

WESTCHESTER GARDENS OWNERS, INC. SHAREHOLDERS NEWSLETTER

NEWSLETTER DATE: DECEMBER 2011

WESTCHESTER GARDENS OWNERS, INC.

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2012 OPERATING BUDGET

At a meeting of the Westchester Gardens Board of Directors that was held on November 22, 2011; the enclosed 2012 Operating Budget was approved. The 2012 Budget provides for a 5% increase in the monthly maintenance charges and an increase in the monthly parking charges of \$10.00 per month.

The Capital Assessment that is currently in effect will expire on December 31, 2011 and will not be extended.

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

High Energy Costs - For 2011 oil was budgeted at \$2.35 per gallon. For 2011 year to date, #4 oil has averaged more than \$3.00 per gallon. A difference of more than \$.65 per gallon has resulted in a forecasted operating deficit for 2011.

Snow Removal Costs - All buildings have been affected by the snow removal costs from this past winter. In January and February of 2011 it snowed practically every other day. Snow removal costs for 2011 are forecasted to exceed our operating budget by more than \$8,000.

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. Westchester Gardens 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 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.

Parking Charges - The monthly parking charges are being increased by \$10.00 from \$45.00 to \$55.00 per month. The Board believes that the parking charges are still very reasonable and there is a benefit to the shareholders to be guaranteed that there is one assigned parking space for every apartment.

Required Building Repairs - Over the past year there were no major capital improvements made at Westchester Gardens. There continued to be plumbing issues. Plumbing repairs include leaks in the walls and plumbing lines between apartments. There was recently a major replacement of a large section of the building's sewer main system in the basement that was an unforeseen expense. There are waterproofing issues at the rear of the building facing the parking lot. Those apartments affected are being repaired.

Looking Back - 2011 - was one of the most difficult years ever with record snowfall in January and February and one of the rainiest years on record which included Hurricane Irene. At Westchester Gardens we were able to battle through these storms. Management provided extra help and pumps, during Hurricane Irene that avoided any major flooding in the parking lots or basement. There was significant tree damage to the property as a result of the storms that exceeded our budget forecast.

If the rainstorms were not bad enough, we were also hit with a freak snowstorm in October that also caused tree damage to the property. The Board would like to take this opportunity to commend Dominic, Edgar and Luis for their tremendous effort during all of these storms.

Courtyard Sidewalks and Entry Stoops - Although the Board has investigated replacement of the entry courtyard sidewalks, due to the current financial position of the Corporation, the Board felt it best to repair the sidewalk for now and set aside any major replacement.

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, better for the environment and more energy efficient.

Hess Oil has an Energy Services Division that specializes in gas conversions. The Board recently met with representatives from Hess. Hess has initiated a due diligence study at no cost to Westchester Gardens to determine the feasibility and costs to convert to a natural gas or dual fuel heating system. Hess Oil also has the capability to finance this type of capital improvement to the property and 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 Westchester Gardens and could potentially lower our annual heating expense.

WINTER MAINTENANCE TIPS

- **IF THERE IS NO HEAT FROM YOUR RADIATOR, CALL DOMINIC – (914) 664-2565**
- **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**

APARTMENT INSURANCE DON'T LEAVE HOME WITHOUT IT

A big reason for living at Westchester Gardens 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.

WESTCHESTER GARDENS 2011 SALES

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

GC3	Annie Presley
EC3	Camila & Jorge Colorio
KA1	Carol & Mangra Mahabir
FB2	Gladys Mutangadura

Dominic Totino, Edgar Leal and Luis Leal do an outstanding job maintaining Westchester Gardens. The floors always shine and the courtyard and grounds are beautiful. We all want Dominic, Edgar and Luis to know that their efforts are appreciated.

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

