

350 BLEECKER STREET
NEW YORK, NEW YORK 10014

Apartment Corporation:
350 Bleecker Street Apartment Corp.

Sponsor:
Bleecker Charles Company

Selling Agent:
Kenneth B. Newman Realty Corp.

SEVENTH AMENDMENT TO
COOPERATIVE OFFERING PLAN

This Amendment modifies and supplements the terms of the Offering Plan dated December 31, 1984 (the "Plan"), as amended by First Amendment dated January 22, 1985, the Second Amendment dated February 28, 1985 and filed by the Department of Law on March 12, 1985, the Third Amendment dated April 5, 1985 and filed by the Department of Law on April 11, 1985, the Fourth Amendment dated May 1, 1985 and filed by the Department of Law on June 26, 1985, and the Fifth Amendment dated August 19, 1985, and filed by the Department of Law on September 18, 1985, and the Sixth Amendment filed by the Department of Law in December, 1986 as follows:

1. Annexed hereto as Exhibit A is the asbestos report which Sponsor has had prepared pursuant to the Sixth Amendment, paragraph C.

2. Appellate Division affirmed the lower court's decision on appeal and therefore the Sponsor will have no obligation to escrow money or to do the work. The Attorney General has indicated he will not further appeal. (Refer to the Sixth Amendment to the Plan.)

3. The purchasers and subscribers have a right to postpone their closing for 30 days from the date that this amendment is served. (Refer to the Sixth Amendment to the Plan.)

4. Annexed hereto as Exhibit B is a schedule of unsold units. The purchase price of such units remains at \$1,000.00 per share. Occasional sales may be made at negotiated prices other than \$1,000.00 per share. Mortgage allocations remain as indicated in Schedule A of the Offering Plan, however, maintenance charges are now \$3.66 per share per month.

5. A contract of sale for sales of unsold shares will be in the form annexed as Exhibit C.

6. The Sponsor is Bleecker Charles Company, a limited partnership with offices c/o Kenneth B. Newman, located at

535 Fifth Avenue, New York, New York 10017. The Sponsor holds 10,563 shares of the 17,202 issued shares of the Cooperative Corporation. However, the Sponsor does not control the Board of Directors as indicated in the Sixth Amendment.

7. The Cooperative Corporation's current budget is annexed as Exhibit D.

8. The Cooperative Corporation's 1986 financial statement is annexed as Exhibit E.

9. There are no other material changes in the terms of this Offering Plan.

Dated: July 29, 1987

BLEECKER CHARLES COMPANY

SPONSOR

NATIONAL TESTING LABORATORIES, INC
27-14 39th AVENUE • LONG ISLAND CITY • N.Y. 11101
(718) 784-2626

Kenneth Newman Realty
535 Fifth Avenue
New York, N.Y. 10011

Attn.: Ms. S. Lemanto

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Survey of Building at
350 Bleecker Street, N.Y.C.

6 January 1987
Ref. No. 20954



THIS REPORT IS THE CONFIDENTIAL PROPERTY OF THE CLIENT, AND INFORMATION CONTAINED HEREIN
MAY NOT BE PUBLISHED OR REPRODUCED WITHOUT OUR WRITTEN PERMISSION.

NATIONAL TESTING LABORATORIES, INC.

The purpose of this survey was to determine, to the extent possible, the presence of asbestos containing material (ACM) at 350 Bleecker Street, New York City, a six story building containing 135 units.

Our Inspection of the building was performed on December 24 1986 and we were accompanied by Mr. Mike Cruz, the building Superintendent.

The following apartments were made accessible to us :

1 : Apt. LG
2 : Apt. 1P
3 : Apt. 1S
4 : Apt. 2H
S : Apt. 2U
6 : Apt. 2X
7 : Apt. SD
8 : Apt. 3S
9 : Apt. 3T
10: Apt. 3W
11: Apt. 4N
12: Apt. 4S
13: Apt. 5G
14: Apt. 5H
15: Apt. 5L
16: Apt. 5T
17: Apt. 6H
18: Apt. 6P
19: Apt. 6V
20: Apt. 6X

Our inspection revealed that none of the apartments inspected contained any ACM (asbestos containing material) considered as representative in this building.

The following locations in the basement were inspected :

A. Boiler Room

The boiler casing (Sample No. 1) was in good condition.

The pipe covering (Sample No.2) on the cold water riser was in poor condition.

Approx. 25 L.F.

The insulation on the overhead section of the cold water line was in fair condition.

Approx. 125 L.F.

The condition of the insulation on the steam supply line (Sample No. 3) was in good condition.

B. Hallway (Outside Boiler Room)

The pipe lagging on the overhead cold water line was in good condition.
Approx. 10 L.F.

C. Meter Room

The insulation sleeve (Sample No. 4) on the overhead steam supply line was in fair condition, at the rear of the room the sleeve was poorly fitted to the steam line.
Total : approx. 45 L.F.

D. Hallway (Outside Meter Room)

The pipe lagging on the overhead water line was in good condition.
Approx. 10 L.F.

E. Laundry Room

The pipe lagging on the overhead water lines (Sample No. 5) was in good condition.
Approx. 40 L.F.

F. Superintendent's Office

The overhead pipe insulation on the steam and cold water lines was in good condition.
Approx. 15 L.F.

G. Hallway (Outside Office)

The pipe lagging on the overhead supply lines was in good condition.
Approx. 35 L.F.

H. Porter's Office

The pipe lagging on the overhead supply lines was in good condition.
Approx. 35 L.F.

I. Storage Room

The insulation sleeves on the overhead steam and water lines was in good condition.
Approx. 100 L.F.

J. Garage

The insulation on the water and steam supply lines was in good condition.
Approx. 500 L.F.

K. Luggage Room

Front of room : The insulation sleeves on the overhead supply line was in good condition.
Approx. 60 L.F.

Rear of room : The pipe lagging on the steam line was in good condition, but was poorly fitted to the pipe.

Although the condition of the insulation is good, the poor fit could be the cause of a potential source of airborne fibers.

The insulation on the cold water line in the tank area was in fair condition, (Sample No.6).
Approx. 85 L.F.

Analysis of Samples :

The samples taken, considered to be representative of the various types of insulation sleeves found to be present, were subjected to a polarized light microscopic (PLM) examination in accordance with EPA-600/M4-82-020 method, and the concentrations were estimated. The following results were obtained :

<u>Sample</u>	<u>Area/Location</u>	<u>Estm.%</u>	<u>and Type Asbestos</u>
1	Boiler Rm/casing	15 %	Chrysotile
2	Boiler Rm/cold water	32 %	Chrysotile
3	Boiler Rm/steam	35 %	Chrysotile

<u>Sample</u>	<u>Area/Location</u>	<u>Estm.%</u>	<u>and Type Asbestos</u>
4	Meter Rm/steam	30 %	Chrysotile
5	Laundry Rm/water	35 %	Chrysotile
6	Luggage Rm/cold water	36 %	Chrysotile

Definition of Terms :

Good Condition : No evidence of surface deterioration.

Fair Condition : Some surface damage or exposed edges of insulation sleeves.

Poor Condition : Severe surface damage exposing fibers and creating a potential source of airborne fibers.

Summary : (Ref: EPA Report 560/5-83-002)

The likelihood of fiber release from ACM is based on evaluating its current condition and the potential for future disturbance, damage or erosion.

Boiler and pipe insulation :

If the insulation is intact, without any physical damage - no further action is required.

If the insulation is damaged in small areas it should be repaired.

If the damage is extensive, and portions of the ACM are hanging loosely from pipes - immediate removal is essential.

Conclusions and Recommendations :

Based on the above described inspection and the test data we are of the opinion that no work is required in the apartments.

In the basement the following work should be performed :

Boiler Room

Remove the pipe lagging from the cold water riser and overhead section. Should be replaced with fiberglass insulation.

Meter Room

The pipe lagging on all overhead supply lines should be removed and replaced with non-asbestos insulation.

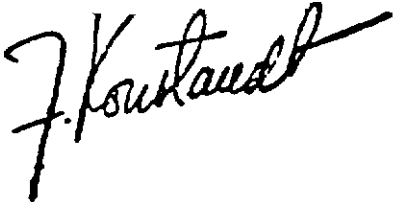
Luggage Room

The pipe lagging on the overhead steam supply line should be removed. The poor fit of the insulation sleeve constitutes a potential source of airborne fibers.

All other areas in which the ACM is present should be subjected to a periodic inspection (every six months) to determine the soundness of the insulation.

All removal must be performed by a qualified and approved contractor in compliance with EPA regulations and within the guidelines of Local Law 76/85.

NATIONAL TESTING LABORATORIES, INC.

A handwritten signature in black ink, appearing to read "F. Konstandt". The signature is written in a cursive, somewhat stylized font.

F. Konstandt
Technical Director

Personnel involved in this survey:

- Inspected by : Sheldon Soleyn, Chem. Eng.
Two years experience in the testing and evaluation
of ACH by NIOSH and EPA methods and standards.
- Examined by : Lester Simon, MS Chem.
Chief Chemist
Twenty years experience in chemical and microscopic
analysis.
- Reviewed by : Felix Konstandt, BS Chem.
Technical Director
Thirty-three years experience in chemical and
physical testing.
Qualified in NIOSH and EPA test methods.
Participant in PAT program.

NATIONAL TESTING LABORATORIES has been actively engaged in the
Asbestos abatement program throughout the city and has performed ACM
Surveys, air monitoring and bulk insulation analysis for the building
industry, institutions, governmental agencies and private firms for
the past seven years.

NATIONAL TESTING LABORATORIES, INC

12 February 1987

Kenneth Newman Realty
535 Fifth Avenue
New York, N.Y. 10017

Attn : Ms. S. Lemanto

Gentlemen :

Re : 350 Bleecker Street, NYC
Ref. 20954

Pursuant to your phone inquiry of today, the following information is provided.

Disposal of Asbestos-Containing Waste Material

Friable asbestos-containing waste material and debris is packaged in accordance with regulations and may be disposed of at designated sanitary landfills when certain precautions are taken .

After wetting all asbestos-containing waste material shall be sealed into leak-tight containers while wet, and such containers shall be deposited at waste disposal sites which are operated in accordance with the provisions of U.S. Environmental Protection Agency Regulations for Asbestos (Code of Federal Regulations Title 40, Part 61, Subparts A and B).

Notice to Appropriate Environmental Protection Agency regional offices.

Contractor is required to notify Regional Federal Environmental Protection Agency Officer prior to starting for instructions concerning proper disposal of asbestos waste material.

Notice and Permit from Appropriate State and/or Local Agencies.

Contractor shall have or secure the service of a carrier who has permits to transport "Hazardous Waste".



27-14 39th AVENUE, LONG ISLAND CITY, N.Y. 11101
(718) 784-2626

NATIONAL TESTING LABORATORIES, INC.

Kenneth Newman Realty

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Dispose of non-friable asbestos containing material accordance with applicable regulations.

We hope the above will be helpful.

Very Truly Yours,

NATIONAL TESTING LABORATORIES, INC.

A handwritten signature in black ink that reads "F. Konstandt, Inc." with a stylized flourish at the end.

F. Konstandt
Technical Director

In order to determine whether a hazardous condition exists due to the presence of friable asbestos, an exposure number is calculated in accordance with the EPA manual, "Asbestos Containing Materials in School Buildings : A Guidance Document (EPA 560/5-85-025).

This exposure number is not intended to strictly define specific corrective action for asbestos exposure problems. It is intended only to provide some guidance to assist management in making decisions for or against corrective action.

Factor description and scores used :

Factor One : Condition of Material

- A. No damage or deterioration: Material is intact and shows no signs of deterioration.
SCORE 0
- B. Moderate Damage or Deterioration : Visual inspection and physical contact indicate that the material is breaking up into layers or beginning to come loose from the substrate There may be small areas (less than 10 % of the total area) where the material is deteriorating There may be signs of accidental or intentional damage.
SCORE 2
- C. Severe Damage or Deterioration : The material is non-cohesive. Pieces are dislodged and debris in the area is evident. Parts of the material may be hanging from the ceilings or may have fallen to the floor. Inspect for severe accidental or intentional damage.
SCORE 5

Factor Two : Water Damage

- A. No Water Damage : No water stains or evidence of the material being disturbed by water. No stains or buckling on the floor, ceiling or walls to indicate past water damage.
- B. Minor Water Damage: Small areas of the material or adjacent floor and/or walls show water stains and ceiling material may be slightly buckled However, pieces have not fallen from the ceiling and the damage affects 10 % or less of the materials.
SCORE 1

- C. Moderate to Major Water Damage : Water has dislodged some of the material and caused the material to break away, or become saturated with the potential to fail.

and/or

More than 10 % of the material has been affected. (A large area of minor damage is as significant as a small areas of major damage.

SCORE 2

Factor Three : Expose Surface Area

- A. Material Not Exposed : (for example, all asbestos materials are contained behind a solid suspended ceiling which is very hard to open and shows no signs of damage. The plenum is not used for air conveyance).

SCORE 0

- B. Ten percent or Less of the Material Is Exposed : (a suspended ceiling is opened occasionally or has damaged or missing panels).

SCORE 4

- C. Greater Than Ten Percent of the Material Is Exposed :

Factor Four : Accessibility

- A. Not Accessible : The material is located above a suspended ceiling, or is concealed by ducts or piping. The building occupants cannot contact the material. Maintenance is not required for the ducts, piping or electrical systems near the asbestos materials.

SCORE 0

- B. Rarely Accessible : The material is contacted only during abnormal activity such as infrequent maintenance or repair. Building occupants rarely touch the material or throw objects against it.

SCORE 1

- B. Accessible : Material is contacted frequently due to routine maintenance and/or the building occupants can contact the material during normal activity, (during this activity occupants could touch and dislodge the material or easily throw objects against it).
SCORE 4

Factor Five : Activity and Movement

- A. None or Low Activity : In rarely used areas such as storage rooms, meter rooms, emergency fire exits and the like.
SCORE 0
- B. Moderate Activity : Activities that could create vibration which may cause the fibers to be released from the matrix to the immediate area.
SCORE 1
- C. High Activity Level : Such as rooms containing machinery which are subject to high vibration, air movement levels, and high traffic areas. Areas subject to very high sources of vibration (highways, subways, engine shops, etc) should be scored as "high activity level".
SCORE 2

Factor Six : Air Plenum or Duct Air Stream

- A. No air plenum or direct air stream present.
SCORE 0
- B. Air plenum or direct air stream present.
SCORE 1

Factor Seven : Friability

- A. Low Friability : Material that is difficult yet possible to damage by hand. This would include most "trowelled" materials.
SCORE 1
- B. Moderate Friability : Fairly easy to dislodge and crush or pulverize by hand. Material may be removed in small or large pieces.
SCORE 2

- C. High Friability : The material is fluffy, spongy, or flaking and may have pieces hanging down.
SCORE 3

Factor Eight : Asbestos Content

- A. Trace amount to one percent.
SCORE 0
- B. More than one percent to fifty percent.
SCORE 2
- C. More than fifty percent.
SCORE 3
- 1 8. More than one percent to fifty percent.

EXHIBIT B

SCHEDULE OF UNSOLD UNITS

LA	3K	1T
2A	4K	2T
3A	5K	4T
5A	6K	5T
		6T
LB	1L	
1B	2L	3U
2B	3L	6U
6B	4L	
	5L	2V
3C		3V
4C	LM	
6C	1M	1W
	6M	2W
2D		
4D	LN	1X
5D	1N	2X
6D	2N	4X
	4N	5X
LE	5N	
1E	6N	
4E		
5D	1P	
6E	3P	
	4P	
1F	5P	
5F	6P	
6F		
	1R	
2G	2R	
4G	3R	
6G	4R	
	6R	
LB		
4E	1S	
5R	2S	
	3S	
1J	4S	
2J	5S	
3J	6S	
5J		
6J		

CONSULT YOUR LAWYER BEFORE SIGNING THIS INSTRUMENT

CONTRACT OF SALE — COOPERATIVE APARTMENT

Agreement

made as of the _____ day of _____ 19____

between BLEECKER CHARLES COMPANY
having an office at 535 Fifth Avenue, New York, New York 10017

Marketing Agent

hereinafter called "Seller"

and

residing at _____

hereinafter called "Purchaser".

WITNESSETH:

1. Seller agrees to sell and transfer and Purchaser agrees to buy (i) _____ shares
SHARES (the "Shares") of 350 Bleecker Street Apartment Corp.

(the "Corporation") allocated to Apartment _____ (the "Apartment") in the cooperative
apartment building located at 350 Bleecker Street, New York, New York

and (ii) the Seller's interest, as tenant, in the proprietary lease, as amended (the "Lease"), for
LEASE the Apartment, which Lease is appurtenant to the Shares.

2. (a) Subject to the rights of the landlord
PERSONAL under the Lease and any holder of a mortgage
PROPERTY to which the Lease is subordinate, this sale in-
cludes all of the Seller's right, title and interest,
if any, in and to:

(i) the refrigeratory, range, ~~dishwashers~~, kitch-
Strike out en cabinets and counters, lighting and plumbing
inapplicable items fixtures, air-conditioning equipment and other
fixtures and articles of property attached to or
appurtenant to the Apartment, except those listed in subpara-
graph (b) of this Paragraph 2;
(ii)

(b) Excluded from this sale are:
(i) furniture and furnishings, and
(ii) if the Apartment is presently
occupied, all lighting fixtures,
installations, built-ins and other
personal property and equipment
owned by such occupant.
(c) Apartment taken "as is".

The property referred to in Paragraph 2(a)(i) and 2(a)(ii)
may not be purchased if title to the Shares and the Lease is not
closed hereunder. Except for the property
enumerated in Paragraph 2(a)(i) no
other property is included in this
sale.

3. The purchase price is \$ _____
PRICE payable as follows: \$ _____ *
by check, subject to collection, on the execution
and delivery of this agreement; \$ _____ in cash.

Purchaser's check or by unendorsed certified check of Purchaser
drawn on a local bank or trust company, to the order of Seller,
to be delivered at the closing.

* downpayment
Subject to escrow provisions of the
Rider Annexed hereto.

4. Seller represents, warrants and covenants
WARRENTIES that: a) Seller is the sole owner of the Shares,
the Lease and the property referred to in para-
graph 2(a)(i); the same are and will at closing be free and
clear of liens, encumbrances and adverse interests, subject to
the matters, if any, affecting the title to the real property of
which the Apartment is a part; and Seller has the full right
and power to sell and transfer the same; (b) the Shares were
duly issued and fully paid for and are non-assessable; (c) the
maintenance (rent) payable on the date hereof is at the rate
of \$ _____ a month and at the date of closing
will be fully paid to said date; (d) Seller has not received any
written notice of any intended assessment or increase in said
maintenance (rent) not reflected in the figure set forth in sub-
paragraph (c); (e) the Lease is and will at closing be in full
force and effect; (f) Seller is not and will not become indebted
for labor or material which might give rise to the filing of a
notice of mechanic's lien against the building in which the
Apartment is located; (g) there are and will at closing be no
violations of record which the tenant would be obligated to
remedy under the terms of the Lease; ~~the Seller is not a Sponsor
or a member of a Sponsor under any plan of a cooperative
organization affecting this Apartment. See Rider.~~

The representations and warranties contained in this Para-
graph 4 and in Paragraph 14 shall survive the closing but any
action based thereon must be instituted within one year from
the date of closing.

5. Purchaser has examined and is satisfied with
NO OTHER the certificate of incorporation, the by-laws of
REPRESENTATIONS the Corporation and the form of the Lease, or
has waived the examination thereof. Purchaser
has inspected the Apartment, its fixtures, appliances and equip-
ment and the personal property, if any, included in the sale,
and knows the condition thereof, and agrees to accept the same
"as is", i.e., in the condition they are in on the date hereof
subject to normal wear and tear. Purchaser has examined or
waived examination of the last audited financial statement of
the Corporation, and has considered or waived consideration of
all other matters pertaining to this agreement and to the pur-
chase to be made hereunder, and does not rely on any repre-
sentations made by any broker or by Seller or anyone acting or
purporting to act on behalf of Seller as to any matters which
might influence or affect the decision to execute this agreement
or to buy the Shares, the Lease, or said personal property except
those representations and warranties which are specifically set
forth in this agreement.

REQUIRED APPROVAL 6. This sale is subject to the approval of the directors or shareholders of the Corporation as provided in the Lease or the corporate by-laws.

Purchaser agrees to submit to Seller or to the Corporation's managing agent, within five (5) days after the execution and delivery hereof, the names and addresses of persons to whom, or banks or corporations to which, reference may be had as to Purchaser's character and financial standing, and thereafter to attend (and to cause Purchaser's spouse to attend) one or more personal interviews, as requested by the Corporation, and submit to the Corporation or its managing agent such further references and information as are commonly asked for in such transactions. If any of the aforementioned references are submitted to Seller, Seller shall promptly redeliver same to the Corporation or its managing agent. Seller may, but shall not be required to, take any steps in connection with the procurement of such approval. Seller shall promptly notify Purchaser of such approval or of the refusal thereof upon receipt of notice thereof. In the event of such refusal, this agreement shall thereby be deemed cancelled. If approval or refusal be not received by Seller or Purchaser at or before the closing, either may by notice given to the other on or before the date fixed in paragraph 10 for the closing, adjourn the closing for a period not to exceed thirty (30) days for the purpose of obtaining such approval, and if the party who has adjourned the closing is unable to obtain approval of this sale within said period of time, this agreement shall ipso facto be deemed cancelled. If this agreement is cancelled as provided in this Paragraph, all sums theretofore paid to Seller by Purchaser on account of the purchase price shall be returned without interest to Purchaser and both parties shall be relieved from all further liability hereunder.

SALE AFTER APPROVAL; ASSUMPTION 7. If approval of this sale be granted, Seller agrees to transfer and assign to Purchaser the Lease, the Shares and the personal property, as in this agreement provided, and Purchaser agrees to pay the purchase price and to assume, with respect to obligations arising from and after the time of the closing, all of the terms, covenants and conditions of the Lease on the part of the lessee thereunder to be performed, and to be bound by the by-laws of the Corporation and the rules and regulations, if any, from time to time promulgated by the Corporation. To that end Purchaser shall execute and deliver to the Corporation at the closing an agreement containing such assumptions in the form requested or approved by the Corporation, and, if requested by the Corporation, a new proprietary lease for the balance of the lease term shall be executed by Purchaser and the Corporation and the Lease being assigned by Seller shall be surrendered for cancellation.

*and Seller.
See Rider.

REMOVAL OF SELLER'S PROPERTY 8. Seller shall, prior to the closing, remove from the Apartment all the household furniture, furnishings and other personal property not included in this sale, and shall repair any damage caused by such removal, and shall deliver possession of the Apartment at the closing, broom clean.

RISK OF LOSS, ETC. 9. (a) The risk of loss or damage to the Apartment, or to the property included in this sale in accordance with Paragraph 2, by fire or other cause, until the time of the closing, is assumed by Seller, but without any obligation on the part of Seller, except at Seller's option, to repair or replace any such loss or damage. Seller shall notify Purchaser of the occurrence of any such loss or damage within five (5) days after such occurrence or by the date of closing, whichever first occurs, and by such notice shall elect whether or not Seller will repair or replace the loss or damage and if Seller elects to do so, that he will complete the same within the sixty (60) day period hereinafter referred to. If Seller elects to make such repairs and/or replacements, then Seller's said notice shall set forth an adjourned date for the closing, which shall be not more than sixty (60) days after the date of the giving of Seller's notice. If Seller does not elect to make such repairs and/or replacements, or if Seller elects to make them and fails to complete the same on or before said adjourned closing date, Purchaser shall have the following options:

- (i) to declare this agreement cancelled and receive a refund, without interest, from Seller of all sums theretofore paid on account of the purchase price; or
- (ii) to complete the purchase in accordance with this agreement without reduction in the purchase price except as provided in the next sentence. If Seller carries hazard insurance covering such loss or damage, Seller shall turn over to Purchaser at the closing the net proceeds (after legal and other expenses of

collection) actually collected by Seller under the provisions of such hazard insurance policies to the extent that they are attributable to loss of or damage to any property included in this sale. If Seller has not received such proceeds Seller shall assign (without recourse to Seller) Seller's right to any payment or additional payments from Seller's said insurance which are attributable to the loss of or damage to any property included in this sale, less any sums theretofore expended by him.

(b) If Seller does not elect to make such repairs and/or replacements, Purchaser may exercise the resulting option under (i) or (ii) of (a) only by notice given to Seller within five (5) business days after Purchaser's option arises. If Seller elects to make such repairs and/or replacements and fails to complete the same on or before the adjourned closing date, Purchaser may exercise the resulting options within five (5) business days after the adjourned closing date. See Rider.

10. The closing documents referred to in Paragraph 11 shall be delivered, and payment of the balance of the purchase price shall be made, at the closing to be held on

19 at M., at the office of
Kenneth B. Newman, P.C.
535 Fifth Avenue
New York, New York 10017

CLOSING DOCUMENTS 11. At the closing (a) Seller shall deliver to Purchaser:

(i) Seller's certificate for the Shares, duly endorsed for transfer, or accompanied by a separate duly executed stock power, with necessary stock transfer stamps attached and in either case, with any guarantee of Seller's signature required by the Corporation;

(ii) Seller's duplicate original of the Lease and a duly executed assignment thereof to the Purchaser in the form requested or approved by the Corporation;

~~(iii) Certificates of the Secretary of the Corporation, as evidence of the consent of the Corporation or its directors to the transfer of the Shares and to the assignment of the Lease in accordance with the applicable provisions of the Lease or the corporate by-laws;~~

(iv) If requested, A statement by the managing agent that the maintenance and any special assessments then due and payable to the Corporation have been paid to the date of the closing;

~~(v) If requested, a bill of sale in customary form transferring the property referred to in Paragraph 2 to the~~

~~(vi) Keys to the sub-lease of the Apartment.~~

(b) Purchaser shall deliver to Seller and the Corporation, together with the payment of the balance of the purchase price, the duly executed agreements and/or new lease referred to in Paragraph 7 hereof.

~~12. Seller shall, at the closing, pay the processing fee, if any, charged by the managing agent for its services in connection with the approval of this sale and the transfer of the Shares and the Lease and the legal fee of the Corporation's attorney, if any, in connection with such transfer. Purchaser shall pay (i) the sales and transfer taxes, if any, on this sale, other than the transfer stamps provided for in Paragraph 11 (a) (i) and (ii) the cost of this deed, if required by the Corporation.~~

APPORTIONMENTS 13. (b) The parties shall at the closing apportion, as of midnight of the day preceding the date of actual closing, the rent under the Lease, and utility charges, if any, due the Corporation. Assessments will not be apportioned but will be payable by the party who is the Owner when the same become due and payable.

See Rider.

PRIOR LEASE TERMINATION

13. If prior to the closing the Corporation shall elect to cancel and terminate the Lease under any option or privilege reserved therein for any reason except Seller's default, this agreement shall thereupon become a nullity and Seller shall be deemed to be unable to convey the Lease and the Shares and Seller shall refund to Purchaser, without interest, all sums theretofore paid on account of the purchase price.

BROKER

14. Purchaser represents to Seller that Purchaser has not dealt with any brokers in connection with this transaction other than

Kenneth B. Newmar Realty Corp.

and Seller agrees to pay said broker a commission, pursuant to a separate agreement.
See Rider.

**DEFAULTS,
REMEDIES**

15. If Purchaser defaults hereunder, Seller's sole remedy shall be to retain as liquidated damages the down payment mentioned in Paragraph 3, it being agreed that Seller's damages in case of Purchaser's default might be impossible to ascertain and that the down payment constitutes a fair and reasonable amount of damages in the circumstances. If Seller willfully defaults, Purchaser shall have such remedies as he is entitled to at law or in equity, including but not limited to specific performance because the Apartment and possession thereof cannot be duplicated.

**ENTIRE
AGREEMENT**

16. All representations, understandings and agreements had between the parties with respect to the subject matter of this agreement are merged in this agreement which alone fully and completely expresses their agreement.

**NO ASSIGNMENT
BY PURCHASER**

17. This agreement cannot be changed, discharged or terminated orally. Purchaser may not assign this agreement or any of his rights hereunder.

Note:

Either strike this paragraph because there is no financing condition to the transaction or complete the paragraph as required.

**FINANCING
CONDITION**

21. A. The obligations of Purchaser hereunder are subject:
(a) to the issuance of a commitment letter by reputable a commercial bank, savings bank, savings and loan association or insurance company doing business in the State of New York to Purchaser, on or before , 19 (a copy of which letter shall be furnished to Seller promptly after receipt thereof), pursuant to which the institution agrees to lend not less than \$, at a rate of interest not to exceed * % per annum, for a term of at least 25 years solely upon the security of a pledge, security interest or assignment of, and/or mortgage on, the Shares and the Lease, in order to enable Purchaser to consummate the transaction provided herein;
(b) to the consent of the Corporation to the loan if such consent is required by the terms of the Lease or the by-laws of the Corporation and to the execution by the Corporation of an agreement, in form and substance satisfactory to the institution and the Corporation, for the protection of the institution's rights as a lender; and
(c) to the closing of the loan on or before the date fixed in Paragraph 10 for the closing.

B. Purchaser shall apply for the loan, shall furnish to the institution, within five (5) days of the date hereof, accurate and complete information on Purchaser and members of Purchaser's family, as required, shall advise Seller of the name and address of the institution to which such application has been made and the date upon which it was made and shall cause to be furnished to the Corporation, for its consideration, as soon as practicable, the agreement proposed to be made by the institution with the Corporation. Purchaser shall pay or reimburse Seller the fees charged by the Corporation and its counsel for reviewing and negotiating the aforesaid agreement.

C. Purchaser shall accept any commitment letter complying with the terms of subparagraph A(a) hereof, if issued, shall pay any application, appraisal, commitment or other fees in respect of the loan, and shall comply with the requirements of the commitment letter other than those relating to the Corporation.

D. Provided that Purchaser shall have fulfilled all of Purchaser's obligations under subparagraph B hereof, if the aforementioned commitment letter is not issued by the date provided for in subparagraph A(a) hereof, Purchaser shall have the right to terminate this agreement on Notice given not more than five (5) days thereafter, or if the other conditions provided for in subparagraph A hereof are not met, Purchaser shall have the right to terminate this agreement on Notice to Seller, and in either such event all sums theretofore paid on account of the purchase price shall be returned without delay and without interest to Purchaser, and all parties hereto shall be relieved of and from any further liability hereunder.

E. If purchaser fails to exercise such right of termination within said five (5) day period, or if purchaser shall fail to comply with the conditions set forth in paragraphs B and C above, then in either event, this contract shall remain in full force and effect, and purchaser shall no longer have the right to terminate this agreement in accordance with this paragraph 21.

*prevailing, which may be adjustable

SEE RIDER ANNEXED

**SELLER'S
EXCULPATION**

18. Notwithstanding any contrary provisions of this agreement, express or implied, or any contrary rule of law or custom, if Seller shall be unable to transfer the Lease and the Shares in accordance with this agreement and any conditions hereof then the sole obligation and liability of Seller shall be to refund to Purchaser, without interest, all sums theretofore paid on account of the purchase price, and upon the making of such refund this agreement shall be deemed cancelled and shall wholly cease and terminate, and neither party shall have any further claim against the other by reason of this agreement. However, nothing contained in this paragraph shall be construed to relieve Seller from liability due to a misrepresentation or willful default.

NOTICES

19. All notices or demands ("Notice") that must or may be given or made hereunder shall be in writing and sent by certified or registered mail, return receipt requested, to the address above set forth for the party to whom the Notice is given, or to such other address for such party as said party shall hereafter designate by Notice given to the other party pursuant to this paragraph. Each Notice shall be deemed given on the next business day following the date of making the same.

**MARGIN
HEADINGS**

20. The margin headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this agreement and shall not be considered in the interpretation of this agreement or any of its provisions.

IN WITNESS WHEREOF, the parties hereto have duly executed this agreement the day and year first above written.

BLEECKER CHARLES COMPANY

.....
Seller

.....
Seller

.....
Purchaser

.....
Purchaser

.....
Seller

to

.....
Purchaser

**CONTRACT OF SALE OF
COOPERATIVE APARTMENT**

Form Approved by
The Cooperative Housing
Lawyers Group

.....
Apartment Number

.....
Address of Premises

.....
Name of Cooperative Corporation

RIDER ATTACHED TO CONTRACT OF SALE
DATED AS OF _____, 1987
BETWEEN BLEECKER CHARLES COMPANY, SELLER
AND
_____, PURCHASER,
WITH RESPECT TO APARTMENT AT PREMSES
350 BLEECKER STREET, NEW YORK, NEW YORK

22. (a) INTENTIONALEY OMITTED.

(b) Closing adjustments shall be made as of the earlier of the actual closing date or .

(c) The submission of this contract shall not constitute an offer by Seller to execute and deliver the same to Purchaser and is made subject to Seller's acceptance, execution and delivery thereof.

23. Purchaser shall have the right to inspect the Apartment at any reasonable time on reasonable notice at any times before Closing subject to the occupancy rights of the person(s) named in Paragraph 22(a).

24. Seller and Purchaser agree that no part of the purchase price hereunder is allocable to any of the items referred to in Paragraph 2 hereof, which are included in the sale.

25. This Agreement may be executed in any number of counterparts with the same effect as if the parties executing the several counterparts had all executed one counterpart as of the date of this Agreement set forth at the first page hereof and all of such counterparts taken together shall, for all purposes, constitute one original Agreement binding upon all of the parties.

26. (a) Notwithstanding anything to the contrary contained in this Agreement, the Downpayment made prior to or on the execution and delivery of this Agreement shall be payable to Kenneth B. Newman, P.C. ("Escrow Agent"), upon the terms and conditions set forth in subparagraph (b) hereof.

(b) (1) Escrow Agent shall deliver the Downpayment (together with any interest earned thereon, which shall not be a credit against the balance due at Closing) to Seller (x) upon the Closing hereunder or (y) in

the event that Seller makes a written demand therefor stating that Purchaser: (i) has failed to perform Purchaser's obligations hereunder: or (ii) Seller is otherwise entitled to the Downpayment in accordance with the terms of this Agreement.

(2) Escrow Agent shall return the Downpayment (together with any interest earned thereon) to Purchaser in the event that Purchaser makes a written demand therefor stating (x) that Seller has failed to perform Seller's obligations hereunder or (y) that Purchaser is otherwise entitled to the return of the Downpayment in accordance with the terms of this Agreement.

(3) In the event that Escrow Agent intends to release the Downpayment to either party pursuant to clause (1)(y) or clause (2) hereof, then Escrow Agent shall give to the other party not less than five (5) days prior written notice of such fact and, if Escrow Agent actually receives written notice during such five (5) day period that such other party objects to the release, then Escrow Agent shall not release the Downpayment and any such dispute shall be resolved as provided herein.

(4) Escrow Agent may, but shall not be required to, deposit the Downpayment in a money market fund bearing interest at such rate as may from time to time be paid by such fund, or may invest the Downpayment in U.S. Treasury bills, or commercial paper or similar securities. The rate of interest or yield need not be the maximum available and deposits, withdrawals, purchases and sales shall be made in the sole discretion of Escrow Agent, which shall have no liability whatsoever thereon. Discounts earned shall be deemed interest for the purposes therefor.

(5) In the event a dispute shall arise as .. the disposition of the Downpayment or any other funds held hereunder in escrow, Escrow Agent shall have the right, at his option, to either hold the same or deposit the same with a court, and Escrow Agent shall be entitled to rely upon the decision of such court.

(6) Escrow Agent shall have no liability whatsoever arising out of or in connection with its activity as Escrow Agent in good faith and Seller and Purchaser jointly and severally agree to indemnify and hold harmless Escrow Agent from all loss, cost, claim, damage, liability and expense (including attorney's fees) which may be incurred by reason of its acting as Escrow Agent in good

faith Seller and Purchaser hereby release Escrow Agent from any act done or omitted to be done by Escrow Agent in good faith in the performance of his duties hereunder.

(7) Escrow Agent shall be entitled to rely upon any judgment, certification, demand or other writing delivered to it hereunder without being required to determine the authenticity or the correctness of any fact stated therein, the propriety or validity thereof, or the jurisdiction of a court issuing any such judgment. Escrow Agent may act in reliance upon (x) any instrument or signature believed to be genuine and duly authorized, and (y) advice of counsel in reference to any matter or matters connected herewith.

(8) Escrow Agent shall be under no responsibility in respect of the Downpayment other than to faithfully honor the provisions of this Agreement. Escrow Agent may consult with counsel and shall be fully protected in any action taken in good faith in accordance with such advice. Escrow Agent shall not be required to defend any legal proceedings that may be instituted against Escrow Agent in respect of the subject matter of these instructions unless requested to do so by Seller or Purchaser and indemnified to the satisfaction of Escrow Agent against the cost and expense of such defense. Escrow Agent shall not be required to institute legal proceedings of any kind.

(9) Any notice, demand or other communication to Escrow Agent hereunder shall be in writing and delivered in person or sent by certified mail, return receipt requested. postage prepaid, addressed to Escrow Agent as follows:

Kenneth B. Newman, P.C.
535 Fifth Avenue
New York, New York 10017

27. If any provision of this Rider shall conflict with any printed provision of this Agreement, the provisions of this Rider shall control.

28. Supplementing and modifying Paragraph 4, it is agreed as follows:

A. A pledge of the shares and lease by Seller in connection with any financing obtained by Seller shall not be deemed a misrepresentation or breach under Paragraph 4(a), provided that at closing such pledge shall have been

terminated and the shares and lease are transferred free of any such security interest.

B. The shares and lease are subject to a general lien for unpaid maintenance charges in favor of the corporation to secure payment of Seller's obligations under the lease, however, no monies will be owed to the corporation under such lien at closing.

29. Supplementing Paracraph 5, it is agreed that:

A. Seller is not obligated to install any equipment or appliances in the Apartment or otherwise make any repairs, improvements or decorations to the Apartment or its equipment, appliances and fixtures.

B. Purchaser acknowledges having entered into this Contract without relying upon any promises, statements, estimates, representations, warranties, conditions or other inducements, expressed or implied, oral or written, not set forth herein or in the Offering Plan as amended.

30. Supplementing Paragraph 7, it is agreed that the assumption agreement to be signed and delivered by Purchaser at closing pursuant to Paragraph 7, shall contain an indemnity agreement in favor of Seller whereby Purchaser will hold Seller harmless from all liability, claims, loss, costs and expenses (including reasonable attorneys' fees) that may arise in connection with the obligation5 assumed by Purchaser.

31. Supplementing and modifying Paragraph 9:

A. It is agreed that if Purchaser shall fail or refuse to send written notice to Seller exercising either of Purchaser's options set forth in Paragraph 9(a)(i) or (ii), then it will be conclusively presumed that Purchaser exercised the option under Paragraph 9(a)(ii).

B. Notwithstanding the provisions of Paragraph 9 to the contrary, Seller shall be entitled to retain from any net insurance proceeds collected pursuant to Paragraph 9(a)(ii) any sums theretofore expended by Seller in connection with the loss or damage.

C. If Purchaser is, or becomes, the occupant of the Apartment. notwithstanding the provisions of Paragraph 9 to the contrary, then: (i) the risk of loss or damage to the Apartment and to any property included in this sale shall be

assumed by Purchaser, who shall have the sole obligation to repair such damage at his own cost and expense; (ii) this Contract shall remain in full force and effect; and (iii) Purchaser shall be obligated to complete payment of the Purchase Price on the date originally set forth herein for closing, notwithstanding such loss or damage and without reduction in, or credit against, the Purchase Price (except that Purchaser shall be entitled to receive the net proceeds of any insurance in accordance with Paragraph 9(a)(ii), as modified above).

32. The provisions of this paragraph are applicable only if Purchaser is the current tenant or occupant of the Apartment:

A. Purchaser agrees to pay all rent as and when due in accordance with the terms of his lease (if any) or occupancy.

B. Purchaser's failure to pay rent or to otherwise comply with his lease or tenancy obligations which is not cured within 15 days after written notice, shall constitute a default under this Contract.

33. Purchaser acknowledges receipt of the Sponsor's Offering Plan, as amended, at least three business days before the execution of this contract.

34. Supplementing Paragraph 14, Purchaser agrees to indemnify and hold Seller harmless from and against any claim, judgment, liability, cost and expense (including, without limitation, reasonable attorneys' fees) resulting from any breach of Purchaser's representations set forth in Paragraph 14. The provisions of Paragraph 14 and this Paragraph shall survive the closing.

35. Purchaser represents to Seller and to the Corporation that Purchaser is not less than 18 years of age and is purchasing the Apartment for his own account (beneficial and of record) and no corporation, partnership, association, estate or trust has or will have any equity interest, direct or indirect, in the shares and lease. Purchaser agrees to indemnify and hold harmless the Seller and the Corporation from all claims, judgments, liabilities, losses, damages, costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements) that Seller and/or the Corporation may suffer or incur as a result of the breach, inaccuracy or untruthfulness of any of the foregoing representations. The provisions of this

Paragraph shall inure to the benefit of both Seller and the Corporation and shall survive the closing.

36. Purchaser understands that the Corporation is not a party to this Contract or the sale contemplated hereby and that no representations, warranties, or promises of any kind have been made to Purchaser by the Corporation. Purchaser agrees that no claim will be made against the Corporation by Purchaser in respect of, or arising out of, the purchase of the shares and appurtenant lease.

37. The acceptance of the shares and the assumption of the lease by the Purchaser shall be deemed to be a full performance and discharge of every agreement and obligation on the part of the Seller to be performed pursuant to the provisions of this Contract, except those expressly provided to survive the closing.

38. This transaction is subject to the tenancy of . which is protected by the Rent Stabilization Law.

39. Purchaser acknowledges that (s)he has been advised that: (a) the occupancy is subject to General Business Law Section 352-eeee and the Rent Stabilization Law of 1969, as amended, and Code of Rent Stabilization Association of New York City, Inc., adopted thereto; (b) the sale herein described is subject to the continued occupancy of such non-purchasing tenant(s); (c) no non-purchasing tenants may be evicted except for non-payment of rent, illegal use or occupancy, refusal of access to the owner, or a similar breach by a non-purchasing tenant of his obligation to the owner of the Shares; (d) so long as a non-purchasing tenant is in occupancy of his Apartment, no action may be commenced by the owner of the Shares on the around that such owner seeks the Apartment for the occupancy of himself or his family (e) Purchaser will be responsible for the performance of all obligations as landlord under the lease or tenancy of the non-purchasing tenants, including, without limitation, the obligation to maintain, repair and replace plumbing fixtures, refrigerators, ranges, dish washers, lighting fixtures' and other equipment (if any) in the Apartment and to paint the Apartment as provided in the lease of the non-purchasing tenant and all applicable laws.

40. Simultaneously with the execution of this Contract of Sale, Purchaser shall execute, acknowledge and deliver to Seller, for filing with the appropriate agencies State of .

New York, Real Property Transfer Gains Tax Questionnaire Form TP-581, a true copy of which is annexed hereto.

41. Purchaser agrees to comply with all provisions of Part 18 of Title 13, New York Code of Rules and Regulations, Occupied Cooperatives.

42. This contract is not assignable by Purchaser without the written consent of the Seller.

44. Purchasers who are tenants in occupancy shall pay to Seller's attorney a fee in the sum of \$300.00 at closing.

43. If any provision of this Rider shall conflict with any printed provision of this Agreement, the provisions of this Rider shall control.

Bleecker Charles Company, Seller

By: _____

, Purchaser

Kenneth B. Newman, Escrow Agent

350 BLEECKER STREET APARTMENT CORP.
(A Cooperative Housing Corporation)

FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

DECEMBER 31, 1986 AND 1985

WEISS & FELDMAN
CERTIFIED PUBLIC ACCOUNTANTS

350 BLEECKER STREET APARTMENT CORP.
(A Cooperative Housing Corporation)

DECEMBER 31, 1986 AND 1985

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WEISS & FELDMAN
CERTIFIED PUBLIC ACCOUNTANTS

BURTON FELDMAN, C.P.A.
MARK GUTTERMAN, C.P.A.
MARK L. MEINBERG, C.P.A.

280 PLANDOME ROAD
MANHASSET, NEW YORK 11030
(516) 365-6600
(212) 517-3016

Board of Directors
350 Bleecker Street Apartment Corp.

We have examined the accompanying balance sheets of 350 Bleecker Street Apartment Corp. (A Cooperative Housing Corporation) at December 31, 1986 and 1985, and the related statements of operations and accumulated deficit and changes in financial position (all on an income tax basis) for the year ended December 31, 1986 and for the five month period ended December 31, 1985. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As described in the notes to these financial statements, the Corporation's policy is to prepare its financial statements on the same accounting basis used for income tax purposes. Consequently, revenues and the related assets are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly the financial position of 350 Bleecker Street Apartment Corp. (A Cooperative Housing Corporation) at December 31, 1986 and 1985 and the results of its operations and changes in financial position for the year ended December 31, 1986 and for the five month period ended December 31, 1985, on the accounting basis described in Note 1 to the financial statements which basis has been applied consistently.

Our examination was made for the purpose of forming an opinion on the basic financial statements of 350 Bleecker Street Apartment Corp. (A Cooperative Housing Corporation) for the year ended December 31, 1986 and for the five month period ended December 31, 1985 taken as a whole. The supplementary information contained herein is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Weiss and Feldman

April 15, 1987
Manhasset, New York

350 BLEECKER STREET APARTMENT CORP.
(A Cooperative Housing Corporation)

BALANCE SHEET
(INCOME TAX BASIS)

DECEMBER 31, 1986 AND 1985

	<u>ASSETS</u>	<u>1986</u>	<u>1985</u>
Property (Note 1)			
Land		\$ 2,779,843	\$ 2,779,843
Building		<u>10,542,862</u>	<u>10,457,506</u>
		13,322,705	13,237,349
Less accumulated depreciation		<u>763,398</u>	<u>209,150</u>
		<u>12,559,307</u>	<u>13,028,199</u>
Cash in bank		94,195	28,747
Temporary investments		55,000	223,731
Prepaid payroll expense		<u>-</u>	<u>1,176</u>
		<u>149,195</u>	<u>253,654</u>
Total Assets		\$12,708,502	\$13,281,853
		=====	=====
	LIABILITIES AND SHAREHOLDERS' CAPITAL		
Liabilities:			
Mortgage obligation		\$ 3,000,000	\$ 3,000,000
Closing adjustment payable-seller		91,943	91,943
Mortgage interest payable		-	774
Payroll taxes payable		<u>1,909</u>	<u>-</u>
		<u>3,093,852</u>	<u>3,092,717</u>
Shareholders' Capital:			
Common stock, \$1 par; 17,202 shares issued and outstanding		17,202	17,202
Capital in excess of par		10,524,528	10,524,528
Accumulated deficit		<u>(927,080)</u>	<u>(352,594)</u>
		<u>9,614,650</u>	<u>10,189,136</u>
Total Liabilities and Shareholders' Capital		\$12,708,502	\$13,281,853
		=====	=====

See Notes to Financial Statements

350 BLEECKER STREET APARTMENT CORP.
(A Cooperative Housing Corporation)

STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT
(INCOME TAX BASIS)

THE YEAR ENDED DECEMBER 31, 1986
AND
FOR THE FIVE MONTH PERIOD ENDED DECEMBER 31, 1985

	<u>1986</u>	<u>1985</u>
Income:		
Maintenance charges	\$ 710,288	\$ 284,448
Commercial leasehold Income	86,000	35,833
Interest income-money market	13,728	5,717
Coin machine	12,000	750
Miscellaneous and other income	<u>1,150</u>	<u>150</u>
	823,166	326,898
 Operating Expenses. Exclusive of Depreciation:		
Taxes and interest	\$541,782	\$342,296
Utilities	62,588	40,728
General and administrative	103,989	43,477
Labor and related expenses	102,360	35,679
Repairs and maintenance	<u>32,685</u>	<u>8,162</u>
 Total cost of operations	<u>843,404</u>	<u>470,342</u>
 Loss from operations	(20,238)	(143,444)
 Less: Non-operating expenses		
Depreciation charge	<u>554,248</u>	<u>209,150</u>
 Net loss	(574,488)	(352,594)
Accumulated deficit: beginning of period	<u>(352,594)</u>	<u>-</u>
 Accumulated deficit: end of period	\$ (927,080) =====	\$ (352,594) =====

See Notes to Financial Statements

350 BLEECKER STREET APARTMENT CORP.
(A Cooperative Housing Corporation)

STATEMENT OF CHANGES IN FINANCIAL POSITION
(INCOME TAX BASIS)

DECEMBER 31, 1986 AND 1985

	<u>1986</u>	<u>1985</u>
Source of Funds:		
Net loss	\$(574,486)	\$ (352,594)
Add items not requiring use of cash, depreciation charges	<u>554,248</u>	<u>209,150</u>
Funds used by operations	(20,238)	(143,444)
Capital contributed and paid in by shareholders	-	10,541,730
Wrap mortgage proceeds	-	3,000,000
Closing adjustments payable	-	91,943
Accrued taxes payable	-	774
Temporary investment proceeds	168,731	-
Payroll taxes payable	<u>1,909</u>	<u>-</u>
Total Source of Funds	<u>150,402</u>	<u>13,491,003</u>
Application of Funds:		
Cooperative purchase of:		
Land	-	2,779,843
Building	-	10,457,506
Building improvements	85,356	-
Investment of funds in certificate of deposit	-	223,731
Prepaid expenses	(1,176)	1,176
Mortgage interest payable	<u>774</u>	<u>-</u>
Total Application of Funds	<u>84,954</u>	<u>13,462,256</u>
Increase in cash position	65,448	28,747
Cash at beginning of year	<u>28,747</u>	<u>-0-</u>
Cash at end of year	\$ 94,195 =====	\$ 28,747 =====

See Notes to Financial Statements

350 BLEECKER STREET APARTMENT CORP.
(A Cooperative Housing Corporation)

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 1986 AND 1985

1. Summary of significant accounting policies:

Basis of presentation:

The accompanying financial statements have been prepared on the same basis as the Corporation files its federal income tax return. Accordingly, revenues and related assets are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred.

Property and depreciation:

Land and building improvements are stated at cost. The cost allocated to the building and building improvements will be recovered over a 19 year period using the Accelerated Cost Recovery System method of depreciation.

Revenue

Residential maintenance is based on an annual budget determined by the Board of Directors. Commercial revenues are based upon existing lease agreements. Tenant-Shareholders are billed monthly for proprietary maintenance based on their respective stock holdings. The corporation retains excess operating funds in short term liquid investments.

2. Organization:

The Corporation was incorporated in 1981. under the laws of the state of New York and qualifies under the Internal Revenue Code section 216 (b)(1) as a Cooperative Housing Corporation. The Corporation was authorized 17,202 shares of \$1 par common stock, which it has issued and is outstanding. On August 1, 1985 the corporation purchased from the sponsor Bleecker Charles Company, the apartment complex at 350 Bleecker Street and commenced its business as a Cooperative Housing Corporation. The corporation owns the six story building located at 350 Bleecker Street, New York and consists of 137 residential apartments, two commercial stores and a garage.

350 BLEECKER STREET APARTMENT CORP.
(A Cooperative Housing Corporation)

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 1986 AND 1985

3. Mortgage Obligation:

On November 7, 1986 the Corporation refinanced its mortgages held by its sponsor, Bleecker Charles Company and the Emigrant Savings Bank. The new mortgage was extended to the Corporation by the Development Bank of Singapore, LTD. The new mortgage is for \$3,000,000 for a period of ten years with interest only at an interest rate of 9.75% per annum, requiring monthly payments of \$24,375 with no amortization or real estate escrow.

At the closing of the cooperative conversion the corporation's property was subject to a mortgage held by the sponsor of the cooperative conversion, Bleecker Charles Company (A Partnership). This mortgage, which was refinanced as indicated above, was for \$3,000,000. The mortgage was wrapped around a first mortgage held by Emigrant Savings Bank. The corporation made monthly payments of interest only of \$25,000 (10% per annum). No amortization was included or required in the monthly payments of \$25,000.

4. Future major repairs and replacements:

The corporation intends to use the funds currently invested in a Certificate of deposit to defray the costs of any future major repairs and replacements.

5. Transaction with related parties:

The corporation has a management agreement with a managing agent whose principal is the general partner of Bleecker Charles Company, the coop's sponsor.

SUPPLEMENTARY INFORMATION

350 BLEECKER STREET APARTMENT CORP.
(A Cooperative Housing Corporation)

SCHEDULE OF OPERATING EXPENSES

DECEMBER 31, 1986 AND 1985

	<u>1986</u>	<u>1985</u>
<u>Taxes and Interest</u>		
Real estate taxes	\$256,280	\$217,296
Corporation taxes	11,002	-
Wrap mortgage interest	<u>274,500</u>	<u>125,000</u>
	\$541,782	\$342,296
	=====	=====
<u>Utilities</u>		
Fuel and heating	\$ 32,491	\$ 20,813
Electric and gas	17,113	9,087
Water and sewer charges	<u>12,984</u>	<u>10,828</u>
	\$ 62,588	\$ 40,728
	=====	=====
<u>General and Administrative</u>		
Insurance	\$ 48,718	\$ 24,364
Management fees	42,000	17,500
Legal	2,885	175
Accounting	5,100	-
Telephone	354	161
Office expense	4,354	727
Permits and licenses	<u>578</u>	<u>550</u>
	\$103,989	\$ 43,477
	=====	=====
<u>Labor and Related Expenses</u>		
Payroll	\$ 85,563	\$ 30,705
Payroll taxes and employee benefits	<u>16,797</u>	<u>4,974</u>
	\$102,360	\$ 35,679
	=====	=====
<u>Repairs and Maintenance</u>		
Boiler, heating and plumbing	\$ 15,332	\$ 4,147
Janitorial supplies	3,813	1,310
Elevator	8,115	1,345
Electric	-	103
Incinerator	1,183	473
Exterminating	1,010	-
Miscellaneous	<u>3,239</u>	<u>784</u>
	\$ 32,685	\$ 8,162
	=====	=====

350 BLEECKER STREET APARTMENT CORP.
(A Cooperative Housing Corporation)

ESTIMATED MAINTENANCE REQUIRED

JANUARY 1, 1987 TO DECEMBER 31, 1987

Income Other Than Maintenance	
Coin Machine	\$ 9,000
Commercial Rent Income	86,000
CD Interest	<u>12,000</u>
Total Income	<u>\$ 107,000</u>
Expenses	
Mortgage Interest	\$ 292,000
Real Estate Taxes	258,000
Water & Sewer Charges	13,000
Payroll	93,000
Payroll Taxes & Employee Benefits	18,000
Insurance	43,000
Fuel	35,000
Gas & Electric	17,000
Management	42,000
Repairs & Maintenance	35,000
Corporate Taxes	11,000
Accounting	4,500
Office Expense	2,000
Fees & Permits	1,500
Telephone & Sundries	<u>2,000</u>
Total Expenses	<u>\$ 867,000</u>
Maintenance Required	<u>\$ 760,000</u>
*Shares Outstanding	17,202
Annual Amount Required Per Share	44.18
Monthly Amount Required Per Share	3.68