



November 22, 2022

Shareholders
300 West 23rd Street
New York, NY 10011

Re: 2023 Maintenance Increase

Dear Shareholders:

As explained at past annual shareholders meetings, your Board of Directors sets maintenance charges to meet the annual operating costs of the building. We take seriously our responsibility to all shareholders, including ourselves, to carefully scrutinize all spending while seeking to maintain the quality of our living environment and to protect our investment.

It should come as no surprise that the Corporation's operating expenses tend to increase every year primarily due to cost of living increases. Certain expenses like mortgage interest on the building, real estate taxes, and unionized labor make up a substantial part of the operating budget and are not under our control. Other costs that are now increasing at double digit projected rates include building insurance (20% increase) and the building utilities (including increases in heating oil of 14%, electricity 12%, gas 20%, and water & sewage 4%). As we are able to influence our utility usage, your Board would like to urge all shareholders and residents to be conscious of their individual utility consumption. Your usage directly affects the annual budget and maintenance increases.

The Board, the building accountant Michael A. Rozycki, and the team of Douglas Elliman Property Management (Amelia Ahne, Marylou Tapalla, and Darcy Green) met via Zoom videoconference for several hours to discuss the 2022 income and expenses and the 2023 projected budget. After deliberation, the Board has adopted an operating budget that requires a **maintenance increase of 3.75% effective January 1, 2023**. While we understand that any increase in maintenance may be difficult, we believe responsible financial management requires that maintenance charges cover projected operating costs. We are pleased that the increase for 2023 is still in line with past years' increases, which generally range between 2.5% to 3.5%, and not with what a lot of other buildings are experiencing with double digit maintenance increases.

Please remember, if you are currently on Auto-Payment for your monthly maintenance, you must adjust your 2023 payment amount to avoid a monthly late fee of \$100.00.

However, if you have set up Full Balance Payment through Click Pay (vs. a fixed amount), the new maintenance amount will be charged automatically. Log into your Click Pay account and look at AutoPay settings if you are unsure of your selected payment option. In any case, it is your responsibility to ensure adequate funds are available to meet your monthly payment requirements.

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

Sincerely,
Your Board of Directors

cc: Amelia Ahne
Michael Ryan