

LONDON TERRACE

Towers News

VOL. X NO. 3

OCTOBER 2002

EXTERIOR PROJECT UPDATE

In the May issue of this newsletter, we wrote of our plans for the renovation of the street level exterior of our buildings. We had planned on stripping the paint, making what we thought were minor repairs and recoating the buildings with a masonry paint.

As the paint stripping progressed, we got both good and bad news. The good news is that significant portions of the exterior are in better shape than we had thought. The bad news is we discovered several areas - particularly on the corners at the second floor level of the buildings - need structural repair and the surrounding brick and decorative scrolls will have to be removed and either rebuilt or reattached. These areas had been hidden by many layers of paint and concrete patching so the extent of the damage wasn't visible earlier.

We learned that large portions of the limestone would have to be replaced and less serious cracks would have to be re-repaired. We experimented with various methods to remove the ill-advised, previously applied concrete patching. Our original plan no longer made sense...but we had to come up with a new plan that kept us within our budgetary restrictions.

The Board of Directors went back to the drawing board with our engineer and contractor. We decided to abandon plans to recoat the buildings with masonry paint.

We will restore the limestone facade using various methods:

- The corners of the buildings will be rebuilt to the extent necessary.
- The more seriously damaged limestone will be replaced with new limestone blocks. The color of the new stones will be a close match to the existing limestone but it's worth noting that the original limestone has multiple variations in color.
- The less damaged limestone will be re-repaired with better material. In some areas, this may mean that cracks may still be visible but less so.
- The areas which have concrete patches and graffiti will be manually sanded down as close to the original limestone as possible and repaired. We are not certain all the graffiti can be removed but we may be able to address that problem separately later.



- The entire facade will be repointed and power washed.

- The black granite ground level trim will be cleaned and matching granite will be added where there are now other materials or it is simply missing.

- The plan for awnings has been tabled. The cost of manufacturing, installing and maintaining the awnings was deemed undoable at this time. Other decorative improvements (such as the street level brass grills on the Tenth Avenue side) will be priced and reviewed for inclusion in next year's budget.

The contractor, Richardson and Lucas, plans to complete the project by year's end.

We are working hard to minimize inconvenience to residents, store owners and their patrons but, undoubtedly, there will be some. Please be patient. We remain confident that our goals to create a unified, distinctive look for London Terrace Towers will be realized and that the building will regain its original beauty.

WWW.LONDONTERRACETOWERS.COM

When built, London Terrace was one of the largest apartment buildings in the world. To show off its luxurious appointments, a promotional movie was created. Many of you may remember seeing it at the 2000 Annual Shareholder's Meeting. Now, as a result of the hard work of our telecommunications committee, you can see it on our website, www.LondonTerraceTowers.com.

The committee divided the film into six digital files. You will need a Quick Time plug-in to view the movie segments. If you don't have Quick Time, you can download it for free by clicking on the link at the bottom of the page. Due to the large size of the movie files, a high speed Internet connection is required. You may want to download the file and view it at your leisure.

We thank Mark Davies (470) for providing us with the film, Bill Nickel (405) for converting the film to a digital format, Peter Ehrhardt (470) for designing and programming the web page, Stephan Golux (410) assisting with the design and Gary Roth (470) for managing the entire project.

The committee has also made the following additions to the website: -a copy of The London Terrace Tatler, the London Terrace newsletter from 1933;

-a narrative from "Luxury Apartment Houses of Manhattan: An Illustrated History," written by Andrew Halpern; and -the last few years of our current newsletter, highlighting articles which may still be of interest to you.

GOOD NEWS

In the late Spring, the Board of Directors and Management Office became suspicious that our water bills (billed by NYC DEP) were inaccurate. We hired a firm called The Water Group, LLC who specialize in water and sewer billing resolution. They performed site inspections and investigated prior years' billing to evaluate our water delivery configuration.

After numerous meetings and negotiations, The Water Group was successful in securing the agreement of the DEP to cancel erroneous charges and re-bill our account based on their findings. After fees, the building realized a refund of \$79,339.74 which will be in the form of a credit against our future water usage.

405 ROOF

During an inspection by our building engineering firm, KRA Associates, it became clear that the 405 roof was in need of replacement. The parapet walls surrounding the roof area needs attention as well. It was determined that the roof was one of the significant factors in the leak problems in 405.

KRA drew up the specifications and the project went out to bid. Based on previous experience and the price, the bid was awarded to Kay Waterproofing. The job will begin and be completed before winter sets in. This necessary repair was not budgeted for the year 2002 but, after analysis by our financial advisors, it was determined we could do the work.

There may be some disruption to the residents of 405 for a period of six weeks insofar as one of the elevator will be utilized to bring material and workers to the roof each morning and bring them down each afternoon.

COMING SOON ON-PREMISE STORAGE UNITS

The Sponsor has generously agreed to transfer its ownership of additional 405 basement space to the cooperative. The Sponsor did not ask for payment but we will assume the real estate taxes on the space. One of the spaces is quite large and we can now realize our long-standing desire to install convenient, on-premise resident storage.



The Board has signed a contract with Bargold Storage Systems. Bargold will renovate the basement space, custom design a resident storage system, manage and maintain the facility.

Bargold's rental plan doesn't require any cash outlay by LTT and remits 25% of the monthly income to the cooperative.

The units are fully enclosed, keeping the stored items free of dust, vermin free, dry and well protected. The individual units are made with solid steel construction and steel corrugated steel walls and ceilings. The floors are raised off the basement floor to help prevent the possibility of water damage. The doors are solid steel, with sliding steel bolts that can be individually padlocked for security. The units are fitted with a sturdy chrome rod for hanging items.

The units come in two sizes: 3'6"Hx3'Dx4'W and 7'Hx3'Dx4'W. Bargold has priced them at \$30.00 and \$60.00, respectively. Bargold will handle all the billing and has an automatic payment plan.

The do's and don'ts of renting a storage space include:

- You may not store food, items that have an objectionable odor, cause spontaneous combustion, inflammable, explosive or toxic.
- All items must fit within the storage unit and not in the space surrounding the outside.
- It is to be used for residential storage purposes only. Others are not allowed to store items in your unit.
- You must supply your own lock and key.

It is highly recommended that you obtain proper insurance to cover loss or damage of personal property stored in your unit. Do not store jewels, heirlooms, art work, collectibles or other irreplaceable items that have a special or sentimental value.

When the storage facility is completed, detailed information will be sent to each apartment for your consideration. Since there are fewer storage units than there are resident apartments, requests for storage units will be filled by lottery if there are more requests than there are units available. Shareholder requests will be accommodated first. Should there be remaining units available, rental tenant requests will be filled in the same manner.

I think we can all agree that this provides us with a valuable resident amenity with no financial investment on our part.

Services include: spa packages, facial therapies, manicure, pedicure, waxing and massage.

You must present this coupon. This offer cannot be combined with other specials. Valid through 11/30/02

CHELSEA
NAILS AND SALON

Dear Shareholders:

On November 4th, we will be holding the Annual Meeting of Shareholders. It's at this meeting that we elect the nine-member Board of Directors of the residential cooperative. These nine people will also serve on the Board of Managers of the condominium. The commercial unit owners will have a separate meeting at a later date to elect three representatives to the Board of Managers.

The Sponsor has now sold 80% of its shares to date, leaving them with 20% ownership of the residential cooperative. (This number could change before the meeting as there are several pending sales.) This means that we could conceivably add another residential Board member - for a total of seven seats - if enough shareholders vote.

Last year, due to high shareholder participation, residential candidates captured six positions on the Board, for a gain of one seat over previous years. While the Sponsor's representatives have been uniformly helpful and cooperative, they cannot have the same interest in the day-to-day operation of our buildings as those of us who live here.

Our By-laws require that there **MUST** be at least one director from each of our four buildings. To that end, the candidate with the highest number of votes from each building will fill the first four seats. The remaining five seats will be filled by the candidates receiving the highest number of votes, irrespective of their residence and including the Sponsor's representatives. Because the Sponsor always votes ALL of its shares, they are assured of two seats on the Board. Whether they get more than two seats depends on you.

If you are thinking of running for the Board and have questions, don't hesitate to call any member of the Board or Kathy Stanis, our building Manager. New people bring new ideas and new possibilities to the table?maybe you could be one of them.

Yours very truly,

Nancy Frawley
President, Board of Directors
London Terrace Towers Owners, Inc.

THE LONDON TERRACE TOWERS ANNUAL MEETING OF SHAREHOLDERS

will be:

DATE:

Monday, November 4, 2002

TIME:

7:30 PM

PLACE:

The auditorium of Public School 33

ADDRESS:

281 Ninth Avenue,

between 26th and 27th Streets



Published quarterly for LONDON TERRACE TOWERS, INC. under the direction of the Board of Directors. Comments, suggestions and news for publication are welcome. To submit material, contact Edward Maichin or bring it to the Management Office. We reserve the right to edit, accept or reject submissions.

Contact Edward Maichin at: d1maichin@aol.com

RESIDENT BOARD OF DIRECTORS

- | | |
|---------------------------------------|--|
| Nancy Frawley (405)
President | Stephen Sylvester (470)
Treasurer |
| Allen Maniker (405)
Vice President | Wing Kee Kwok (465)
Resident Member |
| Scott Koniecko (410)
Secretary | Thomas Arbuckle (465)
Resident Member |

ARE YOU A CANDIDATE FOR THE BOARD OF DIRECTORS?



If you are interested in standing for election for the Board of Directors, you are invited to prepare a one page bio/resume/statement expressing your willingness to serve on the Board. It must be delivered to the Management Office (405/2E) no later than 5:00 PM, October 15th.

The Office will make copies and distribute them to all shareholders, including nonresident shareholders.

The election ballots will be printed and distributed with the names of all those who announce their candidacies by this date.

Q&S AND AS ABOUT VOTING

How do I find out the number of shares I have?

The number of shares you own can be found in your copy of the Offering Plan, Part II, beginning on page 21. The apartments are listed by building (405, 410, 165, 470) and apartment line (i.e., A, B, etc.). You can also call the Management Office at 675-2000 for that information.

What if I don't do either, can I still vote?

Yes, the information will also be available at the meeting. In fact, if you turn in your ballot without the shares written on it, the electioneer will do it for you.

Are the number of shares I own the same as the number of votes I may cast?

No. Since there are nine seats on the Board of Directors, you are entitled to vote the number of shares you own times nine. EXAMPLE: If you have 550 shares, you may cast (550 X 9) 4950 votes.

How many candidates may I vote for?

You may split your votes any way you choose as long as you don't exceed the number of shares you own times nine. You may vote for as many candidates as you choose. You may also give all of your votes to one candidate.

Is there an easy way to cast my votes?

Yes, you may enter a percentage number on the line next to the name of the candidate(s) you want to vote for. Be sure to use the percentage sign (%) lest the electioneer counts it only as that number of votes!

To whom may I give my proxy?

You may give your proxy to any shareholder attending the meeting. You may also send it to the Management Office by 6:00 PM on the day of the meeting. You may also FAX it to the Office at 212-675-3416.

If I leave the "appointee" space blank on the proxy, how are my share voted?

Your shares will be voted by the current Board of Directors.

Must I vote for a candidate from my building?

No. While the Cooperative's By-laws require that one director be elected from each building, you may vote for whomever you choose.

PROTECTING HOME AND HEARTH: AN INSURANCE OVERVIEW

It's every homeowner's worst nightmare: you come home from work to find your apartment flooded or smoldering from a mysterious kitchen fire. After the initial trauma, there could be worse shocks in store if you're not properly insured.

Homeowners insurance can provide peace of mind owners interested in protecting the place they love and the possessions that fill it. With a wide variety of coverage options to choose from, there is a policy to fit any and all budgets, providing financial protection in the tens of thousands to the millions of dollars.

Despite the importance of proper protection, a full 90 percent of co-op owners are inadequately insured or have no insurance at all, according to Mackoul & Associates, an agency in Lynbrook, NY specializing in co-op and condo insurance. Lack of coverage can be the result of simple confusion over whose policy covers what. Many co-op owners assume that their building's insurance will cover most or all of the damage their unit might incur from a fire, flood, or other catastrophic event. This is a misunderstanding that leaves many homeowners at great risk.

Finding the Right Coverage

Homeowners coverage is basically divided into two categories: property insurance which protects items owned by the insured and liability insurance, which provides protection from actions brought against the insured.

Personal property coverage provides restitution for the loss of a home's contents due to fire, water damage, theft, or a myriad of other unpleasant scenarios. Coverage includes most types of personal property, but likely will not cover luxury items like jewelry, furs, antiques or fine art collections. Art mavens and diamond-lovers need not fear, however proper protection for high-ticket luxuries can be obtained through policy riders.

Improvement and alteration coverage provides a financial safety net for home improvements. Most individuals believe that any improvements made to their apartments—new flooring, renovated kitchen, upgraded cabinets—are covered under personal property protection. Again, this is not the case. When you live in a co-op and you buy a unit with new floors or kitchen upgrades, you're responsible for it, says Barbara Strauss, senior vice president of York International Agency. If someone's bathtub overflows upstairs and water leaks down, damaging your new \$25,000 kitchen, don't look to the building to pay for it.

If the unit owner doesn't have proper improvement and alteration coverage, they may have no alternative but to sue the person who caused the damage. Even that, however, can be a lose-lose situation, according to Strauss. If the upstairs owner has liability insurance [and you successfully sue], she says, you won't be able to collect on replacement cost. Meaning that the liability insurance might pay you an amount closer to the depreciated value of your kitchen rather than the remodeled value, creating a huge gap in the money received versus how much it will cost to actually replace the kitchen.

Replacement cost can be an invaluable addition to any policy. Mackoul says, "If



a homeowner buys a \$5000 Henredon couch five years ago and it gets destroyed in a fire, the insurance company will look at the depreciated cost when they send their check. In that five years, the couch would have depreciated by nearly 50 percent, meaning the homeowner will have to shell out at least \$2,500 of their own money to replace the couch.

Loss of use coverage covers the costs incurred by unit owners and their families if they are forced to live elsewhere during the reconstruction of their apartment. Without this coverage, those costs come out of your own pocket.

A comprehensive personal liability policy is perhaps the most important coverage to have. Personal liability protects homeowners and household family members against lawsuits resulting from injuries to people or damage to property. ?Say you go away on vacation and accidentally leave the toilet running.? Mackoul says. ?Water overflows and damages your downstairs neighbor's apartment. If his insurance company pays off, they'll knock on your door to try and get their share back. It happens all the time.? With personal liability insurance, the homeowner is protected against whatever claims are launched his or her way.

How Much Coverage is Enough?

For many people, buying insurance seems like a waste of money. Why spend for a rainy day that might never come? This kind of thinking, however, can lead to disaster. It just can't happen to you? It can. And if the worst happens, you want to be covered.

Buying basic coverage is a start, but for those who are serious about protecting their possessions—as well as their financial security—it's important to investigate all contingencies. Mackoul believes the bare minimum coverage for a co-op owner should be \$25,000 each for personal property, improvements, alterations, and content with \$300,000 for liability. He also recommends purchasing as much loss of use coverage as possible. A bare-bones policy like this would cost only a few hundred dollars a year.

Don't skimp on the coverage. To keep your costs down, go for a higher deductible. Getting the right amount of coverage means that homeowners must make a careful examination of their possessions. Tally up your possessions by room, adding estimated values. Creating as complete a list as possible will prove invaluable should the home's contents need replacing. Thorough documentation pays off—many insurance brokers recommend keeping photos and videotapes of your property in off-site safe-deposit boxes in case disaster strikes at home.

Holding on to receipts for big-ticket items also helps. Estimates are very subjective. Keep receipts. The better your record keeping, the better off you'll be.

Keeping Current

Keeping your policy up-to-date is another important factor in protecting your co-op. That perfect policy you bought in 1998 might not be so perfect four years later.

Having the proper insurance means not only buying a little peace of mind, but protecting your family and yourself from a future no one can predict.

FRIENDS OF THE HIGH LINE UPDATE

Friends of the High Line (FHL), the 501(c)(3) nonprofit organization dedicated to preserving the High Line rail viaduct for reuse as an elevated pedestrian greenway, has had very productive quarter.

The movement to save the historic, 1.45-mile-long, 6.7 acre structure was featured prominently in both The New York Times and The Wall Street Journal in late August.

FHL's primary focus over the summer has been a feasibility study, guided by the office of the Deputy Mayor of Economic Development and Rebuilding and the Department of City Planning. The study, which is nearing completion, estimates the costs of rehabilitating the High Line and creating a park on its railbed, and compares those costs to the public benefits to be derived from the new public space. It will be presented to the deputy mayor as soon as it is completed and is expected to play an important role in the Bloomberg administration's formation of policy with regard to the High Line.

FHL also has been busy in the courts defending the public's right to reclaim the High Line. FHL defended its court win of March 2002, in which a State Supreme Court judge stopped a demolition proposal from going forward outside of a mandated public review process. Demolition proponents had appealed FHL's win, and FHL, in partnership with the City Council, the Manhattan Borough President, and six Chelsea residents, filed a powerful opposition brief defending the ruling. Court arguments are expected in October, with a decision expected this winter.

In addition, FHL filed a petition with the Surface Transportation Board (STB) in Washington, DC, challenging the 1992 decision which opened the door to demolition proposals. In this petition, FHL asserted that Chelsea has changed so significantly in the past ten years that the decade-old environmental, economic, and historic assessments that formed the basis for the 1992 ?conditional abandonment? are no longer valid. This is a major filing on the part of FHL, challenging the demolition movement at its core.

FHL has also moved to a new office, just steps from the High Line, at the Hudson Guild. A design competition for the High Line will be launched by FHL in late fall/early winter.

For more information about the High Line and FHL's work to save it for public use, please go to: www.thehighline.org.



CHELSEA

NAILS AND SALON

205A Ninth Avenue (between 22 and 23 Streets) 212-741-9988

10% OFF ALL SERVICES

for London Terrace Towers Residents



HEALTH CLUB BY WING KEE KWOK

It's time to return to or join the Health Club! To serve you better, we have extended the weekend hours. On Saturdays and Sundays, the operating hour of the Health Club will ????? Please note that the hours for the Pool will remain the same as before, from 9:00 AM to 6:45 PM.

The entrance to the London Terrace Towers Health Club and Pool have been relocated to the north side of the Pool. The work should be finished by the time you read this notice. This change will provide better security for the facility.

Under our current contract with Iowa Sport, we are provided with 6 classes per week. Additional classes will cost the cooperative extra. For this reason, we keep a record of attendance of all the classes. When the attendance records indicate that a particular class isn't being supported by the members, the class may be rescheduled, replaced or canceled.

Here are some of my tips in using the equipment:

- **"Form" is the very important for exercise training.** On all the Circuit machines, the positions of the seat and restraints determine your form. If you are not sure, you can ask the trainer on duty to check it out for you.

- **"Focusing" is another important factor of the training.** If you fix your eyesight on a particular spot, it should keep your head and body in a fixed position. This is particularly helpful when using the Cross Cable Machine, which is one of the most versatile pieces of equipment in the Club. You can work the entire body on this machine.

- **When you are doing your abdominal training, make sure that your abdominal muscles are in the tensed position.** You should always feel the muscles contracting and relaxing while you perform crunches.

See you in the Health Club to build a healthier and better body!

Gym Hours: Monday through Friday: 6:30am - 10pm, Saturday & Sunday: 9am - 7pm. Pool Hours: (closed Wednesdays) Monday, Tuesday, Thursday, Friday: 6:30am - 10 pm, Saturday & Sunday: 9am - 7pm.

THIS AND THAT AT LONDON TERRACE

The Proprietary Lease of the Cooperative has been extended through December 31, 2079 as a result of the proxies submitted by more than two-thirds of the shareholders. This is a clear example of why shareholder participation is crucial to the operation of the cooperative.

The 470 Roofdeck is open from 9 AM - 5 PM. It is closed from December through March.

Any and all work done by a contractor, including work done by off-duty LIT staff members, must be cleared through the Management Office. Even if you are just painting, reglazing your tub or sanding your floors, you must make arrangements through the Office.

The House Rules prohibit the installation of washers, dryers and garbage disposals in your apartment.

The proprietary lease requires that you give copies of your keys to the cooperative. If you don't want to leave keys in the locked box in your lobby, you can give them to the Management Office where they will be kept in a locked box. If you lock yourself out and our maintenance staff assists you, you will be charged the minimum \$30.00 fee. If you need new locks, the building can replace the bottom cylinder for \$25.00. If you have a top lock, you must make your own arrangements with a locksmith and pay the charges.

Large package (such as TVs, computers) and furniture deliveries will not be accepted by the lobby attendants. You must go through the management office to arrange for delivery through the freight elevators. In addition, you must either be home or have made arrangements for someone to accept it. In the absence of such arrangements, the lobby attendants have been instructed to decline delivery. In addition, lobby attendants have been instructed to return packages left in the lobby for more than 72 hours.

Dog Owners: PLEASE do not allow your pet to urinate on the building or directly in front of the lobby doors. The urine results in unpleasant odors, unsightly stains which are difficult and expensive to remove and an unhealthy environment.

Every other Friday, the water pipes in your building are flushed. This may produce discolored water the next morning. If you see this, run the water in the affected faucet for 15-45 seconds. This will remove the remaining sediment.

The fee for new London Terrace Towers and pool/health club identification cards is \$10.00. Only rental tenants whose names appears on the lease and who reside in apartments owned by the Sponsor are exempt from the fee as a result of the terms of their leases.

NEW RECYCLING RULES



Effective July, 2002, the City of New York changed the recycling program for residents. The Sanitation Department concluded that plastic and glass recycling was more labor-intensive and not cost-effective during this time of budgetary cuts. They reported that the City indicated that this change will be temporary as they investigate a more effective system for glass and plastic recycling.

We distributed this information earlier but it is apparent that many residents have been slow to respond to these changes. It's most important that you follow these guidelines so the cooperative avoids expensive fines from the Department of Sanitation.

What Not To Recycle

- ALL** plastic items, including bottles and jugs
- ALL** glass, including bottles and jugs*
- ALL** beverage cartons, including milk and juice cartons and boxes

What To Recycle

- MIXED PAPER**, including newspapers, magazines and catalogs, telephone books, paper bags, soft cover books, smooth cardboard (shoe boxes, cereal boxes, etc.) and corrugated boxes.
- METAL ITEMS**, including cans, aluminum foil trays and wraps, household metal items (hangers, pots, pans, etc.) and bulk metal (cabinets, etc.).
- ***Please** continue to place bottles in the blue bins on your floor. If they are thrown down the compactor chutes, they can seriously injure staff members. Thanks.