



IMPORTANT NOTICE TO SHAREHOLDERS

As all of you know the price of oil and gas has surged to unprecedented levels. This has put an enormous strain on our budget and will continue to do so in the upcoming year. We estimate that our fuel costs will exceed our 2005 budget by about \$1,000,000. This is serious money and as one of the few co-ops that can burn both oil or natural gas we are always in a position to take advantage of lower fuel prices where and when they become available. In the current climate favorable pricing has not been an option and this will greatly impact our 2006 budget which we haven't even begun to prepare. In addition to this we face the likelihood of significantly higher NYC property taxes due to the city's annual property tax assessment valuation. We are currently fighting this but even with cost cutting and greater use of our reserves for capital construction the need to pay for these rising costs is necessary. Our co-op continues to be in excellent financial condition as a result of decisions made over the years by the board of directors and our monthly maintenance continues to be the lowest of all neighboring co-ops. Our strategy is to deal with this situation in a way that will have the least financial impact on our shareholders. As such, the board for 2006 is considering a couple of options; a surcharge only or a surcharge coupled with a small maintenance increase instead of a larger permanent maintenance increase to cover these costs. The hope is that fuel costs will reach more manageable levels by year-end 2006 thereby negating the need for the larger permanent increase. We may couple this surcharge with the \$400 annual tax rebate and other property tax credits so that the pinch in your pocketbook is as minimal as possible. This will be fully discussed at the next shareholders meeting in which the 2006 budget will be the main focus. This meeting will be scheduled for sometime in October or November and will be announced. We are providing you this information now to keep you fully informed and to give you an opportunity to voice your opinions. We welcome your input on these matters so please write the board or email us at govonyc@aol.com.

If you write and are going to suggest that we manage our boiler systems in some other way than is currently done please keep in mind that our co-op was built in 1948 and we do not have individual apartment thermostats. Each of the 47 boiler rooms must heat multiple buildings. The heat generation must be sufficient enough to provide heat to the last apartment on the run. The only options we have are to turn down our water temperatures and some other internal settings which we have already done and to lower the outside temperature setting at which the boilers turn on. Currently once the outside temperature falls below 55 the boilers kick on. Obviously this setting only affects us in the autumn and the spring when temperatures hover near this reading. In the winter the temperatures are always below this and therefore the boilers are always on. Also, installing new windows is simply too expensive without a multi-year maintenance surcharge specifically designed to cover the multi-million dollar cost of such a windows installation project.

In the meantime, check out our newly launched website at www.glenoaksvillage.com. The website has lots of useful information where you can find the latest co-op news, special board notices, property and interior design photos, an aerial photo of the co-op, forms and applications, maps, newsletters, house rules, etc. The site is under construction and being updated and changed almost daily so please visit it often. We welcome your comments and input.

The Board of Directors

August 31, 2005