

300 West 23rd Street Owners Corp.

July 15, 2010

All Shareholders
300 West 23rd Street Owners Corp.
300 West 23rd Street
New York, NY 10011

Re: 2010 Mid-year Maintenance Increase and Special Assessment

Dear Fellow Shareholders:

As we have outlined at the annual meeting in late June, the Co-op passed only a modest maintenance increase of 4.5 % (similar Co-ops averaged 10% up to 25%) in the 2010 budget effective January 1, 2010 which left the budget with a deficit largely caused by the increase in real estate taxes. Tax increases are generally not known at the time Co-ops prepare their operating budgets and as we mentioned at the annual meeting the real estate tax increases far exceeded the maintenance increases in the past five to ten years. Every year the Co-op challenges the assessed value of the property and the taxes that are based on these assessments. However, the City, as you know, continues to increase the tax rates every year. Our operating budget is enormously and adversely affected by the real estate taxes that make up about 32% of all our operating expenses. Even though we closely monitor all maintenance expenses the tax number is so large that it obliterates almost any savings we achieve. Therefore it is now necessary to **raise maintenance 4.4% effective August 1, 2010** to cover approximately \$54,000.00 of the projected shortfall of \$130,090.00. Please be reminded, as presented at the annual meeting, the other impactful way we found to control the yearly increase in our operating budget and maintenance is to sub-meter the electricity since it's approximately 7-10% of the operating budget. We will be issuing another amendment ballot soon to allow the electricity for each apartment to be sub-metered and be removed from the operating budget and in your control.

We have also approved a **special assessment of \$10.00 (ten dollars) per share over twelve (12) months starting August 1, 2010 and ending July 1, 2011**. This assessment is intended to help cover the remainder of the short fall, build reserves to satisfy our mortgage lender's requirements, and start a small reserve fund for future capital improvements. Again as discussed at the annual meeting, we have had three to four major and required capital improvement projects over the last ten (10) years totaling approximately \$3.5 million which shareholders were never assessed for.

As you can imagine this decision, which was made unanimously at this week's regular Board of Director's meeting, was difficult as we appreciate that we are all still coping with difficult financial times. But after extensive discussion and advice from the Co-ops' financial experts, it is the fiscally responsible decision meant to protect the biggest investment most of us have.

If you have any questions please do not hesitate to drop a note at the front desk and we will respond to you as soon as we can.

Sincerely,
Board of Directors