



November 24, 2020

Shareholders
300 West 23rd Street
New York, NY 10011

Re: 2021 Maintenance Increase

Dear Shareholders:

The Board, the building accountant Michael A. Rozycki, and the team of Amelia Ahne, Marylou Tapalla, and Darcy Green at Douglas Elliman Property Management (DEPM) met via a zoom videoconference for the annual year-end budget meeting and discussed the 2020 income and expenses and the 2021 projected budget.

After reviewing savings in the projected expenses for 2020 from continued attention to costs and reduction of expenses like the cost of oil; discussing the current and future economy of the city, state and country; and most importantly, considering the financial difficulties facing our city and shareholders and the well-being of our cooperative, we are extremely happy and excited to announce:

There will be NO maintenance increase effective January 1, 2021.

We also wanted to bring to your attention that the building charges an annual operating assessment to all shareholders that is on the scale of about \$330,000. Every year, the assessed amount is divided by the total number of shares in the Cooperation to get a price per share. Each apartment is then charged based on the number of shares for their apartment. In years past and for 2021, there is an abatement, or credit, that goes to shareholders who qualify as NYC primary residents that largely offsets the cost of the assessment. Both the assessment and abatement credit typically appear on your June Maintenance Statement. As the NYC Coop abatement program is set to expire on 6/30/2021, there is a good chance that it will not be extended going forward because of the financial crisis. This means shareholders that qualified for this annual tax abatement would no longer receive it and would have to pay their full annual operating assessment (this year coming to nearly \$9/share) as some shareholders are already doing because they do not qualify for the tax abatement. If not an abatement as we have been doing for many years, this would represent an increase of up to 8% of maintenance. We thought it was a good idea to bring this to your attention sooner than later so it doesn't come as such a huge surprise. The Board is discussing a few options to possibly "soften the blow" to shareholders in the first year without an abatement, likely in 2022. Once we receive further updates / confirmations from the NYC DOF, we will distribute that information to all of you.

Please be assured, we will continue to work conscientiously to balance our fiscal responsibilities now and in the new year of 2021.

The Board would like to take this opportunity to wish all fellow shareholders and residents a joyous holiday season and prosperous new year.

Sincerely,

Your Board of Directors

cc: Amelia Ahne
Michael Ryan