



Nagle Apartments Corp.  
C/o Blue Woods Management Co.  
42 River St, 2<sup>nd</sup> FL  
Sleepy Hollow, NY 10591

**Date: December 14, 2011**

**Regarding: Maintenance fees, assessment and house rules changes for 2012**

Dear Shareholders,

## **Maintenance charges for 2012**

The corporation's cash needs for operations have improved slightly due to savings on water bills, anticipated savings on heat and repairs. The savings on heat and repairs are the direct result of the roof replacement project that is nearing completion. These savings have been used to fund anticipated increases in staff union charges, real estate taxes and other items.

As a result, there is no maintenance increase for 2012: the charge remains at \$6.20 per share per month.

## **Assessment**

Two major building capital replacements and improvements have been completed without requiring additional funds in the form of an assessment from shareholders. This was possible because the corporation owned several rental units which, when sold, is funding or funded capital repairs such as the new windows and the new roofs. We now have only six units left and cannot solely depend on the sale of those units to fund new capital projects.

At the last annual meeting, the Board asked shareholders to vote for a Capital Fund fee to be applied on the sale of units (also known as a "flip tax" or "transfer tax"). The vote to approve that proposal has failed and now the corporation has one less method at its disposal to obtain necessary capital repair funds.

We have two large capital repairs coming up shortly – the roof over the garage and the garage itself. To prepare for those large expenditures, the Board voted to impose an assessment of \$0.155 per share (or \$0.16 per share, rounded) per month to be paid with the monthly maintenance. This is approximately 2.5% of the current maintenance and it will be used to fund Capital projects.

This small assessment will fund only a portion of the upcoming necessary capital repairs and discretionary improvements. Any additional amounts will likely come from additional assessments, sale of rental apartments or loans. The assessment will start with the January bills and it has no end date.

Additionally, the Federal Corporations that guarantee mortgages have imposed rules regarding reserve funding. Housing associations now must have a reserve funding line in their operating budget for 10% of their revenues in order to approve mortgages for purchasers of co-ops and condos. In order to insure that prospective buyers of apartments can obtain mortgages, we need to make sure that we comply. Although this requirement is being imposed from outside the corporation, is it a smart policy and well within our financial plans.

## **Other changes – sublets**

The Board voted to decrease sublet fees for shareholders not currently subletting from \$25 per share for all years to \$15 per share for the first year, and \$25 per share for the second year. Shareholders who are already subletting will be grandfathered into the current fee structure. The Board also voted to rescind the temporary third year out of every six years increase to the sublet limit back to the original policy of two years out of six years for shareholders newly subletting. Shareholders currently subletting are grandfathered into the three year plan.

## **Other changes - deposit on sale of shares**

Last year, the Board imposed a deposit on sale of shares sufficient to cover electric charges which are billed in arrears. The Board wishes to inform all shareholders that the amount of the deposit is \$250. Any remaining amount after the electric charges have been fully billed will be refunded by the management company to the former shareholder.

## **Other changes - storage and Bike Storage**

Additional storage and bike storage will become available in the next few months. Please contact Justin Verret 914-524-8600 ([jverret@bluewoodsmgmt.com](mailto:jverret@bluewoodsmgmt.com)) if you want to be placed on the lists.

## **Staff Holiday Tips**

If you want to give holiday tips to the superintendent or the porters, please do so directly:

- Shahabudeen “Sha” Hayatt since 1996
- Andres Mangual since 2008
- Narine “Ricky” Deolaal since 2008

## **Building security**

Management and the Board wished to remind everyone that the doors are meant to let you in and keep unwanted individuals out. Forcing the door open without a key or propping the door open compromise building security and resident security. If you need extra keys, please contact the superintendent or the building manager.