

Ed Healy

Kathy Slotterback

Eastern Gardens Board of Directors