



# *Eastern Gardens Co-op*

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www.easterngardenscoop.org

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April 1, 2014

To: Eastern Gardens Cooperative Shareholders/Members

Re: Notice of Intent to Adopt Proposed Rule Regarding Annual Completion of Property Tax Exemption Form (BOE-266)

Dear Shareholder/Member:

During an executive meeting held on February 13, 2014 and after consulting with legal and management, your Board of Directors (“Board”) of Eastern Gardens Cooperative, Inc. (“the Cooperative”) unanimously voted to provide a 30 day Notice to all shareholders of its intent to adopt a proposed operating rule (“Rule”) pursuant to California *Civil Code* Section 4360(a).

Each year, as part of its operational duties in accordance with Article 10 of the Occupancy Agreement, the Cooperative must file with the Office of the Assessor of Sacramento County (“the Assessor”) an Ownership Statement – Cooperative Housing Corporation (Form BOE-266-E), in order to qualify for the Cooperative’s annual \$7,840.00 Homeowners’ Property Tax Exemption (“Annual Exemption”).

As of January 1, 2014, the Assessor now requires that the Cooperative, in order to obtain the Annual Exemption, also collect and submit a Claim for Homeowners’ Property Tax Exemption (Form BOE-266) (“Form”) completed by each of the Cooperative’s shareholders. The Cooperative must submit these completed forms to the Assessor by February 15 of each year. The Cooperative will lose an exemption in the amount of approximately \$70.00 for each shareholder Form BOE-266 not submitted. The Cooperative relies on this Annual Exemption to reduce overhead and to cost-effectively manage and maintain the Cooperative’s property on behalf of the shareholders.

The proposed rule requires all shareholders to complete and return the Form to the Cooperative as follows.

1. Shareholders must complete and submit this Form to the Cooperative only once, or if they transfer to a different unit. All shareholders should have completed and submitted this Form to the Cooperative by January 31, 2014.
2. Those shareholders who did not complete and submit this Form in 2014, and any new shareholders who bought into the Cooperative in 2014, must complete and submit this Form no later than January 31, 2015.

3. Any new shareholders who buy into the Cooperative each calendar year after January 1, 2015, must complete and submit this Form no later than January 31 of the calendar year following their acquisition.

A copy of Form BOE-266 is attached to the proposed Rule, and is also available on-line at the Assessor's website at ([www.assessor.saccounty.net](http://www.assessor.saccounty.net).)

The proposed Rule imposes a fine in the amount of \$70.00 against any shareholder who fails to submit a completed Form BOE-266 to the Cooperative as required. The \$70.00 fine may be imposed against the shareholder each year until the completed Form BOE-266 is submitted.

The text of the proposed Rule and purpose is attached to this Notice.

Sincerely,  
Eastern Gardens Board of Directors

Attached:  
1. Purpose and Proposed Rule

## 1. PROPERTY TAX ASSESSMENT - COMPLETION OF FORM BOE-266

### A. Purpose.

Each year, as part of its operational duties in accordance with Article 10 of the Occupancy Agreement, Eastern Gardens Cooperative, Inc. (“the Cooperative”) must file with the Office of the Assessor of Sacramento County (“the Assessor”) an Ownership Statement – Cooperative Housing Corporation (Form BOE-266-E), in order to qualify for the Cooperative’s annual \$7,840.00 Homeowners’ Property Tax Exemption (“Annual Exemption”).

As of January 1, 2014, the Assessor now requires that the Cooperative, in order to obtain the Annual Exemption, also collect and submit a Claim for Homeowners’ Property Tax Exemption (Form BOE-266) (“Form”) completed by each of the Cooperative’s shareholders by February 15 of each year. The Cooperative will lose an exemption in the amount of approximately \$70.00 for each Form BOE-266 not submitted. The Cooperative relies on this Annual Exemption to reduce overhead and to cost-effectively manage and maintain the Cooperative’s property on behalf of the shareholders.

Shareholders must complete and submit this Form to the Cooperative only once, or if they transfer to a different unit. All shareholders should have completed and submitted this Form to the Cooperative by January 31, 2014. Those shareholders who did not complete and submit this Form in 2014, and any new shareholders who bought into the Cooperative in 2014, must complete and submit this Form no later than January 31, 2015. Any new shareholders who buy into the Cooperative each calendar year thereafter must complete and submit this Form no later than January 31 of the following calendar year.

### B. Rule.

#### 1. Completion and Submission of Form

Each shareholder shall complete, sign, and submit to the Cooperative a Form BOE-266. Each shareholder must submit a completed Form BOE-266 to the Cooperative only once, or if they transfer to a different unit. Each shareholder who did not complete and submit a Form BOE-266 to the Cooperative in 2014, and any new shareholders who bought into the Cooperative in 2014, must submit a completed Form BOE-266 to the Cooperative no later than January 31, 2015. Any new shareholders who buy into the Cooperative each calendar year thereafter must submit a completed Form BOE-266 to the Cooperative no later than January 31 of the calendar year following the year of their acquisition.

A copy of Form BOE-266 is attached to this Rule. (A copy of Form BOE-266 will also be provided by the Cooperative, upon request, to any owner requesting a copy in writing, or may be obtained on-line at the Assessor’s website at ([www.assessor.saccounty.net](http://www.assessor.saccounty.net).)

#### 2. Imposition of Fine for Failure to Submit Completed Form

A fine in the amount of \$70.00 will be imposed against any shareholder who fails to submit a completed Form BOE-266 to the Cooperative as required above. The \$70.00 fine may be imposed against the shareholder each year until the completed Form BOE-266 is submitted.