

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

Apartment Corporation:

350 Bleecker Street Apartment Corp.

Holder of Unsold Shares:

Bleecker Charles Company

**EIGHTEENTH 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 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, and the Seventeenth Amendment filed by the Department of Law on October 21, 1998, as follows:

FIRST: Financial statements and budget.

The financial statement of the Apartment Corporation's operations for the period ended December 19, 1998 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:

Lawrence Chachere	Susan Kim
Janet Cook	Mark Lilien
Laura Herbert	Mary Louise Moravec
James Kafadar	

The following are the current officers of the Apartment Corporation:

Chairman -	Mark Lilien
President -	Susan Kim
Vice President -	Lawrence Chachere
Vice President -	Janet Cook
Vice President -	Laura Herbert
Secretary -	James Kafadar
Treasurer -	Mary Louise Moravec

Kenneth B. Newman is a principal of the Sponsor.

THIRD: Unsold shares: financial disclosure.

1. Annexed hereto as Exhibit C (Schedule of Maintenance and Assessment 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 \$19,725.30. The apartment corporation has imposed an assessment (see Article FOURTH (a) below). The aggregate amount of the monthly assessment is \$2,248.26.

2. The aggregate amount of monthly rent for all of the apartments listed in Exhibit D (Schedule of Rent Received) is \$21,945.36.

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) 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 \$941,000. The expected completion date is not later than June 30, 2000. 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 could, but is not expected to be reduced to 24 months during the course of such payments. 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 up to \$200,000 of extras without interest for a period of 12 months from completion. An extension of the financing is being negotiated to provide an additional six months to pay the indebtedness at an interest rate of 6%. 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 \$2,100.00 per share. Some sales may be at negotiated prices.

SIXTH: Financial protection to cooperative corporation pursuant to General Business Law Section 352-1

Section 352-e of the General Business Law was amended on July 22, 1998 to repeal Section 352-e(2-d) and to add a new Section 352-1. It applies to all cooperative plans in existence on or after July 22, 1998. The law is intended to provide financial protection where non-occupying owners default on payments due to the cooperative. The terms of GBL Section 352-1 are as follows:

(a) For purposes of this section, "non-occupying owner" shall mean a shareholder in a cooperative who does not occupy the dwelling unit to which the shares are allocated.

(b) If a non-occupying owner rents any dwelling unit to a tenant and then fails to make payments due for maintenance, assessments or late fees for such unit within 60 days of the expiration of any grace period after they are due, the Cooperative Apartment Corporation shall provide written notice to the tenant and the non-occupying owner that rental payments from the tenant shall be paid directly to the Apartment Corporation.

(c) Such written notice shall provide that commencing immediately and until such time as all such payments are made current, all rental payments due subsequent to the issuance of such notice are to be made to the Corporation at the address listed on the notice. However, where a majority of the Board of Directors has been elected by Owners who are in occupancy, the Board may elect not to require that rental payments be made payable to the Apartment Corporation.

(d) When such payments from the non-occupying owner are once again current, written notice of this fact shall be given within three (3) business days to the rental tenant and non-occupying owner; thereafter, all rental payments shall be made payable to the non-occupying owner or a designated agent.

(e) A non-occupying owner who disputes the Board's claim to rental payments pursuant to GBL Section 352-1 shall be entitled to present facts supporting such position at the next scheduled meeting of the Board of Directors, which must be held within 30 days of the date that such Board receives notice that such owner seeks to dispute such claim.

(f) Nothing in GBL Section 352-1 shall limit any rights of shareholders or of the Apartment Corporation existing under any other law or agreement.

(g) Payment by a rental tenant to the Apartment Corporation made in connection with Section 352-1 shall relieve that rental tenant from the obligation to pay such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent.

SEVENTH: 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: November, 1999

Bleecker 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, 1998 AND 1997

FELDMAN, GUTTERMAN, MEINBERG AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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

DECEMBER 31, 1998 AND 1997

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FGM & CO.
FELDMAN, GUTTERMAN, MEINBERG AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

Board of Directors
350 Bleecker Street Apartment Corp.:

We have audited the accompanying statements of assets, liabilities and shareholders' capital-cash basis of 350 Bleecker Street Apartment Corp. (A Cooperative Housing Corporation) as of December 31, 1998 and 1997, and the related statements of revenue, expenses and accumulated deficit-cash basis and cash flows-cash basis 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 cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities and shareholders' capital of 350 Bleecker Street Apartment Corp. (A Cooperative Housing Corporation) as of December 31, 1998 and 1997, and its revenue and expenses and changes in shareholders' capital during the years then ended, on the basis of accounting described in Note 1.

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.

Feldman, Gutterman, Meinberg & Co.

February 5, 1999
Manhasset, New York

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

STATEMENT OF ASSETS, AND LIABILITIES, AND SHAREHOLDERS' CAPITAL-CASH BASIS
DECEMBER 31, 1998 AND 1997

	<u>ASSETS</u>	
	<u>1998</u>	<u>1997</u>
Property (Note 1)		
Land	\$ 2,779,843	\$ 2,779,843
Building and Improvements	<u>11,788,256</u>	<u>11,211,742</u>
	14,568,099	13,991,585
Less: Accumulated Depreciation	<u>7,546,793</u>	<u>6,962,444</u>
	<u>7,021,306</u>	<u>7,029,141</u>
Current Assets		
Cash in Banks	<u>379,344</u>	<u>672,182</u>
Total Current Assets	<u>379,344</u>	<u>672,182</u>
Other Assets		
Unamortized Mortgage Costs, net	119,232	136,332
Investment in National Consumers Cooperative Bank Stock	<u>35,000</u>	<u>35,000</u>
Total Other Assets	<u>154,232</u>	<u>171,332</u>
Total Assets	<u>\$ 7,554,882</u>	<u>\$ 7,872,655</u>
	<u>LIABILITIES</u>	
Liabilities		
Mortgage Payable (Note 2)	\$3,435,540	\$3,460,573
Accrued Taxes Payable	4,461	3,751
Shareholders' Alteration - Security Deposit Payable	3,500	3,000
Moving Deposits Payable	<u>5,500</u>	<u>2,500</u>
Total Liabilities	<u>3,449,001</u>	<u>3,469,824</u>
Shareholders' Capital		
Common Stock	17,222	17,222
Capital In Excess Of Par	10,541,149	10,541,149
Additional Paid-in Capital (See Note 9)	398,756	289,457
Accumulated Deficit	<u>(6,851,246)</u>	<u>(6,444,997)</u>
Total Shareholders' Capital	<u>4,105,881</u>	<u>4,402,831</u>
Total Liabilities and Shareholders' Capital	<u>\$ 7,554,882</u>	<u>\$ 7,872,655</u>

See Notes to the Financial Statements.

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

STATEMENTS OF REVENUES, EXPENSES, AND ACCUMULATED DEFICIT-CASH BASIS
THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
Revenues:		
Maintenance Charges Net of 1998 NYC Real Estate		
Tax Abatements of \$20,126	\$ 948,478	\$ 962,674
Commercial Rent Income (Note 5)	108,844	110,438
Laundry Room Rental (Note 6)	10,712	17,990
Interest Income and Dividend Income	17,508	21,782
2% Transfer-Tax	20,197	17,170
Sublet Fees	854	419
Late Fee Charges	349	2,130
Bike Room Fees	1,250	1,175
Interview Fees	725	-
Dividends from National consumers Cooperative Bank	<u>1,578</u>	<u>1,215</u>
Total Revenues	<u>1,110,495</u>	<u>1,134,993</u>
Operating Expenses:		
Taxes and Interest (Note 7)	548,817	522,003
Real Estate Tax Rebate (Note 8)	-	(65,291)
Utilities	58,892	86,347
General and Administrative	85,449	156,079
Labor and Related Expense	187,286	180,177
Repairs and Maintenance	<u>34,851</u>	<u>46,801</u>
Total Operating Expenses	<u>915,295</u>	<u>926,116</u>
Income from Operations	<u>195,200</u>	<u>208,877</u>
(Other) Expenses:		
Depreciation Charges	(584,349)	(566,879)
Amortization Charges	<u>(17,100)</u>	<u>(17,100)</u>
Total Other (Expenses)	<u>(601,449)</u>	<u>(590,465)</u>
Net (Loss)	(406,249)	(381,588)
Deficit - Beginning of Year	<u>(6,444,997)</u>	<u>(6,063,409)</u>
Deficit - End of Year	<u>\$ (6,851,246)</u>	<u>\$ (6,444,997)</u>

See Notes to the Financial Statements.

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

STATEMENTS OF CASH FLOWS-CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
Cash Flows from Operating Activities:		
Net Loss	\$ (406,249)	\$ (381,588)
Adjustments to reconcile net (loss) to net cash provided by operating activities		
Depreciation and Amortization	601,449	590,465
Increase (Decrease) in Liabilities		
Accrued Taxes Payable	710	1,984
Shareholders' Alteration - Security Deposit Payable	500	(1,500)
Moving Deposits Payable	<u>3,000</u>	<u>(1,425)</u>
Net Cash Provided by Operating Activities	<u>199,410</u>	<u>207,936</u>
Cash Flows from Investing Activities:		
Building Improvements (Note 10)	<u>(576,514)</u>	<u>(84,645)</u>
Cash Flows from Financing Activities:		
Proceeds from Shareholders from Special Assessments (Note 9)	109,299	1,025
Proceeds from Sale of Hallways (Note 13)	-	16,569
Proceeds from Sale of Common Stock (Note 13)	-	20
Proceeds from Shareholders for Principal Repayment of Mortgage Payable	<u>(25,033)</u>	<u>(19,592)</u>
Net Cash Provided by Financing Activities	<u>84,226</u>	<u>(1,978)</u>
Net (Decrease) Increase in cash	(292,838)	121,313
Cash and Cash Equivalents - Beginning of Year	<u>672,182</u>	<u>550,869</u>
Cash and Cash Equivalents - End of Year	<u>\$ 379,344</u>	<u>\$ 672,182</u>
Supplemental Disclosure of Cash Flow Information		
Cash Paid for - Interest	<u>\$ 292,204</u>	<u>\$ 248,839</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 17,222 shares of \$1 par common stock of which 17,222 shares 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 land and six story building located at 350 Bleecker Street located in the borough of Manhattan New York and consists of 136 residential apartments, two commercial stores, a laundry room and a garage. Originally the building contained 137 apartments but certain apartments have since been combined.

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.

Amortization:

Unamortized mortgage refinancing costs are being amortized over a ten (10) year period.

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, if any ,at the end of the operating year for use in future operating periods.

Sublet fees are billed to shareholders who are subletting and therefore, not occupying their respective apartments.

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

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies: (continued)

Cash and Cash Equivalents:

For the purpose of the statement of cash flows, cash and cash equivalents are short-term, highly liquid investments readily convertible into cash with a maturity of three months or less.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly actual results could differ from those estimates.

Concentration of Credit Risk:

The Corporation maintains cash balances at several financial institutions. The accounts at cash are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$ 100,000. The Fidelity Investments investment accounts are fully insured but are not covered by FDIC. At December 31, 1998 and 1997 the Corporation's cash balances were fully insured.

Reclassification:

Certain 1997 amounts have been reclassified for purposes of comparison with the 1998 presentation.

2. Mortgage Payable:

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 due and payable 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

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

NOTES TO FINANCIAL STATEMENTS

2. Mortgage Payable: (continued)

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

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.

Principal maturities of mortgage payable during the next five years are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
1999	\$ 25,061
2000	27,092
2001	29,288
2002	31,663
2003	34,229
Thereafter	<u>3,288,207</u>
	<u>\$ 3,435,540</u>

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 had previously taken the position that real estate cooperatives are subject to Section 277 of the Internal Revenue Code. However, in 1995, the U.S. Tax Court ruled on this matter and reversed the Internal Revenue Service's position with regard to tax compliance under Section 277. In September 1996, the Tax Court elaborated further on this issue concentrating on the source of the funds in which the interest income relates to. As a result, the Cooperative now deems this to be a closed matter, even though they had no recorded or contingent liability.

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 Corporation as additional rent. At December 31, 1998 and 1997, the amounts due to the Corporation from this provision were \$19,456 and \$22,844, respectively. As of this date, these amounts have been paid.

6. Laundry Room Rental:

In 1998 a contract was entered into with Fowler Laundry for a period of ten years. The lessor will pay the lessee 55% of money collected monthly from Value Transfer Machine. Fowler guarantees a minimum payment to owners of \$700 monthly. Income from laundry room in 1997 was derived from management by the Corporation.

7. Mortgagee Interest and Real Estate Taxes:

During the calendar years ended December 31, 1998 and 1997 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 \$13.3282 and \$14.1685 for mortgage interest and \$15.2932 and \$13.0943 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.

The Corporation is on a cash basis, and, upon refinancing the mortgage, paid interest to date. The Corporation is normally one month in arrears. In 1997, the coop made eleven payments of interest. In 1998, the Corporation made thirteen payments of interest.

Prepaid real estate taxes as at December 31, 1998 and December 31, 1997 were \$123,322 and \$135,045, respectively.

8. Real Estate Tax Reduction From Certiorari Proceeding:

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

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

NOTES TO FINANCIAL STATEMENTS

9. Future Major Repairs and Replacements:

The 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 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 1999 budget included \$116,654 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 beginning in January 1998 to finance the cost of major repairs and replacements. This resulted in an assessment of \$109,299 for the year ended December 31, 1998.

10. Additions to Building Improvements:

During 1997, the Corporation paid for major repairs, improvements and equipment of \$84,645, as follows:

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

*In 1998 a rebate from the New York City Toilet Rebate Program of \$31,200 was received.

During 1998, the Corporation paid for major repairs, improvements and equipment of \$607,714, as follows:

Boiler replacement	\$ 5,000
Engineering costs	74,090
Roofing and waterproofing	506,637
Air conditioner units	6,187
Asbestos removal from roof	4,860
Taub - legal fees pertaining to construction	6,800
Electric wiring	920
Windows	<u>3,220</u>
	607,714
Less Toilet Rebate	<u>(31,200)</u>
	<u>\$ 576,514</u>

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

NOTES TO FINANCIAL STATEMENTS

10. Additions to Building Improvements: (continued)

In 1998 a contract was entered into between 350 Bleecker Street Apartment Corp. and M&G Waterproofing, Inc. relative to roof replacement and masonry repairs.

The original contract stipulated a total contract sum of \$914,000 payable \$500,000 in 1998 and the remaining balance of \$414,000 payable in 12 equal monthly installments during 1999.

Subsequent to the original contract, a number of change orders were instituted and the monthly obligations were changed. As of February 5, 1999 the original contract was increased to approximately \$1,000,000 by these change orders. Monthly payments were made in 1999 determined by taking the amount completed to date of the payment requisition, subtracting amount paid to date and dividing the result by the number of payments remaining. To date all 1999 payments have been timely paid. Subsequent monthly payments of approximately \$35,000 are anticipated subject to any claims and allowances.

11. New York City Real Estate Tax Abatement Program:

The New York City Real Estate Tax Abatement program is for a period of three (3) years which began on July 1, 1996. The program provides for gradually increasing abatements over this period. The abatement is shown as a reduction to the Corporation's real estate taxes and is given back to the shareholders as a reduction of maintenance. The 1998/1999 abatements must be applied to the qualifying shareholders by the end of New York City's fiscal year, June 30, 1999. The 1998/1999 abatements amounted to \$36,505 and were applied to shareholder maintenance in January 1999. The 1996/97 and 1997/98 abatements must be applied to the qualifying shareholders by the end of New York City's fiscal year, June 30, 1998. The 1996/97 and 1997/98 abatements amounted to \$20,126 and were applied to shareholder maintenance in 1998.

12. Sale of Common Stock:

During 1997, the Corporation issued twenty (20) shares of common stock for the purchase of two hallways adjacent to apartments 3E and 6D. The proceeds from the sale of common stock amounted to \$16,569.

SUPPLEMENTARY INFORMATION

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

FGM & CO.
FELDMAN, GUTTERMAN, MEINBERG AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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, 1998 and 1997, 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 12-14 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

February 5, 1999
Manhasset, New York

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

SCHEDULES OF EXPENSES CASH BASIS

DECEMBER 31, 1998 AND 1997

	1998	1997
Taxes and Interest		
Real Estate Taxes	\$ 253,284	\$ 269,254
New York State Franchise Taxes	1,194	2,093
New York City General Corporation Taxes	2,135	1,817
Mortgage Interest	<u>292,204</u>	<u>248,839</u>
	<u>548,817</u>	<u>522,003</u>
Utilities		
Gas Heat	21,355	29,822
Electricity	16,065	14,453
Hot Water Gas	2,167	3,415
Cooking Gas	3,417	3,471
Water & Sewer Charges	<u>15,888</u>	<u>35,186</u>
	<u>58,892</u>	<u>86,347</u>
General and Administrative		
Insurance	20,915	47,851
Management Fees	49,000	49,000
Legal (Other than Certiorari and Construction)	300	39,567
Accounting	6,625	6,375
Telephone	643	2,034
Postage & Stationery	997	1,263
Licenses, Permits & Violations	617	726
Office Expenses	5,567	8,266
Miscellaneous Expenses	427	218
Security	<u>358</u>	<u>779</u>
	<u>85,449</u>	<u>156,079</u>
Labor and Related Expenses		
Payroll	159,213	148,264
Payroll taxes	12,584	12,482
Hospitalization	<u>15,489</u>	<u>19,431</u>
	<u>187,286</u>	<u>180,177</u>

See Notes to the Financial Statements.

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

SCHEDULES OF EXPENSES CASH BASIS

DECEMBER 31, 1998 AND 1997

	1998	1997
Repairs and Maintenance		
Boiler, Heating & Plumbing	\$ 5,806	\$ 10,402
Janitorial Supplies	9,742	13,967
Elevator	9,110	8,887
Windows	1,334	5,334
Intercom & Door	3,356	1,262
Exterminating	4,220	4,925
Painting & Cleaning	926	671
Electrical	270	257
Landscaping	<u>87</u>	<u>1,096</u>
	<u>34,851</u>	<u>46,801</u>
	1,517,297	1,581,872
Deduct Real Estate Tax Reduction From Certiorari Proceeding (Note 8)	<u>-</u>	(65,291)
Total expenses paid(pages 12 & 13)	<u>\$ 1,517,267</u>	<u>\$ 1,516,581</u>

See Notes to the Financial Statements.

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

SCHEDULES OF REVENUE RECEIVABLES

DECEMBER 31, 1998 AND 1997

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

	<u>1998</u>	<u>1997</u>
Maintenance	\$ 3,520	\$ 300
Late fees	50	-
Sublet fees	120	-
Assessments	<u>1,045</u>	<u>-</u>
Total	<u>\$ 4,735</u>	<u>\$ 300</u>

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

Prepaid Revenues	\$ 7,124	\$ 1,734
Prepaid Assessments	<u>812</u>	<u>-</u>
	<u>\$ 7,936</u>	<u>\$ 1,734</u>

EXHIBIT B

Expense Budget 1999	1997 12 Months	1998 Budget	1999 Budget	10 months thru 10/31/97	10 months thru 10/31/98
Commercial rent	\$86,000	\$86,000	\$86,000	\$71,666	\$71,667
Additional commercial rent	\$24,438	\$24,000	\$24,000	\$24,438	\$22,844
Laundry income	\$17,990	\$9,000	\$11,000	\$14,860	\$9,348
Interest income	\$21,782	\$10,000	\$14,000	\$6,146	\$10,327
Bank dividend from mortgage lender	\$1,215	\$1,200	\$1,600	\$1,215	\$1,578
2% transfer fee	\$17,170	\$17,000	\$17,000	\$17,170	\$16,547
Sublet fees @\$1/share in 1999	\$419	\$0	\$1,000	\$419	\$679
Late fees @\$50 in 1999	\$2,130	\$2,000	\$500	\$1,980	\$150
Sublet interview fees @\$275 in 1999	\$0	\$0	\$550	\$175	\$900
Bike room fees @\$100 x 12 in 1999	\$75	\$1,000	\$1,200	\$75	\$390
Real estate tax rebate	\$90,612	\$0	\$0	\$90,612	\$0
Total Income	\$261,831	\$150,200	\$156,850	\$228,756	\$134,430
Real Estate Tax	\$269,254	\$270,100	\$295,000	\$134,208	\$129,962
NYS franchise tax	\$2,093	\$2,000	\$2,000	\$1,483	\$654
NY corporate tax	\$1,817	\$2,000	\$2,000	\$1,317	\$1,215
NYC vault tax (eliminated)	\$0	\$0	\$0	\$0	\$0
Mortgage interest paid	\$248,839	\$269,699	\$267,936	\$226,276	\$224,962
Mortgage interest principal	\$19,592	\$23,135	\$24,898	\$21,304	\$19,067
Total taxes + interest	\$541,595	\$566,934	\$591,834	\$384,588	\$375,860
Cooking gas	\$3,471	\$3,500	\$3,500	\$3,191	\$2,645
Electricity	\$14,453	\$16,000	\$16,000	\$12,537	\$13,643
Hot water gas (summer)	\$3,415	\$4,000	\$4,000	\$2,525	\$2,218
Steam gas	\$29,822	\$30,000	\$28,000	\$24,038	\$17,771
Water + sewer	\$35,186	\$20,000	\$20,000	\$107	\$12,227
Total utilities	\$86,347	\$73,500	\$71,500	\$42,398	\$48,504
Insurance	\$47,851	\$49,000	\$35,000	\$47,851	\$21,570
Management fee	\$49,000	\$49,500	\$49,000	\$40,833	\$36,750
Legal	\$39,567	\$7,500	\$7,500	\$39,192	\$7,100
Accounting	\$6,375	\$6,750	\$6,750	\$3,125	\$6,625
Phone	\$2,034	\$2,200	\$1,000	\$1,866	\$818
Postage + stationery	\$1,263	\$1,100	\$1,000	\$975	\$671
Licenses, permits, violations	\$726	\$500	\$600	\$131	\$602
Office expenses	\$8,484	\$7,000	\$8,000	\$6,532	\$3,667
Certiorari legal fees	\$25,322	\$0	\$0	\$25,322	\$0
Security system	\$779	\$1,000	\$1,000	\$779	\$358
Total Administrative	\$181,401	\$124,550	\$109,850	\$166,606	\$78,161
Payroll	\$148,264	\$147,000	\$150,000	\$117,500	\$119,899
FICA taxes	\$12,482	\$13,000	\$13,000	\$10,833	\$9,814
Medical	\$19,431	\$16,000	\$16,000	\$11,667	\$12,867
Total Labor	\$180,177	\$176,000	\$179,000	\$140,000	\$142,580

	1997 12 Months	1998 Budget	1999 Budget	10 months thru 10/31/97	10 months thru 10/31/98
Boiler, plumbing, a/c	\$10,402	\$7,500	\$7,000	\$10,195	\$5,081
Janitorial supplies	\$13,967	\$15,000	\$12,000	\$13,494	\$8,673
Elevator	\$8,887	\$13,000	\$7,500	\$7,287	\$6,607
Electrician	\$257	\$500	\$1,000	\$257	\$1,190
Windows	\$5,334	\$4,000	\$2,000	\$4,691	\$1,127
Intercom + door	\$1,262	\$1,000	\$1,000	\$687	\$3,687
Landscaping	\$1,377	\$2,500	\$1,000	\$1,377	\$87
Exterminator	\$4,925	\$4,500	\$4,500	\$3,789	\$3,510
Exercise room	\$713	\$500	\$2,000	\$713	\$887
Painting, carpet	\$671	\$1,000	\$1,000	\$510	\$0
Total Repairs	\$47,795	\$49,500	\$39,000	\$43,000	\$30,849
Unanticipated items	incl above	\$10,000	\$10,000	incl above	incl above
Addition to reserve		\$110,704	\$116,654		
Total Expense incl contingency excl Addition to reserve	\$1,037,315	\$1,000,484	\$1,001,184	\$776,592	\$675,954
Less income other than maintenance	\$261,831	\$150,200	\$156,850	\$228,756	\$134,430
Expense less income	\$775,484	\$850,284	\$844,334	\$547,836	\$541,524
Maintenance fees @ \$4.65/share in 1999		\$960,988	\$960,988		

EXHIBIT C

SCHEDULE OF MAINTENANCE PAID ON UNSOLD SHARES

<u>UNSOLD SHARES</u>	<u>APT.</u>	<u>MAINTENANCE</u>	<u>ASSESSMENT</u>
124	LB	\$ 576.60	\$ 65.72
124	LM	576.60	65.72
126	1L	585.90	66.78
126	1N	585.90	66.78
185	1P	860.25	98.05
82	1T	381.30	43.46
82	1W	381.30	43.46
104	2A	483.60	55.12
187	2S	869.55	99.11
84	2T	390.60	44.52
84	2W	390.60	44.52
130	3K	604.50	68.90
130	3L	604.50	68.90
191	3S	888.15	101.23
108	3U	502.20	57.24
132	4K	613.80	69.96
132	4N	613.80	69.96
132	4R	613.80	69.96
194	4S	902.10	102.82
88	4T	409.20	46.64
134	5K	623.10	71.02
200	5S	930.00	106.00
140	6B	651.00	74.20
92	6F	427.80	48.76
219	6G	1,018.35	116.07
140	6J	651.00	74.20
140	6M	651.00	74.20
206	6P	957.90	109.18
219	6S	1,018.35	116.07
92	6T	427.80	48.76
<u>115</u>	<u>6U</u>	<u>534.75</u>	<u>60.95</u>
<u>4,242</u>		<u>\$ 19,725.30</u>	<u>\$ 2,248.26</u>

November, 1999

EXHIBIT D

SCHEDULE OF RENT RECEIVED

<u>APT.</u>	<u>RENT</u>
LB	\$ 595.91
LM	818.17
1L	717.50
1N	566.10
1P	902.50
1T	485.34
1W	482.42
2A	713.86
2S	1,035.18
2T	497.22
2W	449.83
3K	619.55
3L	710.77
3S	1,105.44
3U	508.97
4K	728.88
4N	907.75
4R	822.43
4S	790.32
4T	492.65
5K	620.32
5S	1,012.26
6B	698.04
6F	521.04
6G	802.40
6J	664.47
6M	824.24
6P	804.82
6S	801.79
6T	617.04
6U	628.14
	<u>\$ 21,945.36</u>

November, 1999