

April 29, 2013

TO ALL SHAREHOLDERS OF
300 West 23rd Street Owners Corp.

Re: **Co-op Tax Abatement**

Dear Shareholder:

As you may know, for the last fifteen years New York State law has provided Real Estate Tax Abatement for co-op and condo owners to help offset a disparity in the way co-ops and condos are taxed as compared to single-family homes. In the past, during the month of April you received a credit on your maintenance bill reflecting your portion of the tax abatement. The Board of Directors has approved, as has been its practice in past years, an assessment in an amount approximately equal to the Real Estate Tax Abatement. The Board's approach of assessing in the same month as the real estate tax abatement has helped to minimize maintenance increases and neutralize the effects to the Corporation due to the uncertainty of New York State tax law and policy swings. The assessment will result in essentially no out-of-pocket expense to qualifying shareholders. You might experience a slight credit or charge due to the calculation of the refund or other refunds you might be entitled to, such as Veterans or STAR.

In January 2013, the state legislature extended the tax abatement program through June 30, 2015. However, the legislature added a retroactive exception. As of July 1, 2012, the tax abatement will be phased out for the owner of any co-op or condo that is not the shareholders' principal/primary residence. Non-qualifying shareholders will lose (i) 50% of their abatement for the 2012-2013 tax year; (ii) 75% of their abatement for the 2013-2014 tax year; and (iii) 100% of their abatement for the 2014-2015 tax year. The Department of Finance (the "DOF") recently notified certain shareholders that it believes they no longer qualify for the abatement. However, whether you continue to qualify or the DOF makes a final determination of ineligibility for the tax abatement, each shareholder will continue to receive the full amount of the yearly tax assessment.

Please be advised that all shareholders will be initially credited 100% of the abatement on your May 2013 maintenance bill. However, if you have been so notified by the DOF, and the DOF determines that your apartment is no longer eligible for the tax abatement, then your tax abatement will be reduced as described in the paragraph above. When the DOF makes a final determination of ineligibility, the corporation will bill any non-qualifying shareholder for 50% of their abatement they received on their May 2013 maintenance bill for the 2012/13 year as another assessment. We do not know when the DOF will make its final determination, but we are required by law to return the abatement prior to June 30, 2013.

Please refer to the enclosed DEPM Spring 2013 Newsletter for additional information on the New Tax Law and other informative items. If you have any questions, please do not hesitate to contact me.

Sincerely,

DOUGLAS ELLIMAN PROPERTY MANAGEMENT



Steven Salargo

Account Executive

enclosure: DEPM Spring 2013 Newsletter

cc: Board of Directors



New Tax Law May Affect You

On February 1st, Governor Cuomo signed legislation extending the Co-op and Condo Property Tax Abatement Program. This abatement program, which is administered by New York State legislature, is applied in the form of a reduction to a condo's tax bill or to a co-op's real estate tax invoice, which is, by law, passed on to all eligible shareholders of the co-op as a credit. Many co-op buildings also implement a capital assessment at the same time the abatement is given; in this way money is raised "painlessly" for the operation of the building or for building improvements.

While the extension is great news for apartment owners, there are important changes to this law that may affect your taxes. The new law states that apartments not used as a primary residence are no longer eligible for the abatement. The law also treats apartments held in Trusts, by an LLC or Corporation as non-primary residences, and therefore not eligible for the abatement. If your apartment falls into either category, your abatement will be phased out over the next two years.

If you received a letter from the NYC Department of Finance (DOF), stating that your apartment is no longer eligible, you may respond to the City if they are in error. Otherwise you will begin to see your tax abatement gradually reduced over the next few tax periods.

Continued on Page 2

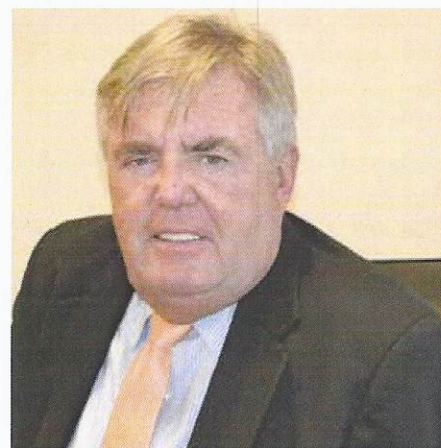
Energy Purchase Agreements: Electricity, Natural Gas & Fuel Oil

By Jim O'Connor, President, DEPM

Following up on the comprehensive energy purchasing program initiated last year, the DEPM Energy Team has recently conducted a new round of auctions for electricity and gas for our managed properties. The resulting master and individual building contracts consolidate the savings obtained last year and bring the pricing to new low levels for our clients.

The core of our strategy lies in aggregating the usage of our managed properties to leverage our purchasing power and position us to offer the lowest energy pricing to each property. We preselect high performing and financially stable (Fortune 500) energy supply companies to participate in the auctions. The latest round can be summarized as follows:

- Our electricity auction for more than 200 million kilowatt-hours of electricity brought a reduction in electrical cost over last year's contracts of more than \$2.6 million.
- The natural gas supply purchasing program of more than 6 million therms of gas will bring additional savings over the contract term of over \$1.1 million. savings of more than \$4.1 million across the portfolio and over the term of the contracts.
- The negotiated price reductions on more than 10 million gallons of oil



continues to bring our buildings over \$400,000 in savings annually.

As a result of this program, DEPM-managed buildings will receive the lowest pricing for these energy commodities obtainable for multi-family buildings in the New York City region. The price reductions take effect when the current contracts expire at the end of the second quarter or early in the third quarter of this year. The result will be net savings of more than \$4.1 million across the portfolio and over the term of the contracts.

The DEPM Energy Team will continue to strive to ensure the best possible energy pricing for our buildings, taking advantage of current market trends and locking in these beneficial positions with contractual commitments. Any questions on our energy purchasing programs may be directed to energy@ellimanpm.com. ❖

New Tax Law May Affect You
Continued from Page 1

SUMMARY

A. It is important that you review and consider contesting any DOF findings concerning your alleged ineligibility to receive an abatement directly with the DOF. DEPM cannot undertake this task for any resident.

B. For co-ops, DEPM will be posting the tax credits for tax year 2012/2013 in May 2013 following the unit by unit report which we received from the DOF.

C. We will be billing back ineligible credits for co-op units for 2012/2013 pursuant to DOF directives as soon as that information is received. Condo unit owners will have their July 2013 bills directly adjusted by the DOF.

D. The City will phase out the abatement of any Resident who was sent a DOF eligibility application and did not respond to contest the DOF's ownership records.

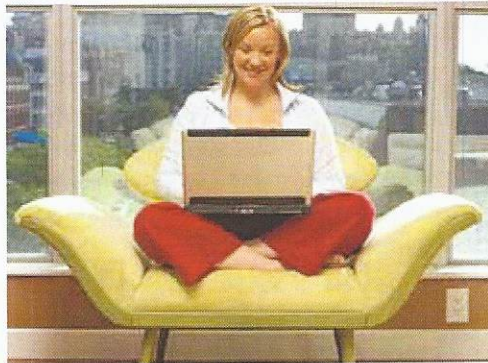
For more information, dial 311 or visit http://www.nyc.gov/html/dof/html/property/coop_condo_abatement.shtml

Oil-to-Gas Conversion Update

NYC's Clean Heat initiative bans the use of No. 6, and eventually No. 4, heating oil, which are responsible for 85 percent of all the soot pollution from buildings. The 10,000 buildings in NYC currently using these "heavy" oils must convert to a cleaner form of heating fuel by the middle of 2015 if they are using No.6 oil and 2030 for No. 4 oil.

Many buildings are switching from oil-burning boilers to dual fuel or natural gas boilers, a change that will not only help reduce pollution, but will result in significant fuel savings as well. Buildings that use 100,000 gallons of No. 6 oil per year can save over \$100,000 each year on their fuel costs by switching to gas, based on 2012 oil and gas prices. The City has been working with Con Ed, the Environmental Defense Fund, and several banks and organizations to help buildings meet the deadlines, and finance these costly conversions. Currently, Con Ed is using "Area Growth Zones" to offer reduced or no cost gas service to buildings that want to convert to gas heat. DEPM is working with our client buildings to get applications in by the deadlines in order to get Con Ed on the job as quickly and cost-effectively as possible.

For more information on program requirements, deadlines and assistance, contact your manager or visit NYCcleanheat.org, coned.com/gasconversions or edf.org/cleanheat. ❖



Save Time and Go Green With Electronic Statements

In an effort to save costs and paper, DEPM recently made Monthly Financial Statements available electronically. This means that board members do not have to sift through a 30-page document each month, but can look at the information on their computers whenever they want. It also makes it easy to save the Financials for future reference. To join the electronic revolution, please contact Pam Prior at 212-692-8429 or email estatement@ellimanpm.com and ask to switch to electronic statements. ❖

Bedbugs & Your Building



BEDBUGS? Unfortunately, bedbugs are an issue everywhere, and New York is no exception. As soon as we get a report of bedbugs, we send in the professionals to do a thorough visual inspection and bring in the specially trained bedbug-sniffing dog. They search the apartment in question and all contiguous units. If needed, we implement an extermination program immediately. If you suspect bedbugs are in your building, contact your manager ASAP. ❖

Spring Newsletter

published by
Douglas Elliman Property Management
675 Third Avenue,
New York, NY 10017
212-370-9200

www.facebook.com/DouglasEllimanPropertyManagement

info@DouglasEllimanPM.com

DouglasEllimanPM.com



Visit our blog at
douglasellimanpropertymanagement.wordpress.com

Managing the
Finest Properties Since 1911



LIKE US ON FACEBOOK!

Keep abreast of money-saving tips, DEPM management info, ways to improve your building, special offers, contests and more! Please "Like" us today on Facebook.

www.facebook.com/DouglasEllimanPropertyManagement