

Eastern Gardens

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August 25, 2005

TO ALL SHAREHOLDERS/MEMBERS:

SUBJECT: Review of Proposed Changes to the Rules & Regulations

Dear Shareholder/Member:

This letter is to advise you that at the Quarterly Membership meeting held on August 24, 2005; Eastern Gardens Board of Directors approved the proposed draft for changes to the existing Rules & Regulations and for its dissemination to all shareholders for their review.

In an on-going effort to assure that Eastern Gardens maintains its Quality-of-Life and each Members right to quiet enjoyment, and stays in compliance with current Fair Housing Laws and to help provide our managing agent, FPI, with the necessary tools to carry out Eastern Gardens business practices; EG Board of Directors, is asking that each of you please review the proposed changes to our Rules & Regulations. Please edit any items as necessary; this will include syntax and punctuation errors. Recommend any suggestions that would be appropriate to implement for Eastern Gardens Cooperative Rules & Regulations.

Once the entire Membership has had a chance to review the proposed changes, the Board of Directors will meet with the Membership at the next scheduled board meeting to discuss what changes would be appropriate. Upon implementing those changes we then can proceed to vote on its acceptance. The final approved draft will then be disseminated to the entire Membership one last time for their vote to "Approve" or "Disapprove" of the Rules & Regulations. Voting procedures will be in accordance with Eastern Gardens By-Laws, i.e. approval by majority vote of the entire membership of record, absentee ballots will be accepted.

Please come prepared to discuss your recommendations and suggestions at the next Board meeting, scheduled for 7:00 p.m. September 27, 2005, @ the Clubhouse.

If you have any questions, please feel free to contact Alfonso Baute, EG President, @ 487-1306.

Sincerely,
Eastern Gardens Cooperative, Inc.
Board of Directors

Enclosed:

1. Draft Proposal "Rules & Regulations"

(DRAFT)
(PROPOSAL#1)

Eastern Gardens Rules and Regulations

APPROVED BY EASTERN GARDENS BOARD OF DIRECTORS AT THE 8/24/05
QUARTERLY MEMBERSHIP MEETING FOR DISTRIBUTION TO ALL
SHAREHOLDERS/MEMBERS FOR THEIR REVIEW/CRITIC/APPROVAL

The purpose of our Rules and Regulations is to provide for the health and safety of all members of Eastern Gardens; and to prevent financial losses and protect the value of each shareholder's investment. By clear and concise Rules and Regulations it assures every member's compliance with the By-Laws and Occupancy Agreement and that any failure to comply with the Rules and Regulations can be properly addressed in writing by our management team, so that problems can be corrected to reduce or eliminate any need for extreme measures, including expulsion from the corporation and termination of residency.

"Premises" as used in the Rules & Regulations includes not only the apartment, but all of the land and improvements including any parking lots, carports, driveways and common areas owned by its members and generally referred to as Eastern Gardens Community or Complex.

"Common Areas" refers to those areas as: Breezeways, Walkways, Sidewalks, Ramps, Pool Area, Clubhouse, Business Office, Laundry Rooms, Mail Boxes, and Garbage Bin Areas.

"Resident" as used in the Rules & Regulations refers to all Members/Shareholders.

SECTION "A" PROPERTY/MOVE-IN INFORMATION

1. OFFICE HOURS: The Rental Office is open on the days posted. Office hours are as posted on the office, bulletin boards, and/or newsletter. In case of emergency, Management may be contacted after office hours via answering service.
2. CARRYING CHARGE COLLECTIONS: All carrying charges are due and payable to Management at the Business Office on the FIRST DAY OF EACH MONTH. Please make check or money order payable to the Eastern Gardens Cooperative. **CASH PAYMENTS ARE NOT ACCEPTED.**
3. LATE CHARGES: All carrying charges collected on the 6th day of the month or thereafter are subject to a late fee of \$10.00. Carrying Charges are due on the first day of the month. Three late payments in a twelve (12) month period are considered material of non-compliance for chronic late payment of carrying charges.
(In accordance with Occupancy Agreement, Article 19)

Collection of Late Carrying Charges: The following procedures may be used to collect all carrying charges in arrears:

- a) A notice to pay or quit will be served.
 - b) Unlawful Retainer Action will be initiated.
4. RETURNED / NSF CHECKS: If Resident offers two returned checks at anytime, Resident will be notified that Management will not accept any further personal checks, and carry charges thereafter will have to be paid by money order or cashiers check. The returned check must be paid for with a money order or cashiers check within 24 hours after Resident's receipt of notice. Any bank charges levied against the Corporation for returned checks will be passed onto the offending Resident.

5. **LOST KEYS / LOCK OUTS:** Residents locked out after office hours will be charged a fee of \$10.00 to have their door opened, or Resident may call a locksmith at Resident's expense to open the door. **PROPER IDENTIFICATION IS REQUIRED!** Lost keys will be replaced at current market rates per key to Resident.
6. **EXTENDED ABSENCES:** Resident should advise Management of any planned absence for an extended period of time
7. **MAIL AND NEWSPAPERS:** Only registered Residents are to receive mail. All mail must contain the full address of your residences, which includes the apartment number as well as the building number. Unwanted or "throw-away" advertising should be disposed of in the proper trash receptacle.
8. **APARTMENT INSPECTION:** (a.) Each new Resident is required to accompany and assist the Management staff in the completion of an apartment move-in inspection form. This form is designed to record the condition of the apartment at the time of move-in and to help determine the final disposition for any repairs and cleaning costs after terminating occupancy of said apartment unit.
(b.) Upon vacating, Resident is entitled to a pre-inspection of the apartment to assess move-out charges. Resident will be given a minimum of a 48-hour notice prior to the inspection. Resident will have the right to be present for the inspection, approve for Management to conduct the inspection without being present, or waive the right to the inspection.
(c.) Move-in and move-out inspections should not be confused with annual apartment inspections performed by owners and physical inspections performed by HUD and/or HUD contractors. Management will perform apartment inspections on an annual basis to determine and verify Resident's compliance with the Occupancy Agreement and these Rules and Regulations. In addition, periodically, Management may enter each apartment to check the smoke detector(s) and replace the air conditioner/heater air filter, to properly maintain the unit's equipment. Resident will be given a 48-hour notice prior to the inspection.
9. **WATERBEDS:** Waterbeds are not permitted on the 2nd floor. Waterbed owners must show proof of personal property insurance that specifically covers damage caused by waterbeds. Any damage to premises by waterbeds or water furniture will be repaired at Resident's expense.
10. **REMOTE CONTROLS:** Access devices, such as, remote controls will be provided to Residents and those listed on the Occupancy Agreement and living on the premises full time.
 - a) In case of medical emergency or disability, on the recommendation of a medical doctor, the Board may make an exception to the foregoing and grant the temporary use of a remote control to the Care Giver.
 - b) A forego charge of \$35.00 will be made in the case of exception as outlined in (a) above.
 - c) Remotes that are lost, stolen, or damaged by member(s); will be replaced at member's expense at a cost of \$35.00.
11. **TRANSFERS:** In filling a vacant apartment, priority shall be given to current residents transferring within the apartment community. Transfers will have priority over outside applicants in order to comply with the Fair Housing, Section 504 of the Rehabilitation Act of 1973. For additional information on this matter, see the "Resident Selection Policy"

SECTION "B" USE OF PREMISES & ITS FACILITIES

12. UTILITY SERVICE: The Utility service panel must be maintained in resident's apartment, at Resident's expense AT ALL TIMES. Resident also agrees to cooperate with energy conservation measures. Failure to maintain utility services or to cooperate with energy conservation measures will be considered cause for termination of residency.
13. SMOKE DETECTOR: A smoke detection device has been installed in each apartment. It is the Resident's responsibility during residency to periodically test the device by pushing and holding down the test button. Resident must inform Management immediately, by phone or in writing, of any defect, malfunction or failure of any smoke detector(s). "PLEASE DO NOT REMOVE OR TAMPER WITH THE SMOKE DETECTOR" **REMOVING OR TAMPERING WITH THE SMOKE DETECTOR IS PROBABLE CAUSE FOR TERMINATION OF RESIDENCY.**
14. UNSAFE CONDITIONS: Resident agrees to report immediately to Management any accident, injury, damage or loss, or need of service or repairs to water, electrical wiring, drains, toilets, fixtures, or any other property or equipment covered by the **OCCUPANCY AGREEMENT**, including all breakage, damage, or loss of any kind, including but not limited to water intrusion, water leaks, or moisture problems, damage from overflow of water from sinks, bathtubs, toilets, or other basins. Resident will also immediately notify Management of unsafe conditions in the common areas and grounds of the premises which may lead to damage or injury.
15. OUTWARD APPEARANCE: Alterations that affect the apartment community's outward appearance, such as installing foil on windows, towels, blankets or clothing draped over balconies, partitions, or wrought iron gates, **is not permitted**. Signs or advertising materials will not be permitted to be posted. No foil, sign advertisements, poster, or similar display, shall be affixed to any door, window or exterior wall that may be visible from the outside of the building by other residents. Draperies and blinds must be cream colored or white exposed to the outside.
16. GARDENING: There is no gardening permitted on the premises at anytime, i.e., planting, growing, or trimming of shrubbery, trees, plants, flowers or vegetables outside the apartment buildings or common areas. You are however, permitted to have potted plants for your pleasure but they are not to be planted permanently into the ground or attached, affixed, or hung to the building, nor obstruct access in the breezeways or hinder the grounds keeper from doing their job. *NOTE:* Members who have already planted those items, as listed above, prior to the forming of such rules are required to conform to said rule(s). In addition, they will be responsible for the care and upkeep of those items and will maintain them at their own expense.
17. ANTENNAS/DISH: Resident shall not install any external television or radio reception device nor climb or have others climb upon the roof.
18. BARBEQUES: Due to potential fire hazards and other health & safety concerns, no charcoal briquette barbeque grills, gas or propane grills, smokers, hibachi grills, portable gas stoves, etc., are to be stored or operated in the apartments, or on patios, balconies or breezeway areas. Any use of open flame, as described above, is permitted, including but not limited to barbeques and torches in the proper designated area, i.e., picnic area adjacent to the pool and horseshoe pit.
The following will be observed when operating such devices within the designated area:
 - a) The barbeque must be in a clear, safe place. No flammable material should be within a radius of five feet around and above the BBQ grill.
 - b) An adult must be in attendance **at all times.**

- c) A hose attached to a water supply, a fire extinguisher, or at least five (5) gallons of water must be available at all times.
 - d) Residents are required to clean-up after using the picnic area and BBQ pit, and are to ensure that coals are properly extinguished and cooled, then placed inside a plastic/paper bag along with all trash and properly disposed inside the appropriate waste container.
19. WINDOWS AND/OR SCREENS: Residents shall be responsible for replacement and/or repair of windows and/or screens damaged or removed by Resident, and/or members of residents' household or guests.
20. LAUNDRY ROOMS: The facilities are for the exclusive use of Residents. For safety and health concerns, please wash off the washers and remove lint from dryer filters after each use; clean-up all soap spills, do not shake rugs, etc., that tend to get lint all over floors, mop-up any water on floors caused by wet clothes or machines. Please take good care of these facilities, if you are the last to leave late at night, please ensure that you close and lock all windows and doors, and promptly report problems to Management.
21. POOL: See "Rules Governing Use of Swimming Pool"
22. CLUBHOUSE: The Clubhouse is available for use by all Residents, and Residents with guests are to be considerate of the rest of the residents in the matter of invitational guests. Resident members will have first consideration as to its use. For a small fee and cleaning deposit, the Clubhouse is available for rent only to its Members. For additional information on this matter, see "Rules Governing Clubhouse Usage".
23. SAUNA USEAGE: See "Sauna Instructions and Rules"
24. LOCKS: Residents shall not alter any lock or install a new lock or knocker on any door of the premises without the written consent of the Management/Board of Directors. In such case consent is given, Resident shall provide Management with a key for the use of Management, pursuant to Management's right to access to the premises. Locks or chains must be left in place when Resident vacates.
25. EQUIPMENT: Apartments are provided with stoves, refrigerators, heating/air conditioning, garbage disposals and dishwashers. Resident assumes responsibility for any negligence or misuse of this equipment. Management will assist with any questions as to the procedures for proper operation of the equipment. No personal dish-washing machine, clothes washing machine, clothes dryer is permitted. Other large appliance such as, refrigerators and stoves maybe permitted with prior written consent from the Board of Directors.
26. PARCELS: Resident is responsible for making arrangements for parcel delivery that does not fit in the provided mail receptacle. Management representatives are not authorized to sign for parcels. This includes parcels from UPS, Federal Express, U.S. Postal Service or other mail and delivery services.

SECTION "C" MAINTENANCE/DAMAGE

27. EMERGENCIES: NOTE - In response to an Emergency, management may enter the apartment without written notice of entry, per California Civil Code, Section 1954. Emergencies affecting the premises should be promptly reported to Management. Please report building emergencies occurring after hours to the emergency number as posted at the Rental Office. Residents are cautioned to use discretion in reporting emergencies after office hours, as only BUILDING EMERGENICES will receive attention after regular business hours. Other emergency situations that threaten human life or personal property and demand immediate attention, i.e., Medical, Burglary, Fire, Theft and Assault – **DIAL 911**

28. **SERVICE REQUESTS:** Routine requests for maintenance will be reported to management either by phone or in writing whenever possible, including permission to enter in Resident's absence or a request for appointment. Management has the right to enter if Management believes an emergency exists. Resident will promptly report need of service (trouble call) repairs for property or equipment, including unsafe conditions in the common areas and grounds of the premises that may be a threat to health and safety or that which may lead to damage or injury.
29. **NEGLIGENCE:** Resident shall pay the Corporation for any and all expenses incurred during residency for the maintenance or repair of the premises, facilities, or common areas rendered necessary by the neglect or failure of Resident to fulfill their obligations. Resident shall be responsible for all cleaning. All such reasonable charges shall be billed to the Resident. Resident shall not, and shall take reasonable action to prevent Resident's guests and household members from damaging, defacing, or removing any part of the premises.
30. **SEWER STOPPAGES:** The sewer system is adequate to handle all normal waste, but the system will not handle disposable diapers, feminine products or other such refuse. Stoppages resulting from alterations to equipment, addition of commercial deodorizer and/or resident's negligence will be cleared at Resident's expense.

SECTION "D" HOUSEKEEPING

31. **STANDARDS:** Resident shall keep the interior of the apartment clean according to good housekeeping standards. Resident will assume full responsibility for keeping their patio, entry doors, entrance walkways, porches, balconies and breezeway areas cleaned, neatly arranged and free from unsightly or unused items. Residents shall refrain from shaking, hanging clothes, towel, rugs, swimming suits, or other personal property from windows, balconies or railings.
32. **PREVENTION OF MOISTURE PROBLEMS:** Moisture problems must be prevented and treated immediately to prevent mold. Proper ventilation is essential for preventing mold. If you suspect mold developing on window, walls or ceilings, or a musty odor is present in the carpeting, report these conditions to Management immediately. To prevent moisture buildup, utilize stove and bathroom exhaust fans and leave them on until steam is gone. Condensation, indicates fresh air, is not being circulated in the home. To prevent moisture buildup, open your windows and air out your home for short periods of time to keep fresh air present. Excessive running of your heater will cause condensation in your home. Immediately notify Management of any running or dripping faucets, plumbing and roof leaks, discoloration of walls or water intrusion.
33. **PEST CONTROL:** Resident shall report the need for pest control to Management. Resident will cooperate with the pest control service and abide by guidelines given by the pest control service or Management.
34. **HEALTH & SAFETY:** Resident will comply with all obligations imposed upon Resident by applicable provisions of State and local building and housing codes materially affecting health and safety, including maintaining adequate housekeeping standards.
35. **STORAGE:** Garbage cans, bottles, brooms, mops, toys, shelves, shopping carts, gardening tools, fitness equipment, cardboard boxes, household furniture, and similar personal property are to be kept inside the apartment. Patios, balconies, and/or breezeways are to be used for patio furniture only, (limited to size of table & number of chairs permitted); with the exception of potted plants indicated in item #16. Areas located outside front doors, or on stairway landings, are part of the common areas and cannot be used for storage, this includes outside next to apartment building(s). In addition, there are to be no poisons, i.e., insecticides,

pesticides, or herbicides, of any type or kind, whether sprayed or in pellet form, applied or stored on the outside grounds or in the common areas by the Resident.

36. **SMOKING:** Resident acknowledges that damage caused by smoking will not be considered normal wear and tear. Members will be held responsible for additional costs related to smoke related damages. Smoke related damages can be, but are not limited to, yellowed walls and ceilings; draperies, and painting or treatment required due to smoke odor, burns to counters, sinks or extra cleaning/replacement of carpets due to smoking.
- a) Members shall not interfere with other member's rights to quiet enjoyment of the common areas as a result of second hand smoke.
 - b) **NO SMOKING** inside of Breezeways. Members and their guest will refrain from smoking within the breezeways and maintain a distance of 25 feet from the buildings.
37. **TRASH:** Residents shall deliver and place all garbage and trash in proper bins at designated locations and ensure that all container lids are properly closed. If the bin you normally use is full, please use another bin. To maximize available space, please break down large objects such as cardboard boxes. Trash bins and/or enclosures are **NOT** to be used for large items such as furniture, etc. Removal of large items, such as furniture, from the premises is the Resident's responsibility.
38. **RECYCLING:** Resident will comply with all present and future laws, order and regulations of all state, federal, municipal and local governments regarding the collection, sorting, and separation and recycling of waste products, garbage, refuse and trash. Please place all recyclable items in their appropriate containers.

SECTION "E" SUPERVISION HOUSEHOLD MEMBER / VISITORS / GUESTS

39. **GUESTS:** Guests staying longer than a week **MUST** register with the office. Residents may be permitted to have a guest(s) visit their household. However, any person(s) staying longer than a week without consent of Management is in violation of the Occupancy Agreement. **RECURRING** visits **OR** one continuous visit of 10 days and nights in a 90 day period without consent of Management will be a violation of these rules and regulations and the Occupancy Agreement.
40. **SUPERVISION:** Resident is responsible for the conduct of any member of their household, visitors and guests, and will be responsible to pay for any damages to the premises caused by members of the household or guests. Resident shall prevent household members and guests from loitering or playing in areas other than designated play areas, and to prevent household members or guests from tampering, in any way, with the landscape, sprinkler system, plants, shrubbery, trees, or equipment that is anchored or affixed to the premises. Balls are not to be bounced or thrown against the buildings. Personal articles are not to be left unattended on walkways or other common areas.
41. **WADING POOLS:** Use of wading pools on the premises is prohibited. **NO EXCEPTIONS.**
42. **WALKWAYS:** Residents shall not store nor allow personal household property outside the apartment in a manner that may be detrimental to the appearance of the premises or interfere with free passage upon any street, sidewalk, breezeway, or other common areas in the complex. Walkways, i.e., sidewalks and breezeway areas are for pedestrian use and are to be kept clear of toys, bicycles, etc. No roller skating, in-line skating, skateboarding, coaster riding, etc., is allowed.

SECTION "F" CONDUCT

43. **NOISE:** Residents, household members and guests shall not make or not allow to be made, any disturbing noises upon the premises, nor permit anything to be done by such persons that will interfere with the rights, comforts, or convenience of other Residents. All Residents, household members and guests are advised to take care when approaching and leaving their apartment during the quiet time between the hours of 10:00p.m., and the following 8:00a.m., and to show consideration of other residents at all times. No Resident shall play upon or allow to be played upon, any musical instrument or operate or allow to be operated audio equipment, radio, television, vacuum cleaners, dishwashers, or loud parties in or on the premises between the hours of 10:00p.m. and the following 8:00a.m. Residents will not make, or cause to be made, or permit any disturbance or loud noises in or on the premises, street, or common areas.
44. **THREATS / OFFENSIVE CONDUCT:** To assist in ensuring the safety and quiet enjoyment of all tenants, Residents, household members and guests shall not engage in offensive conduct or language on or about the premises. Resident and all members of the Resident's household and guests shall not cause or threaten to cause serious physical injury to another person on the premises, or be involved in a fight while on the premises; commit abuse upon any person on the premises, and will abstain from any activity which impairs the physical or social environment of the premises.
45. **ALCOHOL / PUBLIC INTOXICATION:** Resident shall take reasonable action to prevent all members of Resident's household and guests from, drinking alcoholic beverages or using illegal substances in or on common areas, walkways or driveways of the premises, or in vehicles parked or moving on the premises.
46. **ILLEGAL ACTIVITY:** Resident or any member of the Resident's household, or guest or other person under the Resident's control shall not engage in illegal or criminal activity, or in any act intended to facilitate illegal or criminal activity, including gang or drug-related illegal or criminal activity, on or near the premises. Resident, all members of the Resident's household and guests shall not engage in the manufacture, sale, or distribution of illegal drugs or be under the influence of any controlled or illegal substance at any location, whether on or near the premises or otherwise, nor permit the dwelling unit to be used for, or to facilitate, any illegal or criminal activity.
47. **ACTS OF VIOLENCE:** Resident or members of the household or guests shall not engage in any acts of violence including but not limited to the display of, brandishing, or using in a threatening manner, any dangerous weapons or objects in or about the premises. Resident shall not keep or use on or about the premises or project any explosive, flammable, or repellent device, or otherwise dangerous device, and take every care and precaution to prevent fires.
48. **EVICTON AND TERMINATION:** See "Eviction and termination of Membership Procedures" in accordance with Articles 14 & 15 of the Occupancy Agreement and Article III, Section 9 of the By-Laws.

SECTION "G" VEHICLES

49. **PARKING/SPEED LIMITS:** Resident shall observe, and cause all members of Resident's household and guests to observe and comply with the following, "Vehicle Rules & Regulations":
- a) Residents, guests, and visitors shall observe all posted speed limits on drives in the premises.

- b) All Resident's vehicles must be registered with the Community Director. Resident's guests who stay longer than 7 days must also register their vehicles.
- c) Eastern Garden's parking is reserved for its members and guests only. ALL OTHERS WILL BE TOWED AWAY! At owner's expense.
- d) No parking is allowed in front of the Clubhouse door or dumpster receiving area doors, or other "No Parking" designated areas.
- e) Resident's guests are not to park in another member's parking space, but rather in areas designated "Visitor Parking" or in unassigned/unmarked spaces, otherwise it will be towed away at the expense of the vehicle's owner.
- f) Resident's have one assigned parking space and MUST always use the space assigned to them. Any Resident using the marked "Visitor" stalls will be subject to a \$25.00 fine.
- g) Residents with more than one vehicle per apartment must use only unassigned/unmarked parking spaces for the second vehicle.
- h) No Resident may have more than 2 vehicles per apartment on the premises.
- i) Handicap stalls are reserved for handicap parking only. Placards must be displayed at all times when using these spaces.
- j) No ONE may obstruct or block access for emergency vehicles or the free use of the parking area.
- k) No ONE may drive or park any vehicle on the lawn, driveway, or other common areas within the premises. Curbsides painted in RED are to be observed as "No Parking" at any time.
- l) For security and health reasons, all vehicles MUST park "HEAD-IN" the parking stalls.
- m) No crosswise (transversal) parking allowed.
- n) No engine repair/vehicle maintenance, major or minor, or oil changes shall be done on the premises.
- o) No vehicle will be used for storage purposes on the premises.
- p) Residents are responsible for keeping their parking spaces free of fresh oil and dirt.
- q) No vehicle weighing over 3-tons will be allowed to park on the premises, with exception for delivery vehicles or contractors vehicles contracted for work within the complex.
- r) If in violation, a copy of these vehicle rules will be placed on the windshield with the original copy returned to the office for follow-up action which may include towing and fines.

50. VEHICLE REGISTRATION: All vehicles on the premises must be currently registered and properly insured according to state law. Any vehicles on the premises without a current license tag (sticker) will be ticketed with a 72 hour warning notice, upon which, will then be towed away at the expense of the vehicle's owner.

51. MOTORCYCLES / TRAILERS / BOATS / RV's: Motorcycles are considered vehicles and must be parked in an appropriately designated parking space. Motorcycles may not be parked on sidewalks, under stairwells, patios, breezeways, or in any other areas not designated for the parking of vehicles. No recreational vehicles, trailers or boats are allowed on the premises except with written consent of Management.

52. INOPERABLE VEHICLES: Vehicle maintenance on the premises is prohibited. Residents and/or guests shall not park vehicles in a state of disrepair or left unattended on the premises. This includes operational vehicles leaking fluids on parking surfaces. Leaks and spills and/or damages caused by same are the responsibility of the Resident. The owner of any vehicle that leaks oil in the parking lot will be held responsible for the clean-up and/or damage charges. Residents with any vehicles that are inoperable for more than 72 consecutive hours without written permission of Management may be removed at the expense of the vehicle's owner.

53. WASHING VEHICLES: Residents may wash or spray off vehicles only in the designated areas of the premises. Resident will make every effort to not waste water. In addition, Resident will ensure that the area will be cleaned up and all hoses, buckets, and cloths are properly put away and that the water is shut off.

SECTION "H" PETS

54. PETS: See "Animal Policy"

SECTION "I" MOVE-OUT INFORMATION

55. NOTICE OF INTENTION TO VACATE: Before vacating your apartment unit, a 30-day written notice, must be given to Management. The Resident must be willing to allow the unit to be shown to prospective buyers during this period. See Occupancy Agreement Article 4, "Members Termination".

56. OPTION TO PURCHASE: In accordance with Eastern Gardens Cooperative, Inc., By-Laws see Article III, Section 8 (c) "Option of Corporation to Purchase".

57. PERSONAL PROPERTY: Residents will remove all personal property when vacating the premises. All personal property left on the premises when the apartment is vacated shall be deemed to be property abandoned by Resident and may be disposed of according to law. All personal property removed from the premises at the time of physical eviction of Resident shall be deemed abandoned if not claimed within the time prescribed by law, and may be disposed of by Management according to law thereafter.

58. MOVE-OUT CHARGES: Residents will be charged for damage(s) to the apartment unit. Repair and replacement damages will be determined by Management/Board of Directors. Please refer to your "Check-in/Check-out Sheet", "Notice of Intention to Vacate" and your Occupancy Agreement responsibilities for additional information concerning this matter.

59. RETURNING KEYS: All applicable keys, i.e., door, mailbox, remotes or access devices must be returned to Management staff when Resident vacates. Resident shall be charged for the cost of replacing any keys and/or devices not returned at the time of move-out.

60. EQUITY: Equity will be refunded when ALL keys are returned and premises vacated and all discrepancies, i.e., financial responsibilities for damages or replacements are resolved, per the terms of the Occupancy Agreement & the Notice of Intention to Vacate.

SECTION "J" INSURANCE

61. INSURANCE: No insurance is provided by Eastern Gardens Cooperative, Incorporated, or by the Managing Agent for Resident's personal property or additional living expense. Every Resident understands and agrees to indemnify and hold Eastern Gardens Cooperative, Incorporated and the Managing Agent harmless and in no way accountable for any liability for personal injury or property damage caused or permitted by Resident or any other person on the premises with Resident's consent except as may be caused by the negligence of Eastern Gardens Cooperative, Incorporated and the Managing Agent. Resident is hereby advised and understands that the personal property of the Resident is not insured by Eastern Gardens Cooperative, Incorporated or the Managing Agent for either damage or loss, and assumes no liability for any such loss. Eastern Gardens Cooperative, Incorporated and the Managing Agent recommends that the Resident secure insurance to protect him/herself and his/her personal property.

IN ACCORDANCE WITH EASTERN GARDENS BY-LAWS ARTICLE V, SECTION 2 (f) & OCCUPANCY AGREEMENT ARTICLE 15, THESE RULES & REGULATIONS NOW BECOME AN INTRAGATED PART OF YOUR BY-LAWS AND OCCUPANCY AGREEMENT AND CANNOT BE CHANGED, ALTER, OR EDITED WITHOUT CONSENT AND APPROVAL BY MAJORITY VOTE OF THE ENTIRE REGULAR MEMBERSHIP OF RECORD AT ANY SPECIAL, QUARTERLY, OR GENERAL MEETING OF EASTERN GARDENS COOPERATIVE, INC.

Managing Agent's Signature

Member's Signature

Date

Member's Signature

Date

Supersedes all Eastern Gardens Cooperative, Inc.
Members Rules & Regulations
Approved by Majority Vote
GENERAL MEMBERSHIP OF RECORD
(Date)

APPROVED BY EASTERN GARDENS BOARD OF DIRECTORS AT THE 8/24/05
QUARTERLY MEMBERSHIP MEETING FOR DISTRIBUTION TO ALL
SHAREHOLDERS/MEMBERS FOR THEIR REVIEW/CRITIC
