



May 25, 2006

**ANOTHER FIRST ONLY HERE AT
GLEN OAKS VILLAGE!**

**THE BOARD OF DIRECTORS OF
GLEN OAKS VILLAGE OWNERS, INC.
ANNOUNCES THE**

**GLEN OAKS HOMESTEAD IMPROVEMENT PROGRAM
VOUCHER INCENTIVE NOTE**

This program was created by the Board of Directors to help shareholders make certain Value Added Improvements to their apartment. We will help you realize your dreams by providing funding for up to 50% of the cost of certain improvements up to a maximum of \$7,500 depending on the improvement being done. Larger amounts for brick façade work necessary for dormer installations may be available up to 50% of the cost of such work. This amount will be paid directly to your contractor once the job has been inspected and approved by Glen Oaks Village. The payback amount which is based on a sliding scale interest rate ranging between 16% to less than 5% per year will depend on the year of pay back. The note does not have to be re-paid to the co-op until you sell or transfer ownership of your apartment, although the co-op retains the right to call in the loan anytime after the start of the 15th year. This means no out-of-pocket costs to you now and when it is time to repay the co-op the proceeds will probably come from the appreciated value of your apartment.

Frequently Asked Questions (also, summary of rules on last page):

How Does the Program Work? The co-op will pay your contractor the specified amount once the alteration has been inspected and approved by Glen Oaks Village. The Voucher Incentive Note (VIN) will not have to be paid back until you sell or transfer your apartment, providing you with years of useful enjoyment of your improvements without having to pay out-of-pocket dollars. The co-op does reserve the right to call in the note anytime after the start of the 15th year.

What \$ Amounts Are Available by the Co-op? The Voucher Incentive Notes or VIN will come in 3 amounts only, \$2500, \$5000 and \$7500. Upon sale or transfer of your apartment or if the notes are called in by the co-op you will be required to payback no more than \$7,000, \$14,000 or \$21,000 respectively. Unlike a conventional loan, you need make any out-of-pocket payments until you sell at which time the re-payment will come from the appreciated value of your apartment. Please see the payback schedule on the next page to find the exact payback amount and the effective interest rate.

What are the Benefits to Me and the Co-op? The benefit to you is that there is no immediate out-of-pocket cost and the actual payment will most likely come out of the

appreciated value of your apartment. The benefit to the co-op is that we leverage a manageable portion of our reserve fund to help you improve your apartment which will increase property values and create future revenue streams for our reserve fund.

What Types of Capital Improvements are Eligible for this Program? There are 4 types of home improvement projects that are eligible. They are 1) Private Entrances – Both Front and Rear, 2) Decks or Terraces (not patios), 3) Windows (no skylights) and 4) Brick walls for dormers.

Why are the Rates Higher in the Earlier Years as Opposed to the Later Years? The board initiated this program as a way to encourage certain types of improvements that the board feels are important to raising property values, improving the quality of life and making our co-op safer place to live. The board has structured the program to promote Long Term Residency by creating a monetary incentive for shareholders to make improvements. That is why the cost of the payback amount decreases dramatically as the length of occupancy increases. However, all participants in this program may pay back the Voucher Incentive Note at anytime.

Why Does the Payback Amount Seem so High?

Because you are only making one payment at the time you sell or transfer your unit. The full payback amount is based on what you would pay if you took out a conventional loan at the specified annual interest rate.

Pay Back Year	GOVO PAYS \$2500	GOVO PAYS \$5000	GOVO PAYS \$7500	Effective Interest Rate
	You Pay Back Amount	You Pay Back Amount	You Pay Back Amount	
1	\$ 2,900	\$ 5,800	\$ 8,700	16.00%
2	\$ 3,350	\$ 6,700	\$ 10,050	15.76%
3	\$ 3,900	\$ 7,800	\$ 11,700	15.98%
4	\$ 4,500	\$ 9,000	\$ 13,500	15.83%
5	\$ 5,000	\$ 10,000	\$ 15,000	14.87%
6	\$ 5,500	\$ 11,000	\$ 16,500	14.04%
7	\$ 6,000	\$ 12,000	\$ 18,000	13.32%
8	\$ 6,500	\$ 13,000	\$ 19,500	12.69%
9	\$ 7,000	\$ 14,000	\$ 21,000	12.12%
10	\$ 7,000	\$ 14,000	\$ 21,000	10.84%
11	\$ 7,000	\$ 14,000	\$ 21,000	9.81%
12	\$ 7,000	\$ 14,000	\$ 21,000	8.96%
13	\$ 7,000	\$ 14,000	\$ 21,000	8.24%
14	\$ 7,000	\$ 14,000	\$ 21,000	7.63%
15	\$ 7,000	\$ 14,000	\$ 21,000	7.11%
16	\$ 7,000	\$ 14,000	\$ 21,000	6.65%
17	\$ 7,000	\$ 14,000	\$ 21,000	6.24%
18	\$ 7,000	\$ 14,000	\$ 21,000	5.89%
19	\$ 7,000	\$ 14,000	\$ 21,000	5.57%
20+	\$ 7,000	\$ 14,000	\$ 21,000	5.28%

Summary of Rules:

1. The Voucher Incentive Note that will be provided by the co-op is limited to 3 amounts only (\$2,500 / \$5,000 / \$7,500) and may not exceed 50% of the cost of your Home Improvement. Larger amounts may be available for brick façade work done in connection with a dormer installation.
2. The Voucher Incentive Note is callable by the co-op at anytime after the start of the 15th year or if the shareholder at anytime defaults on his monthly maintenance payment. This means that the co-op has the right to demand payment of the VIN even if the apartment has not been sold or transferred.
3. To be eligible for this program a shareholder must be in good standing with no arrears of any kind. If shareholder is not in arrears at the time of application, but there has been a pattern of arrears in the past, then there will need to be a 12 month period of on-time payments before eligibility.
4. This program is available for the following four types of Value Added Improvements only at this time: (A) Private Entrances - both front and rear, (B) Decks or Terraces made of brick & limestone or synthetic materials (not patios) (C) Windows (not skylights) and D) Brick walls for dormers.
5. A shareholder is allowed to apply for funds for each different type of improvement. However, a shareholder will be limited to one usage of each monetary level of funds. In other words, one shareholder can participate in the program for a private door entrance, deck and windows installation but will only be allowed to use a \$7,500 payment once if applicable, a \$5,000 payment once if applicable and a \$2,500 payment once if applicable. This means that the maximum amount of funds to be provided any one shareholder is \$15,000.
6. The payback amount is based on a sliding scale interest rate that depends on when the note is paid back.
7. The board will allocate a specific amount of funds for this program and these funds will be disbursed on a first come first served basis. The pay back amount that has been established is subject to modification by the board of directors and the board may at any time and at its sole discretion increase the program funding or terminate it without prior notice.
8. There are no exceptions and no pro-rata adjustments to any payback amount. The payback amount is determined by the elapsed time between the date the funds are transferred to your contractor and the date you payback the note. Any year or portion of a year will be considered a full year for purposes of the payback amount. For example: If the co-op provided \$5000 for your project on June 8, 2006 and you pay it off on July 1, 2007, your payback period is deemed to be 2 years and the payback amount will be \$7000. There will be no pro-rating of any year or portion thereof.
9. Any issues that may arise from this program and have not been covered here will be decided solely by the board of directors.