

PATRICIA GARDENS OWNERS, INC. NEWSLETTER

DECEMBER 2025

**PATRICIA
GARDENS
OWNERS, INC.**

Patricia Gardens 2026 Operating Budget and Mortgage Refinance

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It was previously reported that Patricia Gardens successfully refinanced its underlying mortgage, which was scheduled to mature on September 1 of this year. The interest rate on the expiring mortgage was 3.84%. After obtaining several competitive proposals, the Board is pleased to advise that on June 25, 2025, Patricia Gardens refinanced its mortgage with Morgan Stanley.

The new mortgage amount is \$3,750,000 with an interest rate of 5.79%, fixed for a new 10-year term. As a result of the refinance, the Patricia Gardens Reserve Fund now stands at \$1,200,000. This strengthened reserve position provides long-term financial security for the Cooperative and will allow Patricia Gardens to undertake significant future capital improvements without the need for special assessments.

Because the interest rate on the new mortgage is higher than the expiring rate (5.79% vs. 3.84%), Patricia Gardens will experience an increase in its 2026 mortgage servicing costs of \$60,000 per year.

To offset the higher mortgage interest and principal repayment costs, and after meeting with Bill Rank our accountant from Bloom & Streit, the Patricia Gardens Board of Directors has adopted the 2026 Operating Budget, which includes:

- A 5.5% increase in monthly maintenance charges effective January 1, 2026
- A \$10 per month increase in parking fees, also effective January 1, 2026

Shareholders should understand that given the higher interest rate environment, refinancing at a lower rate was not an option. The Board is pleased that we were able to secure a competitive rate with Morgan Stanley and, importantly, to establish a strong reserve fund for the long-term stability of Patricia Gardens. There are other operating expenses that are forecasted to increase next year. Insurance premiums continue to rise. Cooperative have seen their Umbrella Liability portion of the insurance increase by more than 30%. The 2026 budget provides for a 13,000 increase in insurance costs for next year along with forecasted increase in gas heat and general operating expenses.

You may download a copy of the Patricia Gardens 2026 Operating Budget from the Managing Agent's website www.robertorlofsky.com.

Underground Steam Heating Line Replacement

The work to replace the underground steam heating mains between the 1825 and 1829 buildings has been successfully completed. This major capital project required excavating the area between the two buildings, removing the original underground steam piping, installing new insulated steam lines, and fully restoring the site with new grass sod and plantings so that it appears as if no excavation ever took place. This important improvement cost \$120,000 and was paid for entirely from the Patricia Gardens Reserve Fund.

Exterior Brick Wall Repairs and Window Shutter Painting

Exterior brick wall repairs and waterproofing were completed earlier this year. The heavily weathered and faded black window shutters that were repainted look brand new!

Maintenance of the exterior brick walls of a building 75 years old is necessary to prevent water infiltration that could cause damage to interior walls of the building. Additional pointing and brick wall repairs are being considered for next year.

Plumbing Leaks Between Apartments a Major Operating Expense

Plumbing leaks between apartments continue to be one of Patricia Gardens highest repair costs. The aging plumbing system causes leaks between apartments and because of the way Patricia Gardens was constructed it is difficult to access the plumbing service lines without opening ceilings, floor walls and in some cases removing kitchen cabinets to reach the defective piping and make the repair.

A full replacement of the buildings plumbing system is not feasible and the cost would be prohibitive. What is important is for shareholders to immediately report any signs of water leaks including stains on the ceilings in the bathrooms and kitchens. Prompt reporting will permit management to arrange for repairs while minimizing damage between apartments.

Future Capital Improvements

The Board of Directors and Management are evaluating several future Capital Improvement projects that are under consideration and include:

- Additional Repairs to the exterior brick walls
- Replacement of the concrete driveway apron along the side of 1833
- Replacement of the Buildings Intercom System
- Replacement of the round hallway windows and screens
- Modernization of the domestic hot water system
- Restoration of the interior garage walls and ceilings

Quiet Enjoyment of your Apartment

The Patricia Gardens setting is “Communal Living”. We live above, below and next door to our neighbors. Normal noise can travel between apartments that includes walking around your apartment, vacuuming, playing television or music, using an exercise machine, opening and closing furniture drawers, opening and closing external and interior doors and this list goes on.

The Patricia Gardens House Rules require that before 8:00 am and after 11:00 pm, residents should take extra precautions not to make noise that could disturb their neighbors. All residents of Patricia Gardens are entitled to the quiet enjoyment of their apartments. Please be aware and considerate of your neighbors and take steps to minimize noise transmission between apartments.

It is a House Rule at Patricia Gardens that require at least 80% of the bare wood floors to be covered with carpeting or area rugs to reduce noise and sound transmission between apartments. Shareholders that are not in compliance with the 80% carpet requirement would be subject to enforcement to gain compliance.

No Smoking in Common Areas

Residents are also reminded that smoking and vaping is not permitted in any of the common areas of the buildings - this includes the hallways, laundry room and courtyard.

Please Break Down Your Boxes

Now with the holidays upon us, the daily deliveries of cardboard boxes from Amazon, UPS and FEDEX are increasing. Please help us by retrieving your packages from the building's entrances promptly after delivery and do not leave any junk mail on the entry lobby floor. All of the dumpsters have been clearly labeled for Garbage, Cardboard and Recycling of glass cans and bottles. All cardboard boxes are required to be "broken down flat" before placing them in the "Blue" dumpsters. Do not place unflatten boxes in the "Blue" dumpsters.

Patricia Gardens 2025 Sales

In spite of rising interest rates, three apartments were sold this year and we would like to congratulate and welcome the following new Shareholders to Patricia Gardens:

Austin A. Graham
Caitlyn R. Hopkins
Nicholas James Parker

Welcome Elias A. Baez to the Board

The Patricia Gardens Board of Directors is pleased to announce the appointed of Elias A. Baez to serve on the Board of Directors. Elias has been a shareholder since 2019 and is a valued member of our community. Serving on the Board of Directors is a voluntary position and we extend our sincere appreciation to Elias for his willingness to serve and contribute to the continued success of Patricia Gardens.

The Board and Management would like to commend and say thank you to Humberto Sanchez and his wife Maria for their hard work to maintain Patricia Gardens. From cleaning the common areas and grounds, Patricia Gardens is meticulously maintained and always beautiful inside and out.

**Best wishes to you and your family
during the Holiday Season and in the coming New Year!**

