

SPECIAL MEETING

March 17th, 2011

To All Shareholders:

There will be a Special Meeting to vote to amend the Proprietary Lease on April 4th, 2011 at 7 p.m. at the Birch Wathen Lenox School as per the notice enclosed. The Board of Directors voted to take this action on the advice of management and counsel in an effort to increase revenue and align 308 Owners Corp. with the norm of our neighborhood.

If passed, a Flip Tax of 1.5% of the gross proceeds of the sale of an apartment will be paid by the selling shareholder. See the enclosed proxy and amendments for more detailed information.

As per the amendment, the Flip Tax of 1.5% would apply to any sales application received by the Corporation from and after September 1st, 2011. This date was selected in an effort to enable shareholders planning to sell in the Fall to take the new Flip Tax into account. The Corporation historically hasn't had many sales in the Summer.

We urge you to sign and return the enclosed proxy immediately even if you plan to attend the meeting. If you attend the meeting you can always withdraw your proxy at any time.

In addition to the paper proxy, all shareholders with a valid email address on file with management will receive by email an electronic proxy OR any shareholder can logon to <http://www.308east79.com/flip-tax-vote> and follow the simple directions to submit your proxy online. Vote!

THE APPROVAL OF THE HOLDERS OF RECORD OF SEVENTY FIVE (75%) PERCENT OF THE OUTSTANDING SHARES IS REQUIRED TO AMEND THE PROPRIETARY LEASE TO ADOPT THE FOREGOING AMENDMENTS. THE REQUISITE BOARD APPROVALS FOR ENACTMENT HAVE ALREADY BEEN OBTAINED.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ADOPTION OF THESE AMENDMENTS

Please return your signed proxy immediately in the enclosed envelope to the front desk or attach first class postage and mail the proxy to:

Susanna G. Traverzo - Property Manager
Douglas Elliman Property Management
675 Third Avenue
New York, NY 10017

Please direct any questions to Susanna at 212-692-8430 or by e-mail: susanna.traverzo@ellimanpm.com

Thank you for your participation,

Board of Directors

**308 OWNERS CORP.
308 East 79th Street
New York, New York**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
April 4, 2011**

NOTICE IS HEREBY GIVEN that a Special Meeting of the Shareholders of 308 Owners Corp. (the "Corporation") will be held at Birch Wathen Lenox School at 210 East 77th Street, New York, New York on Monday, April 4, 2011 at 7:00 p.m. for the sole and express purpose of:

Considering and acting upon a proposal to amend Paragraph 16 (a)(iv) of the Corporation's Proprietary Lease and Article V - Section 5 of the Corporation's By-Laws to change the transfer fee on sellers (other than sellers involved in certain specified transactions), in an amount equal to one and half (1.5%) of the gross proceeds of any apartment sale application that is received by the Corporation from and after September 1st, 2011, as described in the accompanying proxy statement.

Shareholders of record at the close of business on April 1, 2011, shall be entitled to vote at the meeting.

In order that the Corporation can be assured of a quorum and avoid the expense of further solicitation, please return the enclosed proxy to the attention of Howard Broxmeyer of Douglas Elliman Property Management in the enclosed self-addressed stamped envelope. If you are able to attend the Meeting, your proxy can be cancelled and you may vote your own shares.

YOU ARE URGED TO SIGN AND RETURN THE ATTACHED PROXY SO THAT THE CORPORATION CAN AVOID THE EXPENSE OF RESOLICITING IT.

Very truly yours,

308 OWNERS CORP.

By: _____

PROXY

**308 OWNERS CORP.
SPECIAL MEETING OF SHAREHOLDERS – APRIL 4, 2011**

The undersigned shareholder(s) of 308 OWNERS CORP. hereby appoints the Board of Directors as proxy with full power of substitution to vote all the shares the undersigned is entitled to vote at the Special Meeting of Shareholders held at Birch Wathen Lenox School at 210 East 77th Street, New York, New York on Monday, April 4, 2011 at 7:00 p.m. and at any adjournment or adjournments hereof, hereby revoking all former proxies.

VOTING FOR OR AGAINST THE AMENDMENT

Each shareholder has the option of voting "For" or "Against" the amendment by checking the appropriate line in item and signing the Proxy.

To consider and act upon a proposal to amend Paragraph 16 of the Corporation's Proprietary Lease and Article V - Section 5 of the Corporation's By-Laws to change the transfer fee on sellers (other than sellers involved in certain specified transactions), in an amount equal to one and half (1.5%) of the gross proceeds of any apartment sale as described in the accompanying proxy statement.

For _____ Against _____

APARTMENT NO. _____ (L.S.)

NO. OF SHARES _____ (L.S.)

Signature(s) of Shareholder(s)

Dated: _____, 2011

YOU ARE URGED TO SIGN AND RETURN THIS PROXY IMMEDIATELY, WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING OF SHAREHOLDERS. IF YOU ATTEND THE MEETING YOU CAN WITHDRAW YOUR PROXY AT THAT TIME.

PROXY STATEMENT
Special Meeting of Shareholders – April 4, 2011

308 OWNERS CORP.

[Proposed language is underlined
Deleted language is represented by ^]

Proprietary Lease Amendment:

Assignment

16. (vi) A “transfer fee” is paid to the Lessor in an amount equal to one and half (1.5%) percent of the gross sales price of the shares, provided, however, in the event there is an assignment or transfer that is without consideration or not at arms length (as hereinafter defined) the “transfer fee” shall be one and half (1.5%) percent of the “imputed sales price” (as hereinafter defined) in connection therewith. Any approval given by the directors to the assignment or transfer of this lease shall, if not so expressly stated, be deemed conditional upon receipt of the “transfer fee” provided for in this section. No assignment or transfer of this lease shall take effect as against the Lessor for any purpose until the transfer fee provided for in this section has been received by the Lessor.

Notwithstanding the foregoing, no “transfer fee” shall be collected for transfers between a Lessee and (i) the Lessee's spouse or domestic partner; (ii) a trust, including, but not limited to, a Qualified Personal Residence Trust (as defined in Treasury Regulation §25.2702-5(c) on the date of the enactment hereof) or a grantor trust, provided that under the terms of the trust instrument the only permitted occupants of the apartment are the trust grantor or the spouse of the trust grantor; or (iii) the Lessee's estate, a Lessee's heirs and/or beneficiaries. Prior to the closing, the Lessee shall provide the Board of Directors with the documents required to verify all relevant information.

Assignments or transfers 'without consideration or not at arms-length' shall be deemed to include, but not be limited to:

- (1) assignments and transfers by bequest or intestate succession to a person who is not the spouse or domestic partner of the deceased Lessee;
- (2) assignments and transfers by operation of law to a person who is not the spouse or domestic partner of the Lessee; and
- (3) all other assignments and transfers that are not by the terms of this section exempted from the transfer fee provided for herein and occur (a) by operation of law, (b) without a change in record ownership of this lease and the shares of the Lessor to which it is appurtenant, or (c) without a change in beneficial ownership of this lease and the shares of the Lessor to which it is appurtenant.
- (4) assignments to trusts or from trusts not otherwise described in this section.

The term, 'imputed sales price' shall mean (i) for transfers made without consideration as the result of the death of a Lessee not to a spouse or domestic partner of such Lessee, the value of the apartment set forth on the deceased Lessee's Federal Estate Tax Return, if any; and (ii) if no

Federal Estate Tax Return is filed by the estate of the deceased Lessee and in all other instances, the value determined by an MAI appraiser selected by the Board of Directors of Lessor and the transferor. Notwithstanding the previous sentence, if the Board of Directors of Lessor and the transferor cannot within fifteen (15) days after the request by the transferor to transfer the apartment, agree on an MAI appraiser, then the determination of an MAI appraiser selected by the Board of Directors of Lessor shall be conclusive. All costs and expenses of the MAI appraiser shall be paid by the transferor.

By-law Amendments

Article V - Section 5. Fees on Assignment.: The Board of Directors shall have authority before an assignment or sublet of a proprietary lease or reallocation of shares takes effect as against the Corporation as lessor, to fix a reasonable fee to cover actual expenses and attorneys' fees of the Corporation along with a "transfer fee" equal to one and a half (1.5%) percent of the gross sales price paid (or imputed) for the assignment, a service fee of the Corporation and such other conditions as it may determine, in connection with each such proposed assignment.

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