

TUDOR ARMS OWNERS CORP. SHAREHOLDERS NEWSLETTER

NEWSLETTER DATE: DECEMBER 2011

TUDOR ARMS
OWNERS
CORP.

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2012 OPERATING BUDGET

At a meeting of the Tudor Arms Board of Directors that was held on November 7, 2011; the enclosed 2012 Operating Budget was approved. The 2012 Budget provides for a 3% increase in the monthly maintenance charges. The Fuel Oil Surcharge is being increased to \$2.03 per share and will run 9 months through September 30, 2012.

There are several reasons that it is necessary to increase the maintenance charges.

High Energy Costs - For 2011 oil was budgeted at \$2.50 per gallon. For 2011 year to date, #4 oil has averaged more than \$3.00 per gallon. A difference of more than \$.50 per gallon has resulted in a forecasted operating deficit for 2011. Real Estate Taxes increase each year and Tudor Arms has had a difficult year with regard to building repairs and exterior waterproofing.

Oil Prices Locked – The Board and Managing Agent have been very diligent in looking for other oil suppliers that offer discounts for large volume users. Tudor Arms has established a new business relationship with Hess Oil. Hess Oil is the largest supplier of Oil and Natural Gas in New York. In order to head off another increase in maintenance or a special assessment in 2012, the Board authorized the managing agent to “lock in oil prices” for the 2011-2012 winter heating season. We have been successful! Our oil price has been fixed and budgeted at \$3.00 per gallon for 2012.

Looking Back at 2011 – Over the past year the only major capital improvement that is underway is waterproofing and repairing the exterior walls in the courtyard and north side of the building.

The scope of work includes replacement of window lintels, repointing of the brickwork, repairs and recoating of the stucco, repairs and refinishing the exterior decorative wood. Work will continue as long as weather permits.

Tudor Arms is a beautiful old “English Style” Tudor building with unique architectural details. Because of the age of the building, there will always be exterior maintenance that will be required. We have been very successful in maintaining the exterior of the building throughout the years and eliminating exterior water leaks that could damage the interior of the apartments or building.

The Board and Management have in the past engaged outside engineering services to oversee these very important building maintenance and improvement projects.

Lobby Improvements – Jose Marroquin and staff have completed the renovation of both lobbies at Tudor Arms with new lighting, ceilings, crown molding and finishings.

The improvements are a major change to the building and distinguish the first level of our building as a “lobby” for visitors.

Wicked Weather – 2011 was one of the most difficult years on record with record snow in January and February and one of the rainiest years on record which included Hurricane Irene. At Tudor Arms we were able to battle through these storms.

If the rainstorms were not bad enough, we were also hit with a freak snowstorm in October. The Board would like to take this opportunity to commend Jose and his staff for their tremendous effort during all of these storms.

Heating Oil to Gas Conversion – There is a big push in the heating industry in the New York area to convert buildings that burn fossil fuel to convert to natural gas. Natural gas is cleaner and better for the environment and more energy efficient. The cost to convert Tudor Arms from oil to gas or to a dual fuel system is very costly but could be financed at a very favorable interest rate.

Hess has an Energy Services Division that specializes in gas conversions. Our Managing Agent recently met with representatives from Hess and has initiated the first step at no cost to Tudor Arms. Hess Oil will engage and pay for an engineer to look over our entire heating system and make recommendations and cost projections for a possible conversion. Hess Oil also has the capability to finance this type of capital improvement to the property and also sells natural gas which over the last two years has been less expensive than oil. A future conversion to natural gas or dual fuel could be a win-win for Tudor Arms and could potentially lower our annual heating expense.

COMPACTOR AND RECYCLING – The Board wants to stress that residents in the building are not following our procedures for garbage disposal and recycling.

The compactor on the East side of the building has been badly damaged and requires replacement. The cost to replace the compactor is more than \$8,000. The reason the compactor became inoperative is that residents dump items down the compactor shaft that are not permitted.

Bottles, Glass, Newspapers, empty cans, hard objects like books, cans, cat litter all add to the cause of damage. Only “soft” household wet garbage should be placed in the compactor chutes.

Newspaper, cardboard, boxes and comingled plastic and bottles must be brought down to the garage and placed in the designated containers.

If items are found in the compactor that are “not allowed” we will hold that resident responsible for damage to our equipment.

APARTMENT INSURANCE – DON'T LEAVE HOME WITHOUT IT

A big reason for living at Tudor Arms is our unparalleled record of safety and comfort. However problems do occur from time to time and, when they do, apartment insurance can keep a broken pipe or wiring problem from turning into a financial disaster. The Board of Directors urges all residents to maintain adequate apartment insurance. The cost can be modest, especially when bundled with auto insurance but the savings can be substantial.

WINTER MAINTENANCE TIPS

- **IF THERE IS NO HEAT FROM YOUR RADIATOR, CALL JOSE (914) 337-6968.**
- **COVER WINDOW AIR CONDITIONERS (OR REMOVE THEM) TO PREVENT DRAFTS**
- **PLEASE DO NOT POUR COOKING GREASE DOWN KITCHEN DRAINS**
- **LAUNDRY ROOM HOURS ARE 7:30 AM TO 9:30 PM**
- **PLEASE DO NOT LEAVE CLOTHES UNATTENDED IN THE MACHINES**
- **TEST YOUR SMOKE AND CARBON MONOXIDE DETECTORS**

TUDOR ARMS 2011 SALES

In spite of a very difficult economy and problems throughout the banking industry with regard to mortgage lending, two apartments have been successfully sold this year. We would like to congratulate and welcome the following new shareholders to Tudor Arms.

#47	Nora Kelly
#55	Laura Hernandez

Jose Marroquin and his staff do an outstanding job maintaining Tudor Arms. The floors always shine and the courtyard and grounds are beautiful. We all want Jose and his staff to know that their efforts are appreciated.

Best wishes for a Happy Holiday Season and a Prosperous and Healthy New Year!

