



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

Date: December 20, 2017

Dear Shareowners,

2017 Yearly Recap and Look Forward to 2018

2017 was a quieter year in terms of large projects after having done the building roofs, garage roof deck, and garage interior over the previous 4 years. In 2018 the focus will be on the lower courtyard and developing plans for a remodel of that space as well as looking into renewable energy sources, particularly Solar Power.

2018 Budget and Maintenance

In order to deal with anticipated increased costs in insurance, real estate taxes and other operating costs, the Board of Directors has voted to increase maintenance costs by 2.5%. Real Estate tax increases is the largest factor considered. The corporation fights the assessed value every year but it remains the single largest uncontrollable operating expense.

In addition, the current capital assessment will continue as 10% of the monthly maintenance. This makes the total increase of 2.75% total cost per shareholder for the year 2018.

The assessment continues our goal of 10% to meet Federal Banking Regulations. Those regulations require us to maintain at least 10% of total maintenance as part of our reserve funds for capital expenditures. So as not to overly burden our shareholders, we have consciously kept our maintenance increases small and gradually built to this 10% goal over the last few years in order to meet these regulations. The 10% assessment is not temporary, it is an important part of permanent prudent financial planning for the coop and assists us in funding necessary capital projects such as the courtyard.

The Board of Directors, the staff and Management wants to wish each of you a fantastic holiday season and a safe, healthy and prosperous 2018!