

PREMISES:

**350 BLEECKER STREET  
NEW YORK, NY 10014**

Date: July 17, 2018  
Sponsor: BLEECKER CHARLES COMPANY LLC  
Cooperative: 350 BLEECKER STREET APARTMENT CORP.

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**THIRTY-SECOND AMENDMENT TO THE PLAN**

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This Thirty-Second Amendment modifies and supplements the terms of the "Offering Plan" - a Plan to Convert to Cooperative Ownership the premises at 350 Bleecker Street, New York, NY 10014 dated December 28, 1984, as amended by the terms of the First Amendment through the Thirty-First Amendment (collectively the "Plan").

The terms of this Thirty-Second Amendment are as follows:

**FIRST: UPDATED INFORMATION**

The following information is presented by Bleecker Charles Company LLC (the "Sponsor") pursuant to the requirements of the Department of Law. This amendment contains the following up-to-date information regarding the building and the Offering Plan.

A. Shares Owned by the Sponsor. Attached hereto as Document No. 1 is a complete list of the apartments at the premises as to which the Sponsor holds the shares (the "Unsold Shares"). The current monthly maintenance charges payable for the Unsold Shares are \$18,467.00. The current monthly rent payable by tenants residing in the apartments owned by the Sponsor is \$15,723.68.

B. Purchase Prices. The Purchase Prices for the Unsold Shares, which are not revised in this Amendment, are listed on Document No. 1 annexed hereto. The Sponsor is under no obligation to offer the Unsold Shares to non-purchasing tenants or any other prospective purchaser, or to accept offers to purchase Unsold Shares, whether at the prices listed on Document No. 1 or at any other price.

C. Obligations of the Sponsor. The Sponsor is current on all financial obligations under the proprietary leases for the Unsold Shares, including the obligation to pay maintenance, special assessments (if any) and other charges (if any), which are the Sponsor's sole obligations to the Apartment Corporation under the Offering Plan. The Sponsor has been current on all such obligations (i.e., has satisfied such obligations by the expiration of any grace period) during the year prior to the date of filing of this Amendment. Other than its obligations under the proprietary leases for the Unsold Shares, including the obligation to pay maintenance, special assessments (if any) and other charges (if any), The Sponsor has no obligations to the Apartment Corporation or to any previous purchaser which will become due after the date of this Amendment.

**SECOND: NO OTHER NEW YORK STATE OFFERINGS**

Neither the Sponsor nor any principal of the Sponsor, as individual holder of unsold shares or units or as general partner or principal of any sponsor or holder is currently making any offerings of cooperative or condominium interests in or from New York State.

**THIRD: FUNDING OF DEFICITS; NO PLEDGE OF THE UNSOLD SHARES**

Funding of any deficit between the amount of the rents received and maintenance payable and of the financial obligations of the Sponsor to the Apartment Corporation will be from excess proceeds from sales of units, if any, and from other cash flow generated from the property. If such sales proceeds and cash flow are insufficient to meet such financial obligations, funding will be from other cash contributions which may be provided by the Sponsor. The Unsold Shares are not pledged as collateral to secure any loans to the Sponsor.

**FOURTH: APARTMENT CORPORATION DIRECTORS**

Resident shareholders have controlled the Board of Directors since approximately December 1986. The following is a list of the Directors and Officers of the Apartment Corporation, none of whom have been designated by or are affiliated with the Sponsor, are:

Thomas Granite	President/Treasurer
Michael Chestnov	Vice President
Sarah Barnett	
Heather Boldt	
Luigi Gentile	
Stuart Schultz	

**FIFTH: FINANCIAL STATEMENTS; BUDGET**

The Certified Financial Statements for the year ended December 31, 2016 and 2017, as prepared by the accountants for the Apartment Corporation, are annexed hereto as Document Nos. 2A and 2B. The 2018 Budget for the Apartment Corporation is annexed hereto as Document No. 2C.

**SIXTH: SPECIAL RISK: TAX CUTS AND JOBS ACT OF 2017**

On January 1, 2018, the Tax Cuts and Jobs Act of 2017 went into effect. This federal law significantly changed the previously existing Internal Revenue Code, including the taxes and deductions related to home ownership. Accordingly, the tax information and projections disclosed in this offering plan may be inaccurate because such are based on federal tax law as it existed prior to 2018. Purchasers are advised to consult with a tax expert regarding whether the new law will affect the purchaser's taxes. Purchasers should not rely on any representations in this offering plan addressing taxes without first consulting a tax expert.

**SEVENTH: CHANGE IN FORM OF SPONSOR**

By the filing of a Certificate of Conversion on August 13, 2015, Bleecker Charles Company has converted its form of entity from a general partnership to a limited liability company formed pursuant to the New York Limited Liability Company Law (the "LLC Act"). Bleecker Charles Company is now known as Bleecker Charles Company LLC. Pursuant to Section 1007 of the LLC Act: (a) a partnership that has been converted pursuant to the LLC Act is for all purposes the same entity that existed before the conversion, and (b) when a conversion takes effect, (i) all property, real and personal, tangible and intangible, of the

converting partnership remains vested in the converted limited liability company; and (ii) all debts, obligations, liabilities and penalties of the converting partnership continue as debts, obligations, liabilities and penalties of the converted limited liability company. Kenneth Steinhouse (who was general partner of the Sponsor prior to the filing of the Certificate of Conversion) is the general manager of the Sponsor, and accordingly, he continues to be the principal of the Sponsor. The Sponsor's net worth remains sufficient to meet the requirements of General Business Law Section 352-k and all of the unsecured obligations the Sponsor has undertaken under the Offering Plan.

#### **NINTH: MORTGAGE REFINANCING**

Holder has been advised that on or about January 30, 2013, the Apartment Corporation refinanced its mortgage with a new mortgage from National Consumer Cooperative Bank d/b/a NCB, 2011 Crystal Drive, Suite 800, Arlington, VA 22202. The new mortgage has the following material terms:

Principal Amount: \$4,300,000.00

Term: Ten (10) years, maturing on February 1, 2023

Interest Rate: 3.67% per annum

Monthly Payment: \$13,150.83 (interest only)

Prepayment: The Mortgage may be prepaid in full only on prior notice with a prepayment penalty determined as follows: During the period prior to and including July 1, 2022, the prepayment premium will be the greater of: (i) one (1%) percent of the then outstanding principal; or (ii) the yield maintenance amount computed in accordance with the Prepayment provisions set forth in the Note. From August 1, 2022 through November 30, 2022, the prepayment premium shall be one (1%) of the then outstanding principal. No prepayment premium will be required during the 90-day period prior to maturity.

In addition, the Apartment Corporation obtained line of credit of \$500,000.00 from the same lender.

#### **SEVENTH: HOUSE RULES (SMOKING POLICY)**

A copy of the Notice to All Residents announcing a revision to the House Rules of the Apartment Corporation (Smoking Policy) effective May 1, 2018 is annexed hereto as Document No. 3.

#### **EIGHTH: FINCEN'S GEOGRAPHIC TARGETING ORDER**

On January 13, 2016 the Director of the Financial Crimes Enforcement Network ("FinCEN"), U.S. Department of the Treasury, issued a Geographic Targeting Order ("Order") requiring title insurance companies to collect and report information about the persons involved in certain residential real estate transactions. FinCen modified and extended the Order on July 22, 2016, on February 23, 2017, August 22, 2017 and on March 19, 2018. The current Order requires title insurance companies to collect and report information about the persons involved in certain residential real estate transactions in all boroughs of New York City in furtherance of the Bank Secrecy Act. Title companies are required by such order to collect and report information regarding purchasers in transactions where: (1) the purchaser is a legal entity as defined

in the Order; (2) the purchaser purchases residential real property located in the Boroughs of Brooklyn, Queens, Bronx, Manhattan and Staten Island; (3) the total purchase price is in excess of \$3,000,000 in the Borough of Manhattan or the total purchase price is in excess of \$1,500,000 for the Boroughs of Brooklyn, Queens, Bronx or Staten Island; (4) such purchase is made without a bank loan or other similar form of external financing; and (5) the purchase is made at least in part, using currency or a cashier's check, a certified check, a traveler's check, a personal check, a business check, or a money order in any form, or a funds transfer. As used in the Order, "Legal Entity" means a corporation, limited liability company, partnership or other similar business entity, whether formed under the laws of a state or of the United States or a foreign jurisdiction. The Order affects all residential real property closings occurring on or after March 21, 2018 and until the expiration of the effective period of such Order (i.e., September 16, 2018, as of the date hereof, which date is subject to change by FinCEN).

**NINTH: CHANGE OF ADDRESS FOR REAL ESTATE FINANCE BUREAU**

Beginning April 9, 2018, the Real Estate Finance Bureau (REF) of the New York State Office of the Attorney General is no longer be located at 120 Broadway. REF's new address is:

Office of the Attorney General  
Real Estate Finance Bureau  
28 Liberty Street, 21st Floor  
New York, NY 10005-1413

**TENTH: DEFINITIONS**

All terms used in this Thirty-Second Amendment not otherwise defined herein shall have the same meanings ascribed to them as in the Offering Plan.

**ELEVENTH: INCORPORATION OF THE AMENDED PLAN**

The Plan, as modified and supplemented by the First through Thirty-First, is incorporated herein by reference with the same effect as if set forth at length.

**TWELFTH: EXTENSION OF EFFECTIVE PERIOD FOR USE OF PLAN**

The Plan, as modified and supplemented hereby, may not be used after twelve months following the Filing Date of this Amendment unless the Plan is further amended or extended.

**THIRTEENTH: NO MATERIAL CHANGES**

Except as set forth in this Thirty-Second Amendment there have been no material changes to the Offering Plan.

**BLEECKER CHARLES COMPANY LLC  
SPONSOR AND OWNER OF THE UNSOLD SHARES**

Dated: New York, NY  
July 17, 2018

350 Bleecker Street  
New York, NY 10014  
32nd Amendment

DOCUMENT NO. 1

Last Updated: 6/8/2018  
Info as of: 6/8/2018

Apt No.	Status	No. of Rooms	No. of Baths	No. of Shares	Purchase Price	Monthly Maintenance Charges @ \$9.3333 per share
1N	RS	3.0	1.0	126	\$504,000	\$1,239.00
1P	RS	4.0	1.0	185	\$740,000	\$1,819.17
1W	RS	Studio	1.0	82	\$328,000	\$806.33
2A	RS	2.0	1.0	104	\$416,000	\$1,022.67
2S	RS	4.0	1.0	187	\$748,000	\$1,838.83
3K	RS	3.0	1.0	130	\$520,000	\$1,278.33
3S	RS	4.0	1.0	191	\$764,000	\$1,878.17
4S	RS	4.0	1.0	194	\$776,000	\$1,907.67
4T	RS	Studio	1.0	88	\$352,000	\$865.33
6B	RS	3.0	1.0	140	\$560,000	\$1,376.67
6M	RS	3.0	1.0	140	\$560,000	\$1,376.67
6S	RS	4.0	1.0	219	\$876,000	\$2,153.50
6T	RS	Studio	1.0	92	\$368,000	\$904.67
TOTAL		13		1,878	\$7,512,000	\$18,467.00

RC = Rent Controlled  
RS = Rent Stabilized

FM = Free Market  
V = Vacant

DOCUMENT NO. 2A

**350 Bleecker Street Apartment Corp.**

**Financial Statements**

**December 31, 2016**

**350 Bleecker Street Apartment Corp.**  
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**December 31, 2016**

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**Independent Auditors' Report**

To the Board of Directors and Shareholders of  
350 Bleecker Street Apartment Corp.

**Report on the Financial Statements**

We have audited the accompanying financial statements of 350 Bleecker Street Apartment Corp., which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of operations, shareholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

The corporation's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on



the effectiveness of the corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by the corporation's management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 350 Bleecker Street Apartment Corp. as of December 31, 2016 and 2015, and the results of its operations, changes in shareholders' equity, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

### **Required Supplementary Information**

The corporation has not presented the information about the estimates of future costs of major repairs and replacements that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the omission of this supplementary information.

*Kleiman & Weinshank*

New York, New York  
June 1, 2017

**350 Bleecker Street Apartment Corp.**  
**Balance Sheets**  
**December 31, 2016 and 2015**

	2016	2015
<b>Assets</b>		
Cash	\$ 849,455	\$ 589,333
Due from Shareholders	-	9,528
Due from Commercial Tenant	16,311	41,416
Prepaid Real Estate Taxes	315,575	6,917
Prepaid Expenses	58,621	73,931
Property and Equipment - Net	<u>5,243,973</u>	<u>5,142,782</u>
<b>Total Assets</b>	<u><u>\$ 6,483,935</u></u>	<u><u>\$ 5,863,907</u></u>
<b>Liabilities and Shareholders' Equity</b>		
<b>Liabilities</b>		
Accounts Payable and Accrued Expenses	\$ 80,582	\$ 98,367
Real Estate Taxes Payable to Commercial Tenant	310,400	-
Abatements Payable	81,359	70,271
Income Received in Advance	14,595	12,383
Mortgage Payable	4,300,000	4,300,000
Less: Mortgage Costs - Net	(33,091)	(38,530)
Security Deposits Payable	<u>15,100</u>	<u>20,600</u>
<b>Total Liabilities</b>	<u><u>4,768,945</u></u>	<u><u>4,463,091</u></u>
<b>Shareholders' Equity</b>		
Capital Stock	17,246	17,246
Additional Paid in Capital	10,671,128	10,671,128
Retained Earnings (Deficit)	<u>(8,973,384)</u>	<u>(9,287,558)</u>
<b>Total Shareholders' Equity</b>	<u><u>1,714,990</u></u>	<u><u>1,400,816</u></u>
<b>Total Liabilities and Shareholders' Equity</b>	<u><u>\$ 6,483,935</u></u>	<u><u>\$ 5,863,907</u></u>

See accompanying notes to financial statements.

**350 Bleecker Street Apartment Corp.**  
**Statements of Operations**  
**For the Years Ended December 31, 2016 and 2015**

	2016	2015
<b>Income</b>		
Maintenance Charges	\$ 1,966,044	\$ 1,899,684
Less: Abatements	(154,991)	(132,894)
Less: Designated for Capital Improvements	(168,000)	(168,000)
Operating Assessments	218,679	197,122
Commercial Rent	237,085	204,879
Transfer Fees	221,710	103,780
Laundry Income	23,493	26,455
Sublet Fees	49,328	37,433
Other Income	62,335	50,074
<b>Total Income</b>	<u>2,455,683</u>	<u>2,218,533</u>
<b>Expenses</b>		
Real Estate Taxes	1,350,829	1,182,972
Less: Abatements	(154,991)	(132,894)
Mortgage Interest	160,440	160,002
Payroll and Related Expenses	403,759	394,545
Electric and Gas	21,847	24,202
Heating	31,391	37,751
Water and Sewer	39,417	41,190
Repairs and Maintenance	104,011	118,180
Insurance	60,451	59,614
Management Fees	54,229	52,650
Professional Fees	67,922	53,852
Corporation Taxes	15,137	15,397
Office and Administration	21,821	22,215
<b>Total Expenses</b>	<u>2,176,263</u>	<u>2,029,676</u>
<b>Income from Operations</b>	279,420	188,857
<b>Other Items</b>		
Charges Designated for Capital Improvements	168,000	168,000
Depreciation and Amortization	(133,246)	(126,462)
<b>Net Income</b>	<u><u>\$ 314,174</u></u>	<u><u>\$ 230,395</u></u>

See accompanying notes to financial statements.

**350 Bleecker Street Apartment Corp.**  
**Statements of Shareholders' Equity**  
**For the Years Ended December 31, 2016 and 2015**

	<b>Capital Stock</b>	<b>Additional Paid in Capital</b>	<b>Retained Earnings (Deficit)</b>
<b>Balance - December 31, 2014</b>	\$ 17,246	\$ 10,671,128	\$ (9,517,953)
Net Income	<u>-</u>	<u>-</u>	<u>230,395</u>
<b>Balance - December 31, 2015</b>	17,246	10,671,128	(9,287,558)
Net Income	<u>-</u>	<u>-</u>	<u>314,174</u>
<b>Balance - December 31, 2016</b>	<u>\$ 17,246</u>	<u>\$ 10,671,128</u>	<u>\$ (8,973,384)</u>

See accompanying notes to financial statements.

**350 Bleecker Street Apartment Corp.**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2016 and 2015**

	2015	2014
<b>Cash Flows From Operating Activities:</b>		
Net Income	<u>\$ 314,174</u>	<u>\$ 230,395</u>
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	133,246	126,462
(Increase) Decrease in Due from Shareholders	9,528	265
(Increase) Decrease in Due from Commercial Tenant	25,105	(30,368)
(Increase) Decrease in Prepaid Expenses	(293,348)	(10,951)
Increase (Decrease) in Accounts Payable	(17,785)	(13,582)
Increase (Decrease) in Real Estate Taxes Payable	310,400	-
Increase (Decrease) in Abatements Payable	11,088	10,273
Increase (Decrease) in Income Received in Advance	2,212	(2,018)
Increase (Decrease) in Security Deposits Payable	<u>(5,500)</u>	<u>2,500</u>
Total Adjustments	<u>174,946</u>	<u>82,581</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>489,120</u>	<u>312,976</u>
<b>Cash Flows From Investing Activities:</b>		
Additions to Property and Equipment	<u>(228,998)</u>	<u>(126,106)</u>
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>(228,998)</u>	<u>(126,106)</u>
<b>Net Increase (Decrease) in Cash and Equivalents</b>	260,122	186,870
<b>Cash and Equivalents, Beginning of Year</b>	<u>589,333</u>	<u>402,463</u>
<b>Cash and Equivalents, End of Year</b>	<u><u>\$ 849,455</u></u>	<u><u>\$ 589,333</u></u>
<b>Supplemental Disclosures of Cash Flow Information:</b>		
Cash Paid During the Year for Interest Expense	\$ 160,440	\$ 160,002

See accompanying notes to financial statements.

**350 Bleecker Street Apartment Corp.**  
**Notes to Financial Statements**  
**December 31, 2016**

**Note 1 - Organization:**

The corporation (a cooperative housing corporation) began operations in July 1985 under the laws of the State of New York to provide housing to shareholders on a cooperative basis. The corporation's property, which is located in the Borough of Manhattan, consists of 137 residential apartments (some of which have been subsequently combined), commercial space, and a parking garage, of which 17 apartments are owned by the sponsor at December 31, 2016. Maintenance charges and operating assessments applicable to the sponsor totaled approximately \$295,000 (14% of total maintenance charges and operating assessments) for the year ended December 31, 2016.

The corporation is authorized to issue shares of \$1 par value capital stock, of which 17,246 shares are issued and outstanding at December 31, 2016 and 2015.

**Note 2 - Summary of Significant Accounting Policies:**

The accompanying financial statements were prepared using the accrual method of accounting. The corporation prepares its tax returns using the cash method of accounting.

Property and equipment are stated at cost. Expenditures which represent improvements to property are capitalized, while repairs and maintenance are charged to operations. Depreciation is computed using rates adequate to depreciate the cost of applicable assets over their expected useful lives.

Mortgage and line of credit costs of approximately \$54,000 are amortized over the term of the loans.

Shareholders are subject to various charges and assessments to fund the corporation's operating costs. In addition, the corporation may periodically impose special assessments or designate a portion of maintenance charges to provide funds for major repairs, replacements, and capital improvements. These charges and assessments are recognized as income by the corporation when billed.

Due from Shareholders includes amounts due for charges and assessments. The corporation has a lien on the capital stock of shareholders to secure payment of charges and assessments. It is the corporation's policy to retain legal counsel to notify shareholders who are delinquent that they are in default of their proprietary lease, and

**350 Bleecker Street Apartment Corp.**  
**Notes to Financial Statements**  
**December 31, 2016**

advise them of the corporation's right to foreclose on such shares.

The corporation considers all receivables to be fully collectible and, accordingly, an allowance for uncollectible accounts is deemed unnecessary.

It is the corporation's policy to charge a transfer fee to shareholders upon the sale of shares applicable to their apartments equal to 2% of the gross selling price. Such transfer fees are recognized as income to the corporation at the time of transfer.

For purposes of the statements of cash flows, the corporation considers all highly liquid investments acquired with a maturity of three months or less to be cash equivalents.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the corporation to make certain estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The corporation has evaluated events and transactions that occurred through June 1, 2017, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

Certain reclassifications have been made to the December 31, 2015 financial statements to conform to the December 31, 2016 financial statement presentation.

**Note 3 - Property and Equipment:**

Property and equipment consists of the following, at December 31:

	<u>2016</u>	<u>2015</u>
Land	\$ 2,779,843	\$ 2,779,843
Building	10,542,862	10,542,862
Improvements, Equipment, and Furniture and Fixtures	<u>4,295,243</u>	<u>4,066,245</u>
	17,617,948	17,388,950
Less: Accumulated Depreciation	<u>12,373,975</u>	<u>12,246,168</u>
	<u>\$ 5,243,973</u>	<u>\$ 5,142,782</u>

**350 Bleecker Street Apartment Corp.**  
**Notes to Financial Statements**  
**December 31, 2016**

**Note 4 - Mortgage Indebtedness:**

Indebtedness consists of a \$4,300,000 mortgage note payable to National Consumer Cooperative Bank ("NCB"). The mortgage is secured by the property, requires payments of interest only at the rate of 3.67% per annum, and matures February 1, 2023. Prepayment is subject to penalties, as set forth in the agreement.

In addition, the corporation has available a \$500,000 line of credit with NCB. The line of credit is secured by a second mortgage on the property, bears interest at the greater of the one-month LIBOR plus 3.75%, or 4.5%, and also matures February 1, 2023. Payments of interest only are required through February 1, 2018. Thereafter, in addition to payments of interest, principal payments of \$100 per month are required. The corporation is also required to pay a facilities maintenance fee of \$1,250 per annum. At December 31, 2016, the corporation had \$500,000 available on this line of credit.

**Note 5 - Commercial Rent:**

The corporation is the lessor under a master lease agreement for the rental of its commercial space and parking garage. The lease, which expires July 31, 2060, requires minimum rent of \$86,000 per annum. The corporation is also entitled to additional rents based on a percentage of the increase in real estate taxes and certain operating expenses in excess of base amounts. For the years ended December 31, 2016 and 2015, these additional rents totaled \$151,085 and \$118,879, respectively.

**Note 6 - Real Estate Abatements:**

Pursuant to various real estate tax abatement programs, certain shareholders are entitled to real estate tax abatements. The abatements are credited against the real estate tax due on the property, and the corporation is required to pass on the abatements to the eligible shareholders. For the years ended December 31, 2016 and 2015, abatements received by the corporation totaled \$154,991 and \$132,894, respectively.

**Note 7 - Corporation Taxes:**

The corporation is subject to taxation as a cooperative corporation for federal,



**350 Bleecker Street Apartment Corp.**  
**Notes to Financial Statements**  
**December 31, 2016**

state, and local purposes. A cooperative corporation is required to classify its income and expenses as patronage or nonpatronage. Expenses attributable to producing patronage income cannot be deducted from nonpatronage income. As a result, nonpatronage income in excess of allocable expenses is subject to income tax. Patronage income is defined as income derived from an activity that is so closely intertwined with the main cooperative effort that it may be characterized as directly related to, and inseparable from, the cooperative's principal business activity, and thus facilitates the accomplishment of the cooperative's business purpose. However, if the transaction or activity which produces the income merely enhances the overall profitability of the cooperative, then the income therefrom is nonpatronage income. The corporation believes there is substantial authority to classify all its activity as patronage, and for the years ended December 31, 2016 and 2015, no provision for income tax is required. The corporation also believes that if certain of its activities are determined to be nonpatronage, the expenses allocable to such activities would result in no taxable income.

At December 31, 2016, the corporation had a net operating loss carryover of approximately \$4,400,000 which may be used to offset future taxable income. The loss carryover expires at various dates through December 31, 2034. The corporation is unable to determine the future benefit, if any, of the loss carryover and accordingly, a valuation allowance has been provided to offset any potential future benefit.

In addition to income taxes, New York State ("NYS") and New York City ("NYC") have alternative and minimum corporation tax bases. Corporation Taxes reflected in the Statements of Operations represent NYS tax on the capital of the corporation (adjusted to market value), and NYC minimum tax.

As of December 31, 2016, the corporation's income tax returns for the years ended December 31, 2013 through 2016, remain subject to examination by taxing authorities. There are currently no tax examinations in progress.

**Note 8 - Future Major Repairs and Replacements:**

The corporation has not presented a study of 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. The corporation's governing documents do not require the accumulation of funds to finance future major repairs and replacements. When replacement funds are needed to meet future needs for major repairs and replacements, the corporation has the right to utilize available cash,

**350 Bleecker Street Apartment Corp.**  
**Notes to Financial Statements**  
**December 31, 2016**

increase maintenance charges, impose special assessments, borrow, and delay repairs and replacements until the funds are available or, any combination of the above. The effect on future charges to shareholders has not been determined at this time.

**Note 9 - Concentration of Credit Risk:**

The corporation maintains cash balances and investments at institutions insured by the Federal Deposit Insurance Corporation ("FDIC") and the Securities Investor Protection Corporation ("SIPC"). The insurance provided by SIPC is for losses caused by failure of the financial institution, not against losses caused by the changes in the market value of investments held by the financial institution. At times during the year, account balances exceed insured levels. The corporation has not experienced any losses in such accounts and believes it is not exposed to any significant risk of loss.

**Note 10 - Commitment:**

In 2017, the corporation entered into a contract for the rehabilitation of the building's exterior totaling approximately \$318,000, plus other costs in connection with the project.

**Note 11 - Shareholder Information:**

For the year ended December 31, 2016, the percentage of maintenance charges tax deductible to tenant-shareholders under Section 216 of the Internal Revenue Code was approximately 60%.

The corporation has designated maintenance charges to fund capital improvements, of which \$168,000 was designated for each of the years ended December 31, 2016 and 2015, and \$171,000 was designated for the year ending December 31, 2017.

Special assessments and the portion of maintenance charges designated for capital improvements, and the portion of maintenance charges applicable to the payment of principal on the mortgage indebtedness, can increase a shareholders' cost basis in their stock of the corporation. These increases, on a per share basis, are as follows, for the years ended December 31:

**350 Bleecker Street Apartment Corp.**  
**Notes to Financial Statements**  
**December 31, 2016**

2016	\$ 9.74	2003 - 2011	\$ 0.00
2015	9.74	2002	1.82
2014	9.74	2001	1.55
2013	9.28	2000	7.92
2012	4.64		

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**Independent Auditors' Report  
on Supplementary Information**

To the Board of Directors and Shareholders of  
350 Bleecker Street Apartment Corp.

We have audited the financial statements of 350 Bleecker Street Apartment Corp. as of and for the years ended December 31, 2016 and 2015, and our report thereon dated June 1, 2017, which expressed an unmodified opinion on those financial statements appears on Pages 1-2. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of Actual vs. Budget and chart of Expense Analysis by Percentage, which are the responsibility of the corporation's management, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information, except for the portion marked "unaudited" was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audits of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Kleiman & Weinshank*

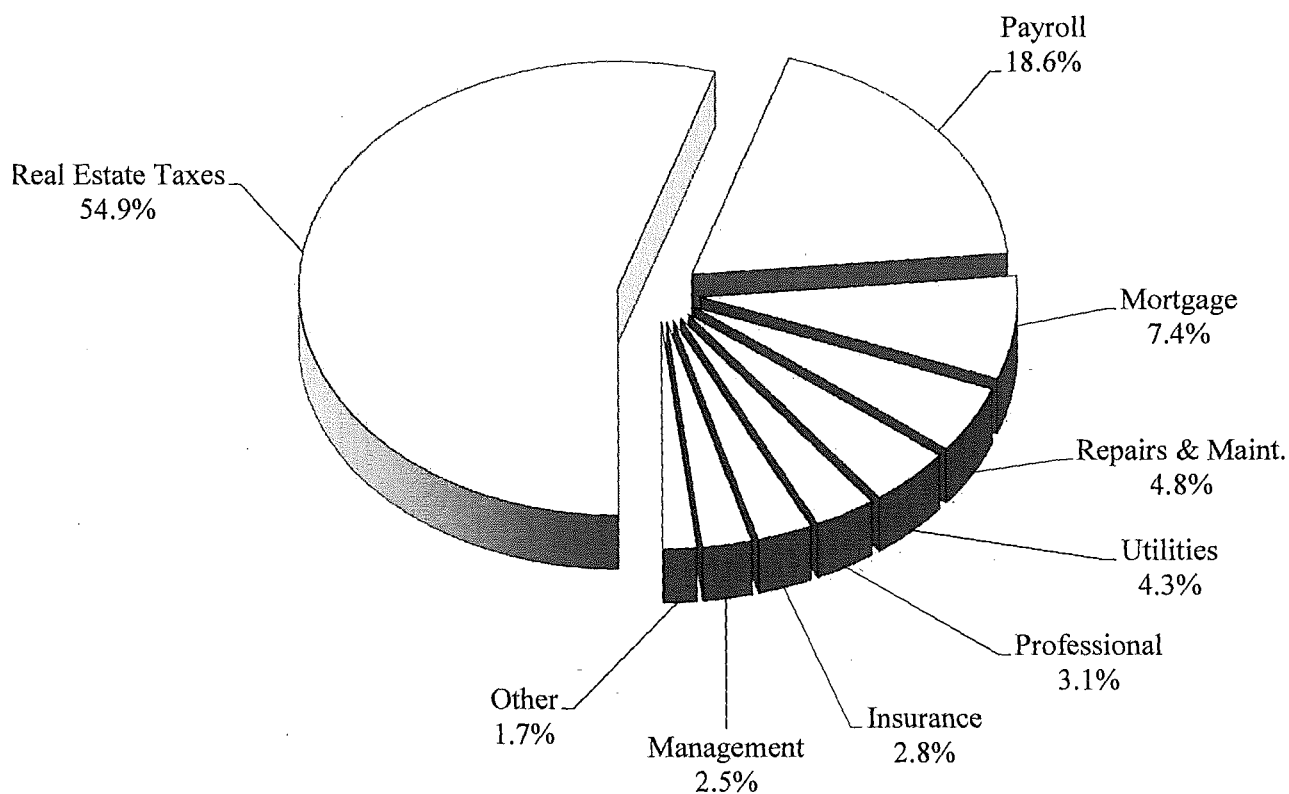
New York, New York  
June 1, 2017

**350 Bleecker Street Apartment Corp.**  
**Actual vs. Budget**  
**For the Year Ended December 31, 2016**

	Actual	Budget (Unaudited)
<b>Income</b>		
Maintenance Charges	\$ 1,966,044	\$ 1,966,044
Less: Abatements	(154,991)	(136,688)
Less: Designated for Capital Improvements	(168,000)	(168,000)
Operating Assessment	218,679	218,754
Commercial Rent	237,085	216,398
Transfer Fees	221,710	-
Laundry Income	23,493	25,000
Sublet Fees	49,328	25,000
Other Income	62,335	35,544
<b>Total Income</b>	<u>2,455,683</u>	<u>2,182,052</u>
<b>Expenses</b>		
Real Estate Taxes	1,350,829	1,352,427
Less: Abatements	(154,991)	(136,388)
Mortgage Interest	160,440	161,252
Payroll	301,386	273,000
Payroll Taxes	27,414	27,000
Health Insurance	58,861	74,000
Other Payroll Related Expenses	16,098	18,500
Electric and Gas	21,847	24,201
Heating	31,391	46,500
Water and Sewer	39,417	42,000
Building Supplies	17,029	23,500
Elevator Maintenance	15,225	15,500
Other Repairs and Maintenance	71,757	64,500
Insurance	60,451	68,450
Management Fees	54,229	53,560
Professional Fees	67,922	42,750
Corporation Taxes	15,137	15,500
Office and Administration	21,821	15,800
<b>Total Expenses</b>	<u>2,176,263</u>	<u>2,182,052</u>
<b>Income from Operations</b>	<u><u>\$ 279,420</u></u>	<u><u>\$ -</u></u>

See independent auditors' report on supplementary information.

**350 Bleecker Street Apartment Corp.  
Expense Analysis by Percentage  
For the Year Ended December 31, 2016**



See independent auditors' report on supplementary information.

**DOCUMENT NO. 2B**

**350 Bleecker Street Apartment Corp.**

**Financial Statements**

**December 31, 2017**

**350 Bleecker Street Apartment Corp.**  
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**December 31, 2017**

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**Independent Auditors' Report**

To the Board of Directors and Shareholders of  
350 Bleecker Street Apartment Corp.

**Report on the Financial Statements**

We have audited the accompanying financial statements of 350 Bleecker Street Apartment Corp., which comprise the balance sheets as of December 31, 2017 and 2016, and the related statements of operations, shareholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

The corporation's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the corporation's internal control. Accordingly, we express no such

opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by the corporation's management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 350 Bleecker Street Apartment Corp. as of December 31, 2017 and 2016, and the results of its operations, changes in shareholders' equity, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

### **Required Supplementary Information**

The corporation has not presented the information about the estimates of future costs of major repairs and replacements that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the omission of this supplementary information.

*Kleiman & Weinshank*

New York, New York  
May 23, 2018

**350 Bleecker Street Apartment Corp.**  
**Balance Sheets**  
**December 31, 2017 and 2016**

	2017	2016
<b>Assets</b>		
Cash	\$ 813,322	\$ 849,455
Due from Shareholders	2,276	-
Due from Commercial Tenant	16,709	16,311
Prepaid Real Estate Taxes	333,421	315,575
Prepaid Expenses	55,421	58,621
Property and Equipment - Net	5,426,853	5,243,973
Security Deposit Held	12,980	-
<b>Total Assets</b>	<b><u>\$ 6,660,982</u></b>	<b><u>\$ 6,483,935</u></b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Liabilities</b>		
Accounts Payable and Accrued Expenses	\$ 60,361	\$ 80,582
Capital Improvements Payable	219,246	-
Real Estate Taxes Payable to Commercial Tenant	-	310,400
Abatements Payable	87,699	81,359
Income Received in Advance	18,931	14,595
Mortgage Payable	4,300,000	4,300,000
Less: Mortgage Costs - Net	(27,652)	(33,091)
Security Deposits Payable	28,080	15,100
<b>Total Liabilities</b>	<b><u>4,686,665</u></b>	<b><u>4,768,945</u></b>
<b>Shareholders' Equity</b>		
Capital Stock	17,246	17,246
Additional Paid in Capital	10,671,128	10,671,128
Retained Earnings (Deficit)	(8,714,057)	(8,973,384)
<b>Total Shareholders' Equity</b>	<b><u>1,974,317</u></b>	<b><u>1,714,990</u></b>
<b>Total Liabilities and Shareholders' Equity</b>	<b><u>\$ 6,660,982</u></b>	<b><u>\$ 6,483,935</u></b>

See accompanying notes to financial statements.

**350 Bleecker Street Apartment Corp.**  
**Statements of Operations**  
**For the Years Ended December 31, 2017 and 2016**

	2017	2016
<b>Income</b>		
Maintenance Charges	\$ 2,035,025	\$ 1,966,044
Less: Abatements	(184,274)	(154,991)
Less: Designated for Capital Improvements	(171,000)	(168,000)
Operating Assessments	249,550	218,679
Commercial Rent	258,609	237,085
Transfer Fees	160,120	221,710
Laundry Income	23,115	23,493
Sublet Fees	37,884	49,328
Other Income	80,646	62,335
<b>Total Income</b>	<u>2,489,675</u>	<u>2,455,683</u>
<b>Expenses</b>		
Real Estate Taxes	1,498,138	1,350,829
Less: Abatements	(184,274)	(154,991)
Mortgage Interest	160,002	160,440
Payroll and Related Expenses	377,371	403,759
Electric and Gas	20,461	21,847
Heating	32,598	31,391
Water and Sewer	40,349	39,417
Repairs and Maintenance	114,599	104,011
Insurance	57,310	60,451
Management Fees	55,856	54,229
Professional Fees	50,439	67,922
Corporation Taxes	16,374	15,137
Office and Administration	22,130	21,821
<b>Total Expenses</b>	<u>2,261,353</u>	<u>2,176,263</u>
<b>Income from Operations</b>	228,322	279,420
<b>Other Items</b>		
Charges Designated for Capital Improvements	171,000	168,000
Depreciation	(134,556)	(127,807)
Interest - Amortization of Mortgage Costs	(5,439)	(5,439)
<b>Net Income</b>	<u><u>\$ 259,327</u></u>	<u><u>\$ 314,174</u></u>

See accompanying notes to financial statements.

**350 Bleecker Street Apartment Corp.**  
**Statements of Shareholders' Equity**  
**For the Years Ended December 31, 2017 and 2016**

	<b>Capital Stock</b>	<b>Additional Paid in Capital</b>	<b>Retained Earnings (Deficit)</b>
<b>Balance - December 31, 2015</b>	\$ 17,246	\$ 10,671,128	\$ (9,287,558)
Net Income	<u>-</u>	<u>-</u>	<u>314,174</u>
<b>Balance - December 31, 2016</b>	17,246	10,671,128	(8,973,384)
Net Income	<u>-</u>	<u>-</u>	<u>259,327</u>
<b>Balance - December 31, 2017</b>	<u><u>\$ 17,246</u></u>	<u><u>\$ 10,671,128</u></u>	<u><u>\$ (8,714,057)</u></u>

See accompanying notes to financial statements.

**350 Bleecker Street Apartment Corp.**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2017 and 2016**

	2017	2016
<b>Cash Flows From Operating Activities:</b>		
Net Income	<u>\$ 259,327</u>	<u>\$ 314,174</u>
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	139,995	133,246
(Increase) Decrease in Due from Shareholders	(2,276)	9,528
(Increase) Decrease in Due from Commercial Tenant	(398)	25,105
(Increase) Decrease in Prepaid Real Estate Taxes	(17,846)	(308,658)
(Increase) Decrease in Prepaid Expenses	3,200	15,310
Increase (Decrease) in Accounts Payable	199,025	(17,785)
Increase (Decrease) in Real Estate Taxes Payable	(310,400)	310,400
Increase (Decrease) in Abatements Payable	6,340	11,088
Increase (Decrease) in Income Received in Advance	4,336	2,212
Increase (Decrease) in Security Deposits	<u>-</u>	<u>(5,500)</u>
Total Adjustments	<u>21,976</u>	<u>174,946</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>281,303</u>	<u>489,120</u>
<b>Cash Flows From Investing Activities:</b>		
Additions to Property and Equipment	<u>(317,436)</u>	<u>(228,998)</u>
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>(317,436)</u>	<u>(228,998)</u>
<b>Net Increase (Decrease) in Cash and Equivalents</b>	(36,133)	260,122
<b>Cash and Equivalents, Beginning of Year</b>	<u>849,455</u>	<u>589,333</u>
<b>Cash and Equivalents, End of Year</b>	<u><u>\$ 813,322</u></u>	<u><u>\$ 849,455</u></u>
<b>Supplemental Disclosures of Cash Flow Information:</b>		
Cash Paid During the Year for Interest Expense	\$ 160,002	\$ 160,440

See accompanying notes to financial statements.

**350 Bleecker Street Apartment Corp.**  
**Notes to Financial Statements**  
**December 31, 2017**

**Note 1 - Organization:**

The corporation (a cooperative housing corporation) began operations in July 1985 under the laws of the State of New York to provide housing to shareholders on a cooperative basis. The corporation's property, which is located in the Borough of Manhattan, consists of 137 residential apartments (some of which have been subsequently combined), commercial space, and a parking garage, of which 16 apartments are owned by the sponsor at December 31, 2017. Maintenance charges and operating assessments applicable to the sponsor totaled approximately \$290,000 (14% of total maintenance charges and operating assessments) for the year ended December 31, 2017.

The corporation is authorized to issue shares of \$1 par value capital stock, of which 17,246 shares are issued and outstanding at December 31, 2017 and 2016.

**Note 2 - Summary of Significant Accounting Policies:**

The accompanying financial statements were prepared using the accrual method of accounting. The corporation prepares its tax returns using the cash method of accounting.

Property and equipment are stated at cost. Expenditures which represent improvements to property are capitalized, while repairs and maintenance are charged to operations. Depreciation is computed using rates adequate to depreciate the cost of applicable assets over their expected useful lives.

Mortgage and line of credit costs of approximately \$54,000 are amortized over the term of the loans.

Shareholders are subject to various charges and assessments to fund the corporation's operating costs. In addition, the corporation may periodically impose special assessments or designate a portion of maintenance charges to provide funds for major repairs, replacements, and capital improvements. These charges and assessments are recognized as income by the corporation when billed.

Due from Shareholders includes amounts due for charges and assessments. The corporation has a lien on the capital stock of shareholders to secure payment of charges and assessments. It is the corporation's policy to retain legal counsel to notify shareholders who are delinquent that they are in default of their proprietary lease, and

**350 Bleecker Street Apartment Corp.**  
**Notes to Financial Statements**  
**December 31, 2017**

advise them of the corporation's right to foreclose on such shares.

The corporation considers all receivables to be fully collectible and, accordingly, an allowance for uncollectible accounts is deemed unnecessary.

It is the corporation's policy to charge a transfer fee to shareholders upon the sale of shares applicable to their apartments equal to 2% of the gross selling price. Such transfer fees are recognized as income to the corporation at the time of transfer.

For purposes of the statements of cash flows, the corporation considers all highly liquid investments acquired with a maturity of three months or less to be cash equivalents.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the corporation to make certain estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The corporation has evaluated events and transactions that occurred through May 23, 2018, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

Certain reclassifications have been made to the December 31, 2016 financial statements to conform to the December 31, 2017 financial statement presentation.

**Note 3 - Property and Equipment:**

Property and equipment consists of the following, at December 31:

	<u>2017</u>	<u>2016</u>
Land	\$ 2,779,843	\$ 2,779,843
Building	10,542,862	10,542,862
Improvements, Equipment, and Furniture and Fixtures	<u>4,612,679</u>	<u>4,295,243</u>
	17,935,384	17,617,948
Less: Accumulated Depreciation	<u>12,508,531</u>	<u>12,373,975</u>
	<u>\$ 5,426,853</u>	<u>\$ 5,243,973</u>



**350 Bleecker Street Apartment Corp.**  
**Notes to Financial Statements**  
**December 31, 2017**

**Note 4 - Mortgage Indebtedness:**

Indebtedness consists of a \$4,300,000 mortgage note payable to National Consumer Cooperative Bank ("NCB"). The mortgage is secured by the property, requires payments of interest only at the rate of 3.67% per annum, and matures February 1, 2023. Prepayment is subject to penalties, as set forth in the agreement.

In addition, the corporation has available a \$500,000 line of credit with NCB. The line of credit is secured by a second mortgage on the property, bears interest at the greater of the one-month LIBOR plus 3.75%, or 4.5%, and also matures February 1, 2023. Payments of interest only were required through February 1, 2018. Thereafter, in addition to payments of interest, principal payments of \$100 per month are required. The corporation is also required to pay a facilities maintenance fee of \$1,250 per annum. At December 31, 2017, the corporation had \$500,000 available on this line of credit.

**Note 5 - Commercial Rent:**

The corporation is the lessor under a master lease agreement for the rental of its commercial space and parking garage. The lease, which expires July 31, 2060, requires minimum rent of \$86,000 per annum. The corporation is also entitled to additional rents based on a percentage of the increase in real estate taxes and certain operating expenses in excess of base amounts. For the years ended December 31, 2017 and 2016, these additional rents totaled \$172,609 and \$151,085, respectively.

**Note 6 - Real Estate Abatements:**

Pursuant to various real estate tax abatement programs, certain shareholders are entitled to real estate tax abatements. The abatements are credited against the real estate tax due on the property, and the corporation is required to pass on the abatements to the eligible shareholders. For the years ended December 31, 2017 and 2016, abatements received by the corporation totaled \$184,274 and \$154,991, respectively.

**Note 7 - Corporation Taxes:**

The corporation is subject to taxation as a cooperative corporation for federal, state, and local purposes. A cooperative corporation is required to classify its income

**350 Bleecker Street Apartment Corp.**  
**Notes to Financial Statements**  
**December 31, 2017**

and expenses as patronage or nonpatronage. Expenses attributable to producing patronage income cannot be deducted from nonpatronage income. As a result, nonpatronage income in excess of allocable expenses is subject to income tax. Patronage income is defined as income derived from an activity that is so closely intertwined with the main cooperative effort that it may be characterized as directly related to, and inseparable from, the cooperative's principal business activity, and thus facilitates the accomplishment of the cooperative's business purpose. However, if the transaction or activity which produces the income merely enhances the overall profitability of the cooperative, then the income therefrom is nonpatronage income. The corporation believes there is substantial authority to classify all its activity as patronage, and for the years ended December 31, 2017 and 2016, no provision for income tax is required. The corporation also believes that if certain of its activities are determined to be nonpatronage, the expenses allocable to such activities would result in no taxable income.

At December 31, 2017, the corporation had a net operating loss carryover of approximately \$4,300,000 which may be used to offset future taxable income. The loss carryover expires at various dates through December 31, 2034. The corporation is unable to determine the future benefit, if any, of the loss carryover and accordingly, a valuation allowance has been provided to offset any potential future benefit.

In addition to income taxes, New York State ("NYS") and New York City ("NYC") have alternative and minimum corporation tax bases. Corporation Taxes reflected in the Statements of Operations represent NYS tax on the capital of the corporation (adjusted to market value), and NYC minimum tax.

As of December 31, 2017, the corporation's income tax returns for the years ended December 31, 2014 through 2017, remain subject to examination by taxing authorities. There are currently no tax examinations in progress.

**Note 8 - Future Major Repairs and Replacements:**

The corporation has not presented a study of 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. The corporation's governing documents do not require the accumulation of funds to finance future major repairs and replacements. When replacement funds are needed to meet future needs for major repairs and replacements, the corporation has the right to utilize available cash, increase maintenance charges, impose special assessments, borrow, and delay repairs and

**350 Bleecker Street Apartment Corp.**  
**Notes to Financial Statements**  
**December 31, 2017**

replacements until the funds are available or, any combination of the above. The effect on future charges to shareholders has not been determined at this time.

**Note 9 - Concentration of Credit Risk:**

The corporation maintains cash balances and investments at institutions insured by the Federal Deposit Insurance Corporation ("FDIC") and the Securities Investor Protection Corporation ("SIPC"). The insurance provided by SIPC is for losses caused by failure of the financial institution, not against losses caused by the changes in the market value of investments held by the financial institution. At times during the year, account balances exceed insured levels. The corporation has not experienced any losses in such accounts and believes it is not exposed to any significant risk of loss.

**Note 10 - Shareholder Information:**

For the year ended December 31, 2017, the percentage of maintenance charges tax deductible to tenant-shareholders under Section 216 of the Internal Revenue Code was approximately 63%.

The corporation has designated maintenance charges to fund capital improvements, of which \$168,000 was designated for the year ended December 31, 2016, \$171,000 was designated for the year ended December 31, 2017, and \$150,000 has been designated for the year ending December 31, 2018.

Special assessments and the portion of maintenance charges designated for capital improvements, and the portion of maintenance charges applicable to the payment of principal on the mortgage indebtedness, can increase a shareholders' cost basis in their stock of the corporation. These increases, on a per share basis, are as follows, for the years ended December 31:

2017	\$ 9.92	2012	\$ 4.64
2016	9.74	2003 - 2011	0.00
2015	9.74	2002	1.82
2014	9.74	2001	1.55
2013	9.28	2000	7.92

**350 Bleecker Street Apartment Corp.**  
**Notes to Financial Statements**  
**December 31, 2017**

**Note 11 - Commitment:**

The corporation has entered into a contract for the rehabilitation of the building's exterior totaling approximately \$430,000, plus other costs in connection with the project. Through December 31, 2017, costs totaling approximately \$240,000 have been incurred on this contract, leaving approximately \$190,000 to be incurred in the subsequent period.

**Kleiman & Weinshank, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

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**Independent Auditors' Report  
on Supplementary Information**

To the Board of Directors and Shareholders of  
350 Bleecker Street Apartment Corp.

We have audited the financial statements of 350 Bleecker Street Apartment Corp. as of and for the years ended December 31, 2017 and 2016, and our report thereon dated May 23, 2018, which expressed an unmodified opinion on those financial statements appears on Pages 1-2. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of Actual vs. Budget and chart of Expense Analysis by Percentage, which are the responsibility of the corporation's management, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information, except for the portion marked "unaudited" was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audits of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Kleiman & Weinshank*

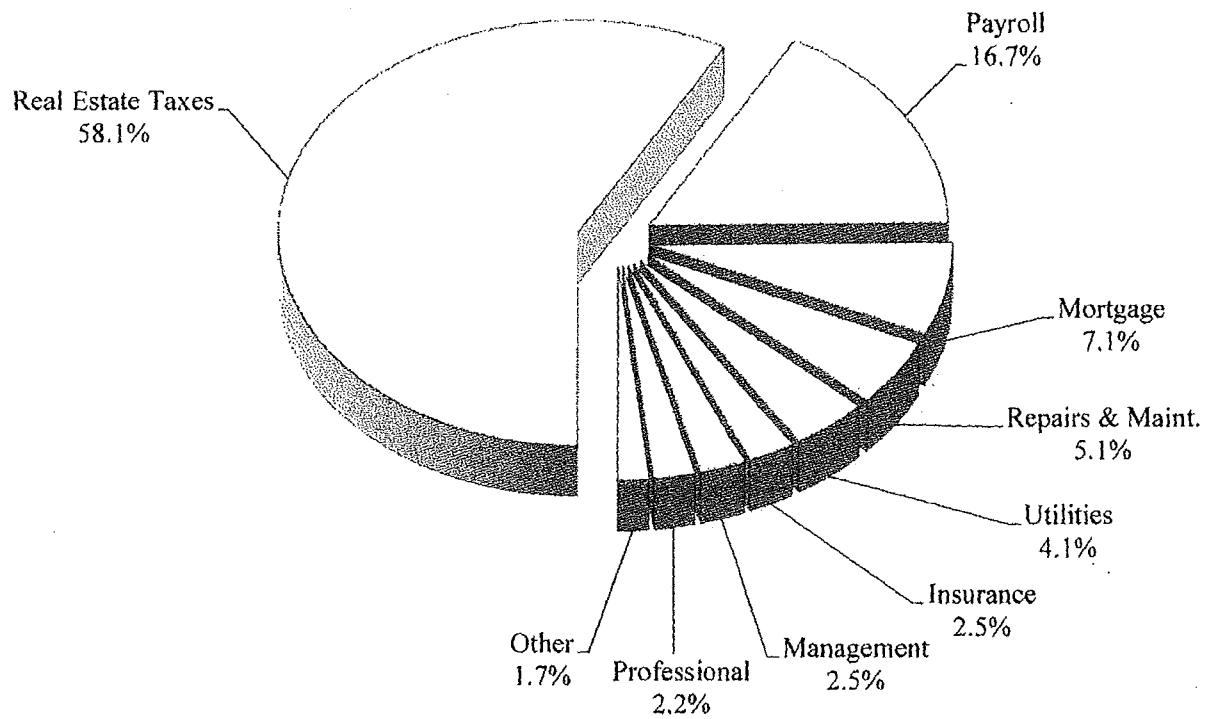
New York, New York  
May 23, 2018

**350 Bleecker Street Apartment Corp.**  
**Actual vs. Budget**  
**For the Year Ended December 31, 2017**

	Actual	Budget (Unaudited)
<b>Income</b>		
Maintenance Charges	\$ 2,035,025	\$ 2,035,000
Less: Abatements	(184,274)	(162,913)
Less: Designated for Capital Improvements	(171,000)	(171,000)
Operating Assessment	249,550	253,977
Commercial Rent	258,609	231,000
Transfer Fees	160,120	-
Laundry Income	23,115	27,135
Sublet Fees	37,884	37,000
Other Income	80,646	42,800
<b>Total Income</b>	<u>2,489,675</u>	<u>2,292,999</u>
<b>Expenses</b>		
Real Estate Taxes	1,498,138	1,486,913
Less: Abatements	(184,274)	(162,913)
Mortgage Interest	160,002	161,250
Payroll	280,731	290,535
Payroll Taxes	22,699	27,410
Health Insurance	59,728	74,520
Other Payroll Related Expenses	14,213	18,634
Electric and Gas	20,461	23,284
Heating	32,598	38,842
Water and Sewer	40,349	43,874
Building Supplies	18,467	17,000
Elevator Maintenance	12,087	15,000
Other Repairs and Maintenance	84,045	60,400
Insurance	57,310	70,000
Management Fees	55,856	55,000
Professional Fees	50,439	41,750
Corporation Taxes	16,374	15,500
Office and Administration	22,130	16,000
<b>Total Expenses</b>	<u>2,261,353</u>	<u>2,292,999</u>
<b>Income from Operations</b>	<u><u>\$ 228,322</u></u>	<u><u>\$ -</u></u>

See independent auditors' report on supplementary information.

**350 Bleecker Street Apartment Corp.  
Expense Analysis by Percentage  
For the Year Ended December 31, 2017**



See independent auditors' report on supplementary information.

## DOCUMENT NO. 2C

350 Bleecker Street Apt. Corp.							
Operating Budget - 2018							
	Budget	Projected	Budget	\$ Increase	% Increase	\$ Increase	% Increase
	12/31/2017	12/31/2017	12/31/2018	Budget to	Budget to	Budget to	Budget to
				Budget	Budget	Actual	Actual
<b>Operations</b>							
<b>INCOME</b>							
Maintenance	\$ 2,035,000	\$ 2,035,000	\$ 2,035,000	\$ -	0.00%	\$ (0)	0.00%
Abatements	(162,643)	(180,768)	(191,800)	(29,157)	17.93%	(11,032)	6.10%
Assessments	253,977	249,550	270,000	16,023	6.31%	20,450	8.19%
Commercial Charges	272,935	290,740	316,000	43,065	15.78%	25,260	8.69%
Other Charges	66,500	116,873	82,747	16,247	24.43%	(34,126)	-29.20%
<b>TOTAL INCOME</b>	<b>\$ 2,465,769</b>	<b>\$ 2,511,395</b>	<b>\$ 2,511,947</b>	<b>\$ 46,178</b>	<b>1.87%</b>	<b>\$ 552</b>	<b>0.02%</b>
<b>OPERATING EXPENSES</b>							
Payroll & Related Benefits	\$ 410,600	\$ 387,097	\$ 400,000	\$ (10,600)	-2.58%	\$ 12,903	3.33%
Utilities	106,000	95,869	105,000	(1,000)	-0.94%	9,131	9.52%
Repairs and Maintenance	71,400	86,430	63,500	(7,900)	-11.06%	(22,930)	-26.53%
Supplies	17,000	21,115	20,000	3,000	17.65%	(1,115)	-5.28%
Insurance	70,000	67,697	70,000	0	0.00%	2,303	3.40%
Professional Fees	41,750	31,626	31,500	(10,250)	-24.55%	(126)	-0.40%
Management Fee	55,000	55,856	57,000	2,000	3.64%	1,144	2.05%
Administrative	20,500	19,741	19,000	(1,500)	-7.32%	(741)	-3.75%
Real Estate Tax	1,324,000	1,301,497	1,419,697	95,697	7.23%	118,199	9.08%
Income and Other Taxes	15,500	14,245	15,000	(500)	-3.23%	755	5.30%
Debt Service	161,250	161,252	161,250	(0)	0.00%	(2)	0.00%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 2,293,000</b>	<b>\$ 2,242,425</b>	<b>\$ 2,361,947</b>	<b>\$ 68,947</b>	<b>3.01%</b>	<b>\$ 119,521</b>	<b>5.33%</b>
<b>Reserve for Capital Expense</b>	<b>\$ 171,000</b>	<b>\$ 171,000</b>	<b>\$ 150,000</b>				
<b>OPERATING INCOME (LOSS)</b>	<b>\$ 1,769</b>	<b>\$ 97,970</b>	<b>\$ 0</b>	<b>0.00%</b>			
<b>Transfer Fee</b>	<b>0</b>	<b>160,120</b>	<b>0</b>				
<b>TOTAL INCOME</b>	<b>\$ 1,769</b>	<b>\$ 258,090</b>	<b>\$ 0</b>				
<b>Transfer Fee</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>				
Engineer & Architect Fees	-	18,352	-				
Permits & Filings	-	3,664	-				
Local Law 10/11	-	-	-				
Iron Work Project	-	-	-				
Landscaping	-	-	-				
Roof Project	-	8,500	-				
Window Project	-	-	-				
Intercom Project	-	-	-				
Garage Ramp	-	-	-				
Garage Roof	-	-	-				
Apartment Project	-	20,687	-				
Hallway Project	-	-	-				
<b>TOTAL CAPITAL PROJECTS</b>	<b>-</b>	<b>51,203</b>	<b>-</b>				
<b>NET INCOME (LOSS)</b>	<b>0</b>	<b>46,767</b>	<b>0</b>				
<b>NET INCOME (LOSS)</b>	<b>\$ 0</b>	<b>\$ 46,767</b>	<b>\$ 0</b>				



**350 BLEECKER STREET APARTMENT CORP.**  
**NOTICE TO ALL RESIDENTS**

**SMOKING POLICY**

The Co-op's Smoking Policy, which is set forth in the House Rules, is as follows:

There is **No Smoking** anywhere in the building, from the roof to the basement, including the garage, other than in a resident's apartment. There will be a fine of \$2,500 if any resident or invitee of a resident smokes in any area of the building outside that resident's apartment.

The "Co-op Fees & Fines" Schedule, which is incorporated by reference and is part of the House Rules, further states under "Building Fines": Smoking in any of the building's common areas, including but not limited to the Roof Garden, Courtyards, basement, stairwells, garage, lobby, etc. is **strictly prohibited**. A fine of \$2,500 will be assessed to the Shareholder or resident for his/her guests violating the No Smoking Policy. The Roof Deck Rules also specify that smoking is prohibited on the Roof Deck and each violation is subject to a fine of \$2,500.

**I/We have read and acknowledge the above information regarding the Co-op's Smoking Policy.**

Signed \_\_\_\_\_ Name \_\_\_\_\_ Date \_\_\_\_\_

Signed \_\_\_\_\_ Name \_\_\_\_\_ Date \_\_\_\_\_