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To: Tenant-Stockholders of
Tudor Arms Owners Corporation

During the calendar year 2016, the corporation paid real estate taxes and interest as follows:

Gross Real estate taxes	\$106,111	*
Mortgage interest	<u>120,817</u>	**
Total	<u>\$226,928</u>	

Since there are 31,525 shares of capital stock of Tudor Arms Owners Corporation issued and outstanding, the amounts deductible per share by each tenant-stockholder for Federal income tax purposes under Section 216 of the Internal Revenue Code are as follows:

Gross Real estate taxes	\$ 3.3659 per share	*
Interest	<u>3.8324 per share</u>	**
Total	<u>\$ 7.1983 per share</u>	

Each tenant-stockholder should multiply the number of shares he owns by the amount indicated above per share, to calculate the real estate taxes which he can deduct on his Federal and New York State income tax returns for 2016. Any tenant-stockholder who purchased or sold his shares during the year should take the appropriate portion that coincides with his months of ownership.

* IF YOU RECEIVED MAINTENANCE CREDITS OR CHECKS FOR ANY NUMBER OF REAL ESTATE TAX REDUCTION PROGRAMS, YOU SHOULD DEDUCT THIS AMOUNT FROM YOUR TOTAL REAL ESTATE TAX DEDUCTION, AND CONSULT YOUR TAX ADVISOR.

** THE INTEREST EXPENSE DEDUCTION TO BE UTILIZED BY THE TENANT-STOCKHOLDER IS TO BE PROVIDED ON I.R.S. FORM 1098 UNDER SEPARATE COVER.

Total outstanding mortgage principal, as of 1/1/16:	\$ 3,136,232
Outstanding mortgage principal per share, as of 1/1/16:	\$ 99.484
Mortgage origination date:	08/26/2015
Principal repaid, per share:	\$ 1.7683

Very truly yours,


Lawrence S. Honigman
Certified Public Accountant