

**PREMISES AT
350 BLEECKER STREET
NEW YORK, NEW YORK 10014**

Apartment Corporation:

350 Bleecker Street Apartment Corp.

Holder of Unsold Shares:

Bleecker Charles Company

**SEVENTEENTH 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 2, 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, the Fifth Amendment dated August 19, 1985, and filed by the Department of Law on September 18, 1985, the Sixth amendment filed by the Department of Law in December, 1986, the Seventh Amendment filed by the Department of Law on August 4, 1987, the Eighth Amendment Amendment filed by the Department of Law on November 10, 1988, the Ninth Amendment filed by the Department of Law on November 15, 1989, the Tenth Amendment filed by the Department of Law on June 11, 1990, the Eleventh Amendment filed by the Department of Law on June 24, 1991, the Twelfth Amendment filed by the Department of Law on October 21, 1992, the Thirteenth Amendment filed by the Department of Law on December 17, 1993, the Fourteenth Amendment filed by the Department of Law on January 9, 1995, the Fifteenth Amendment filed by the Department of Law on April 25, 1996, and the Sixteenth Amendment filed by the Department of Law on June 13, 1997, as follows:

FIRST: Financial statements and budget.

The financial statement of the Apartment Corporation's operations for the period ended December 31, 1997 is appended to this Amendment as Exhibit A.

The Apartment Corporation's statements are prepared on a cash rather than accrual basis. See independent auditor's report and Note 1 to the financial statement. The financial statement should be interpreted recognizing the Apartment Corporation's particular method of reporting its income and expenses.

The financial statement is contained herein for informational purposes only. The holder of Unsold Shares does not adopt the financial statement or make any representation as to the adequacy, accuracy or completeness of same or any item shown therein and none should be implied. The holder of Unsold Shares has not participated in the preparation of the financial statement of the Apartment Corporation and has not independently verified the information contained therein.

The budget for the Apartment Corporation's operations for the year 1998 is appended to this Amendment as Exhibit B.

SECOND: Apartment corporation officers and directors.

The following is a list of the current directors of the Apartment Corporation:

James Kafadar	Kenneth B. Newman
Mark Lilien	George Ong
Edna Marshall	Cynthia Spry
Robert Mishkin	

The following are the current officers of the Apartment Corporation:

Chairman -	Mark Lilien
President -	Kenneth B. Newman
Vice President -	Cynthia Spry
Vice President -	Edna Marshall
Secretary -	Robert Mishkin
Treasurer -	James Kafadar

Kenneth B. Newman can be considered a Sponsor Designee.

THIRD: Unsold shares: financial disclosure.

1. Annexed hereto as Exhibit C (Schedule of Maintenance Paid on Unsold Shares) is a schedule of unsold units including shares allocated to each unit. The aggregate amount of monthly maintenance paid on the apartments is \$20,934.60. The apartment corporation has imposed an assessment (see Article FOURTH (b) below). The aggregate amount of the monthly assessment is \$2,387.12.

2. The aggregate amount of monthly rent for all of the apartments listed in Exhibit D (Schedule of Rent Received) is \$22,018.28.

3. There are no financial obligations to the cooperative on the unsold shares, other than regular maintenance and assessment.

4. None of the unsold units are subject to mortgage or financing commitments.

5. The source of funds to meet the obligations described in paragraphs 2, 4 and 5 are rent receipts and the assets of the holder of unsold shares.

6. The holder of unsold shares is current on all financial obligations under this Plan and has been current for the 12 months preceding the date of this Amendment.

7. The Sponsor, principal of the sponsor or holder of unsold shares or units, as individual holder of unsold shares or units or as general partner or principal of the sponsor or holder, does not own more than ten per cent of the shares or units in any other building.

8. The Sponsor, principal of the sponsor or holder of unsold shares or units, as individual holder of unsold shares or units or as general partner or principal of the sponsor or holder, is current in its financial obligations in other cooperatives in which it owns shares.

9. Sponsor does not now and did not control the Board of Directors of the Cooperative Corporation since the date of conversion.

FOURTH: Capital improvements; assessment on all shareholders; maintenance per share.

Major capital improvements at the property:

- (a) Boiler replacement completed in fall of 1996.

(b) Roof and exterior work now in process. The anticipated cost is expected to exceed one million dollars but not to exceed \$1.1 million. Payments to date have exceeded \$500,000. The expected completion date is October 31, 1998. Payment for the work currently in progress will come in part from an assessment of 53 cents per share per month for a period of 30 months which commenced January 1, 1998. The assessment payment period may be reduced to 24 months after the completion of the work or during the course of such payments depending upon the ultimate cost of the project and the cooperative corporation's assets. The balance of the cost will be paid from reserves and from anticipated resulting accumulations from the excess of maintenance receipts over current operating costs. The contractor is financing \$500,000 of the contract price and \$200,000 of extras without interest for a period of 12 months from completion. The foregoing is set forth for informational purposes only. The holder of Unsold Shares does not adopt the statement or make any representation as to the adequacy, accuracy, or completeness of the foregoing information.

(c) Maintenance per share is currently \$4.65 per month.

(d) The cooperative corporation permitted two shareholders to purchase a portion of hallway space and incorporate the space into their existing apartments. Each shareholder purchased an additional ten shares making the aggregate number of shares issued by the cooperative corporation to be 17,222.

FIFTH: Price per share.

The purchase price for the unsold units (Exhibit C) is increased effective immediately to \$1,650.00 per share. Some sales may be at negotiated prices.

SIXTH: No other changes.

Except as set forth in this Seventeenth Amendment, there have been no other material changes in the terms of the Offering Plan.

Dated: September 22, 1998

Blecker Charles Company

Holder of Unsold Shares

EXHIBIT A

350 BLEECKER STREET APARTMENT CORP.
(A COOPERATIVE HOUSING CORPORATION)
FINANCIAL STATEMENTS
(CASH BASIS)
AND
SUPPLEMENTARY INFORMATION
DECEMBER 31, 1997 AND 1996

FELDMAN, GUTTERMAN, MEINBERG AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

350 BLEECKER STREET APARTMENT CORP.
(A COOPERATIVE HOUSING CORPORATION)

DECEMBER 31, 1997 AND 1996

CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements:	
Statement of Assets and Liabilities	2
Statements of Revenues Collected Expenses Paid and Retained Deficit	3
Statement of Cash Flows	4-5
Notes to Financial Statements	6-10
Supplementary Information:	
Supplementary Information Report	11
Schedules of Operating Expenses	12-13
Schedules of Revenue Receivables	14

FELDMAN, GUTTERMAN, MEINBERG AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

FGM & CO.
FELDMAN, GUTTERMAN, MEINBERG AND COMPANY
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
(212) 517-3016 • (516) 365-6600
FAX (516) 365-6963

Independent Auditor's Report

Board of Directors
350 Bleecker Street Apartment Corp.:

We have audited the accompanying statements of assets and liabilities arising from cash transactions of 350 Bleecker Street Apartment Corp. (A Cooperative Housing Corporation) as of December 31, 1997 and 1996 and the related statements of revenue collected and expenses paid for the years then ended. These financial statements are the responsibility of the corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in the Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

The Board of Directors of 350 Bleecker Street Apartment Corp. has elected to only partially adopt the funding recommendations of a study conducted to determine current estimates of major repairs and replacements required in the future. When funds are needed the Corporation plans to use capital, increase carrying charges, implement a special assessment, borrow funds, or delay certain projects until funds are available.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of 350 Bleecker Street Apartment Corp. (A Cooperative Housing Corporation) as of December 31, 1997 and 1996, and its revenue collected and expenses paid during the years then ended, on the basis of accounting described in Note 1.

April 27, 1998

Feldman, Gutterman, Meinberg and Company

Manhasset, New York

350 BLEECKER STREET APARTMENT CORP.
(A COOPERATIVE HOUSING CORPORATION)

STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 1997 AND 1996

<u>ASSETS</u>	1997	1996
Property (Note 1)		
Land	\$ 2,779,843	\$ 2,779,843
Building and Improvements	<u>11,211,742</u>	<u>11,127,097</u>
	13,991,585	13,906,940
Less: Accumulated Depreciation	<u>6,962,444</u>	<u>6,389,079</u>
	<u>7,029,141</u>	<u>7,517,861</u>
Current Assets		
Cash in Banks	<u>672,182</u>	<u>550,869</u>
Total Current Assets	<u>672,182</u>	<u>550,869</u>
Other Assets		
Unamortized Mortgage Costs	136,332	153,432
Shares of Stock off National Consumers Cooperative Bank	<u>35,000</u>	<u>35,000</u>
Total Other Assets	<u>171,332</u>	<u>188,432</u>
Total Assets	<u>\$ 7,872,655</u>	<u>\$ 8,257,162</u>
<u>LIABILITIES</u>		
Liabilities		
Mortgage Payable (Note 2)	\$3,460,573	\$3,480,165
Accrued Taxes Payable	3,751	1,767
Shareholders' Alteration - security deposit payable	3,000	4,500
Moving deposits payable	<u>2,500</u>	<u>3,925</u>
Total Liabilities	<u>3,469,824</u>	<u>3,490,357</u>
Shareholders' Capital		
Common Stock	17,222	17,202
Capital In Excess Of Par	10,541,149	10,524,580
Additional Paid-in Capital	289,457	288,432
Accumulated Deficit	<u>(6,444,997)</u>	<u>(6,063,409)</u>
Total Shareholders' Capital	<u>4,402,831</u>	<u>4,766,805</u>
Total Liabilities and Shareholders' Capital	<u>\$ 7,872,655</u>	<u>\$ 8,257,162</u>

See Notes to the Financial Statements.

350 BLEECKER STREET APARTMENT CORP.
(A COOPERATIVE HOUSING CORPORATION)

STATEMENTS OF REVENUES COLLECTED AND EXPENSES PAID
THE YEARS ENDED DECEMBER 31, 1997 AND 1996

	1997	1996
Revenues:		
Maintenance Charges	\$ 962,674	\$ 893,863
Commercial Rent Income (Note 5)	110,438	97,520
Laundry Room Rental (Note 6)	17,990	10,353
Interest Income	21,782	19,520
2% Transfer-Tax	17,170	23,774
Sublet Fees	419	8,138
Late Fee Charges	2,130	1,870
Bike Room Fees	1,175	-
Interview and Expediting Fees	-	2,103
Dividends from NCC Bank	<u>1,215</u>	<u>33,087</u>
Total Revenues	<u>1,134,993</u>	<u>1,090,228</u>
Operating Expenses:		
Taxes and Interest (Note 7)	522,003	564,749
Real Estate Tax Rebate (Note 8)	(65,291)	-
Utilities	86,347	54,125
General and Administrative	156,079	137,499
Labor and Related Expense	180,177	167,829
Repairs and Maintenance	<u>46,801</u>	<u>42,779</u>
Total Cost of Operations	<u>926,116</u>	<u>966,981</u>
Income from Operations	<u>208,877</u>	<u>123,247</u>
Non-Operating Expenses:		
Depreciation Charges	573,365	566,879
Amortization Charges	<u>17,100</u>	<u>17,100</u>
Total Non-Operating Expenses	<u>590,465</u>	<u>583,979</u>
Net(Loss)	(381,588)	(460,732)
Deficit - Beginning of Period	(6,063,409)	(5,602,677)
Deficit - End of Period	<u>\$ (6,444,997)</u>	<u>\$ (6,063,409)</u>

See Notes to the Financial Statements.

350 BLEECKER STREET APARTMENT CORP.
(A COOPERATIVE HOUSING CORPORATION)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 1997

Cash Flows from Operating Activities:	
Net Loss	\$ (381,588)
Adjustments to Reconcile Net Income to Net Cash provided by Operating Activities	
Depreciation	573,365
Increase in accrued taxes payable	1,984
(Decrease) in alteration security deposit payable	(1,500)
(Decrease) in moving deposits payable	<u>(1,425)</u>
Net Cash Used From Operating Activities	<u>190,836</u>
Cash Flows from Investing Activities:	
(Increase) in building improvements	<u>(84,645)</u>
Cash Flows from Financing Activities:	
Increase in paid in capital	1,025
Increase in capital in excess of par	16,569
Increase in capital stock	20
Repayment of mortgage payable	(19,592)
Decrease in unamortized mortgage financing costs	<u>17,100</u>
	<u>15,122</u>
Net Increase in cash	121,313
Cash at beginning of year	<u>550,869</u>
Cash at end of year	<u>\$ 672,182</u>
Supplemental Disclosure of Cash Flow Information	
Cash Paid for - Interest	<u>\$ 248,839</u>

See Notes to the Financial Statements.

350 BLEECKER STREET APARTMENT CORP.
(A COOPERATIVE HOUSING CORPORATION)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 1996

Cash Flows from Operating Activities:	
Net Loss	\$ (460,732)
Adjustments to Reconcile Net Income to Net Cash provided by Operating Activities	
Depreciation	566,879
(Decrease)in accrued taxes payable	(2,861)
(Decrease) in alteration security deposit payable	(1,500)
Increase in moving deposits payable	<u>2,050</u>
Net Cash Used From Operating Activities	<u>103,836</u>
Cash Flows from Investing Activities:	
(Increase) in building improvements	(75,070)
Cash Flows from Financing Activities:	
Repayment of mortgage payable	(19,835)
Decrease in unamortized mortgage financing costs	21,310
Cost of shares of stock in National Consumers Cooperative Bank	<u>(35,000)</u>
	(33,525)
Net Decrease in cash	(4,759)
Cash at beginning of year	<u>555,628</u>
Cash at end of year	<u>\$ 550,869</u>
Supplemental Disclosure of Cash Flow Information	
Cash Paid for - Interest	<u>\$ 272,999</u>

See Notes to the Financial Statements.

350 BLEECKER STREET APARTMENT CORP.
(A COOPERATIVE HOUSING CORPORATION)

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies:

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 Cooperating Housing Corporation. The Corporation authorized 17,202 shares of \$1 par common stock, which are issued and 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 135 residential apartments, two commercial stores, a laundry room and a garage. Originally the building contained 137 apartments but certain apartments have since been combined.

In 1997, 10 additional shares each were issued for the purchase of two hallways adjacent to apartments 3E and 6D. This resulted in 17,222 shares outstanding as at December 31, 1997.

Basis of Presentation:

The accompanying financial statements have been prepared on the same basis as the Corporation files its federal income tax return, the cash basis of accounting. 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 made during 1985 will be recovered over a 19 year period using the Accelerated Cost Recovery System method of depreciation. Improvements made subsequent to 1986 will be recovered over a 27 1/2 year period using the Modified 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. Shareholder's proprietary maintenance, based on their respective stock holdings, is due monthly. The corporation retains excess operating funds in short term liquid investments.

350 BLEECKER STREET APARTMENT CORP.
(A COOPERATIVE HOUSING CORPORATION)

NOTES TO FINANCIAL STATEMENTS

2. Mortgage Obligation:

Pursuant to a commitment dated October 25 1995 accepted by the Mortgagor as amended by letter dated December 14 1995 The National Consumer Cooperative Bank (the "Bank") agreed to provide a \$3.5 million mortgage loan for a term of 10 years. At the end of the 10 year mortgage term the principal balance will be \$3,214,653.

The loan is to be paid in constant monthly payments of \$24,402.86 per month from February 1, 1996 to January 1, 2006. The monthly payments are applied first to interest at the rate of 7.82% and the balance in reduction of principal until and including the maturity date.

A note and a mortgage agreement were executed at closing together with other documents intended to evidence, secure and perfect the security of the Loan. Additional documents were supplied to evidence the Mortgagor's compliance with or secure future compliance with the conditions of the loan.

On commitment certain good faith deposits and a fee aggregating \$85,000 were made:

(1) commitment good faith deposit	\$35,000
(2) interest rate lock good faith deposit	\$35,000
(3) Interest rate lock fee	\$15,000

These deposits and fees were repaid by the Bank; on closing together with a \$4,000 payment constituting the Bank's voluntary

Certain disbursements were deducted from the mortgage proceeds including expenses, short term interest, and the payoff of the prior mortgage. Among the expenses was the broker's commission. The broker agreed to grant the Mortgagor- a reimbursement of \$2,500 to be applied against the expense of obtaining engineering and environmental reports. Another deduction from the mortgage proceeds was for the purchase of stock in the Mortgagee. . The Mortgagor purchased shares of stock in the Bank at a price equal to 1 % of the mortgage loan or \$35,000.00. The shares are redeemable when the loan is satisfied The mortgage was exempt from local mortgage taxes because the Bank is chartered by the Federal Government.

As part of the financing the corporation incurred \$171,007 of mortgage refinancing costs. These costs have been deferred and are being amortized over the ten year life of the mortgage. Included in these costs was a prepayment penalty of \$ 105,348.

A prepayment provision requires the Mortgagor except during the 90 days prior to maturity to pay 2% of the outstanding mortgage balance if it desires to prepay the mortgage. Prepayment requires notice at least 30 and not more than 90 days before the intended prepayment date.

3. Transactions with Related Parties:

The Corporation has a management agreement with a managing agent whose principal is the general partner of Bleecker Charles company, the cooperative's sponsor.

350 BLEECKER STREET APARTMENT CORP.
(A COOPERATIVE HOUSING CORPORATION)

NOTES TO FINANCIAL STATEMENTS

4. Federal Income Taxes:

The Internal Revenue Service has taken the position that real estate cooperatives are subject to Section 277 of the Internal Revenue Code.

Section 277 of the Code provides that a membership organization that is operated to provide services to members is permitted to deduct expenses attributable to the furnishing of services to the members only to the extent of the income derived during such year from its members. Section 277 permits a membership organization to reduce income from non-membership sources only by expenses incurred in generating this income. Accordingly, income from non-membership sources such as interest, commercial rental, professional apartment rental, etc., in excess of expenses properly attributable thereto may be subject to federal tax.

In anticipation of possible changes by Congress in the way that cooperative apartment corporations are taxed, the Internal Revenue Service has instructed its field offices to suspend audits of cases related to Section 277 of the Internal Revenue Code. Up to now, the I.R.S. has contended that residential co-op corporations are liable under Sections 277 for additional taxes on commercial income.

Income tax liability that may result from the above is not reflected in the attached financial statements. If the position of the Internal Revenue Service is changed by further action of Congress - no liability will incur.

5. Master Commercial Lease Provisions:

Under the terms of the Master Commercial Lease, a percentage of the increase in real estate taxes and specified overhead costs allocable to the commercial space will be paid to the Cooperative as additional rent. At December 31, 1997 the amount due to the Cooperative from this provision was \$22,844. As of this date, this amount has been paid.

6. Laundry Room Rental:

Income from laundry room in 1997 was derived from management by the Co-op. In 1998 a contract was entered into.

7. Mortgage Interest and Real Estate Taxes:

During the calendar years ended December 31, 1997 and 1996 the Corporation incurred mortgage interest expense and real estate taxes which were passed through to the shareholders as personal income tax deductions. The applicable per share amounts were \$14.1685 and \$14.3824 for mortgage interest and \$13.0943 and \$15.1364 for real estate taxes, respectively. These amounts represent per share deductions for shareholders who were shareholders of the Corporation for the entire year. Shareholders who were not shareholders of the corporation for the entire year are entitled to only a pro-rata share of the deduction. The pass through deductions were determined after reducing each shareholders' respective amount by 9.375% for commercial space occupied.

Interest expense reflected thirteen months of interest in 1995. The Co-op is on a cash basis, and, upon refinancing the mortgage, paid interest to date. In December 1995, the Co-op paid the November interest, in addition to December interest. The Co-op is normally one month in arrears. Therefore, in 1996 interest expense will reflect only eleven months. In 1997, the coop made eleven payments of interest.

Prepaid real estate taxes as at December 31, 1997 and December 31, 1996 were \$135,045 and \$144,443, respectively.

350 BLEECKER STREET APARTMENT CORP.
(A COOPERATIVE HOUSING CORPORATION)

NOTES TO FINANCIAL STATEMENTS

8. Real Estate Tax Rebate:

In 1997 certiorari preceding resulted in a rebate of \$90,612. A fee of \$25,321 was paid resulting in a net rebate of \$65,291.

9. Common Interest Realty Associations:

350 Bleeker Street Apartment Corporation has conducted a study to determine the remaining useful lives of the components of common property and current estimates of costs of major repairs and replacements that may be required in the future in that connection the corporation engaged the services of an engineering consulting firm to conduct this study. The Board of Directors has developed a plan to partially fund those needs. When replacement funds are required to meet future needs for major repairs and replacements, the Cooperative Housing Corporation has the right to borrow, increase carrying charges, implement special assessments or delay certain projects until funds are available. The effect on future carrying charges or assessments has not been determined at this time. The plan is presently in effect. The 1998 budget included \$110,704 to be added to the unrestricted reserve. At a budgetary meeting, the board authorized an additional assessment of .53 cents per month for 30 months for the cost of major repairs and replacements.

10. Revenue Comparison:

It should be noted that in December of 1995, the January 1996 maintenance of \$28,244 and the commercial rent maintenance of \$7,167 was prepaid by the Sponsor and reflected additional income.. Therefore, a comparison of 1997 and 1996 should take into account the reduction of maintenance \$28,244 and the reduction of commercial rent of \$7,167 in 1996.

The financial statement reflects the following:

	<u>1997</u>	<u>1996</u>
Maintenance Charges	\$ 962,674	\$ 893,863
Commercial Rent Income (Note 5)	110,438	97,520

After reflecting the charges indicated above, the financial would show the following:

Maintenance Charges	\$ 962,674	\$ 922,107
Commercial Rent Income (Note 5)	110,438	104,687

11. Overcharges of Water

In March of 1994, the New York City Water Department confirmed that \$62,684 in overcharges and abatements were currently refundable to 350 Bleeker Street Apartment Corporation. This amount was received in September 1994 and was reflected as a credit balance in the 1994 water expense account. In addition, \$3,959 and \$5,055 for water meter installation were applied against current bills. The rebate has been fully applied. Therefore, water expense was reflected in 1997. All accumulated penalties and interest were abated.

350 BLEECKER STREET APARTMENT CORP.
(A COOPERATIVE HOUSING CORPORATION)

NOTES TO FINANCIAL STATEMENTS

12. Subsequent Events

The Board of Directors at a budgetary meeting held in December 1997 authorized an increase in maintenance of 10 cents per share per month on 17222 shares outstanding which will result in increased annual revenue of \$20,666. The board also authorized an assessment of .53 cents per share per month for 30 months to cover the cost of additional improvements.

13. Additions to Building Improvements

During 1996, the Co-op paid for improvements and equipment of \$75,070 as follows:

Boiler Replacement and Asbestos Removal Costs	\$ 34,263
Garage Ramp Improvements	5,143
Engineering Costs	24,753
Laundry Room and Gym Equipment	<u>10,911</u>
	<u>\$ 75,070</u>

During 1997, the Co-op paid for improvements and equipment of \$84,645 as follows:

Toilet Rebate Program	\$ 44,380 *refer to note
Masonry Repair at Incinerator Bulkhead	3,572
Engineering Costs Relating to Wall Repairs	29,086
Renovation Terrace Door	900
TV - Exercise Room	707
Video - AW CCTV	<u>6,000</u>
	<u>\$ 84,645</u>

* A rebate from the NYC Toilet rebate program of \$31,200 is due but has not yet been received.

SUPPLEMENTARY INFORMATION

**FELDMAN, GUTTERMAN, MEINBERG AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS**

FGM & CO.
FELDMAN, GUTTERMAN, MEINBERG AND COMPANY
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
(212) 517-3016 • (516) 365-6600
FAX (516) 365-6963

To the Shareholders of
350 Bleecker Street Apartment Corp.:

We have audited the financial statements of 350 Bleecker Street Apartment Corp. (A Cooperative Housing Corporation) for the years ended December 31, 1997 and 1996, and those statements, together with our report thereon, are presented in the preceding section of this report.

Our audits were 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 years then ended taken as a whole. The supplementary information on pages 12, 13 and 14 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit 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.

Feldman, Gutterman, Meinberg and Company

April 27, 1998
Manhasset, New York

350 BLEECKER STREET APARTMENT CORP.
(A COOPERATIVE HOUSING CORPORATION)

SCHEDULES OF EXPENSES PAID
DECEMBER 31, 1997 AND 1996

	1997	1996
Taxes and Interest		
Real Estate Taxes	\$ 269,254	\$ 287,312
New York State Franchise Taxes	2,093	2,262
New York City General Corporation Taxes	1,817	2,026
New York City Vault Tax	-	150
Mortgage Interest	<u>248,839</u>	<u>272,999</u>
	<u>522,003</u>	<u>564,749</u>
Utilities		
Gas Heat	29,822	34,659
Electricity	14,453	16,509
Hot Water Gas	3,415	-
Cooking Gas	3,471	2,957
Water & Sewer Charges	<u>35,186</u>	<u>-</u>
	<u>86,347</u>	<u>54,125</u>
General and Administrative		
Insurance	47,851	55,902
Management Fees	49,000	49,000
Legal	39,567	12,884
Accounting	6,375	6,000
Telephone	2,034	1,655
Postage & Stationery	1,263	1,067
Licenses, Permits & Violations	726	237
Office Expenses	8,266	7,400
Miscellaneous Expenses	218	394
Security	<u>779</u>	<u>2,960</u>
	<u>156,079</u>	<u>137,499</u>
Labor and Related Expenses		
Payroll	148,264	142,860
Payroll taxes	12,482	11,275
Hospitalization	<u>19,431</u>	<u>13,694</u>
	<u>180,177</u>	<u>167,829</u>

See Notes to the Financial Statements.

350 BLEECKER STREET APARTMENT CORP.
(A COOPERATIVE HOUSING CORPORATION)

SCHEDULES OF EXPENSES PAID
DECEMBER 31, 1997 AND 1996

	1997	1996
Repairs and Maintenance		
Boiler, Heating & Plumbing	\$ 10,402	\$ 3,506
Janitorial Supplies	13,967	16,731
Elevator	8,887	9,491
Windows	5,334	-
Intercom & Door	1,262	1,622
Exterminating	4,925	4,546
Painting & Cleaning	671	3,295
Electrical	257	1,690
Landscaping	<u>1,096</u>	<u>1,898</u>
	<u>46,633</u>	<u>42,779</u>
	<u>991,407</u>	<u>966,981</u>
 Deduct Real Estate Rebate	 (65,291)	 -
 Total expenses paid(pages 12 & 13)	 <u>\$ 926,116</u>	 <u>\$ 966,981</u>

See Notes to the Financial Statements.

350 BLEECKER STREET APARTMENT CORP.
(A COOPERATIVE HOUSING CORPORATION)

SCHEDULES OF REVENUE RECEIVABLES
DECEMBER 31, 1997 AND 1996

Revenue receivables not reflected in cash financial statements were as follows:

	1997	1996
Maintenance	\$ 300	\$ 3,399
Late fees	-	980
Sublet fees	<u>-</u>	<u>91</u>
Total	<u>\$ 300</u>	<u>\$ 4,470</u>

The maintenance receivable reflects the Co-op's policy of refusing to accept payments when litigation is involved.

Prepaid Revenues	<u>\$ 1,734</u>	<u>\$ -0-</u>
------------------	-----------------	---------------

1998 Budget

	1998 Budget	1997 Budget	1996 Budget	Thru 10/31/97	Thru 10/31/96
Commercial Rent	86,000	86,000	86,000	71,666	64,500
Additional Rent	24,000	20,000	20,000	24,438	18,687
Laundry	9,000	16,000	10,000	14,860	7,775
Interest Income	10,000	6,000	7,000	6,146	11,490
Bank Dividend	1,200	3,250		1,215	33,087
2% Sales Fee	17,000	15,000	14,000	17,170	23,774
Late Fees	2,000	1,500	1,500	1,980	1,720
Sublet Fees	0	1,000	10,000	419	7,975
Sublet Interview Fees	0	350	500	175	1,828
Bike Room Rent	1,000	700	700 -		175
Total Income	150,200	149,800	149,700	138,069	171,011
Real Estate Tax	270,100	287,000	275,000	134,208	142,869
NYS Franchise Tax	2,000	3,000	3,000	1,483	1,584
NY Corp Tax	2,000	3,000	3,000	1,317	1,482
NYC Vault Tax	0	150	0		150
Mortgage Interest	289,699	271,391	272,999	226,276	227,610
Mortgage Principal	23,136	21,443	19,835	21,304	0
Total Taxes & Interest Paid	586,935	585,984	573,834	384,588	373,695
Cooking Gas	3,500	3,500	3,000	3,191	2,765
Oil	0	0	30,000		
Electricity	16,000	16,500	15,000	15,062	13,867
Hot Water Gas (summer)	4,000	7,000	0		0
Steam Gas	30,000	30,000	0	24,038	28,475
Water & Sewer (includes rebate)	20,000	9,000	2,000	107	0
Total Utilities	73,500	66,000	50,000	42,398	45,107
Insurance	49,000	58,100	58,100	47,851	55,902
Management Fee	49,500	49,500	49,500	40,833	44,916
Legal	7,500	15,000	10,000	39,192	12,865
Accountant	6,750	6,500	6,250	3,125	6,000
Phone	2,200	3,000	3,000	1,866	1,447
Postage	1,100	1,000	1,000	975	791
Licenses & Permits	500	500	1,000	131	237
Office Expenses	7,000	5,000	5,000	6,532	3,485

Misc. Expenses	0	0	0	0	0
Security System	1,000	0	0	779	2,923
Certiorari Legal Fees				25,322	
Total Administrative	124,550	138,600	133,850	166,606	128,566
Payroll	147,000	141,000	135,000	117,500	105,990
FICA Taxes	13,000	13,000	12,000	10,833	8,933
Medical	16,000	14,000	14,000	11,667	11,650
Total Labor	176,000	168,000	161,000	140,000	126,573
Boiler, Plumbing, A/C for Stores	7,500	3,000	3,000	10,195	1,924
Janitorial Supplies	15,000	13,000	13,000	13,494	15,508
Elevator	13,000	9,000	9,000	7,287	7,950
Electrician	500	1,000	1,000	257	1,203
Windows	4,000	1,000	1,000	4,691	227
Intercom and Door	1,000	2,000	6,000	687	638
Landscaping	2,500	2,500	0	111	223
Exterminator	4,500	4,500	2,000	3,789	3,788
Exercise Room	500	0	0		0
Painting, Carpet, Cleaning	1,000	5,000	1,000	510	487
Total Repairs	49,500	41,000	36,000	41,021	31,948
Unanticipated Items (contingency)	10,000	10,000	10,000	Incl. Above	Incl. above
Total Expense Include Contingency	1,000,484	1,009,584	964,684		705,435
Addition to Reserve From Maint=ATR	110,704	79,445			
Addition to Reserve From Hallway Sales	17,000				
Total Addition to Reserve	110,704	96,445			
Grand Total Expenses + ATR	1,111,188	1,089,029			
Grand Total Expenses Less Income	850,284	939,229			
Maintenance Fees	960,988	939,229			
Maint Fee Per Share Per Month	4.65	4.55	4.45		

EXHIBIT C

SCHEDULE OF MAINTENANCE PAID ON UNSOLD SHARES

<u>UNSOLD SHARES</u>	<u>APT.</u>	<u>MAINTENANCE</u>
124	LB	\$ 576.60
124	LM	576.60
77	LN	358.05
185	1E	860.25
126	1L	585.90
126	1N	585.90
185	1P	860.25
82	1T	381.30
82	1W	381.30
104	2A	483.60
187	2S	869.55
84	2T	390.60
84	2W	390.60
130	3K	604.50
130	3L	604.50
191	3S	888.15
108	3U	502.20
132	4K	613.80
132	4N	613.80
132	4R	613.80
194	4S	902.10
88	4T	409.20
134	5K	623.10
200	5S	930.00
140	6B	651.00
92	6F	427.80
219	6G	1,018.35
140	6J	651.00
140	6M	651.00
206	6P	957.90
219	6S	1,018.35
92	6T	427.80
<u>115</u>	<u>6U</u>	<u>534.75</u>
 <u>4,504</u>		 <u>\$ 20,943.60</u>

September, 1998

EXHIBIT D

SCHEDULE OF RENT RECEIVED

APT.	<u>RENT</u>
LB	\$ 572.99
LM	786.70
LN	494.79
1E	0 - \$
1L	717.50
1N	544.33
1P	902.50
1T	466.67
1W	463.87
2A	686.40
2S	1,035.18
2T	464.83
2W	449.83
3K	619.55
3L	710.77
3S	1,062.92
3U	489.29
4K	728.88
4N	872.84
4R	822.43
4S	790.32
4T	492.65
5K	596.46
5S	1,012.26
6B	671.19
6F	501.00
6G	802.40
6J	638.91
6M	824.24
6P	773.87
6S	801.79
6T	617.04
6U	<u>603.98</u>
	<u>\$ 22,018.38</u>

September, 1998

*Vacant